MAYNILAD

CERTIFICATION

I, **RICARDO F. DE LOS REYES**, Chief Finance Officer of Maynilad Water Services, Inc. with SEC registration number A199611651 with principal office at Maynilad Building, MWSS Complex, Katipunan Avenue, Pansol 1119 Quezon City, do hereby certify and state that:

1. I have caused this SEC Form 17-A for the year ended December 31, 2025 to be prepared on behalf of Maynilad Water Services, Inc. (the "Company");
2. I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3. The Company will comply with the requirements set forth by the Securities and Exchange Commission (the "SEC") for a complete and official submission of reports and/or documents through electronic mail;
4. The e-mail account designated by the Company pursuant to the SEC Memorandum Circular No. 28, 2020 shall be used by the Company in its online submissions to the Corporate Governance and Finance Department (the "CGFD").

APR 14 2026

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ 2026 at QUEZON CITY City.

RICARDO F. DE LOS REYES
Chief Finance Officer

APR 14 2026

SUBSCRIBED AND SWORN to before me on this _____ day of _____ 2026 at QUEZON CITY City, affiant personally appeared before me and exhibiting to me his Passport No. P4333942B with date and place of issue of 09 January 2020, DFA Manila.

Doc. No. 51;
Page No. 12;
Book No. VIII;
Series of 2026.

ATTY. MANNY V. GRAGASIN
NOTARY PUBLIC
COMMISSION NO. 075 UNTIL DEC. 31, 2026 Q.C.
DPOS BLDG. GRD. FLR. QUEZON CITY HALL
IBP NO. 488436 / 12-27-24 / QUEZON CITY
PTR NO. 8390688 / 01-05-26 / QUEZON CITY
ROLL OF ATTORNEY'S NO. 66070
MCLE NO. VIII-0040298
TIN NO. 243-085-918

COVER SHEET

for

SEC FORM 17-A

SEC Registration Number

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COMPANY NAME

MAYNILAD WATER SERVICES, INC.

AND SUBSIDIARIES (A Subsidiary

of Maynilad Water Holding Com

pany, Inc.)

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

Maynilad Building, MWSS Comple

x, Katipunan Avenue, Pansol

1119 Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@mayniladwater.com.ph	8920-5485	09985305923

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
21	4th Tuesday of April	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Ricardo F. de los Reyes	Ricardo.delosReyes@ mayniladwater.com.ph	8981-3310	–

CONTACT PERSON's ADDRESS

Maynilad Building, MWSS Complex, Katipunan Avenue, Pansol, 1119 Quezon City

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-A

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

1. For the Fiscal Year Ended: **December 31, 2025**

2. SEC Identification Number: **A1996-11651**

3. BIR Tax Identification No.: **005-393-442-000**

4. Exact Name of Registrant as Specified in its Charter: **MAYNILAD WATER SERVICES, INC. (formerly, BENPRES-LYONNAISE WATERWORKS, INC.) ("Maynilad" or the "Corporation")**

5. Province, Country, or Other Jurisdiction of Incorporation or Organization: **Quezon City, Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of Issuer's Principal Office: **Maynilad Building, MWSS Complex, Katipunan Ave., Pansol, Quezon City**

8. Postal Code: **1119**

9. Registrant's Telephone Number, Including Area Code: **(632) 8920-5485**

10. Former Name, Former Address, & Former Fiscal Year, if Changed Since Last Report: **Not Applicable**

11. Securities Registered Pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	**7,402,603,600 Shares**
Series A Blue Bonds Due 2029	**₱9,000,000,000.00**
Series B Blue Bonds Due 2034	**₱6,000,000,000.00**

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

Yes (x) No ()

13. Check whether the Registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that the registrant was required to file such reports);

Yes (x) No ( )

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

Yes (x) No ( )

14. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

The aggregate market value of voting stocks held by non-affiliates representing 29.04% of the outstanding common stocks amount to approximately ₱43,209 million, computed based on the last share transaction at ₱20.10 per share.

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PART I

THE BUSINESS AND GENERAL INFORMATION

Any references in this report to "our", "we", "Corporation", or "Maynilad Water Services, Inc." shall refer to Maynilad Water Services, Inc. and its subsidiaries. Any reference to "Maynilad" and "Company" shall refer to the Parent Company only.

Item 1. Business

Overview

Maynilad Water Services, Inc. is a leading global water utility player operating the largest water concession by population served within a single concession area in the Philippines and in Southeast Asia, according to GlobalData.

We are a pure-play and integrated primary provider of sustainable water and wastewater services for the "West Zone", which spans across 11 cities in Metro Manila, three of which we partially cover, as well as three cities and three municipalities in the Cavite Province in the Philippines. As a pure-play sustainable water and wastewater solutions provider, we generate most of our revenue from sustainable business activities. As of December 31, 2025, the West Zone covered 540 sq. km with a population of over 10.5 million people. Through our subsidiaries, we operate our other businesses outside of the West Zone, including (i) waterworks construction, engineering and engineering consulting, (ii) supply of treated bulk water and (iii) operation of water supply and water and sewerage systems. We have over 27 years of experience, including 17 years under our current ownership, in servicing our customers and have grown into one of the largest private water companies in the Philippines in terms of customer base according to GlobalData. As of December 31, 2025, we had a total of 1,563,344 billed connections consisting of domestic (residential and semi-business) and non-domestic (commercial and industrial) customers which, collectively, covered 94.8% of the West Zone's population from 677,985 billed connections as of December 31, 2006. We are committed to delivering safe, affordable and sustainable drinking water and sanitation services to meet our customer's essential needs while responsibly managing natural resources and minimizing our environmental footprint.

Our principal shareholder is Maynilad Water Holding Company, Inc. ("**MWHCI**") which, as of the date of this report, had an interest of 66.78% in our Company. Through MWHCI, we enjoy the support of large conglomerates in the Philippines and Japan, namely Metro Pacific Investments Corporation ("**MPIC**"), DMCI Holdings, Inc. ("**DMCI**") and Marubeni Corporation ("**Marubeni**") through its subsidiary, MCNK JV Corporation, with shareholdings of 51.3%, 27.2% and 21.5% in MWHCI, respectively. MPIC also directly owned 4.0% of our Company as of the same date.

Since February 1997, we have provided water and wastewater services in the West Zone under the concession agreement (the "**Original Concession Agreement**") with MWSS. The original 25-year term of the concession was set to expire in 2022. However, in 2010, a 15-year extension of the term of the concession was approved, which extended such term until May 2037. In May 2021, we signed a revised concession agreement (the "**Revised Concession Agreement**") which confirmed, among other things, this extension of the concession term until 2037. In May 2023, the Revised Concession Agreement was further amended, but the term of the concession remained unchanged.

In December 2021, the Philippine Congress enacted the Franchise to establish, operate and maintain a waterworks system and provide sewerage and sanitation services in the West Zone. The Franchise became effective on January 22, 2022, granting us the right to provide water, sewerage and sanitation services in the West Zone until January 21, 2047. While the Franchise establishes our broad authority to provide water and wastewater services in the West Zone, the Revised Concession Agreement governs the specific terms, obligations and conditions of our operations under MWSS supervision.

Concession Agreement

As previously stated, Maynilad entered into the Original Concession Agreement ("**OCA**") with the MWSS on February 21, 1997. Under the OCA, MWSS granted Maynilad, as agent, the right to perform certain functions and to exercise certain rights and powers under the MWSS Charter, and as contractor, the sole right to manage, operate, repair, decommission and refurbish all fixed and movable assets required (except certain retained assets of MWSS) to provide water and wastewater services in the West Service Area, as defined in the OCA. This includes the right to bill and collect for water and wastewater services supplied in the West Service Area for 25 years or until May 6, 2022 (the "**Expiration Date**").

In April 2011, the Expiration Date was extended for 15 years, moving it to July 31, 2037, unless the OCA is pre-terminated due to an event of default. The MWSS approved the 15-year extension of the OCA in 2009 and it was duly acknowledged by the Republic of the Philippines ("**RoP**"), through a Letter of Consent and Undertaking dated March 17, 2010 ("**Republic Undertaking**").

Maynilad is also tasked to manage, operate, repair, decommission and refurbish certain specified MWSS facilities in the West Service Area. The legal title to these assets remains with MWSS. However, legal title to the property, plant and equipment that Maynilad contributes to the existing MWSS system during the concession period remains with Maynilad until the Expiration Date (or on early termination date), at which time, all rights, titles and interest in such assets will automatically vest in MWSS.

In January 2020, then President Rodrigo Duterte ordered the review of the terms of the OCA of Maynilad and Manila Water. He caused the establishment of the Concession Agreements Review Committee ("**RevCom**") to review the OCA and to submit its recommendations to the President. The RevCom was composed of the Executive Secretary, the Secretaries of the Departments of Justice and Finance, the Solicitor General, the Government Corporate Counsel and the Presidential Adviser on Flagship Programs and Projects.

On May 18, 2021, Maynilad and MWSS signed the Revised Concession Agreement ("RCA"), the notable provisions of which are the following:

1. Confirmation of the July 31, 2037 Expiration Date;
2. Imposition of a tariff freeze until December 31, 2022;
3. Removal of the corporate income tax from among Maynilad's recoverable expenditures as well as the Foreign Currency Differential Adjustment ("**FCDA**");
4. Capping of the annual inflation factor to 2/3 of the Consumer Price Index ("**CPI**");
5. Imposition of rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of the previous standard rate;
6. Removal from the Republic Undertaking of the non-interference of the Government in the rate-setting process, and the limitation of the RoP's financial guarantees to cover only those loans and contracts that are existing as of the signing of the RCA;

7. Replacement of the market-driven Appropriate Discount Rate with a 12% fixed nominal discount rate; and

8. Retention of the rate rebasing mechanism where, subject to the rate caps in item 5 above, the rates for the provision of water and wastewater services will be set at a level that will allow Maynilad to recover, over the term of the concession, expenditures efficiently and prudently incurred and to earn a reasonable rate of return.

On January 22, 2022, the Franchise took effect. RA 11600, which granted Maynilad a 25-year franchise or until 2047 to "establish, operate and maintain a waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and Province of Cavite," recognized the OCA and the 2010 Memorandum of Agreement that extended the term of the concession for 15 years, or until 2037.

On August 9, 2022, pursuant to RA 11600, Maynilad formally applied for a 10-year extension of the RCA with the MWSS to be able to provide affordable water to its customers and mitigate anticipated tariff increases. On September 6, 2022, Maynilad provided MWSS the preliminary tariff impact simulations, and highlighted the fiscal benefits of a 10-year extension of the RCA.

In a subsequent letter dated September 14, 2022, Maynilad proposed to the MWSS certain amendments to the RCA, which include: (a) reinstatement of the FCDA mechanism; (b) reinstatement of the full CPI Adjustment; and (c) review of the exclusions from the Material Adverse Government Action provision. Such request was made on account of certain events, i.e., the COVID-19 pandemic, the Ukrainian conflict and the significant depreciation of the Peso, which not only posed a challenge to Maynilad's operations but have also highlighted the need to ensure that the Concession Agreements are future-proof and the customers are guaranteed continuity of service.

On May 10, 2023, MWSS and Maynilad signed the Amendments to the RCA, among which include the following highlights:

1. Adjustment in the CPI factor from 2/3 to ¾ of the percentage change in the CPI for the Philippines;

2. Reinstatement of the FCDA, but only with respect to the (a) MWSS loans that are being and will be serviced by Maynilad, and (b) principal payments for drawn and undrawn amounts of Maynilad's foreign currency denominated loans existing as of June 29, 2022;

3. Introduction of a modified FCDA ("**MFCDA**") for Maynilad loans contracted after June 29, 2022. The FCDA and MFCDA mechanisms are based on the principle of "no over or under recovery" and does not impact the company's revenue position. However, this mechanism may be availed of only when there is an "extraordinary inflation" or "extraordinary deflation" of the Philippine Peso (i.e., more than 20% change in the base exchange rate), and the amount that may be recovered is capped (i.e., up to 50% of actual net forex gain over a period of one year);

4. Exclusion of certain events from what may not be considered as Material Adverse Government Action such as the amendment of existing rules, regulations, and other issuances resulting from acts of the legislative and judicial branches of government and delay or inaction by the Regulatory Office ("**MWSS-RO**") on applications relating to rate adjustments filed by the Concessionaire; and

5. Deletion of the composition and decisions of the MWSS-RO from what may not be subject to arbitration.

The Amendments to the RCA took effect retroactively on June 29, 2022, the date of effectivity of the RCA.

Along with the Amendments to the RCA, the RoP issued, on May 10, 2023, the Republic Undertaking in the form agreed on by the Parties, the effectivity of which retroacted to July 1, 2022.

Pursuant to the requirement for a public hearing, Maynilad and the MWSS-RO conducted a public hearing/consultation on December 4, 2023 at the World Trade Center in Pasay City. On December 12, 2023, the MWSS-RO approved Maynilad' application to extend the term of its RCA from 2037 to 2047. Finding that the extension of the concession term will serve the best interest of the public, the MWSS BOT also approved Maynilad's 10-year extension application, subject to the requirement in Section 17.2 of the RCA that amendments thereto be acknowledged by the RoP, acting through the Secretary of Finance. As of the date of this report, the Company is awaiting the review and approval by the NEDA Board and the acknowledgement of the Republic of the Philippines through the Secretary of Finance of the 10-year extension of the Revised Concession Agreement.

RA 11600 – Maynilad's Legislative Franchise

RA 11600 grants Maynilad, a 25-year franchise to "establish, operate and maintain a waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and Province of Cavite." RA 11600 affirms Maynilad's authority to provide waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and the Province of Cavite. RA 11600 took effect on January 22, 2022, 15 days after its publication in the Official Gazette on January 7, 2022. The 25-year term will end on January 21, 2047.

Aside from the grant of a 25-year franchise to Maynilad, the other highlights of RA 11600 include the following:

i. The grant of authority to the MWSS, when public interest for affordable water security so requires and upon application by Maynilad, to amend Maynilad's RCA to extend its term (i.e., 2037) to coincide with the term of the franchise. In addition, the RCA shall also act as Maynilad's Certificate of Public Convenience and Necessity for the operation of its waterworks and sewerage system. In the event the waterworks and sewerage system assets of MWSS pertaining to the Franchise Area are privatized by law, Maynilad shall have the right to match the highest compliant bid after a public bidding. The RCA between MWSS and Maynilad shall remain valid unless otherwise terminated pursuant its terms, or invalidated when national security, national emergency or public interest so requires;

ii. The prohibition on the passing of corporate income tax to Maynilad customers.

iii. The requirement to publicly list at least 30% of Maynilad's outstanding capital stock within five years from the grant of the franchise;

iv. The completion of Maynilad's water and sewerage projects to attain 100% coverage by 2037, which shall include periodic five-year completion targets; and

v. The grant to Maynilad of the right of eminent domain insofar as it is may be reasonably necessary for the efficient establishment, improvement, upgrading, rehabilitation, maintenance and operation of the services, subject to the limitations and procedures under the law.

RA 11600 also has an equality clause which grants Maynilad, upon review and approval of Congress, any advantage, favor, privilege, exemption or immunity granted under existing franchises or which may be granted subsequently to water distribution utilities.

On March 21, 2022, the MWSS BOT passed Resolution No. 2022-025-RO, Series of 2022 (the "**Resolution**") which deals with the tax implications following the effectivity of the legislative franchise granted to the Concessionaires.

The Resolution confirmed that beginning March 21, 2022, which was when the Concessionaires formally accepted the terms of their respective legislative franchises, the charges for water and wastewater services will no longer be subject to the 12% VAT, but will be subject to Other Percentage Tax ("**OPT**").

The OPT, which shall be reflected as "Government Taxes" in the customers' statement of account, consists of (i) the 2% national franchise tax, and (ii) the local franchise tax implemented by the respective local government units where the Business Area offices of the Concessionaires are located.

Employees and Labor Relations

As of December 31, 2025, we had 2,351 employees located in the Philippines, comprising 573 executives and managerial employees, 423 supervisory employees and 1,355 rank-and-file employees. As of December 31, 2025, we had 2,264 regular employees, 87 probationary employees and 567 contractual employees. Regular employees are those hired on a permanent basis, probationary employees are those that are assessed for a certain period before qualifying to be regular employees, and contractual employees are those engaged for specific projects or fixed- term assignments. Among our 2,351 employees, 1,531 are between the ages of 31 and 50, while 605 are under the age of 30 and below. The table below sets forth the breakdown of our employees by rank as of December 31, 2025.

Types of Employees	Number of Employees
Executives	80
Managerial	493
Supervisory employees	423
Rank-and-file employees(1)	1,355
Total	**2,351**

Note:

(1) Our total employees exclude 567 contractual employees as of December 31, 2025.

We have two CBAs with our labor unions: (i) MWSA, for our supervisory employees and (ii) MWSU-PTGWO, for our rank-and-file employees. Our CBAs with our supervisory employees and rank-and-file employees will expire on November 30, 2026 and December 31, 2026, respectively, subject to negotiations on the economic provisions three years after the effectivity period. On November 21, 2024, we commenced negotiations with our supervisory employees for the renewal of the economic provisions of their CBA for the years 2024 and 2025. Since 2019, there have been no strikes or labor unrest by our labor unions (both rank-and-file employees and supervisory employees), and we have not been involved in any labor disputes having a material adverse effect on our results of operations and financial condition.

Management believes that our current relationship with our employees is generally good and neither we nor any of our subsidiaries have experienced a work stoppage as a result of labor disagreements. We offer competitive compensation packages meticulously benchmarked with industry standards, job levels and compensation ranges. In addition, we have monthly employee engagement programs and competency-based trainings and workshops for all employee levels to enhance their professional, technical, and leadership skills. Other foundational and compliance-related opportunities are also available for employees.

Operations (West Zone Concession)

The entire water supply chain typically encompasses the extraction of water from natural sources, followed by its treatment at water treatment facilities to ensure it meets health standards, and then its transportation and distribution to consumers through an extensive network of pipelines, reservoirs, and pumping stations. In 2025, the West Zone Concession successfully delivered an average of 2,326 million liters per day (MLD) of clean, potable water to its customers. Over the course of the year, the concession billed a total volume of 558.80 million cubic meters (MCM) of water.

West Zone includes area covering portions of Metro Manila and parts of Cavite Province. The West Zone is comprised of 11 cities within Metro Manila, including sections of the cities of Manila, Quezon, and Makati, as well as the entirety of Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon. Our service area also extends to three cities in Cavite—Bacoor, Imus, and Cavite City—and three municipalities, namely Kawit, Noveleta, and Rosario. Overall, we cover 540 square kilometers and serve approximately 10.5 million residents through 1.57 million active water service connections.

Water Source

Under the Revised Concession Agreement, the MWSS holds the responsibility for providing raw water to our distribution network. According to the terms of the agreement, MWSS is obligated to supply us with a minimum daily quantity of 2,400 MLD. In the event that MWSS is unable to meet this supply threshold, our company is tasked with the responsibility of equitably distributing the available water among our consumers, ensuring fair and balanced allocation in such instances of short supply.

Concessionaires rely substantially on surface water from the Umiray, Angat and Ipo River systems, which are collected and impounded through the Angat Dam, and conveyed subsequently through the Ipo Dam. As of December 31, 2025, approximately 83.26% of the water supply based on production capacity originates from the Angat Dam. Concessionaire also source surface water from Laguna de Bay, the largest lake in the Philippines. Surface water that we abstract from Laguna de Bay accounts for approximately 15.56% of our water supply while the remaining 1.90% are from Cavite rivers, groundwater and effluent of wastewater facilities which part of the Company's contingency plan to address water shortage.

Water Treatment

The Company has diversified its water sources by adding an additional treatment plant that draws water from various sources, including Laguna Lake, Cavite rivers, and the effluent from its water reclamation facilities.

The Company now operates eight water treatment plants (WTPs). These plants are crucial for treating raw water sourced from rivers, lakes, and other natural resources. Each facility is equipped with technology tailored to the specific quality of the incoming water, allowing us to comply with the Philippine National Standards for Drinking Water (PNSDW) and ensuring the water is safe for consumption. Once treated, the water is ready for distribution to customers.

The La Mesa Treatment Plant 1 and La Mesa Treatment Plant 2 are located within the La Mesa Compound and treat 1,500 MLD and 900 MLD of water, respectively, supplying potable water to approximately 6.0 million and 3.6 million people within the West Zone.

The Putatan Water Treatment Plant 1 and Putatan Water Treatment Plant 2 are located in Putatan, Muntinlupa City, drawing raw water from Laguna de Bay. These plants are the largest membrane-based water treatment plants in the Philippines, each capable of producing 150 MLD of potable water and supplying potable water to approximately 1.6 million people within the West Zone.

The Poblacion Water Treatment Plant is located in Muntinlupa City and draws raw water from Laguna de Bay. It began treating water in December 2023 with an initial output of 50 MLD, and has since reached full capacity of 150 MLD as of December 31, 2025.

The Anabu Modular Treatment Plant is a membrane-based water treatment plant with a design capacity of 12 MLD. This facility converts raw water from the Anabu Dam into potable water, which is then directly blended into the distribution system.

The Valenzuela Modular Treatment Plant is capable of treating 1 MLD of water from the Tullahan River or effluent from the Valenzuela water reclamation facility, supplying potable water to approximately 329 service connections in Valenzuela City.

The Parañaque NEW WATER Treatment Plant is a membrane-based water treatment plant with a design capacity of 5 MLD. This facility converts treated effluent from the Parañaque water reclamation facility into potable water, which is directly blended into the distribution system. This water treatment plant represents the Company's initial venture into "potable water reuse" – a process that converts used water into potable water. It is part of the Company's effort to develop alternative raw water sources and reduce reliance on Angat Dam, the single major supply source for 15 million consumers in Metro Manila. The plant was first commissioned in 2022 and treats effluent through a rigorous process to fully convert the treated used water into "NEW WATER" that complies with PNSDW. This multi-stage treatment process includes pressurized media filtration, ultrafiltration, reverse osmosis, and post-chlorination. By reusing the treated effluent from our water reclamation facilities, we maximize this previously untapped resource to generate more water for distribution.

The Parañaque NEW WATER Treatment Plant was recognized as the "Water Reuse Project of the Year" at the Global Water Awards. The Company are in the process of expanding our NEW WATER output by constructing similar treatment facilities that will convert treated and used water from our other water reclamation facilities into potable water for distribution.

Water Distribution

As of December 31, 2025, the Company maintained and operated 7,858 km of primary, secondary and tertiary pipelines compared to 4,576.0 km in 2006. Along this network, we have 39 reservoirs that enhance holding capacity and ensure efficient distribution of supply. Our water distribution system has been certified ISO 9001:2015, ISO14001:2015 and ISO 45001:2018. It stretches from North Caloocan to Cavite Province with a design capacity of up to 2,892.0 MLD of potable water for 10.5 million of our customers.

As of December 31, 2025, we serve 95% of the West Zone's estimated population, ensuring 24-hour availability to 98% of our customers at an average pressure of 7 psi.

To implement its water distribution services, the Company divides the West Zone into two districts: the North District and the South District. The North District utilizes a combination of gravity and pump-fed distribution systems due to the higher elevation in North Caloocan, Valenzuela, and Commonwealth and Novaliches in Quezon City. Large pumps at the La Mesa Pump Station boost treated water to achieve the required water pressure. The South District relies on a gravity-fed system, with water supply coming from the 200-ML Bagbag reservoir. Major pump stations, such as the PAGCOR, Pasay, and Villamor pump stations, boost water to the southernmost portions of the concession area in Pasay, Parañaque, Las Piñas, and Cavite. The Putatan Water Treatment Plant also supplies water to portions of Las Piñas and Muntinlupa through the Putatan water pump station.

Water distribution is managed through the Maynilad Central Control Room (CCR), a centralized point where water supply systems are remotely monitored, tracking variables such as flow, pressure, and water

quality. The CCR also enables the automatic control of appurtenances like pumps and valves. Through the establishment of the Control Center, the Company has gained the capability to monitor water supply operations in real-time, 24/7. This allows for rapid data analysis and prompt responses to operational changes or anomalies, enhancing overall efficiency and reliability.

The Control Center plays a crucial role in managing and responding to the continuous and growing demands and expectations of customers. Through this advancement, the Company aims to provide improved service and customer experiences in the West Zone efficiently. To mitigate potential risks, investments have been made in remote backup systems, ensuring their availability for use without significant disruptions.

Capital investments in the water distribution system have resulted in an increase in service coverage from 77.8% in 2006 to 95.0% as of December 31, 2025.

Overall water interruptions significantly improved in 2025, driven by a substantial reduction in unplanned and recurring events. Unplanned interruptions decreased by 24.0% (128M WSC-Hr), reflecting improved system reliability and operational control. While planned interruptions increased by 43.0% (16.8M WSC-Hr), these were largely proactive activities to support maintenance and long-term service stability. As a result, total water interruptions declined by 20.0% (111M WSC-Hr) year-on-year, demonstrating a net positive impact on customer service continuity

The Service Level performance shows a consistent improvement year-on-year. In 2024, the actual service level was recorded at 91.5%. For 2025, the target was set at 90.9%, and the current 2025 actual performance has already reached 91.8%, exceeding both the 2024 actual by 0.3% and the 2025 target by 0.9%.

Service coverage improved from 94.8% in 2024 to 95.0% in 2025, meeting both the 2025 target and the year-end target. This represents a 0.2% increase year-on-year, indicating continued expansion of water service reach across the concession area.

Overall, the combination of strong operational performance and strategic capital projects supports sustained improvement in service levels and long-term reliability for customers.

Non-Revenue Water (NRW)

NRW refers to the volume of water lost within the distribution system. It is composed of two components: physical loss, which is due to leakages in the system (reservoirs, transmission lines, main lines, service pipes and meter risers up the customer meters), and commercial loss, which is caused by unauthorized consumption, meter under-registration and billing errors. The NRW is calculated as the percentage of water lost relative to the net volume of water supplied. The Company believes that reducing NRW leads to significant cost savings. By optimizing water production requirements and minimizing losses, the Company can effectively reduce downstream water distribution costs. Additionally, this approach supports the implementation of further mitigation measures to ensure consistent and reliable service.

To manage NRW, the Company implements the District Metered Area ("**DMA**") program. DMAs are small, isolated areas where the volume of water entering and leaving the system is measured and the corresponding billed consumption for the same areas are accounted. Each DMA has a single water entry point and a single water outflow point, enabling effective monitoring, control, and distribution of water. The NRW in the DMA represents the losses in the secondary and tertiary lines, pipes whose diameters are 300mm and below. Water balance is computed for each DMA and the appropriate action is implemented depending on the nature of the NRW.

Maynilad also established Hydraulic Systems ("**HS**"), which are clusters of DMAs including the primary lines, or lines whose diameters are larger than 300mm. Similarly, the NRW for each HS can be measured. The difference between the HS NRW and the DMA NRW represents the losses in the primary and secondary lines.

As of the end of 2025, the Company has established 170 HS, which have been subdivided into 1,647 DMAs, approximately covering 100% of the West Zone.

In order to reduce the physical component of NRW, Maynilad implements the active leakage control program, which involves the speedy and quality repair of both surfacing and non-surfacing leaks. Non-surfacing leaks are localized and pin-pointed thru leak detection. Maynilad has a pool of highly trained and experienced personnel who use sophisticated leak detection equipment. To compliment leak detection, Maynilad also uses artificial intelligence, satellite and the calibrated hydraulic model in finding the leaks.

The Company replaces the pipes that were identified to be heavily deteriorated. Prioritization is based on the volume of water being lost, leakage history, pipe material, age of the pipes and maintenance history.

Maynilad also implements pressure management in order to minimize leakages and prolong the life of the pipelines. Pressures in the distribution system are optimized without compromising the water pressure and availability in the customers. Pressure control is achieved through the installation of and variable frequency drives ("**VFD**") in pumping stations and pressure-regulating valves ("**PRV**") at the inlets of DMAs.

The Company's enhanced focus on reducing NRW led to the repair of 70,373 leaks in 2025, marking a 22.0% increase compared to the 57,682 leaks repaired in 2024. Since 2006, approximately 3,454 kilometers of pipelines have been replaced.

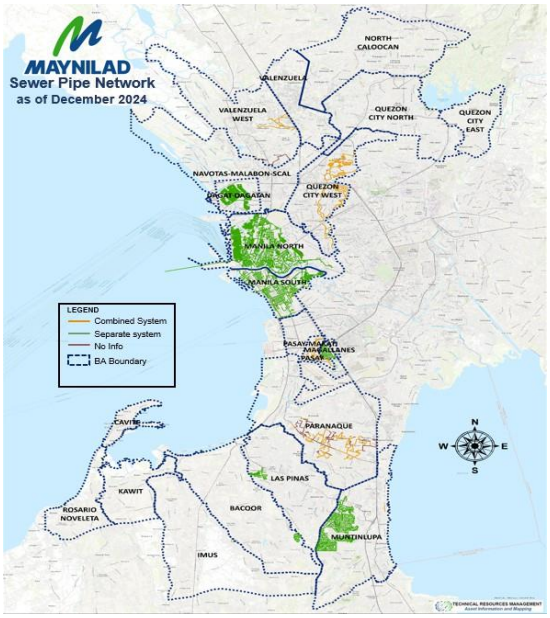
To address commercial losses due to meter under-registration, Maynilad implements the regular replacement of customer water meters. The meter sizes and consumptions of large accounts are also monitored to ensure the accurate and reliable measurement of customer consumption.

For unauthorized consumption, Maynilad formed the anti-illegal connection section to intensify the identification and closing of such accounts. Maynilad regularly conducts consumption analysis and investigates accounts with suspiciously low water bills.

As a result of these efforts, the Company's NRW, which represents the difference between the volume of treated water produced by the water treatment plants and the volume billed to customers, has significantly decreased from 66.4% as of December 31, 2006, to 30.8% as of December 31, 2025. Furthermore, the 24-hour availability of the water supply has improved from 32.0% as of December 31, 2006, to 98.3% of billed connections as of December 31, 2025. The Company aims to further reduce NRW to 25.0% by 2027 and to 20.0% by 2030. The target is to maintain NRW levels at 20.0% through the end of the concession period, considering the economic trade-offs of further reductions.

Sewerage Systems and Sanitation

The Company provides sewerage and sanitation services by operating new and existing sewerage systems and treatment facilities within the West Zone. As of December 31, 2025, the total length of our active sewer network was 653.7 km as set out in the map below, compared to a sewer network of 425.0 km as of December 31, 2006.



The Company operates sewerage systems that collect wastewater generated from households and establishments, which are then conveyed to our sewage treatment facilities for treatment prior to disposal. As of December 31, 2025, we operated 24 wastewater treatment facilities with a total capacity of approximately 743.5 MLD for the treatment and disposal of sewage and 1.2 MLD for the collection, treatment and disposal of septage generated in the West Zone, compared to 458.0 MLD and 0.5 MLD, respectively, as of December 31, 2006. We are in the process of retrofitting and upgrading our wastewater facilities in Caloocan and Manila in compliance with DENR effluent standards, commissioning of newly constructed facilities in Valenzuela, Cupang and Tunasan in Muntinlupa, and constructing new facilities in Las Piñas and Bacoor. In conjunction with these upgrades, we plan to expand our operations to include 28 wastewater treatment plants by 2027. As of December 31, 2025, we also operated 93 vacuum truck units, of which 89 are used for desludging individual septic tanks and transport and four are utilized for sewerage and support services.

Since our re-privatization, sewerage coverage, representing a percentage of the population of the West Zone connected to our sewerage pipeline, increased from 6.0% as of December 31, 2006 to 35.0% of our water-served population as of December 31, 2025, serving over 3.6 million customers. Sanitation coverage, representing the number of people that have been offered desludging services over a Rate Rebasing cycle, increased from 170,157 accounts as of December 31, 2006 for the 2002 to 2006 cycle to 877,286 accounts as of December 31, 2025 for the 2022 to 2026 cycle. Beginning 2022, total wastewater coverage was assessed by combining our sewerage and sanitation coverage. To enhance this coverage, we consistently implement projects aimed at expanding our sewerage network, while aiming to provide sanitation services to address the needs of customers not yet connected to our system.

While our primary obligation is to provide wastewater services to our domestic customers, we also extend our services to non-domestic customers, provided their wastewater meets domestic quality standards and does not constitute industrial-grade wastewater.

Water Quality

To ensure that the water supplied to customers is safe to drink, the Company strictly and continuously monitors water quality at the treatment plants and throughout the distribution system. In 2021, the Company launched its dedicated WATERLab, equipped with advanced analytical instruments to monitor and test water quality and wastewater effluents from various sampling points across the West Zone. WATERLab is ISO 17025:2017 accredited, IMS and BCMS-certified, and Biosafety Level II compliant. It is also capable of identifying chemicals regulated by the PNP and the PDEA. In 2025, WATERLab became the first water utility in the Philippines to earn the My Green Lab Certification.

Water at the treatment plants undergoes daily bacteriological and physio-chemical analysis. The Company conducts sampling on its groundwater treatment works within the West Zone, which undergo monthly bacteriological and physio-chemical analysis. Sampling includes regular monitoring of water sources, treatment plants, service reservoirs, customer taps, and water reclamation facilities. Customer taps are sampled monthly for bacteriological quality and annually for other mandatory tests. The water quality consistently exceeds the standards set by the Philippine National Standards for Drinking Water ("**PNSDW**"), which are based on the World Health Organization's drinking water quality guidelines.

The Company is committed to maintaining compliance with all environmental standards within the water circular economy. To support this commitment, it has invested in equipping the treatment plants with dedicated 24/7 testing laboratories, staffed by technicians who conduct hourly testing of the facilities' end-products to ensure adherence to established standards. Additionally, the Company implements enhanced processes, including intensified pipe filling, accelerated pipe replacements, expedited leak repairs, and the closure of illegal connections that could contaminate the water supply. The Company also conducts regular flushing of its pipelines to ensure the delivery of clean and safe water to consumers.

Competition

While other private entities, such as PrimeWater, operate in certain areas of the West Zone under licenses granted by the NWRB, we do not face direct competition in our principal areas of operation, as we operate in a highly-regulated industry in a specified concession area.

Intellectual Property

We own exclusive rights to our corporate name. A summary of our material intellectual property is set out below:

Mark		Registration Period	Validity Period	
			From	To
Maynilad	Maynilad logo	4/2019/00007795	September 8, 2019	September 8, 2029
Maynilad Higit sa tubig ang aming serbisyo	*Higit sa tubig ang aming serbisyo*	4/2019/00007798	September 8, 2019	September 8, 2029

Mark		Registration Period	Validity Period	
			From	To
	Mayni-LAD	4/2019/00007796	September 8, 2019	September 8, 2029
	Tubee	4/2019/00007797	September 8, 2019	September 8, 2029
	Maynilad logo	*Registration being processed under E-filing No. EFPH 202400002757273*	*Registration being processed under E-filing No. EFPH 202400002757273*	*Registration being processed under E-filing No. EFPH 202400002757273*

We registered a utility model for a system for meter reading and on-site utility billing on December 2, 2020, which includes a computing apparatus, a portable billing terminal and a portable bill printer. This system (i) collects information on water consumption, (ii) controls the operations of the portable bill printer and (iii) captures and collects images for documentation purposes. The utility model publication for the system was released by the Intellectual Property Office of the Philippines ("**IPOPHL**") on April 5, 2021 and is entitled to protection until December 2, 2027.

Further, we have a pending patent application for a computing system which has access control to application module functions using assignable permission groups and user profile filed on June 7, 2021. As of December 31, 2025, the patent remains pending with the IPOPHL.

Business Subsidiaries & Affiliate

We operate our other businesses outside of the West Zone through our subsidiaries and affiliate, including (i) waterworks construction, engineering and engineering consulting, (ii) supply of treated bulk water and (iii) operation of the water supply and water and sewerage systems.

Philippine Hydro, Inc.

Our wholly-owned subsidiary, PhilHydro, is engaged in waterworks construction, engineering, and engineering consulting services. It undertakes water supply projects outside Metro Manila pursuant to Presidential Decree No. 198 or the "Provincial Water Utilities Act of 1973", which mandates local government units to create and operate local water utilities and provide potable water to the public.

PhilHydro owns and operates four water treatment plants that supply treated bulk water to the Legazpi City Water District in Albay, the Water Districts of Norzagaray, Santa Maria, and Bocaue, all in Bulacan, the Residents of Rizal in Nueva Ecija, and the Water Districts of Bambang in Nueva Vizcaya. PhilHydro also owns and operates the treated water supply and distribution system of Rizal, Nueva Ecija. All of

PhilHydro's water treatment plants are under public-private partnership contracts with the Government, either directly contracting with the local government units or with government-owned and controlled corporations, such as water districts.

Amayi Water Solutions, Inc.
Amayi Water Solutions, Inc. ("**Maynilad Boac**") is engaged in the distribution of water in Boac, Marinduque (outside the West Zone). Maynilad Boac was incorporated for the purpose of operating, managing, maintaining and rehabilitating waterworks, wastewater and sanitation system and services outside the West Zone concession area. As of December 31, 2025, we owned 100% equity interest in Maynilad Boac.

On February 19, 2019, Maynilad Boac entered into a 25-year concession agreement with the Municipality of Boac for the financing, rehabilitation, development, expansion, improvement, operation and maintenance of the water supply system in its 41 barangays.

Maynilad Boac plans to implement projects that focus on the rehabilitation and expansion of the current water system in Boac. The existing pipelines, which cover approximately 24.0% of the service area, is expected to be replaced with larger pipes designed to accommodate the increasing demand in the area.

Maynilad Boac plans to lay new pipelines to expand services in 15 barangays, thus increasing its target service coverage to approximately 76.0%. Maynilad Boac plans to lay a total of 77 km of pipelines after completion of the rehabilitation and expansion program.

To cater to future demand of the municipality, Maynilad Boac plans to increase its water supply capacity to 17 MLD through the rehabilitation of two existing deep wells and the construction of eight new deep wells.

Maynilad Boac's operations of the existing water supply system were recently turned over by the local government unit to Maynilad Boac on January 23, 2024, and commercial operations commenced on February 1, 2024.

Subic Water and Sewerage Company, Inc.
On January 28, 2013, we won the bid to acquire 10% of Subic Water and Sewerage Company, Inc. ("**Subic Water**") from the city of Olongapo for ₱211.0 million. After the expiry of the right of first refusal of Subic Water's existing shareholders to acquire the shares, we signed the deed of sale for such acquisition on March 15, 2013.

Subic Water, our affiliate, operates the water supply and sewerage system in the Subic Bay Freeport Zone and the water system in Olongapo City, under a franchise agreement expiring in 2027.

Government Environmental Laws and Regulations & Compliance
Maynilad is dedicated to maintaining strict regulatory compliance, ensuring that all government laws and regulations are properly followed. Our commitment to environmental compliance reinforces national objectives by supporting the effective implementation of environmental laws.

To manage regulatory requirements efficiently, each business unit has designated Managing Heads, Pollution Control Officers, and Document Controllers. At the corporate level, the Sustainability Department provides oversight to ensure company-wide adherence to regulations and sustainability commitments.

As part of our management framework, aligned with international standards, Maynilad takes proactive steps to comply with environmental laws and other relevant regulations, including:

Environmental and Social Safeguards

- Presidential Decree 1586 – Philippine Environmental Impact Statement System
- DENR Administrative Order No. 30, Series of 2003 – Implementing Rules and Regulations for the Philippine Environmental Impact Statement System (PEISS)
- DENR MC No. 15, Series of 2011 – Incorporating Disaster Risk Reduction and Climate Change Adaptation
- DENR Administrative Order No. 27, Series of 2003 – Self-Monitoring Report System
- DENR Administrative Order No. 15, Series of 2017 – Guidelines on Public Participation under the PEISS
- DENR EMB MC No. 005, Series of 2014 – Revised Guidelines for Coverage Screening and Standard Requirements under PEISS
- DENR Administrative Order No. 02, Series of 2014 – Appointment/Designation of Pollution Control Officers
- DENR Memorandum Order No. 04, Series of 2023 – Additional Guidelines for Projects Applying for an Environmental Compliance Certificate which are within or with close proximity to Protected Areas and/or RAMSAR Sites
- DENR Administrative Order No. 11, Series of 2021 – Guidelines in the processing and issuance of permits for cutting, removal, and relocation of naturally growing trees
- DENR Memorandum Order No. 01, Series of 2025 – Updated Guidelines for the Environmental Impact Assessment (EIA) Process of Projects Applying for an Environmental Compliance Certificate which are within Protected Areas and/or RAMSAR Sites
- Republic Act No. 9175 (Chainsaw Act of 2002) and its Implementing Rules and Regulations under DENR Administrative Order No. 2003-04.
- Republic Act No. 8048 – Coconut Preservation Act of 1995 – an Act providing for the Regulation of the Cutting of Coconut Trees, Its Replenishment, Providing Penalties Therefor and for Other Purposes
- Republic Act No. 10593 – Amendments to RA 8048 (2013)
- Republic Act No. 7586 – National Integrated Protected Areas System (NIPAS)
- DENR Administrative Order No. 15, Series of 2017 – Guidelines on Public Participation under the Philippine Environmental Impact Statement (EIS) System
- DENR Administrative Order No. 08, Series of 2000 – Implementing Guidelines on Engineering Geological and Geohazard Assessment as Additional Requirement for ECC Applications

Water

- Presidential Decree 1067 – Water Code of the Philippines
- Implementing Rules and Regulations of PD 1067
- Philippine National Standards for Drinking Water 2017
- DOH Administrative Order No. 0027, Series of 2014 – Water Safety Plan
- Republic Act 9275 – Philippine Clean Water Act of 2004
- DENR Administrative Order No. 10, Series of 2005 – Implementing Rules and Regulations of RA 9275
- DENR Administrative Order No. 35, Series of 1990 – General Effluent Standards

- DENR Administrative Order No. 08, Series of 2016 – Water Quality Guidelines & General Effluent Standards
- DENR Administrative Order No. 19, Series of 2021 – Updated Water Quality Guidelines & General Effluent Standards for Selected Parameters
- DENR Administrative Order No. 39, Series of 2003 (Environmental Users Fees)
- DOH Operations Manual on the Rules and Regulations Governing Domestic Sludge and Septage

Air, Noise, and Energy

- Republic Act 8749 – Philippine Clean Air Act of 1999
- DENR Administrative Order No. 81, Series of 2000 – Implementing Rules and Regulations of RA 8749
- DENR EMB MC 17, Series of 2020 – Guidelines on the Issuance of Permit to Operate through the Online Permitting and Monitoring System
- DENR EMB MC 003, Series of 2022 – Amending Sec. 5 of MC 2016-008 relative to the Issuance of PTO to all Stand-by Generator Set without Requiring Source Emission Testing
- Executive Order 26, Series of 2017 – Providing for the Establishment of Smoke-Free Environments in Public and Enclosed Places
- EMB Memorandum Circular 003, Series of 2007 – Policy on Compliance and Permitting for Industrial Facilities Relating to Air Quality
- NPCC MC 002, Series of 1980 – Noise Control Regulations
- Republic Act 9136 – Electric Power Industry Reform Act of 2001
- Republic Act 11285 – Energy Efficiency and Conservation Act 2019
- DOE Circular 2019-11-0014 – Implementing Rules and Regulations of RA 11285
- DOE Circular 2020-05-001 – Directing all Designated Establishments under Commercial, Industrial, and Transport Sector to Submit Energy Consumption Reports
- DOE Circular 2021-01-0001 – Guidelines for the Qualifications, Assessment, Registration, and Certification of Energy Conservation Officers, Energy Managers, and Energy Auditors
- DOE Circular 2023-12-0037 – Reclassifying Designated Establishments in the Industrial Sector, adjusting their Threshold, and providing Compliance Guidelines pursuant to RA 11285
- Republic Act 9513 – Renewable Energy Act
- Republic Act 11697 – Electric Vehicle Industry Development Act

Solid Waste

- Republic Act 9003 – Ecological Solid Waste Management Act of 2000
- DENR Administrative Order No. 34, Series of 2001 – Implementing Rules and Regulations of RA 9003

Hazardous Wastes and Chemicals

- Republic Act 6969 – Toxic Substances, and Hazardous and Nuclear Waste Control Act of 1990
- DENR Administrative Order No. 29, Series of 1992 – Implementing Rules and Regulations of RA 6969
- DENR Administrative Order No. 22, Series of 2013 – Revised Procedures and Standards for

the Management of Hazardous Waste

- DENR Administrative Order No. 38, Series of 1997 – Chemical Control Order for Mercury & Mercury Compounds
- DENR Administrative Order No. 39, Series of 1997 – Chemical Control Order for Cyanide & its Compound
- DENR Administrative Order No. 02, Series of 2000 – Chemical Control Order for Asbestos
- DENR Administrative Order No. 02, Series of 2004 – Chemical Control Order for Polychlorinated Biphenyls
- DENR Administrative Order No. 24, Series of 2013 – Chemical Control Order for Lead
- DENR Administrative Order No. 08, Series of 2021 – Chemical Control Order for Cadmium
- DENR Administrative Order No. 09, series of 2021 – Chemical Control Order for Hexavalent Chromium
- DENR Administrative Order No. 25, Series of 2013 – Revised Regulation on the Chemical Control Order for Ozone Depleting Substances
- DENR Administrative Order No. 09, Series of 2015 – Rules and Procedures for the Implementation of Globally Harmonized System (GHS)
- DENR Administrative Order No. 27, Series of 2005 – Revised Priority Chemical List
- DENR Administrative Order No. 23, Series of 2007 – Prescribing additional Requirements for the Issuance of the Priority Chemical List Compliance Certificate
- Republic Act 9165 – Regulatory Controls in Licit Trade of Controlled Precursors and Essential Chemicals
- Republic Act 9516 – License to Possess/Purchase Explosives (chemicals used in the laboratory for analysis purposes)

LLDA Regulations

- Board Resolution No. 408, Series of 2011 – Approving Revised Definition of Developmental Activities Required to Secure LLDA Clearance and Its Implementing Rules and Regulations
- Board Resolution No. 248, Series of 2005 – Providing Guidelines on the Use of Shoreland Areas Surrounding the Laguna De Bay
- Board Resolution No. 283, Series of 2006 – Resolution Providing Guidelines on Reclamation within the Shoreland of Laguna De Bay
- Board Resolution No. 113, Series of 1999 – Adding the Implementing Guidelines Governing the Lease of the Laguna De Bay Shoreland Areas
- Board Resolution No. 523, Series of 2017 – Adoption of Department Administrative Order 2016-08 of the DENR as the New Effluent Standards for the Continuous Implementation of the Environmental Users Fee System and Water Quality Guidelines for Surface Waters within the Laguna de Bay Region and for Other Purposes
- Board Resolution No. 362, Series of 2008 – Water Permitting
- LLDA MC No. 06, Series of 2016 – Accreditation of Pollution Control Officers in the Laguna De Bay Region
- LLDA MC No. 05, Series of 2017 – Rules and Regulation Implementing the New General Effluent Standards Pursuant of LLDA BR No. 523 S.2017
- Board Resolution No. 32, Series of 2019 – Adjusted Environmental Users Fee System (EUFs) rates and penalty provisions

Others

- Presidential Decree 856 – Philippine Sanitation Code
- Implementing Rules and Regulations of the Philippine Sanitation Code
- RA 10657 – Chemistry Act
- RA 2067 as Amended by RA 3589, RA 5207 – Radioactive Material License
- DENR Administrative Order No. 63, Series of 1998 – Environmental Laboratory Recognition
- DOH Administrative Order No. 31, Series of 2020 – Water Testing Laboratory Accreditation

Occupational Safety and Health

- RA 9514 – Fire Code of the Philippines
- Revised Implementing Rules and Regulations of RA 9514
- DOLE Department Order 252, Series of 2025 – Revised Implementing Rules and Regulations of RA 11058, An Act Strengthening the compliance with Occupational Safety and Health Standards and providing penalties for Violations thereof
- DOLE Department Order 154, Series of 2016 – Safety and Health Standards on the Use and Management of Asbestos in the Workplace
- DOLE Department Order 160, series of 2016 – Guidelines on the Accreditation of Consulting Organizations to Provide Work Environment Measurement (WEM) Services
- DOLE Department Order 178, series of 2017 – Safety and Health Measures for Workers Who by the Nature of their Work Have to Stand at Work
- DOLE Department Order 182, Series of 2017 – Guidelines Governing the Employment and Working Conditions of Health Personnel in the Private Healthcare Industry
- DOLE Department Order 184, Series of 2017 – Safety and Health Measures for Workers Who, by the Nature of Their Work, Have to Spend Long Hours Sitting
- DOLE Department Order No. 53, Series of 2003 – Guidelines for the Implementation of a Drug-Free Workplace Policies and Programs for the Private Sector
- DOLE Department Order No. 73, Series of 2005 – Guidelines for the Implementation of Policy and Programs on Tuberculosis (TB) Prevention and Control in the Workplace
- DOLE Department Order No. 102, Series of 2010 – Guidelines for the Implementation of HIV & AIDS Prevention & Control in the Workplace Program
- DOLE Department Order No. 05, Series of 2010 – Guidelines for the Implementation of a Workplace Policy and Program on Hepatitis B
- DOLE Department Order No. 04, Series of 2009 – Guidelines on Influenza AH1N1 Prevention and Control in the Workplace
- DOLE Department Order No. 136, Series of 2014 – Guidelines for the Implementation of Globally Harmonized System (GHS) in Chemical Safety Program in the Workplace
- DOLE Department Order No. 224, Series of 2021 – Guidelines on Ventilation for Workplace and Public Transport to Prevent and Control the Spread of COVID-19
- DTI and DOLE Interim Guidelines on Workplace Prevention and Control of COVID – 19
- DOLE Labor Advisory No. 3, Series of 2016 – Safety and Health Measures to Prevent and Control Heat Stress at the Workplace
- Republic Act 11058 – Act Strengthening Compliance with Occupational Safety and Health Standards
- DOLE Department Order No. 18, Series 2018 – Implementing Rules and Regulations of RA 11058

- DOLE Labor Advisory No. 4, Series of 2019 – Guidelines for Compliance of Establishments to DO 198-18
- Republic Act 11036 – Mental Health Act
- IRR of RA 11036 Mental Health Act
- Republic Act 10054 – Motorcycle Helmet Act
- Republic Act 8750 – Seatbelt Law
- Republic Act 4566 – An Act Creating the Philippine Licensing Board for Contractors, Prescribing Its Powers, Duties and Functions, Providing Funds Therefor, And For Other Purposes

The Quality, Sustainability and Resiliency Division ensures the acquisition of permits and implementation of rules and regulations set by the following government agencies:

AGENCY	**TYPE OF PERMIT/ LICENSE/ CLEARANCE**
BIR	BIR Certificate of Registration
BFP	Fire Safety Inspection Certificate
DENR	Environmental Compliance Certificate Certificate of Non-Coverage Permit to Operate Air Pollution Source Installation Hazardous Waste Registration ID Permit to Transport Hazardous Wastes Discharge Permit Pollution Control Officer Accreditation Chemical Control Order Priority Chemical List Certificate Tree Cutting, Earth-Balling, & Private Land Timber Permit Certificate of Laboratory Recognition Chainsaw Certificate of Recognition
DOE	ERC Certificate of Compliance Energy Manager Certification PSALM Certification
DOH	Certificate of Laboratory Accreditation Sanitary Permit Environmental Sanitation Clearance Initial Permit for Water Supply Operational Permit for Water Supply
DOLE	DOLE Registration OSH Administrative Reports Occupational Health Practitioner Accreditation Safety Practitioner Accreditation
DPWH	Excavation Permit
DTI	Registration Certificate Philippine Contractors Accreditation Board (PCAB) License
HDMF	Pag-IBIG Employers Registration
LLDA	LLDA Clearance Shoreland Development Clearance Shoreland Occupancy Permit Surface Water Permit

AGENCY	TYPE OF PERMIT/ LICENSE/ CLEARANCE
	Discharge Permit Pollution Control Officer Accreditation
LGU	Barangay Clearance Building Permit Business Permit Electrical Permit Excavation Permit Fencing Permit Fire Safety Inspection Certificate Mechanical Permit Occupancy Permit Sanitary Permit Zoning Clearance Signage Permit
LTO	Vehicle Registration Driver's License
NTC	License to Operate Radio Communication
NWRB	Certificate of Public Convenience Surface Water Rights Permit
PCA	Permit to Cut Coconut Trees
PDEA	License to Purchase and Use Controlled Precursors and Essential Chemicals (CPECS) (P3 License) License to Store CPECS (P6 License)
PhilHealth	PhilHealth Employer's Registration
PNP	Firearm License License to Possess License to Purchase Explosive Ingredients and Controlled Chemicals Permit to Purchase PNP Controlled Chemicals
PNRI	Radioactive Material License Radioactive Protection Officer Registration
PRC	Certificate of Authority to Operate Testing Laboratory
SEC	SEC Registration Certificate
SSS	SSS Employer's Registration
TESDA	National Certificate for Skilled Workers

Maynilad diligently manages the high volume of permits required for each facility, ensuring timely application and renewal to maintain regulatory compliance and avoid penalties. To streamline this process, a comprehensive database has been established as a centralized monitoring tool, providing a master list of all applicable regulatory requirements and validity periods. The database features an advanced notice to prevent lapses and potential compliance issues. This proactive approach enhances operational efficiency, minimizes regulatory risks, and ensures seamless business continuity while fostering a culture of compliance and accountability across the company.

Business Risk Management

Maynilad implements an Enterprise Risk Management ("**ERM**") framework in managing its strategic, compliance, operational, and financial risks. The Board of Directors periodically reviews this framework

to ensure its effectiveness in meeting corporate objectives and in addressing the ever-evolving risk landscape. The company has adopted ISO 31000 as its ERM model and approved an Enterprise Risk Management Policy that outlines the risk management processes and methodologies, which include:

- identification, assessment, evaluation, and mitigation of risks or exploitation of opportunities;
- definition of management responsibilities and accountabilities; and
- escalation and reporting of company's significant enterprise risks

The Board, through the Risk Oversight Committee, oversees the implementation of the Enterprise-Wide Risk Management Framework; identifies and assesses top risks; and reviews the effectiveness of management's risk mitigation strategies and treatment plans. The ERM Team, together with the Strategic Risk Core team composed of representatives from various divisions, conducts periodic identification, assessment and mitigation of the company's strategic top risks. Controls are validated to check the effectiveness of the Company's mitigating measures and controls. The results are then presented to top management and to the Maynilad Board Risk Oversight Committee.

2025 Significant Enterprise Risks	Mitigation Strategies and Controls
Water Supply	
Delays in developing additional raw water sources may result in an inability to meet future supply requirements and growing customer demand	To ensure adequate raw water supply and meet future demand, the Company has accelerated the development of diversified raw water sources and the construction of additional water treatment facilities, including projects in Laguna Lake, Kaliwa, and other new water facilities.
Failure to address seasonal raw water quality issues (*high turbidity, high TDS, algal blooms)* to meet production requirements and customer demand	Maynilad has been proactively and extensively preparing for seasonal raw water quality challenges arising from varying weather conditions, including Habagat, Amihan, El Niño, and La Niña. Mitigating actions include upgrading the treatment capacities of the La Mesa, Putatan, and Poblacion Water Treatment Plants, as well as augmenting water supply through the operation of standby deep wells and modular water treatment plants to ensure operational resilience and continuity of service.
Inability to manage commercial and physical water losses and to reduce non-revenue water (NRW) that affect supply reliability	To reduce NRW, the Company continues to intensify its leak detections, leak repairs, pipe replacements, network diagnostics, and implement demand-pressure management initiatives
Project Delivery	
Failure to execute and deliver projects in accordance with the approved business plan that would hinder the ability to meet service obligations and obtain future tariff adjustments	Maynilad has ramped up its Capital Expenditures (CAPEX) project execution by strengthening project planning and governance, accelerating land and right-of-way (ROW) acquisition, and enhancing stakeholder engagement and collaboration with local government units (LGUs) and national government agencies.
Political and Regulatory	
Failure to meet service and compliance obligations stipulated in the Revised Concession Agreement and Legislative Franchise	Maynilad proactively engages with regulators, implements compliance remediation measures, ensures strict disclosure adherence, and actively participates in legislative discussions to support fulfillment of its service

	obligations under the Revised Concession Agreement, legislative franchise, and approved Five-Year Rate Rebasing Service Improvement Plan.
Revenue	
External factors, including adverse economic conditions and regulatory or tariff adjustments, may negatively impact projected revenues, resulting in revenue variability and potential shortfalls against planned financial targets.	Mitigating actions focus on improving revenue assurance through strengthened billing and account management, reducing commercial losses, and ensuring the timely delivery of key projects critical to sustaining planned revenue and financial performance.
Cybersecurity, Information Security and Data Privacy	
Failure to protect and secure Company systems, customer data, private and sensitive information from internal and external threats	Maynilad has enhanced cybersecurity awareness and capability, strengthened security governance, improved security controls and incident response capabilities through advanced technologies and policies, increased third-party monitoring, and actively monitors regulatory developments to ensure compliance readiness.

Policy on Related Party Transactions

In line with Maynilad's commitment to enhance its corporate governance, Maynilad adopted on March 12, 2025 its Related Party Transaction ("**RPT**") Policy which outlines the guidelines for business transactions between Maynilad and related parties. Maynilad recognizes that business transactions between related parties may serve legitimate business purposes and may bring about important economic benefits to the Company and its affiliates. Thus, RPTs are generally allowed, subject to safeguards and controls to address any potential conflict of interest.

The RPT Policy includes the review and approval of RPTs, among others, ensuring that they are, at all times, transparent, fair, conducted at arm's length and in the best interest of the Company and its shareholders. The RPT Policy sets forth the approvals required, depending on the amount involved in the transaction, and mandates the periodic independent review or audit of RPTs, and their regular disclosure and reporting as applicable.

As additional safeguards, the RPT Policy requires specific approvals when the transaction involves: (a) a director or officer or their spouses or relatives; (b) another corporation with interlocking directors; or (c) Maynilad undertaking to manage or operate all or substantially all of the business of another corporation or vice-versa. The Board of Directors is also empowered to adjust the materiality threshold upon determination that the RPT may cause imminent damage to the Company or its shareholders.

Maynilad has an Audit, Risk Oversight and Related Party Transactions Committee ("**Committee**") composed of five members, majority of whom are independent directors, including the Chairperson. The Committee assists and advises the Board of Directors with respect to, among others, the Company's financial reporting processes and disclosures, the adequacy and effectiveness of the Company's internal control system, and evaluation and periodic independent review of all material RPTs.

Awards and Recognitions

Maynilad's continued pursuit of excellence in water and wastewater management has earned the company multiple accolades from prestigious local and international organizations. These awards reflect Maynilad's commitment to innovation, sustainability, and service improvement, benefiting millions of customers in the West Zone.

Among its notable recognitions, Maynilad received the Project Innovation Awards–Development (PIA-D) 2011 from the International Water Association (IWA) for its Samahang Tubig Maynilad (STM) program, which won under the "Drinking Water – Software" category. The STM initiative was recognized for its practical and integrated approach to community participation in water service expansion.

In 2012, Maynilad was honored with the Global Honour Award from the IWA for its Water Service Transformation program. This award acknowledged the company's efforts in dramatically improving and accelerating the expansion of water services in the West Zone within just five years. Additionally, the same program won the Project Innovation Awards (Asia Pacific) 2012 from IWA, further highlighting its impact on service delivery and customer satisfaction.

Maynilad also emerged as the Overall Winner in the Drinking Water Safety Awards of the World Health Organization (WHO) and IWA in 2012. The company's Water Safety Plan demonstrated exceptional comprehensiveness, efficacy, and replicability, contributing to improved drinking water quality management in low and middle-income countries.

In 2014, Maynilad and its technology partner, OTV France (Philippines), secured the Project Innovation Awards (Asia Pacific) from IWA in the Small Projects Category for the San Antonio and Del Monte Sewage Treatment Plants (STP). These compact STPs utilize a combination of innovative wastewater treatment steps to operate efficiently within small lots. That same year, the company was recognized in the Operations/Management Category for its highly effective Non-Revenue Water (NRW) Management Program, developed in partnership with Miya of Arison Group. This program led to the recovery of over 700 million liters per day of potable water over seven years.

Maynilad's achievements in infrastructure development were further recognized when the Putatan Water Treatment Plant 2 received an Award of Distinction under the "Water Project of the Year" category at the Global Water Awards 2020. This award, organized by Global Water Intelligence, celebrates initiatives that propel the water, wastewater, and desalination sectors forward through innovation and operational excellence.

In 2022, Maynilad earned Gold Level Accreditation from Investors in People (IiP), United Kingdom, making it the first and only water company in the Philippines to achieve this distinction for its excellence in people management.

The company's pioneering approach to water reuse was recognized in 2023, as the Parañaque NEW WATER Treatment Plant was named "Water Reuse Project of the Year" at the Global Water Awards. This facility—the first in the Philippines to purify used water for drinking—represents a milestone for potable water reuse in the country and is the first direct potable water reuse project in Asia.

Maynilad's efforts in environmental sustainability were acknowledged at the 2023 Europa Awards by the European Chamber of Commerce of the Philippines (ECCP) under the "Clean and Green Energy" category.

The company was recognized for its commitment to reducing energy consumption through technological innovations in water supply operations.

Further reinforcing its dedication to sustainability, Maynilad received the "Excellence in Environmental & Social Sustainability (Water Utilities)" award at the Triple P Sustainability Awards 2024, organized by the International Association of Business Communicators (IABC) Philippines. This honor was given for the Plant for Life Program (PLP), which significantly contributes to preserving vital water sources and engaging communities in environmental conservation efforts.

At the Global Water Awards 2024, Maynilad's Poblacion Water Treatment Plant (WTP) was named "Water Project of the Year", recognizing its significant contribution to the water sector. The Poblacion WTP was chosen for having the greatest innovation in terms of optimizing its physical or environmental footprint.

The company was also recognized for its leadership in sustainability reporting, winning Bronze Awards in the "Asia's Best Sustainability Report – Private Company" category at the 9th Asia Sustainability Reporting Awards (ASRA) 2024. This distinction underscores Maynilad's transparency and accountability in managing sustainability risks, impacts, and opportunities.

In 2024, Maynilad received the Climate Smart Utility Recognition (Achiever Category) from the IWA for its innovative strategies in climate change mitigation and adaptation. The award acknowledged the company's efforts in reducing water losses, expanding wastewater services, increasing water production, and implementing sustainability programs aligned with its climate neutrality goal by 2037.

Maynilad's Plant for Life Program also earned the Biodiversity Award at the World Sustainability Awards 2024. The program was recognized for integrating biodiversity conservation into business strategy, helping to protect water supply sources while promoting large-scale environmental rehabilitation efforts.

On the financial front, Maynilad's innovative fundraising initiatives were acknowledged at the Alpha Southeast Asia Awards 2024, where it won "Best Blue Bond in Southeast Asia" and "Most Innovative Deal of the Year". The company's ₱15-billion Blue Bond issuance—the first SEC-registered blue bond in the Philippines—was launched to support sustainable water and wastewater management projects.

In addition, the PDS Group recognized Maynilad as the "Pioneer Issuer of ASEAN Blue Bonds in 2024" during its 2025 Annual Awards Night. Since 2005, the PDS Group has honored corporate issuers demonstrating outstanding performance, leadership, innovation, and contribution to the capital market. Maynilad was acknowledged for leading the way in sustainable financing through its landmark ASEAN Blue Bond issuance.

Maynilad also made history as the first water utility in the Philippines to have its laboratory, WATERLab, earning the *My Green Lab* Certification – the globally recognized gold standard for sustainable laboratory practices. It highlighted the laboratory's adoption of water conservation, energy efficiency, and environmentally responsible practices in monitoring water and wastewater quality.

Building on these achievements, Maynilad further strengthened its global sustainability credentials when it was named "SDG6 Champion of the Year" at the Global Water Awards 2025. The honor cited its "Makialam, Makiisa, Magmalasakit" (3M) campaign, a company-wide employee mobilization program

that accelerated progress in expanding access to safe water and sanitation, reducing water losses, and embedding sustainability across operations.

Maynilad was also recognized at the Asia Corporate Excellence & Sustainability (ACES) Awards 2025 as one of "Asia's Most Influential Companies" and among the "Top Green Companies in Asia" for its NRW reduction initiatives, NEW WATER - Asia's first direct potable reuse project, and the deployment of modular treatment plants that strengthen climate resilience and reduce reliance on Angat Dam.

Further affirming its leadership in innovation, Maynilad's NEW WATER was also named "Water Reuse and Recycling Project of the Year" at the Asian Water Awards 2025. The project is supported by the ISO/IEC 17025:2017–accredited WATERLab, which introduced first-in-the-country testing for emerging contaminants - enhancing water quality monitoring beyond existing regulatory standards.

In addition, Maynilad's IPO was recognized in the 2025 IFR Asia Awards as the ESG Deal of the Year. The IPO is the first in Asia to have a green equity label and raised PHP 34 billion, including investments from the Asian Development Bank and the International Finance Corporation.

Through these numerous accolades, Maynilad continues to demonstrate leadership in water and wastewater service delivery, environmental sustainability, financial innovation, and corporate social responsibility, reinforcing its role as a key driver of progress in the water sector.

Other Matters

Since the consortium took over the Maynilad in 2007, the Company has not been involved in any bankruptcy, receivership, or similar proceeding as of December 31, 2024. Further, the Company has not been involved in any material consolidation or purchase or sale of a significant amount of assets not in the ordinary course of business. It is not dependent on a single customer or a few customers, the loss of any or more of which would have a material adverse effect on the Company.

Item 2. Properties

As of December 31, 2025, out of the 420 facilities, we are actively operating 301 facilities, 32 facilities are either not yet operational or on standby, 85 facilities are still under construction, while the remaining two facilities are in the planning phase. These properties of the Company include water production facilities, water treatment facilities, water pumping stations and reservoirs, water reclamation facilities, deep well stations, laboratories, sewage and septage facilities, and administration buildings.

The Company's subsidiaries also have 14 principal properties, ranging from water treatment facilities to administration buildings. Eleven (11) of these properties are active, while the rest are inactive.

There are currently no mortgages, liens, or encumbrances over the properties of the Company and its subsidiaries.

Maynilad also has various outstanding lease contracts for periods ranging from one year to 99 years covering pipeline lease agreements, office-related properties, and other facilities necessary for its operations.

Item 3. Legal Proceedings

The Company is involved in various legal proceedings in connection with its business operations. We are contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments described below, which are either pending decisions by the courts or are being contested, the outcome of which are not presently determinable. The cases which we are a party to, are briefly described in this section.

1. Real Property Tax Assessment issued by the Norzagaray LGU on Concessionaires on certain CPF ("Central Board of Assessment Appeals ("CBAA"), CTA *En Banc*), CTA EB No. 1505

The Norzagaray LGU assessed the Concessionaires, real property taxes on certain CPF amounting to approximately ₱357 million for the period 1998 to 2005. The Concessionaires argued that subject properties are exempt from taxation as such properties are owned by the Republic of the Philippines, form part of the public domain and consequently exempt from taxation. After the Local Board of Assessment Appeals ruled in favor of Norzagaray LGU, the Concessionaires each filed a separate appeal with the CBAA.

The CBAA ruled that the Concessionaires and MWSS are not liable for the real property tax on the land and the CPF, and so declared as void the Notice of Assessment and Notice of Demand for Payment of real property tax, which the Municipal Assessor of the Norzagaray LGU issued.

The Province of Bulacan and the Norzagaray LGU appealed the CBAA decision to the CTA, where the case remains pending to date.

2. Disputed Claims of MWSS

MWSS is claiming for the payment of additional Tranche B Concession Fees and interest penalty amounting to approximately ₱5.1 billion from our Company. These are concession fees payable by us to MWSS under the Original Concession Agreement representing MWSS' costs of borrowing, as defined in the April 28, 2005 Debt and Capital Restructuring Agreement with our creditors. The rehabilitation court denied and disallowed the disputed claims of MWSS in its December 19, 2007 order, upholding the recommendations of the receiver on the matter. Furthermore, the rehabilitation court in its 6 February 2008 order confirmed the termination of the rehabilitation proceedings on account of Maynilad's successful implementation of its rehabilitation plan, and stated that all outstanding amounts due to MWSS on account of Maynilad's suspension of Concession Fee payments in 2001 have already been fully paid and settled, and that no further amounts are due to MWSS. Despite this, and in the spirit of cooperation, we formally offered to pay MWSS in July 2010 approximately U.S.$14.8 million as a full and final settlement of all the disputed claims, provided that MWSS shall: (1) acknowledge in clear and categorical terms that the receipt of the amount of U.S.$14,791,131.72 is in full and final settlement of (i) any and all claims related to, or that may arise from the additional Tranche B Concession Fees, and (ii) the interest penalty; and (2) consequently, reverse the interest penalty that MWSS has accrued in its books. MWSS, however, did not act upon Maynilad's offer.

In June 2016, a joint committee consisting of representatives from our Company and MWSS was established to prepare a report outlining the facts, issues, and recommendations related to the

disputed claims. In July 2016, we submitted a Statement of Facts to MWSS, but we have not yet received their comments as of the date of this report.

3. Expropriation Cases against certain landowners

We have multiple ongoing expropriation cases against certain landowners, to obtain parcels of land to be utilized for our Teresa Water Treatment Plant Project. These cases are initiated in the ordinary course of our business.

4. Philippine Hydro (PH) Inc. vs. Commissioner of Internal Revenue ("CIR") (CTA Case No. 11179)

PhilHydro was assessed income and value-added tax deficiency of ₱425,142,892.82. PhilHydro maintains that the BIR's right to assess and collect for taxable years 2008 to 2013 has already prescribed, and that there were material defects in the Preliminary Assessment Notice and Formal Letter of Demand which were issued by the BIR under authority of an incorrect Letter of Assessment, in violation of PhilHydro's right to due process.

The case remains pending before the CTA to date.

5. M.E. Sicat Construction, Inc. ("MESCI") v. Maynilad Water Services, Inc. and Prudential Guarantee and Assurance, Inc. ("PGAI") Construction Industry Arbitration Commission ("CIAC"), CIAC Case No. 53-2025

On 2 September 2025, Maynilad received a Complaint/Request for Arbitration filed by MESCI before the CIAC, arising from a November 2019 Construction Agreement for the Las Piñas Conveyance System Package 1B, with an original contract price of approximately ₱2.01 billion. MESCI claims alleged unpaid billings, retention amounts, and the value of materials and equipment in the amount of ₱84,252,985.38, and seeks interim relief to restrain Maynilad from calling on performance and advance payment bonds issued by PGAI, with an aggregate value of approximately ₱1.0 billion.
Maynilad issued delay and default notices to MESCI. On 19 November 2024, Maynilad called on the bonds. Maynilad and MESCI discussed, among others, the possibility of mutual termination of the contract, reconciliation of accounts, and payment of Maynilad's collectibles from MESCI. However, no agreement was reached.

Maynilad issued to MESCI the notice of termination on 27 August 2025. MESCI filed this case shortly thereafter.

6. Heirs of Arciaga Family herein represented by Samson DC. Arciaga and Charity Vacal Arciaga ("Arciaga Family") v. National Irrigation Administration ("NIA"), Metropolitan Waterworks and Sewerage System ("MWSS"), and Maynilad Water Services, Inc. – Muntinlupa City Regional Trial Court, Branch 256 (SCA No. 25-082)

On 24 September 2025, the heirs of the Arciaga Family filed a Special Civil Action for Inverse Condemnation, Payment of Just Compensation, Damages, and Attorney's Fees before the Regional Trial Court of Muntinlupa City, Branch 256, against the NIA, MWSS, and Maynilad.

The case involves allegations that water pipelines constructed in 1979 traverse the plaintiffs' property in Muntinlupa City without just compensation. The pipelines were subsequently transferred for use to MWSS in 2005 and to Maynilad in 2008.

The plaintiffs seek, among others, joint and several liability against the respondents for alleged just compensation and damages totaling approximately ₱498 million, exclusive of exemplary damages, attorney's fees, and litigation costs.

Maynilad filed its Answer on 9 December 2025. The case is pending, and the parties are awaiting the court's setting of the pre-trial conference.

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

Annual Stockholders' Meeting for 2025

During the annual stockholders' meeting of the Corporation held on May 21, 2025 at the Corporation's principal office address, the following were re-elected as members of the Board of Directors of the Corporation:

1. Manuel V. Pangilinan
2. Jose Ma. K. Lim
3. June Cheryl Cabal-Revilla
4. Ramoncito S. Fernandez
5. Randolph T. Estrellado
6. Joseph Ian G. Gendrano
7. Ricardo M. Pilares III
8. Isidro A. Consunji
9. Jorge A. Consunji
10. Herbert M. Consunji
11. Kazuaki Shibuya
12. Nagahito Miyoshi
13. Fortunato T. de la Peña (Independent Director)
14. Gil S. Jacinto (Independent Director)
15. Ma. Assunta C. Cuyegkeng (Independent Director)

The following were also elected and appointed as Board Officers and Committee Members of the Corporation in the same meeting:

1. *Election of Board Officers:*

Name	Position
Manuel V. Pangilinan	Chairman of the Board
Ramoncito S. Fernandez	President and CEO
Isidro A. Consunji	Vice-Chairman
Randolph T. Estrellado	Chief Operating Officer
Ricardo F. de los Reyes	Treasurer and Chief Financial Officer
Lourdes Marivic K. Punzalan-Espiritu	Compliance Officer
Alex Erlito S. Fider	Corporate Secretary
Kristina Joyce C. Gangan	Assistant Corporate Secretary

2. *Appointment of Members of the Board Committee*

Committee	Position	Name
Executive Committee	Chairperson Member Member Member Member	Isidro A. Consunji Jose Ma. K. Lim Ramoncito S. Fernandez Nagahito Miyoshi June Cheryl A. Cabal-Revilla

Committee	Position	Name
Audit, Risk, Oversight, and Related Party Transactions Committee	Chairperson Member Member Member Member	Fortunato T. de la Peña Ma. Assunta C. Cuyegkeng Gil S. Jacinto June Cheryl A. Cabal-Revilla Nagahito Miyoshi
Corporate Governance and Sustainability Committee	Chairperson Member Member Member Member	Ma. Assunta C. Cuyegkeng Fortunato T. de la Peña Gil S. Jacinto June Cheryl A. Cabal-Revilla Nagahito Miyoshi
Nomination and Compensation Committee	Chairperson Member Member Member Member	Manuel V. Pangilinan Jose Ma. K. Lim Isidro A. Consunji Ma. Assunta C. Cuyegkeng Gil S. Jacinto
Finance Committee	Chairperson Member Member Member Member	June Cheryl A. Cabal-Revilla Jose Ma. K. Lim Herbert M. Consunji Nagahito Miyoshi Ma. Assunta C. Cuyegkeng

Approval of Initial Public Offering of the Corporation's Common Shares

At the meeting of the Board of Directors of Maynilad Water Services, Inc. (the "Corporation") held on March 14, 2025, the Board of Directors approved the initial public offering of the Corporation's common shares (the "Offer"), subject to the registration requirements of the Securities and Exchange Commission and the listing requirements of The Philippine Stock Exchange, Inc., under the following indicative terms and conditions:

1) The registration and offer and sale to the public by way of initial public offering of up to 1,811,696,500 common shares (the "Firm Shares") with an Overallotment Option of up to 266,307,300 common shares (the "Overallotment Option Shares") and subject to the exercise of an Upsize Option of up to 379,286,200 common shares (the "Upsize Option Shares") (collectively, the Firm Shares, the Overallotment Option Shares and the Upsize Option Shares are referred to as the "Offer Shares"), each with a par value of ₱1.00 per common share, at an offer price of up to ₱20.00 per Offer Share;
2) Delegation to Management of the approval of such other terms and conditions of the Offer; and
3) Subject to other terms and conditions that may be mutually agreed upon by the Corporation and the underwriters.

Approval of Dividend Policy

At the same meeting held on March 14, 2025, the Board of Directors approved an annual dividend payout equivalent to at least 50% of the prior year's net income after tax. The declaration of dividends and the annual dividend payout ratio are subject to the requirements of applicable laws and regulations and other circumstances which could restrict the Corporation's ability to pay cash dividends. The Board of Directors may adjust the dividend payout ratio depending on the results of operations and future projects and plans of the Corporation and other considerations.

Amendment of Dividend Policy

During a meeting held on May 14, 2025, the Board of Directors approved the amendment of the Corporation's dividend policy.

Under the amended dividend policy, the Corporation will maintain an annual dividend payout ratio equivalent to whichever is the higher of (i) 50% of the prior year's net income after tax (the **"Net Income"**) or (ii) 40% of the Net Income plus depreciation and amortization expenses (the **"Adjusted Net Income"**), capped at 100% of the Net Income, where both the Net Income and the Adjusted Net Income refer solely to the parent's Net Income, depreciation and amortization expenses, subject to the requirements of applicable laws and regulations and other circumstances which could restrict the Corporation's ability to pay cash dividends, including the results of the Corporation's operations, future projects and plans, and other considerations.

Appointment of External Auditor

Lastly, the shareholders approved the re-appointment of Sycip Gorres Velayo & Co. as the Corporation's external auditor for the fiscal year 2025.

PART II

OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The Corporation recently listed its common shares on the Philippine Stock Exchange ("**PSE"**) through an Initial Public Offering (**"IPO"**) last November 7, 2025. The following table presents the high and low sales prices of the aforementioned shares for the months of November 2025 and December 2025:

Month	Low Price (₱)	High Price (₱)
November 2025	14.80	15.86
December 2025	16.02	17.28

In addition, we also have existing company securities in the form of maiden Blue Bonds issued last July 12, 2024 consisting of ₱9.0 billion Series A 6.7092% 5-year fixed rate bonds due 2029 and ₱6.0 billion Series B 7.0931% 10-year fixed rate bonds due 2034. These securities are listed and traded on the Philippine Dealing & Exchange Corp.

Shareholders Information

As of December 31, 2025, we had 21 shareholders, as follows:

No.	Name of Shareholder	Nationality	No. of Common Shares Held	Amount Subscribed (₱)	Amount Paid-up (₱)	Percentage of Ownership
1	Maynilad Water Holding Company, Inc. (MWHCI)	Filipino	4,943,806,089	4,943,806,089	4,943,806,089	66.78%
2	PCD Nominee Corporation (Filipino)	Filipino	1,541,082,094	1,541,082,094	1,541,082,094	20.82%
3	PCD Nominee Corporation (Non-Filipino)	Non-Filipino	916,956,767	916,956,767	916,956,767	12.39%
4	Antonio C. Somera	Filipino	200,000	200,000	200,000	NIL
5	Enrique G. De Guzman	Filipino	172,000	172,000	172,000	NIL
6	Roberta F. Estimo	Filipino	115,000	115,000	115,000	NIL
7	Antonio A. Uy	Filipino	83,000	83,000	83,000	NIL

No.	Name of Shareholder	Nationality	No. of Common Shares Held	Amount Subscribed (₱)	Amount Paid-up (₱)	Percentage of Ownership
8	Cornelio J. Mapa, Jr.	Filipino	72,000	72,000	72,000	NIL
9	Chan Cheng	Chinese	66,650	66,650	66,650	NIL
10	Jerald Brian L. Gan	Filipino	16,000	16,000	16,000	NIL
11	Rodrigo P. Bucaoto, Jr.	Filipino	8,000	8,000	8,000	NIL
12	Marlon Christopher E. Marquez	Filipino	5,000	5,000	5,000	NIL
13	Alfredo E. Chiuco, Jr.	Filipino	4,000	4,000	4,000	NIL
14	Alfie S. Despi	Filipino	4,000	4,000	4,000	NIL
15	John Patrick C. Lorion	Filipino	4,000	4,000	4,000	NIL
16	Grimm Phoenix D. Bautista	Filipino	2,000	2,000	2,000	NIL
17	Lean Lee R. Dollete	Filipino	2,000	2,000	2,000	NIL
18	Jemaica Anne T. Hababag	Filipino	2,000	2,000	2,000	NIL
19	Milven N. Barlita	Filipino	1,000	1,000	1,000	NIL
20	Jhon Lester B. Llanto	Filipino	1,000	1,000	1,000	NIL
21	Michael Jerry C. Rosario	Filipino	1,000	1,000	1,000	NIL
	TOTAL		**7,402,603,600**	**7,402,603,600**	**7,402,603,600**	**100.00%**

Dividends

Pursuant to a resolution approved by our Board of Directors on March 10, 2025, we will maintain an annual dividend payout equivalent to at least 50% of the prior year's net income after tax. This is consistent with our historical annual dividend payout ratio in the last three years.

The declaration of dividends and the annual dividend payout ratio are subject to the requirements of applicable laws and regulations and other circumstances which could restrict our ability to pay cash dividends. These circumstances include, but are not limited to, undertaking major projects and developments that require substantial cash expenditures. In addition, the Group is subject to debt covenants in its loan agreements, which may affect its ability to declare or pay dividends under certain circumstances,

such as in the event of default or if any such payments would result in an event of default, or if certain financial ratios are not maintained. Future financing agreements may also impose restrictions on our ability to pay dividends. Consequently, our Board of Directors may adjust the dividend payout ratio depending upon the results of operations and future projects and plans and other considerations.

Dividends, if any, shall be declared and paid out of our unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of the outstanding stock held by them. Unless otherwise required by law, the Board of Directors has the sole discretion to determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including: (1) the level of our earnings, cash flow, return on equity and retained earnings; (2) our results for and financial condition at the end of the year in respect of which the dividend is to be paid and expected financial performance; (3) the projected levels of capital expenditures and other investment programs; (4) restrictions on payments of dividends that may be imposed on us by any current or future financing arrangements and current or prospective debt service requirements; (5) dividend payment obligations under relevant shareholder agreements, if any; and (6) such other factors as the Board of Directors deems appropriate.

The following information represents the history of dividends declared and paid by Maynilad for the past 2 fiscal years:

Date of Declaration	Record Date	Payment Date	Rate in ₱ per Common Share	Prior Year Net Income After Tax (₱ in thousands)	Amount Paid (₱ in thousands)	Dividend Payout Ratio (%)
February 23, 2026	March 9, 2026	March 18, 2026	1.14	15,219,265	8,438,968	55.4
February 18, 2025	February 28, 2025	March 14, 2025	1.14	12,781,414	6,400,000	50.1
November 8, 2024	November 8, 2024	November 28, 2024	255.07	9,011,179	1,149,389	62.7
February 27, 2024	February 29, 2024	April 15, 2024	998.57		4,505,000	

Recent Sale/s of Unregistered or Exempt Securities

On December 1, 2023, the Board of Directors approved the issuance of 6,514 ESOP shares (out of ESOP shares held in treasury). Pursuant to such approval, our Company issued 6,289 ESOP shares to our eligible employees.

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

DESCRIPTION OF CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth details for the Corporation and its subsidiaries (the **"Group"**) service revenues, cost of services, gross profit, net income and other income line items for the periods indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 & 2025 (AUDITED)

	For the year ended 31 December *(in PHP'000s)*		
	2023	**2024**	**2025**
OPERATING REVENUE			
Water services			
West zone	22,169,809	27,143,464	28,543,455
Outside west zone	255,291	349,147	372,740
Wastewater services			
West zone	4,727,116	5,785,440	7,496,638
Others	171,049	216,464	232,291
	27,323,265	33,494,515	36,645,124
COSTS AND EXPENSES			
Amortization of service concession assets	2,744,831	3,028,573	3,176,436
Salaries, wages and benefits	2,525,069	2,893,449	3,279,819
Utilities	1,665,086	1,535,445	1,486,068
Contracted services	1,458,707	1,642,111	1,750,293
Repairs and maintenance	900,059	873,926	1,044,334
Materials and supplies	832,128	869,304	588,533
Taxes and licenses	834,058	1,026,052	1,094,712
Depreciation and amortization	524,326	527,324	595,531
Purchased water	619,525	294,803	106,989
Transportation and travel	191,252	220,562	181,305
Regulatory costs	242,203	280,457	302,083
Collection charges	182,165	197,918	192,699
Business meetings and representations	159,701	174,759	174,397
Provision for expected credit losses	600,524	112,368	187,219
Insurance	62,227	64,021	66,851
Rental	89,117	148,664	137,729
Advertising and promotion	57,550	74,283	97,704
Others	412,651	429,664	460,639
	14,101,179	**14,393,683**	**14,923,341**
INCOME BEFORE OTHER INCOME (EXPENSES)	**13,222,086**	**19,100,832**	**21,721,783**
OTHER INCOME (EXPENSES)			
Revenue from rehabilitation works	19,175,281	27,081,306	29,176,153
Cost of rehabilitation works	(19,175,281)	(27,081,306)	(29,176,153)
Interest expense and other financing charges	(2,503,388)	(2,414,395)	(2,227,705)

Foreign exchange gains (losses) - net	(1,167,582)	(1,643,393)	(1,153,683)
Foreign currency differential adjustments	1,129,029	1,656,317	1,156,499
Interest income	221,664	404,839	306,500
Others - net	1,021,230	(628,589)	(203,561)
	(1,299,047)	**(2,625,221)**	**(2,121,950)**
INCOME BEFORE INCOME TAX	**11,923,039**	**16,475,611**	**19,599,833**
PROVISION FOR INCOME TAX			
Current	2,409,324	3,430,220	3,922,700
Deferred	502,536	263,977	457,868
	2,911,860	**3,694,197**	**4,380,568**
NET INCOME	**9,011,179**	**12,781,414**	**15,219,265**
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent period			
Remeasurement gain (loss) on retirement plan	(159,034)	(550,295)	426,738
Income tax effect	14,790	51,178	(138,679)
	(144,244)	**(499,117)**	**288,059**
TOTAL COMPREHENSIVE INCOME	**8,866,935**	**12,282,297**	**15,507,324**

RESULTS OF OPERATIONS

1) YEAR ENDED DECEMBER 31, 2025 COMPARED AGAINST THE YEAR ENDED DECEMBER 31, 2024

Operating Revenue

Operating revenue from water services in the West Zone increased by 5.2% to ₱28,543.5 million for the year ended December 31, 2025, compared to ₱27,143.5 million for the year ended December 31, 2025 primarily due to (i) the implementation of the third tranche of the MWSS-approved basic rate adjustment effective January 1, 2025 (ii) the Environmental Charge (EC) was raised from 20% to 25%, representing a 5% increase in the EC component, and (iii) increased water consumption in West Cavite and Manila, including additional consumption from newly connected customers.

Operating revenue from wastewater services in the West Zone increased by 29.6% to ₱7,496.6 million for the year ended December 31, 2025, compared to ₱5,785.4 million for the year ended December 31, 2024, primarily due to higher tariffs and an increase in the number of commercial customers connected to our sewerage system.

Costs and Expenses

Costs and expenses increased by 2.1% to ₱14,393.7 million for the year ended December 31, 2024, compared to ₱14,101.2 million for the year ended December 31, 2023, primarily driven by an increase in amortization of service concession assets, salaries, wages and benefits, contracted services and taxes and licenses, partially offset by a decrease in provision for expected credit losses, purchased water costs and utilities costs, as provided below:

Salaries, wages and benefits increased by 13.4% to ₱3,279.8 million for the year ended December 31, 2025, compared to ₱2,893.4 million for the year ended December 31, 2024, primarily due to higher salaries and wages and retirement expenses primarily driven by the increase in headcount in 2025, reflecting continued operational requirements.

Expenses for contracted services increased by 6.6% to ₱1,750.3 million for the year ended December 31, 2025, compared to ₱1,642.1 million for the year ended December 31, 2024, primarily due to (i) higher professional fees, particularly underwriter fees accrued in connection with the issuance of the second tranche of shares and (ii) higher costs of janitorial and security services.

Repair and maintenance costs rose significantly from ₱873.9 million in 2024 to ₱1,044.3 million in 2025. The increase was mainly due to equipment turnover related to the rehabilitation of La Mesa Treatment Plants 1 and 2. Preventive maintenance costs for booster facilities also grew by 13%, driven by additional maintenance requirements for new facilities and equipment such as substations, motors and medium-voltage motor drives.

Expenses for materials and supplies decreased by 32.3% to ₱588.5 million for the year ended December 31, 2025, compared to ₱869.3 million for the year ended December 31, 2024, due to reduced chemical consumption due to lower turbidity and decreased production for the year 2025.

Payments for taxes and licenses increased by 6.7% to ₱1,094.7 million for the year ended December 31, 2025, compared to ₱1,026.1 million for the year ended December 31, 2024, primarily due to (i) higher national franchise tax due to increased revenue during the year, and (ii) higher local franchise tax related to business permit renewals, driven by higher reported collections in the preceding year.

Depreciation and amortization increased by 12.9% to ₱595.5 million for the year ended December 31, 2025, compared to ₱527.3 million for the year ended December 31, 2024 due to the renewal of our lease contract with MWSS for our head office building for a period of five years, from January 1, 2025 to December 31, 2029 as well as the increase in computer hardware and equipment.

Purchased water costs decreased by 63.7% to ₱107.0 million for the year ended December 31, 2025, compared to ₱294.8 million for the year ended December 31, 2024, primarily due to lower rate and volume of purchased water in 2025 compared to 2024 driven by lower Non-Revenue Water (NRW) levels.

Regulatory costs increased by 7.7% to ₱302.1 million for the year ended December 31, 2025, compared to ₱280.5 million for the year ended December 31, 2024, primarily due to the continuous increase in the CPI, which led to higher costs associated with regulatory compliance and operational expenses for the year.

Transportation and travel expenses decreased by 17.8% to ₱181.3 million for the year ended December 31, 2025, compared to ₱220.6 million for the year ended December 31, 2024, primarily due to lower fuel consumption and rate, net of increase in travel charges related to the Initial Public Offering (IPO) activity.

Rental expenses decreased by 7.4% to ₱137.7 million for the year ended December 31, 2025, compared to ₱148.7 million for the year ended December 31, 2024, primarily due to lower actual rental fees for transportation and other equipment, particularly gensets, compared to 2024.

Provision for ECL increased by 66.6% to ₱187.2 million for the year ended December 31, 2025, compared to ₱112.4 million for the year ended December 31, 2024, due to (i) increase in customer accounts and receivables, and (ii) higher loss rate computations based on the increases in CPI.

Advertising and promotion expenses increased by 31.5% to ₱97.7 million for the year ended December 31, 2025, compared to ₱74.3 million in 2024. The increase was primarily driven by higher contributions and promotional initiatives amounting to ₱23.4 million during the year.

Other costs and expenses increased by 7.2% to ₱460.6 million for the year ended December 31, 2025, compared to ₱429.7 million for the year ended December 31, 2024, due to increased provision for inventory obsolescence.

Other Income (Expenses)

Revenue from rehabilitation works and the corresponding cost of rehabilitation works increased by 7.7% to ₱29,176.2 million for the year ended December 31, 2025, compared to ₱27,081.3 million for the year ended December 31, 2024, primarily due to higher capital expenditure to enable us to comply with our service obligations under the Revised Concession Agreement.

Foreign exchange losses – net decreased by 29.8% to ₱1,153.7 million for the year ended December 31, 2025, compared to ₱1,643.4 million for the year ended December 31, 2024, primarily due to fluctuations in the Japanese Yen exchange rates against the Philippine Peso.

FCDA decreased by 30.2% to ₱1,156.5 million for the year ended December 31, 2025, compared to ₱1,656.3 million for the year ended December 31, 2024, primarily due to the continuous decline in the value of the Japanese yen against the Philippine Peso for the year.

Interest income decreased by 24.3% to ₱306.5 million for the year ended December 31, 2025, compared to ₱404.8 million for the year ended December 31, 2024, primarily due to the significant reduction in investment placements during the year, coupled with lower interest rates on these investments.

Others – net decreased by 67.6% to ₱203.6 million for the year ended December 31, 2025 from an income of ₱628.6 million for the year ended December 31, 2024, primarily due to lower provision for tax exposure in 2025 and higher revenue from non-regulated business (NRB) in 2025.

Income before Income Tax

As a result of the foregoing, our income before income tax increased by 19.0% to ₱19,599.8 million in the year ended December 31, 2025 from ₱16,475.6 million in the year ended December 31, 2024.

Provision for Income Taxes

Our provision for income tax increased by 19.1% to ₱4,380.6 million for the year ended December 31, 2025 from ₱3,694.2 million in the year ended December 31, 2024, primarily due to higher taxable income.

Net Income

As a result of the foregoing, net income increased by 19.1% to ₱15,219.3 million in the year ended December 31, 2025 from ₱12,781.4 million in the year ended December 31, 2024.

2) YEAR ENDED DECEMBER 31, 2024 COMPARED AGAINST THE YEAR ENDED DECEMBER 31, 2023

Operating Revenue

Operating revenue from water services in the West Zone increased by 22.4% to ₱27,143.5 million for the year ended December 31, 2024, compared to ₱22,169.8 million for the year ended December 31, 2023 primarily due to (i) the implementation of the second tranche of the MWSS-approved basic rate adjustment effective January 1, 2024 of approximately 19.8%, and (ii) increased billed volume which, in turn, was driven by increased demand, higher water production and improved supply availability.

Operating revenue from wastewater services in the West Zone increased by 22.4% to ₱5,785.4 million for the year ended December 31, 2024, compared to ₱4,727.1 million for the year ended December 31, 2023, primarily due to higher tariffs and an increase in the number of commercial customers connected to our sewerage system.

Costs and Expenses

Costs and expenses increased by 2.1% to ₱14,393.7 million for the year ended December 31, 2024, compared to ₱14,101.2 million for the year ended December 31, 2023, primarily driven by an increase in amortization of service concession assets, salaries, wages and benefits, contracted services and taxes and licenses, partially offset by a decrease in provision for expected credit losses, purchased water costs and utilities costs.

Amortization of service concession assets increased by 10.3% to ₱3,028.6 million for the year ended December 31, 2024, compared to ₱2,744.8 million for the year ended December 31, 2023, primarily due to an increase in the number of service concession assets from projects completed during the year. As continuously practiced by the Company, the service concession assets from these projects were capitalized and amortized using the UOP method given that the economic benefit of these service concession assets is more closely aligned with billed volume, which we can reliably estimate. Meanwhile, our subsidiary, PhilHydro, amortizes its service concession assets using the straight-line method over the term of its bulk water supply agreements and memorandum of agreement that it entered into.

Salaries, wages and benefits increased by 14.6% to ₱2,893.4 million for the year ended December 31, 2024, compared to ₱2,525.1 million for the year ended December 31, 2023, primarily due to increases in (i) the

number of our employees, (ii) accrued personnel-related costs and (iii) employer contributions due to higher insurance premiums set by the Philippine Health Insurance Corporation.

Expenses for contracted services increased by 12.6% to ₱1,642.1 million for the year ended December 31, 2024, compared to ₱1,458.7 million for the year ended December 31, 2023, primarily due to (i) higher costs of janitorial and security services, and (ii) hauling services for sludge generated by the Putatan water treatment plants.

Utilities costs decreased by 7.8% to ₱1,535.4 million for the year ended December 31, 2024, compared to ₱1,665.1 million for the year ended December 31, 2023, primarily due to (i) a lower rate of the fuel cost recovery adjustment charged by the Manila Electric Company ("Meralco") and (ii) lower electricity consumption of our facilities.

Payments for taxes and licenses increased by 23.0% to ₱1,026.1 million for the year ended December 31, 2024, compared to ₱834.1 million for the year ended December 31, 2023, primarily due to (i) an increase in our national franchise tax due to higher gross receipts, and (ii) real property tax payments for our buildings and machineries.

Purchased water costs decreased by 52.4% to ₱294.8 million for the year ended December 31, 2024, compared to ₱619.5 million for the year ended December 31, 2023, primarily due to a reduction in purchased water since February 2024, which was, in turn, caused by the suspension by Manila Water of the sale of raw water to us because of the low water level at the La Mesa Dam.

Regulatory costs increased by 15.8% to ₱280.5 million for the year ended December 31, 2024, compared to ₱242.2 million for the year ended December 31, 2023, primarily due to the continuous increase in the CPI, which led to higher costs associated with regulatory compliance and operational expenses for the year.

Transportation and travel expenses increased by 15.3% to ₱220.6 million for the year ended December 31, 2024, compared to ₱191.3 million for the year ended December 31, 2023, primarily due to an increase in the number of trips required to support our operations and NRW management leasing to higher fuel consumption, which was directly impacted by fluctuations in fuel prices throughout the year.

Collection charges increased by 8.6% to ₱197.9 million for the year ended December 31, 2024, compared to ₱182.2 million for the year ended December 31, 2023, primarily due to an increase in customer collection transactions given improved accounts receivable and collection processes.

Expenses for business meetings and representation increased by 9.5% to ₱174.8 million for the year ended December 31, 2024, compared to ₱159.7 million for the year ended December 31, 2023, primarily due to an increase in the number of meetings held, particularly in connection with our Blue Bond issuance during the period.

Rental expenses increased by 66.9% to ₱148.7 million for the year ended December 31, 2024, compared to ₱89.1 million for the year ended December 31, 2023, primarily due to increases in (i) the number of land and buildings being leased out for the year and (ii) rentals for our standby generator units.

Provision for ECL decreased by 81.3% to ₱112.4 million for the year ended December 31, 2024, compared to ₱600.5 million for the year ended December 31, 2023, primarily due to improvements in our collection efficiency.

Advertising and promotion expenses increased by 29.0% to ₱74.3 million for the year ended December 31, 2024, compared to ₱57.6 million for the year ended December 31, 2023, primarily due to an intensified campaign on leakage reduction and reporting incidents to repair pipes that cause water wastage.

Other Income (Expenses)

Revenue from rehabilitation works and the corresponding cost of rehabilitation works increased by 41.2% to ₱27,081.3 million for the year ended December 31, 2024, compared to ₱19,175.3 million for the year ended December 31, 2023, primarily due to higher capital expenditure to enable us to comply with our service obligations under the Revised Concession Agreement.

Foreign exchange losses – net increased by 40.8% to ₱1,643.4 million for the year ended December 31, 2024, compared to ₱1,167.6 million for the year ended December 31, 2023, primarily due to fluctuations in the U.S. dollar and Japanese Yen exchange rates against the Philippine Peso.

FCDA increased by 46.7% to ₱1,656.3 million for the year ended December 31, 2024, compared to ₱1,129.0 million for the year ended December 31, 2023, primarily due to the continuous decline in the value of the Japanese yen against the Philippine Peso for the year.

Interest income increased by 82.6% to ₱404.8 million for the year ended December 31, 2024, compared to ₱221.7 million for the year ended December 31, 2023, primarily due to higher collections during the year and maximization of yield from idle funds after funding all operating requirements.

Others – net, expenses reversed to ₱628.6 million for the year ended December 31, 2024 from an income of ₱1,021.2 million for the year ended December 31, 2023, primarily due to the final drawdown of our loan equivalent to ¥10.0 billion, and fluctuations in the Japanese Yen exchange rates.

Income before Income Tax

As a result of the foregoing, our income before income tax increased by 38.2% to ₱16,475.6 million in the year ended December 31, 2024 from ₱11,923.0 million in the year ended December 31, 2023.

Provision for Income Taxes

Our provision for income tax increased by 26.9% to ₱3,694.2 million for the year ended December 31, 2024 from ₱2,911.8 million in the year ended December 31, 2023, primarily due to higher taxable income.

Net Income

As a result of the foregoing, net income increased by 41.8% to ₱12,781.4 million in the year ended December 31, 2024 from ₱9,011.2 million in the year ended December 31, 2023.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF THE YEARS ENDED DECEMBER 31, 2023, 2024, & 2025

	As of 31 December (*in PHP'000s)*		
	2023	**2024**	**2025**
Current Assets			
Cash and cash equivalents	4,902,556	10,519,541	26,792,759
Trade and other receivables	2,418,070	2,722,872	3,121,557
Contract assets	1,205,041	1,386,458	1,546,060
Other current assets	1,862,498	2,130,695	2,235,572
Total Current Assets	**10,388,165**	**16,759,566**	**33,695,948**
Noncurrent Assets			
Service concession assets	140,919,477	168,339,382	200,373,499
Property and equipment	1,889,754	1,963,230	2,530,754
Financial asset at fair value through other comprehensive income	124,864	124,864	210,583
Other noncurrent assets	10,381,305	10,983,572	10,549,471
Total Noncurrent Assets	**153,315,400**	**181,411,048**	**213,664,307**
Total Assets	**163,703,565**	**198,170,614**	**247,360,255**
Current Liabilities			
Trade and other payables	20,567,655	24,157,077	29,035,755
Short-term and current portion of interest-bearing loans	2,587,660	4,186,065	2,642,939
Current portion of service concession obligation payable to MWSS	874,561	1,027,255	1,472,856
Income tax payable	530,752	787,944	911,038
Total Current Liabilities	**24,560,628**	**30,158,341**	**34,062,588**
Noncurrent Liabilities			
Interest-bearing loans - net of current portion	59,214,238	79,461,471	89,914,700
Service concession obligation payable to MWSS - net of current portion	6,489,036	6,294,526	6,922,708
Deferred tax liabilities - net	1,524,795	1,737,595	2,334,142
Deferred credits	1,207,936	1,379,554	1,240,613
Customers' deposits	548,618	605,611	669,983
Pension liability	285,731	870,805	424,751
Other noncurrent liabilities	1,702,283	2,307,761	2,023,333
Total Noncurrent Liabilities	**70,972,637**	**92,657,323**	**103,530,230**
Total Liabilities	**95,533,265**	**122,815,664**	**137,592,818**
Equity			
Capital stock	4,546,982	5,683,728	7,617,997
Additional paid-in capital	10,041,662	10,030,294	35,555,863
Treasury shares	(391,919)	(960,555)	(3,115,230)
Other equity adjustments	(309,220)	(309,220)	(309,220)
Other comprehensive income (loss)	(108,427)	(607,544)	(319,485)
Retained earnings			

Unappropriated	25,641,222	20,969,247	29,601,292
Appropriated	28,750,000	40,549,000	40,736,220
Total Equity	**68,170,300**	**75,354,950**	**109,767,437**
Total Liabilities and Equity	**163,703,565**	**198,170,614**	**247,360,255**

FINANCIAL CONDITION

1) AS OF DECEMBER 31, 2025 COMPARED AGAINST AS OF DECEMBER 31, 2024

Assets

Total assets as of December 31, 2025 stood at ₱247,360.3 million, an increase of 24.8%, or ₱49,189.6 million, compared to ₱198,170.6 million as of December 31, 2023. This increase was due to the following:

- Cash and cash equivalents increased by 154.7%, or ₱16,273.2 million, to ₱26,792.8 million as of December 31, 2025 from ₱10,519.5 million as of December 31, 2023, due to the proceeds from IPO, which were partially offset by major disbursements during the year, including dividend payouts in March 2025, loan repayments, and monthly capital expenditure disbursements

- Trade and other receivables increased by 14.6%, or ₱ 398.7 million, to ₱3,121.6million as of December 31, 2025 from ₱2,722.9 million as of December 31, 2024, due to the increase in overall customer billings for the year ended December 2025, also partly due to higher tariff/billing rates.

- Contract assets, which are initially recognized from the consideration we have yet to receive from customers while the service was performed, increased by 11.5%, or ₱ 159.6 million, to ₱1,546.1 million as of December 31, 2025 from ₱1,386.5 million as of December 31, 2024, due to the tariff increase and the substantial increase in billings to customers from ₱2.8 billion to ₱3.0 billion from December 31, 2024 to December 31, 2025.

- Service concession assets, which consist of the present value of total estimated concession fee payments and rehabilitation works, increased by 19.0%, or ₱ 32,034.1 million, to ₱200,373.5 million as of December 31, 2025 from ₱168,339.4 million as of December 31, 2024, due to (i) additional payment of concession fees related to an existing MWSS project, which is capitalized as a service concession asset, (ii) an increase in completed projects as of December 31, 2025, due to adjustment as a result of the extension of the Revised Concession Agreement to 2047.

- Property and equipment increased by 28.9%, or ₱567.5 million, to ₱ 2,530.8 million as of December 31, 2025 from ₱1,963.2 million as of December 31, 2024, primarily due to the renewal of our lease contract with MWSS for our head office building for a period of five years, from January 1, 2025 to December 31, 2029 as well as the increase in computer hardware and equipment.

- Financial asset at fair value through other comprehensive income increased by 68.6%, or ₱85.7 million, to ₱ 210.6 million as of December 31, 2025 from ₱ 124.9 million as of December 31, 2024, due to the reversal of previously recognized impairment loss.

Liabilities

Total liabilities as of December 31, 2025 stood at ₱137,592.8 million, an increase of 12.0%, or ₱ 14,777.2 million, compared to ₱122,815.6 million as of December 31, 2024. This increase was due to the following:

- Trade and other payables increased by 20.2%, or ₱ 4,878.7 million, to ₱29,035.8 million as of December 31, 2025 from ₱24,157.1 million as of December 31, 2024, due to (i) higher accruals in construction and retention payables, and (ii) payables arising from purchase orders required for our operations.

- Short-term and current portion of interest-bearing loans decreased by 36.9%, or ₱1,543.1 million, to ₱2,642.9 million as of December 31, 2025 from ₱4,186.1 million as of December 31, 2024, due to loan payments made during 2025.

- Current portion of service concession obligation payable to MWSS increased by 43.4%, or ₱ 445.6 million, to ₱1,472.9 million as of December 31, 2025 from ₱1,027.3 million as of December 31, 2024, due to (i) adjustment as a result of the extension of the Revised Concession Agreement to 2047 (ii) the increase in the U.S. dollar exchange rate from ₱57.85 in 2024 to ₱58.79 in 2025 against the Philippine Peso.

- Income tax payable increased by 15.6%, or ₱ 123.1 million, to ₱911.0 million as of December 31, 2025 from ₱787.9 million as of December 31, 2024, primarily due to higher income tax due as a result of higher taxable income in 2025 compared to 2024.

- Interest-bearing loans – net of current portion increased by 13.2%, or ₱10,453.2 million, to ₱89,914.7 million as of December 31, 2025 from ₱79,461.5 million as of December 31, 2024, due to additional interest-bearing loans totalling ₱13 billion, obtained from the Bank of the Philippine Islands and the Land Bank of the Philippines, with each facility amounting to ₱6.5 billion during the period ended December 31, 2025.

- Service concession obligation payable to MWSS - net of current portion increased by 10.0%, or ₱628.2 million, to ₱ 6,922.7 million as of December 31, 2025 from ₱6,294.5 million as of December 31, 2024, due to (i) adjustment as a result of the extension of the Revised Concession Agreement to 2047 (ii) the increase in the U.S. dollar exchange rate from ₱57.85 in 2024 to ₱58.79 in 2025 against the Philippine Peso.

- Deferred tax liabilities – net increased by 34.3%, or ₱ 596.5 million, to ₱2,334.1 million as of December 31, 2025 from ₱1,737.6 million as of December 31, 2024, due to the remeasurement of the Service Concession Payable and related maintenance and operating expenses following the approval of the Revised Concession Agreement, as well as additional accruals of certain deferred income tax items. These were partially offset by the reversal of similar items as of December 31, 2025.

- Deferred credits, which represent the net effect of unrealized foreign exchange gains on service concession obligations payable to MWSS, decreased by 10.1%, or ₱138.9 million, to ₱1,240.6 million as of December 31, 2025 from ₱1,379.6 million as of December 31, 2024. The decrease was net of fluctuations in the Japanese Yen and U.S. Dollar against the Philippine Peso.

- Pension liability decreased by 51.2%, or ₱446.1 million, to ₱424.8 million as of December 31, 2025 from ₱870.8 million as of December 31, 2024, due to changes in financial assumptions such as discount rate and salary adjustments presented in the latest available actuarial valuation reports.

- Customers' deposits increased by 10.6%, or ₱64.4 million, to ₱670.0 million as of December 31, 2025 from ₱605.6 million as of December 31, 2024, due to new service connections coupled by higher tariffs in 2025.

- Other noncurrent liabilities decreased by 12.3%, or ₱284.4 million, to ₱2,023.3 million as of December 31, 2025 from ₱2,307.8 million as of December 31, 2024, due to the reclassification of certain accruals from non-current to current.

2) AS OF DECEMBER 31, 2024 COMPARED AGAINST AS OF DECEMBER 31, 2023

Assets

Total assets as of December 31, 2024 stood at ₱198,170.6 million, an increase of 21.1%, or ₱34,466.9 million, compared to ₱163,703.6 million as of December 31, 2023. This increase was due to the following:

- Cash and cash equivalents increased by 114.6%, or ₱5,616.9 million, to ₱10,519.5 million as of December 31, 2024 from ₱4,902.6 million as of December 31, 2023, due to (i) the cash generated from operating activities and financing activities, including our maiden Blue Bonds issuance of ₱15.0 billion in July 2024, and loan proceeds in the amount of ₱10.0 billion secured from Metropolitan Bank and Trust Company in March 2024, which were partially offset by cash dividends paid and partial loan payments, and cash payments for capital expenditures or investing activities during the period.

- Trade and other receivables increased by 12.6%, or ₱304.8 million, to ₱2,722.9 million as of December 31, 2024 from ₱2,418.1 million as of December 31, 2023, due to (i) intercompany advances and (ii) the increase of receivables primarily from residential customers due to increased tariffs.

- Contract assets, which are initially recognized from the consideration we have yet to receive from customers while the service was performed, increased by 15.1%, or ₱181.5 million, to ₱1,386.5 million as of December 31, 2024 from ₱1,205.0 million as of December 31, 2023, due to the tariff increase and the substantial increase in billings to customers from ₱2.2 billion to ₱2.8 billion from December 31, 2023 to December 31, 2024.

- Other current assets increased by 14.4%, or ₱268.2 million, to ₱2,130.7 million as of December 31, 2024 from ₱1,862.5 million as of December 31, 2023, due to (i) the increase in prepayments, mostly related to prepaid insurance and performance bond premiums, (ii) higher creditable withholding taxes from customers, and (iii) advances to certain contractors.

- Service concession assets, which consist of the present value of total estimated concession fee payments and rehabilitation works, increased by 19.5%, or ₱27,419.8 million, to ₱168,339.4 million as of December 31, 2024 from ₱140,919.5 million as of December 31, 2023, due to an increase in the number of completed projects and facilities during the period. Total estimated concession fee payments consist of periodic payments of loans and interest on behalf of MWSS which are influenced by foreign exchange rates, while rehabilitation works comprise rehabilitation of pipelines and facilities.

- Other noncurrent assets increased by 5.8%, or ₱602.3 million, to ₱10,983.6 million as of December 31, 2024 from ₱10,381.3 million as of December 31, 2023, due to (i) the additional cash bond posted in favor of the Valenzuela City LGU for the ongoing construction of the Valenzuela Water Reclamation and Recycling Facility ("WRRF"), (ii) more capital expenditure projects being executed that require advances to contractors to cover mobilization costs, and (iii) the increase in new water service connections from customers for the year.

Liabilities

Total liabilities as of December 31, 2024 stood at ₱122,875.6 million, an increase of 28.6%, or ₱27.282.3 million, compared to ₱95,533.3 million as of December 31, 2023. This increase was due to the following:

- Trade and other payables increased by 17.5%, or ₱3,589.54 million, to ₱24,157.1 million as of December 31, 2024 from ₱20,567.7 million as of December 31, 2023, due to (i) higher accruals in construction and retention payables, and (ii) payables arising from purchase orders required for our operations.

- Short-term and current portion of interest-bearing loans increased by 61.8%, or ₱1,598.4 million, to ₱4,186.1 million as of December 31, 2024 from ₱2,587.7 million as of December 31, 2023, due to (i) our maiden Blue Bonds issuance in the aggregate amount of ₱15.0 billion in July 2024, and (ii) the additional interest-bearing loans provided by Metropolitan Bank and Trust Company in March 2024.

- Current portion of service concession obligation payable to MWSS increased by 17.5%, or ₱152.7 million, to ₱1,027.3 million as of December 31, 2024 from ₱874.6 million as of December 31, 2023, due to (i) the additional drawdown of loans by MWSS for the year and (ii) the increase in the U.S. dollar exchange rate from ₱55.37 in 2023 to ₱57.85 in 2024 against the Philippine Peso.

- Income tax payable increased by 48.4%, or ₱257.1 million, to ₱787.9 million as of December 31, 2024 from ₱530.8 million as of December 31, 2023, primarily due to higher income tax due as a result of higher taxable income in 2024 compared to 2023.

- Interest-bearing loans – net of current portion increased by 34.2%, or ₱20,247.3 million, to ₱79,461.5 million as of December 31, 2024 from ₱59,214.2 million as of December 31, 2023, due to (i) our maiden Blue Bonds issuance in the aggregate amount of ₱15.0 billion in July 2024, and

(ii) the additional interest-bearing loans provided by the Metropolitan Bank and Trust Company in March 2024.

- Deferred tax liabilities – net increased by 14.0%, or ₱212.8 million, to ₱1,737.6 million as of December 31, 2024 from ₱1,524.8 million as of December 31, 2023, due to an increase in borrowing costs during the period, which were treated differently in financial and tax accounting as to timing, recognition and deductibility of expenses.

- Deferred credits, which represent the net effect of unrealized foreign exchange gains on service concession obligations payable to MWSS, increased by 14.2%, or ₱171.7 million, to ₱1,379.6 million as of December 31, 2024 from ₱1,207.9 million as of December 31, 2023, due to fluctuations in the value of the U.S. dollar against the Philippine Peso.

- Pension liability increased by 204.8%, or ₱585.1 million, to ₱870.8 million as of December 31, 2024 from ₱285.7 million as of December 31, 2023, due to changes in financial assumptions such as discount rate and salary adjustments presented in the latest available actuarial valuation reports.

- Customers' deposits increased by 10.4%, or ₱57.0 million, to ₱605.6 million as of December 31, 2024 from ₱548.6 million as of December 31, 2023, due to new service connections coupled by higher tariffs in 2024.

- Other noncurrent liabilities increased by 35.6%, or ₱605.5 million, to ₱2,307.8 million as of December 31, 2024 from ₱1,702.3 million as of December 31, 2023, due to (i) the accrual of personnel-related costs, (ii) an increase in lease liability arising from rental of transportation equipment, and (iii) an increase in contract liabilities on account of connection and installation fees.

LIQUIDITY

1) CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 & 2025

	For the year ended 31 December *(in PHP'000s)*		
	2023	**2024**	**2025**
Net cash provided by (used in) operating activities	(5,839,734)	(5,230,032)	(4,263,480)
Net cash provided by (used in) investing activities	(7,056,881)	(1,097,111)	(860,086)
Net cash provided by (used in) financing activities	7,360,507	11,944,128	21,396,784
Net increase (decrease) in cash and cash equivalents	(5,536,108)	5,616,985	16,273,218
Cash and cash equivalents at beginning of year	10,438,664	4,902,556	10,519,541
Cash and cash equivalents at the end of year	4,902,556	10,519,541	26,792,759

CONTINGENCIES AFFECTING THE CORPORATION'S CASH FLOWS

A contingent liability may be present in the surety bond extension submitted to MWSS on April 5, 2022. On December 28, 2022, the Corporation posted a surety bond in the amount of ₱3.3 billion issued by Prudential Guarantee and Assurance, Inc. in favor of MWSS covering the performance bond for the sixth rebasing period from January 1, 2023 to December 31, 2027. With the effectivity of the RCA, the Corporation is required to submit additional performance bond. On June 26, 2023, Maynilad posted another surety bond in the amount of ₱18.6 billion covering the period May 10, 2023 to December 31, 2027 to satisfy the requirement under the RCA.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth the contractual maturities of the Corporation's financial liabilities, including interest payments as of December 31, 2025:

	As of 31 December 2025 *(in PHP'000s)*				
	On Demand	**Due Within 3 Months**	**Due Between 3 and 12 Months**	**Due after 12 Months**	**Total**
Interest-bearing loans*	–	1,525,263	2,414,016	89,914,700	93,853,979
Trade and other payables**	912,055	5,911,784	11,044,760	8,445,448	26,314,047
Service concession obligation payable to MWSS	–	631,485	715,819	7,048,260	8,395,564
Customers' deposits	–	–	–	1,446,234	1,446,234
Lease liabilities***	–	54,707	164,054	573,674	792,435
	912,055	**8,123,239**	**14,338,649**	**107,428,316**	**130,802,259**

As of December 31, 2025, there is no known event that will trigger a direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

FINANCIAL KEY PERFORMANCE INDICATORS

	For the year ended 31 December *(in PHP millions except for ratio figures)*		
	2023	**2024**	**2025**
Net Income	9,011.2	12,781.4	15,219.3
EBITDA[(1)]	17,473.9	22,041.1	25,293.0
EBITDA Margin [(2)] *(in %)*	64.0%	65.8%	69.0
Return-on-Assets [(3)] *(in %)*	5.9%	7.1%	6.8%
Debt-to-Equity Ratio [(4)]	0.9	1.1	1.2
Debt Service Coverage Ratio [(5)] *(in %)*	3.6	3.5	6.15
Asset-to-Equity Ratio [(6)]	2.4	2.6	2.3
Return-on-Equity [(7)] *(in %)*	13.7%	17.8%	16.4%

The Corporation and its subsidiaries' key financial data presented are derived using the following formula:

1. EBITDA is calculated as net income + interest expense and other financing charges + provision for income taxes + depreciation and amortization + amortization of service concession assets - interest income. The following table provides for the computation of the Corporation's EBITDA for the following periods:

	For the year ended 31 December *(in PHP millions)*		
	2023	**2024**	**2025**
Net income	9,011.2	12,781.4	15,219.3
Add/(Deduct)			
Interest expense and other financing charges	2,503.4	2,414.4	2,227.7
Provision for income tax	2,911.9	3,694.2	4,380.6
Depreciation and amortization	524.3	527.3	595.5
Amortization of service concession assets	2,744.8	3,028.6	3,176.4
Interest income	(221.7)	(404.8)	(306.5)
EBITDA	**17,473.9**	**22,041.1**	**25,293.0**

2. Calculated as EBITDA / operating revenues.

3. Calculated as net income / average total assets. Average total assets is calculated as the sum of the amounts at the beginning and end of the period divided by two.

4. Calculated as Debt / total equity. "Debt" is defined as the amount of all our outstanding obligations for borrowed money from any bank or financial institution and amounts outstanding under any issue of bonds, notes, or similar instruments by us, which are booked as liabilities in our financial statements

5. Calculated as (a) the sum of the EBITDA as of the last day of the immediately preceding 12-month period and our cash and cash equivalents at the beginning of the immediately succeeding 12-month period divided by (b) debt service for the immediately succeeding 12-month period. "Debt Service" is defined as the aggregate amount of all principal, interest and other financial charges in respect of borrowed money payable by us.

6. Calculated as total assets / total equity.

7. Calculated as net income / average total equity. Average total equity is calculated as the sum of the amounts at the beginning and end of the period divided by two.

CAPITAL EXPENDITURES

The Corporation's capital expenditure program is set out in its Business Plan for the sixth rate rebasing period. Projects part of the program are classified as Water Sources, Operations Support, Non-Revenue Water Management, Sewerage, Sanitation, and Customer Service and Information. The Corporation expects to source funds for its Capex program through a combination of internally-generated funds, bank loans, and capital markets transactions

The Corporation's annual total budgeted project cost of its capital expenditure program for the years 2023-2027 are shown below:

	2023	2024	2025	2026	2027	Total
Total Capex (₱ Billions)	26.0	31.4	38.9	34.6	32.4	163.3

OFF-BALANCE SHEET ARRANGEMENTS

As of date, the Corporation has no material off-balance sheet transactions, arrangements, obligations for which the Corporation is a guarantor. The Corporation also has no unconsolidated subsidiaries. In the ordinary course of business, the Corporation has obtained, and may from time to time obtain, performance or bid bonds in favor of their counterparties.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

There are no material (i) known trends, events or uncertainties with material impact on liquidity, (ii) events that will trigger direct or contingent financial obligation that is material to the Corporation (including any default or acceleration of an obligation, (iii) material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period, (iv) material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures, and (v) any other known trends, events or uncertainties with material impact on sales.

SEASONALITY

The Corporation experiences higher water demand during summer months (i.e., April and May). Nonetheless, weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change (e.g., El Niño, La Niña) or other factors.

Item 7. Financial Statements

Please see *Annex B* for the Audited Consolidated Financial Statements of the registrant.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure/s

The auditing firm of SyCip, Gorres, Velayo & Co. ("**SGV**") is Maynilad's independent accountant since 2007.

There are no disagreements with SGV & Co. on accounting and financial disclosures made in the Company's audited financial statements.

PART III

CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Corporate Officers

The Board of Directors

Maynilad's overall management and supervision are undertaken by the Board of Directors. Our corporate officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning our business operations, financial condition and results of operations for its review. Currently, the Board of Directors consists of 14 members, of which three are independent directors. The directors named below were elected at our Company's annual stockholders meeting on May 21, 2025. All directors will hold office until their successors have been duly elected and qualified.

The following table sets forth the Board of Directors of our Company:

Name	Age	Position	Citizenship
Manuel V. Pangilinan	79	Chairman	Filipino
Isidro A. Consunji	76	Vice Chairman	Filipino
Jose Ma. K. Lim	73	Director	Filipino
Jorge A. Consunji	73	Director	Filipino
Herbert M. Consunji	72	Director	Filipino
June Cheryl A. Cabal - Revilla	51	Director	Filipino
Joseph Ian G. Gendrano	48	Director	Filipino
Ricardo M. Pilares III	44	Director	Filipino
Ramoncito S. Fernandez	69	Director	Filipino
Kazuaki Shibuya	53	Director	Japanese
Nagahito Miyoshi	52	Director	Japanese
Fortunato T. de la Peña	75	Independent Director	Filipino
Gil S. Jacinto	69	Independent Director	Filipino
Ma. Assunta C. Cuyegkeng	68	Independent Director	Filipino

The business experience of each of the foregoing nominated individuals is set forth below.

Mr. Manuel V. Pangilinan assumed chairmanship of Maynilad in January 2007 and remain as such up to the present. He is also the President and CEO of Metro Pacific Investments Corp. (MPIC), Philippine Long Distance Telephone Company (PLDT) and Smart Communications, and continues to serve as their Chairman concurrently. He also serves as Chairman, Vice Chairman, or Board of Director of Manila Electric Company (Meralco), MPIC, Mediaquest Inc., Associated Broadcasting Corp. (TV5), Philex Mining Corp., Philex Petroleum Corp., NLEX Corp. (formerly Manila North Tollways Corp.), Landco Pacific Corp., Medical Doctors, Inc. (owner and operator of Makati Medical Center), Colinas Verdes Hospital Managers Corp. (operator of Cardinal Santos Medical Center), Davao Doctors Incorporated, Riverside Medical Center Incorporated in Bacolod, East Manila Hospital Managers Corp. (operator of Our Lady of Lourdes Hospital), Asian Hospital, Inc., Central Luzon Doctors' Hospital in Tarlac, De Los Santos Medical Center, Metro Pacific Zamboanga Hospital Corporation, and The Megaclinic Incorporated. In 2012, he was appointed as Vice Chairman of Roxas Holdings Inc., which owns and operates the largest sugar milling operations in the Philippines.

Mr. Pangilinan founded First Pacific in 1981 and serves as its Managing Director and CEO. Within the First Pacific Group, he holds the positions of President and Commissioner of P.T. Indofood Sukses Makmur, the largest food company in Indonesia.

For civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress, PLDT-Smart Foundation Inc., One Meralco Foundation Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation, and is a Director of the Philippine Business for Education. He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S. – Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc. and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.

Mr. Isidro A. Consunji has been Vice Chairman of Maynilad since January 2007. Presently, he is the Chairman and President of DMCI.

He also serves as a member of the Board of Directors of Semirara Mining and Power Corp., Atlas Consolidated Mining and Development Corp., D.M. Consunji, Inc., DMCI Project Developers Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Power Corp., Sem-Calaca Power Corp., Sem-Cal Industrial Park Developers, Inc., Southwest Luzon Power Generation Corp., Sem-Calaca Res Corp., Semirara Claystone, Inc., and Wire Rope Corp. of the Philippines.

Mr. Consunji graduated from the University of the Philippines where he earned a Bachelor of Science in Civil Engineering degree. He also took up Master of Business Economics from the Center for Research and Communication (now University of Asia and the Pacific) and Master of Business Management from the Asian Institute of Management. He took up an Advanced Management Program at IESE School in Barcelona, Spain.

Among Mr. Consunji's civic affiliations are Philippine Overseas Construction Board (Chairman); Construction Industry Authority of the Philippines (Board Member); Philippine Constructors Association and Philippines Chamber of Coal Mines (Past President); and Asian Institute of Management Alumni Association, UP Alumni Engineers, and UP Aces Alumni Association (Member).

In 2016, he was recognized as the Most Distinguished Alumnus by the UP Alumni Engineers (UPAE). Most recently, he was named Management Man of the Year 2022 by the Management Association of the Philippines.

Mr. Jose Ma. K. Lim has been a Director of Maynilad since 2007. He is the former President and Chief Executive Officer of Metro Pacific Investments Corporation.

He joined the MPIC Group (which was then called Metro Pacific Corporation or MPC) in 1995 as Treasury Vice President of the Fort Bonifacio Development Corporation (then a subsidiary of MPC). He was later appointed as its Chief Finance Officer in 2000. In 2001, he assumed more responsibility for the Company as he concurrently served as Vice President and Chief Finance Officer of MPC.

Mr. Lim currently acts as a Director in the following MPIC subsidiary and affiliate companies: Beacon Electric Asset Holdings Incorporated, Meralco, Metro Pacific Tollways Corporation, MNTC, Tollways Management Corporation, Light Rail Manila Corporation, AF Payments Inc., MetroPac Water Investments

Incorporated, Indra Philippines, Medical Doctors Incorporated, Colinas Verdes Hospital Managers Corporation, and East Manila Managers Corporation. He is also the Chairman of Asian Hospital Incorporated, Davao Doctors Hospital (Clinica Hilario) Incorporated, and Riverside Medical Center Incorporated. He is also the President of the Metro Strategic Infrastructure Holdings Incorporated.

He is a founding member of the Shareholders Association of the Philippines. He is also an active member of the Management Association of the Philippines where he served as Vice-Chair of the Good Governance Committee from 2007 to 2009.

Prior to joining the MPIC Group, he built himself a solid reputation in foreign banking institutions as Vice President of the Equitable Banking Corporation and Director for Investment Banking of the First National Bank of Boston.

For five consecutive years from 2012-2016, he was conferred the Best CEO for Investor Relations by Corporate Governance Asia.

Mr. Lim earned his Bachelor of Arts degree in Philosophy from Ateneo de Manila University and his Master of Business Administration degree from the Asian Institute of Management.

Mr. Jorge A. Consunji has been a Director of Maynilad since January 2007. Presently, he is the President and CEO of D.M. Consunji, Inc. and Chairman of the Board of Wire Rope Corp. of the Philippines.

He also serves as a member of the Board of Directors of DMCI Holdings, Inc., Semirara Mining and Power Corp., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., DACON Corp., and Beta Electric Corp.

Mr. Herbert M. Consunji has been a Director of Maynilad since April 2023. He previously served as the Company's Chief Operating Officer from May 2006 until February 2016. He is also the Director of DMCI Holdings, Inc., D.M. Consunji, Inc., Semirara Mining and Power Corporation, DMCI Power Corporation, DMCI Mining Corporation, DMCI Project Developers, Inc., Sem-Calaca Power Corporation, Sem-Cal Industrial Park Development, Inc., Sem Calaca Res Corp., Semirara Materials and Resources, Inc., Southwest Luzon Power Generation Corp., and Subic Water & Sewerage Corporation. Currently, he also serves as Executive Vice President/Chief Finance Officer, Chief Compliance and Chief Risk Officer of DMCI Holdings, Inc.; and Treasurer of DMCI Mining Corp.

Ms. June Cheryl Cabal-Revilla has been a Director of Maynilad since 2022. She is an Executive Director and the Chief Finance, Risk and Sustainability Officer of MPIC. Apart from Maynilad, she is concurrently a Board of Director of all MPIC subsidiaries – Meralco, Metro Pacific Tollways Corporation, Metro Pacific Hospitals Holdings Inc., Light Rail Manila Corporation, Landco Pacific Corporation, among others. She is also the President and Chief Executive Officer of mWell, MPIC's digital healthcare arm.

Prior to joining MPIC, she held various executive leadership positions at the PLDT Group, the Philippines' largest fully integrated telco company. She was the former Senior Vice President and Group Controller, and Chief Sustainability Officer of the PLDT Group and the Chief Financial Officer of Smart, PLDT-Smart Foundation, Philippine Disaster Resilience Foundation and in a number of subsidiaries and affiliates of PLDT, Smart & ePLDT.

She is an Appointed Member of the Financial Reporting and Sustainability Standards Council of the Philippines, the accounting and sustainability standards-setters in the country, since 2010 for FRSC. She was conferred the Accountancy Centenary Award of Excellence (One of the 100 Notable CPAs) in early 2023 by the Philippine Board of Accountancy. She was also hailed as Asian Institute Management Triple A Awardee in 2020 – 145 awardees out of 45,000 graduates. Chaye has received several Best CFO, Best CSO and Top CEO awards by reputable institutions from Singapore, Hong Kong, Malaysia and the Philippines. She was an awardee of the Ten Outstanding Young Men in 2013 and the incumbent President of TOYM Foundation. In 2023, she was conferred the Most Influential Filipina Woman in the World at the Filipina Leadership Global Summit in Prague, Czech Republic.

She is the Founding Chair of Gabay Guro, the Philippines' biggest and longest-running education advocacy program for teachers.

Prior to joining PLDT as Executive Trainee in the Finance Group in 2000, she was a Senior Associate in the Business Audit and Advisory Group of SGV & Co. She received her Bachelor of Science degree in Accountancy from De La Salle University and Master's Degree in Business Management, Major in Finance, from Asian Institute of Management. She also finished her Executive Program in the Stanford Graduate School of Business in 2018. In 2022, she also took the Swedish Institute Management Program and the Innovative Dynamic Education and Action for Sustainability, a transformational leadership program of the MIT Management Sloan School.

Mr. Joseph Ian G. Gendrano has been a Director of Maynilad since April 2023. He has been with PLDT, Inc. for over 10 years. Currently, he is PLDT, Inc.'s Senior Vice President, Chief Technology Officer. Prior to joining PLDT, he had formerly served at Goldman Sachs, Cisco Systems, Inc., and Verizon Business in New York and in New Jersey. Mr. Gendrano graduated from De La Salle University where he earned a Bachelor of Science in Electronics and Communications Engineering. He also took up Master of Science in Engineering, Major in Telecommunications and Networking, from the University of Pennsylvania, School of Engineering and Applied Science.

Atty. Ricardo M. Pilares III joined the Maynilad Board of Directors in April 2023. He is also Vice President for Legal at MPIC. As the Company's Chief Legal Officer, Mr. Pilares takes the lead legal role in various projects of MPIC, including PPP Projects as well as major M&A projects. He also serves as Compliance Officer, Corporate Governance Officer and Corporate Secretary of MPIC. Mr. Pilares also acts as legal counsel and corporate secretary of MPIC's various subsidiaries and affiliates. He is a member of the faculty of Ateneo Law School, teaching Statutory Construction and Conflict of Laws.

Mr. Ramoncito S. Fernandez is the President and Chief Executive Officer of Maynilad Water Services, Inc. He holds directorships in Maynilad, MPIC, MetroPac Water Investments Corporation, Metro Iloilo Bulk Water Supply Corporation, Metro Iloilo Water, Inc., MetroPac Iloilo Holdings Corp., Metro Iloilo Concession Holdings Corp., Metro Pacific Iloilo Water, Inc., Metro Pacific Dumaguete Water Services, Inc., MetroPac Dumaguete Holdings Corp., MetroPac Cagayan De Oro, Inc., MetroPac Cagayan De Oro Holdings Inc., Cagayan De Oro Bulk Water, Inc., MetroPac Baguio Holdings, Inc., BOO Phu Ninh Water Treatment Plant Joint Stock Company, Tuan Loc Water Resources Investment Joint Stock Company, Philippine Hydro (PH), Inc., and Amayi Water Solutions, Inc.

He was Governor and Treasurer of the Management Association of the Philippines in 2017, and became the President of the same association in 2018. He is a Board Trustee of the Shareholders Association of the Philippines (SharePHIL) since 2013, Chairman of the same association from 2020 to 2022, and currently

the Chairman of the Ways and Means Committee of SharePHIL. He was President of the Packaging Institute of the Philippines from 1998 to 1999, and President of the Association of Flexible Packaging Manufacturers from 1999 to 2000. He was also a member of the Board of Directors of the Philippine Constructors Association from 2010 to 2011. He is also a Board Trustee of First Pacific Leadership Academy, Vice-Chairperson for External Affairs of Parish Pastoral Council for Responsible Voting (PPCRV), Fellow of the Institute of Corporate Directors, Associate of the Philippine Institute of Industrial Engineers, Inc. and ASEAN Engineering Register, and recently re-elected as Board Member of the Asia Water Council for 2023-2026.

He is the 2009 PISM GAWAD SINOP Awardee, an award conferred by the Foundation of the Society of Fellows in Supply Management and the Philippine Institute for Supply Management to outstanding achievers in the field of supply management.

Mr. Fernandez was President and CEO of Metro Pacific Tollways Corporation (MPTC) and Tollways Management Corporation (TMC) from 2009 to 2015. He was also President and CEO of MP Cala Holdings, Inc. in 2015. He also headed the Administration & Materials Management Group of Smart/PLDT from 2000 to 2010, the International & Carrier Business of Smart/PLDT from 2005 to 2010, and the Global Access Group of Smart from 2005 to 2010. He also held the position of Executive Vice-President, In-Charge of Marketing, Sales and Logistics of Starpack Philippines, Inc. from 1997 to 2000. He was Vice-President, Officer-In-Charge of Steniel Carton Systems Corporation in 1996, Vice-President, Manufacturing of AR Packaging Corporation in 1995, and Vice-President, Marketing and Logistics of Akerlund & Rausing, Philippines from 1990 to 1994. He was also an Executive Understudy at AB Akerlund & Rausing, Sweden in 1985. He also worked at the Packaging Division of PHIMCO Industries, Inc. as Operations Controller from 1982 to 1983, as Logistics Manager from 1983 to 1984, and as Marketing Manager from 1985 to 1990. In 1981, he was the Production Manager of Union Carbide Phils., Cebu Plant.

Mr. Fernandez has been with the MVP Group since 1994, first under the packaging business and later with PLDT and Smart. He has led the tollways group in its expansion projects and championed strategies and programs on customer service satisfaction, innovation and a performance driven culture that has promoted profitability and growth of the organization. He is currently the Head of the MVP Group water business, leading the Next Generation Maynilad Transformation, as well as growth outside Metro Manila.

He is a BS Industrial Management Engineering graduate of De La Salle University. He has a Master's Degree in Business Management from the Asian Institute of Management, and completed the Advanced Management Program at the University of Asia and the Pacific / IESE. He also completed the Professional Directors Program at the Institute of Corporate Directors, and the Strategic Business Economic Program at the University of Asia and the Pacific.

Mr. Kazuaki Shibuya joined the Maynilad Board of Directors in April 2022. He is presently General Manager of the Environmental Infrastructure Department of Marubeni Corporation. He has been engaged in the development of various international infrastructure projects, such as power/water projects in Marubeni Corporation for 30 years, including overseas assignments in Chennai/New Delhi, India (2000-2004), Johannesburg, South Africa (2015-2019) as Regional Director, Sub-Saharan Africa, Marubeni Middle-East & Africa Power Limited. Mr. Shibuya held a director position in Marubeni's water business subsidiary and affiliate companies such as Aguas Nuevas S.A (Santiago, Chile), Aguas Decima S.A (Valdivia, Chile), AGS (Lisbon, Portugal) and Shuqaiq Three Company for Water (Jeddah, Saudi Arabia).

Mr. Nagahito Miyoshi has been a Director of Maynilad since April 2023. He is also President of MCNK JV Corporation, and Vice President of Environmental Infrastructure Department of Marubeni Philippines Corporation. Mr. Miyoshi has been with the Marubeni Corporation for over 25 years, serving in various positions across the Company since 1998, including as a General Manager for Energy Infrastructure Projects Sec-1 (2016); General Manager for Plant Projects Sec-1 (2017); and Head Representative of the Marubeni Tashkent Office (2019).

Mr. Fortunato T. de la Peña joined the Maynilad Board of Directors in April 2023. He also serves as an Independent Director at Resins, Inc. Currently, he is the Chairman of the Philippine Foundation for Science & Technology, the Entrepinoy Volunteers Foundation, Inc., and the Automated Technology (Phil.) Inc. He is also the Vice Chairman of De La Salle University.

He served as the Secretary of the Department of Science and Technology from 2016 until 2022. He has been the President of the Philippine Association for the Advancement of Science and Technology since 2011. Mr. De La Peña also served as an Undersecretary for the DOST (2001 to 2014) and held a director position in the department's Technology Application and Promotion Institute (1989 to 1991). He was also the Chairman of the United Nations Commission on Science & Technology for Development from 2011 to 2012. He also held several positions in the University of the Philippines, such as: Professorial Lecturer in Industrial Engineering (2011-2016), Professor of Industrial Engineering (1973-2011), Vice-President for Planning & Development (1993-1999), Director of Institute for Small Scale Industries (1992-2001), and Chairman of Department of Industrial Engineering (1982-1988). He also served as an Interim Executive Director of the APEC Center for Technology Training for Small and Medium Enterprises (1996 to 1998), Planning Service Head of the National Science and Technology Authority (1982 to 1984), and Cost and Operations Engineer of ESSO Philippines (1969 to 1971). He is an ASEAN Engineer since 2013.

Mr. De La Peña obtained his Bachelor's Degree in Chemical Engineering and his Master's Degree in Industrial Engineering from the University of the Philippines. He also received a Diploma in Industrial Quality Control from Bouwcentrum International Education in Rotterdam, Netherlands, and completed his Graduate Studies in Operations Research at the Polytechnic Institute of New York.

Mr. Gil S. Jacinto joined the Maynilad Board of Directors in April 2023. He also served as Assistant Vice-President for Academic Affairs (Internationalization), and as Director for Office of International Linkages in the University of the Philippines System (2017 to 2020). For 23 years, Mr. Jacinto served as a Professor in the University of the Philippines Diliman Marine Science Institute (1997- 2020). Among his civic affiliations are UNESCO National Commission-UN Decade of Ocean Science for Sustainable Development (Consultant), National Research Council of the Philippines (Member), IOC Advisory Body of Experts of the Law of the Sea (Member), and UNESCO Intergovernmental Oceanographic Commission (Philippine Focal Person).

Ms. Ma. Assunta C. Cuyegkeng has been part of the Maynilad Board of Directors since April 2023. Currently, she is a professor at the Department of Educational Leadership and Management of the Gokongwei Brothers School of Education and Learning Design. She is also the Executive Director of the Lily Gokongwei Ngochua Leadership Academy and the ASEAN University Network on Ecological Education and Culture. Ms. Cuyegkeng is also Chair of CHED Technical Working Group on Institutional Sustainability Assessment, and Managing Editor of the Journal of Management for Global Sustainability. She obtained her Bachelor's and Master's Degrees in Chemistry from the Ateneo de Manila University, and her doctoral degree in Chemistry from the University of Regensburg in Germany.

Corporate Officers
The following table sets forth our corporate officers:

Name	Age	Position	Citizenship
Ramoncito S. Fernandez	69	President / Chief Executive Officer	Filipino
Christopher Jaime T. Lichauco[(1)]	59	Chief Operating Officer	Filipino
Ricardo F. de los Reyes	62	Treasurer / Chief Finance Officer	Filipino
Alex Erlito S. Fider	72	Corporate Secretary	Filipino
Kristina Joyce C. Gangan	43	Assistant Corporate Secretary	Filipino
Lourdes Marivic K. Punzalan-Espiritu	57	Senior Vice President, Legal & Regulatory Affairs / Chief Legal Counsel / Compliance Officer	Filipino

Note:

(1) Mr. Randolph T. Estrellado retired effective September 1, 2025. On August 26, 2025, the Company selected Mr. Christopher Jaime T. Lichauco as Mr. Estrellado's qualified successor in accordance with its by-laws.

The business experience of each of the Corporation's corporate officers is set forth below.

Mr. Ramoncito S. Fernandez
Please refer to the discussion on the business experience of directors above.

Mr. Christopher Jaime T. Lichauco has been with Maynilad since 1998, and has served as the Chief Operating Officer since his appointment last September 1, 2025, He is also currently the President and Director of Amayi Water Services, Inc. His former positions in Maynilad include Head of Customer Experience & Retail Operations (2014 to 2025), Business Area Operations Head (2008 to 2013), Large Accounts Head (2006 to 2007), Northeast Business Area Head (2004 to 2006), and Central Business Area Marketing Manager (1999 to 2000) and Project Manager for Change Management (1998-1999). Mr. Lichauco obtained his Master's Degree in International Management from the Thunderbird School of Global Management in Phoenix, Arizona, and Bachelor's Degree in Legal Management from the Ateneo de Manila University.

Mr. Ricardo F. de los Reyes has served as the Treasurer and Chief Finance Officer of Maynilad since 2017. Prior to joining the Company, he worked at IBM Analytics Solutions Lab Services (North America) and held senior management posts at United Laboratories, Inc. and Johnson & Johnson. He obtained his Master's Degree in Business Administration, Juris Doctor and Bachelor's Degree in Finance at Santa Clara University in California, USA. Mr. de los Reyes is also a member of the State Bar of California.

Atty. Alex Erlito S. Fider has served as the Company's Corporate Secretary since 2007. He is one of the founding partners of the Picazo Buyco Tan Fider & Santos Law Offices. His legal experience spans over three decades of involvement in corporate transactions and projects. Recognized by the Asian Business Law Journal as among the top 100 Philippine lawyers, Atty. Fider's legal work extends to an array of corporate acquisitions and financing transactions of companies involved in public infrastructure, water, and power utilities, telecommunications, broadcast and mass media, and real estate development. He has been ranked as among the leading lawyers in mergers and acquisitions and corporate financing in the Philippines.

Atty. Fider is a Director or Corporate Secretary of several Philippine corporations, including Metro Pacific Tollways Corporation and its subsidiaries, including NLEX Corporation, MPCALA Holdings Inc., and Cebu-Cordova Link Expressway Corporation; Smart Communications, Inc.; Roxas Holdings, Inc.; Voyager group, including Voyager Innovations Inc. and Maya Bank Inc.; Cignal TV Inc., and BusinessWorld Publishing Corporation; and Maynilad Water Services, Inc.

He is a member of Financial Executives Institute of the Philippines ("**FINEX**") and Institute of Corporate Directors where he is a Fellow. He is a member of the Board of Trustees of non-profit organizations such as the Metropolitan Manila Cathedral Basilica Foundation and Alagang Kapatid Foundation.

Atty. Fider graduated from the University of the Philippines with degrees in Economics and Law. He was admitted to the Philippine Bar in 1985 and undertook specialized courses in Strategic Business Economics and Corporate Governance in the Philippines and Australia, respectively.

Atty. Kristina Joyce C. Gangan has served as the Company's Assistant Corporate Secretary since 2021. She is a Partner at Picazo Buyco Tan Fider & Santos Law Offices. She concurrently serves as Corporate Secretary of Fragrant Cedar Holdings, Inc., and Assistant Corporate Secretary of Cavitex Infrastructure Corp., MPCALA Holdings, Inc., Metro Pacific Tollways South Corporation, Metro Pacific Tollways South Management Corporation, among others. She graduated cum laude with the degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in 2002, and with the degree of Bachelor of Laws also from the University of the Philippines in 2006.

Atty. Lourdes Marivic K. Punzalan-Espiritu has served as the Senior Vice President, Legal & Regulatory Affairs and Chief Legal Counsel since 2008. Prior to joining the Company, she held positions as Corporate Affairs Manager of Mars Southeast Asia from 2007 to 2008, External Affairs Manager at Master Foods Philippines, Inc. from 2003 to 2005, and as an Associate of Quisumbing Torres from 1994 to 2003. She is a Certified Public Accountant and member of the Philippine Bar. She obtained her double degrees of Bachelor of Science in Commerce, major in Accounting and Bachelor of Arts, major in Political Science, from the De La Salle University in 1988, and her Bachelor's degree in Laws from the University of the Philippines in 1993.

Involvement in Certain Legal Proceedings of Directors and Senior Management
We are not aware of any legal proceedings where its directors or corporate officers have been impleaded in their capacity as directors or corporate officers of the Company.

Except for the following, none of the directors for election are subject to any pending material legal proceedings as of the date of this report:

1. ***People of the Philippines vs. Consunji, et. al., Criminal Case No. Q-02-114052, RTC-QC, Branch 78.*** - A complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed with the Regional Trial Court - Quezon City ("**RTC-QC**") Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 02-7259 finding probable cause against the directors and officers of Universal Leisure Club ("**ULC**") and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as "a network of 5 world clubs."

   The case was re-raffled to RTC-QC Branch 85 (the "**Court**"). On January 10 2003, respondents filed their Motion for Reconsideration on the resolution dated December 3, 2002, recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants' sought reconsideration of the resolution withdrawing the information, but was denied by the City

Prosecutor. By reason of the denial, Complainants filed a Petition for Review with the DOJ on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was filed by the complainants, but was ordered stricken out from records by the Court in its Order dated February 22, 2007 for being unauthorized and declaring the Omnibus Order final and executory. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

2. ***Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al., I.S. Nos. 03-57411-I, 03-57412-I, 03 57413-I, 03-57414-I, 03-57415-I, 03-57446-I and 03-57447-1, Department of Justice, National Prosecution Service.*** - These consolidated cases arose out of the same events in the immediately above-mentioned case, which is likewise pending before the DOJ.

In its 1st endorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008, filed by complainants' counsel. This case remains pending to date.

Aside from the aforementioned, to the best of our knowledge, none of the other directors or members of Senior Management has been subject to the following in the last five years:

(a) any bankruptcy petition filed by or against any business of which such person was a general partner or corporate officer either at the time of the bankruptcy or within two years prior to that time;

(b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or

(d) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Family Relationships

Mr. Isidro Consunji and Mr. Jorge Consunji are brothers. Other than this, there are no family relationships either by consanguinity or affinity up to the fourth civil degree among our Directors, executive and corporate officers, and shareholders.

Item 10. Executive Compensation

Compensation of Corporate Officers

The Corporation's President and the four (4) most highly compensated corporate officers of the Corporation are as follows:

Name	Position
Ramoncito S. Fernandez	Director / President / CEO
Christopher Jaime T. Lichauco	Chief Operating Officer
Francisco C. Castillo	Senior Vice President, and Chief Information Officer
Lourdes Marivic K. Punzalan-Espiritu	Senior Vice President, Legal & Regulatory Affairs / Chief Legal Counsel / Compliance Officer
Ricardo F. De los Reyes[(1)]	Treasurer / Chief Finance Officer

Note:

(1) Following the retirement of Mr. Randolph T. Estrellado on September 1, 2025, Mr. Ricardo F. delos Reyes is now one of the four most highly compensated executive officers of the Corporation.

The following table identifies and summarizes the aggregate compensation of the Corporation's President and the four most highly compensated corporate officers/members of the Corporation paid in fiscal years 2023, 2024, and 2025, and estimated to be paid in 2026:

Name of Officer and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Compensation
Chief Executive Officer and top five highest compensated officers: 1. Ramoncito S. Fernandez 2. Christopher Jaime T. Lichauco 3. Ricardo F. De los Reyes Lourdes Marivic K. Punzalan-Espiritu *4.* Francisco C. Castillo	2026 (est.)	75,817,158.85	178,716,581.45	Not applicable
	2025	75,664,190.65	27,088,523.51	Not applicable
	2024	77,064,012.65	39,452,681.04	Not applicable
	2023	85,322,043.35	143,910,665.30	Not applicable
All other unnamed directors and officers in aggregate	2026 (est.)	46,327,256.52	116,663,107.30	Not applicable
	2025	46,432,882.34	21,669,371.07	Not applicable
	2024	48,945,397.31	22,701,024.77	Not applicable
	2023[(1)]	64,105,229.47	110,853,721.21	Not applicable

Note:

(1) The indicated amount includes the terminal/last pay of two officers who have retired from the Corporation, and the pro-rated salaries and benefits of the outgoing/retired officers and their successors

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Standard Arrangements
Other than payment of reasonable per diem of ₱50,000.00 per independent director for every Board meeting, and ₱25,000.00 per committee meeting for committee members, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

Employment Contract Between the Company and Senior Management Officers
There are no special employment contracts between the Company and Senior Management.

Warrants and Options Held by the Senior Management Officers and Directors
There are no outstanding warrants or options held by the Company's Chief Executive Officer, directors or officers.

Employee Stock Option Plan
The Company has an Employee Stock Option Plan ("**ESOP**"), which was created in compliance with the requirements of the Original Concession Agreement.

Under the Concession Agreement, the Company has an obligation to adopt the ESOP which will allow employees of the Company to subscribe to its shares. The issuance of shares to qualified employees is funded by the Company through a stock purchase bonus which the Company is required to declare and automatically apply as payment for the subscription by qualified employees to shares under the ESOP ("**ESOP Shares**").

The number of ESOP Shares was fixed in the Company's Articles of Incorporation at 88,500 shares with par value of ₱1,000.00 per share. All regular employees of the Corporation with one-year satisfactory service/performance were entitled to participate in the ESOP. Regular employees who joined the Company after the institution of the ESOP were eligible to participate on a first-come, first-served basis if ESOP Shares were still available for subscription.

Approval was obtained during the annual stockholders' meeting of the Company held last December 12, 2024 for the amendment of the Company's Articles of Incorporation to reclassify ESOP Shares to Common Shares and remove all provisions relating to the ESOP Shares. This amendment was proposed in preparation for the Offer in compliance with (i) the requirement under the Revised Concession Agreement that in case the Company conducts a public offer within or after the five-year holding period, all outstanding ESOP Shares shall be included in the relevant registration statement and each employee holding ESOP Shares may then freely sell or transfer the ESOP Shares held by that employee and (ii) the provision in the Company's ESOP Policy that upon an IPO of the Company's shares, the ESOP Shares will automatically be reclassified into Common Shares.

The Philippine SEC approved the amendment of the Company's Articles of Incorporation on December 27, 2024, where all the 17,400 outstanding ESOP Shares were converted to Common Shares. As of January 1, 2025 onwards, there are no more outstanding ESOP Shares within the Shareholders' Equity of the Company.

Significant Employee
While we value the contribution of each of our executive and non-executive employees, we believe there is no non-executive employee whose resignation or loss would have a material adverse impact on our business. Other than standard employment contracts, there are no special arrangements with our non-executive employees.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of December 31, 2025, the following are the owners of our common stock in excess of 5% of total issued and outstanding shares:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares held	Percentage of Ownership
Common shares	MWHCI	Metro Pacific Investments Corporation (MPIC) DMCI Holdings, Inc. (DMCI) MCNK JV Corporation (MPIC, DMCI, and MCNK JV Corporation are major stockholders of MWHCI)	Filipino	4,943,806,089	66.78%
Common shares	PCD Nominee Corporation	PCD Nominee Corporation, a wholly owned subsidiary of the Philippine Depository and Trust Corporation Inc. ("**PDTC**"), is the registered owner of shares in the books of the Company's stock transfer agent. The beneficial owner of such shares are PDTC's participants, who hold the shares either in their own behalf or on behalf of their clients. The following PDTC participants hold more than 5% of the Company's voting securities (as of 29 December 2025): **The Hongkong and Shanghai Banking Corp. Ltd. - Clients'**	Filipino Foreign **TOTAL**	1,541,082,094 916,956,767 **2,458,038,861**	20.82% 12.39% **33.21%**

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares held	Percentage of Ownership
		Acct. - 576,208,000 (7.78%) **Citibank N.A.** - 516,609,474 (7.00%) The following beneficially own more than 5% of the Company's voting securities: **Asian Development Bank** - 561,759,000 (7.59%) **International Finance Corporation** - 387,420,000 (5.23%)			

Security Ownership of Directors and Corporate Officers

As of December 31, 2025, the following are the shareholdings of our Directors and Corporate Officers:

Name of Owners	Position	Nature of Shares Owned		Citizenship	Percentage of Ownership
		Classification	No. of Shares Owned		
Ramoncito S. Fernandez	Director; President / CEO	Common	1,316,000	Filipino	0.02%
Lourdes Marivic K. Punzalan-Espiritu	Senior Vice President, Legal & Regulatory Affairs / Chief Legal Counsel / Compliance Officer	Common	816,000	Filipino	0.01%
Christopher Jaime T. Lichauco	Chief Operating Officer	Common	777,000	Filipino	0.01%
Ricardo F. de los Reyes	Treasurer / Chief Finance Officer	Common	440,000	Filipino	0.01%

Name of Owners	Position	Nature of Shares Owned		Citizenship	Percentage of Ownership
		Classification	No. of Shares Owned		
Manuel V. Pangilinan	Director; Chairman	Common	1,000	Filipino	NIL
Jose Ma. K. Lim	Director	Common	1,000	Filipino	NIL
June Cheryl A. Cabal-Revilla	Director	Common	1,000	Filipino	NIL
Joseph Ian G. Gendrano	Director	Common	1,000	Filipino	NIL
Ricardo M. Pilares III	Director	Common	1,000	Filipino	NIL
Isidro A. Consunji	Director	Common	1,000	Filipino	NIL
Jorge A. Consunji	Director	Common	1,001,000	Filipino	0.01%
Herbert M. Consunji	Director	Common	1,000	Filipino	NIL
Kazuaki Shibuya	Director	Common	1,000	Japanese	NIL
Nagahito Miyoshi	Director	Common	1,000	Japanese	NIL
Fortunato T. de la Peña	Director	Common	1,000	Filipino	NIL
Gil S. Jacinto	Director	Common	1,000	Filipino	NIL
Ma. Assunta C. Cuyegkeng	Director	Common	1,000	Filipino	NIL
Alex Erlito S. Fider	Corporate Secretary	Common	76,600	Filipino	NIL
Kristina Joyce C. Gangan	Assistant Corporate Secretary	Common	56,600	Filipino	NIL

Voting Trust Holders of 5% or more

We are not aware of any person holding more than 5.0% of a class of our shares under a voting trust or similar agreement.

Change in Control

Apart from MWHCI's acquisition of Maynilad's shares in 2005 from the consortium of Benpres Holdings Corporation and Suez Lyonnaise de Eaux, resulting in MWHCI gaining control of Maynilad operations, Maynilad is not aware of any voting trust agreements or any other similar agreement which may result in a change in control of Maynilad.

Item 12. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities.

In the ordinary course of business, we enter into various transactions with related parties and affiliates, principally consisting of leases of commercial space, advances and purchases and sales of goods. Our policy is to settle intercompany receivables and payables on a net basis. Transactions entered with related parties are made at terms equivalent to those that prevail in arm's length transactions on terms comparable to those available from or to unrelated third parties, as the case may be, and on a basis substantially as favorable to it as would be obtainable in such arm's length transactions. Outstanding balances owed to related parties at a certain reporting date are non-interest bearing, unsecured, with no guarantee, and payable/collectible in cash on demand.

The Audit, Risk Oversight and Related Party Transactions Committee was constituted to enhance the Board of Directors' oversight capability over our material related party transactions and compliance with applicable laws, rules, and regulations. The Audit, Risk Oversight and Related Party Transactions Committee evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continually identified, related party transactions are monitored, and subsequent changes in relationships with counterparts are captured. Further, the Audit, Risk Oversight and Related Party Transactions Committee evaluates all material related party transactions to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances and that none of our corporate or business resources are misappropriated or misapplied, and to determine any potential reputational risk issued that may arise as a result of or in connection with the transactions. Apart from the Audit, Risk Oversight and Related Party Transactions Committee's evaluation of related party transactions, it also ensures that the related party transactions, including write-off of exposures, are subject to a periodic independent review or audit process.

We have the following significant transactions with related parties for the year ended December 31, 2025:

(a) Construction services provided by DM Consunji, Inc.;

(b) Sale of electricity by Manila Electric Company;

(c) Commercial outsourcing of information technology and system services by Indra Philippines, Inc.; and

(d) Various expenses as set forth in the consolidated audited financial statements.

The summaries of our significant transactions with related parties are set out in Note 15 of the consolidated audited financial statements for the years ended December 31, 2023, 2024 and 2025.

PART IV

CORPORATE GOVERNANCE

Item 13. The Company's Corporate Governance

We abide by the principles of honesty, integrity, fairness, transparency and accountability, and endeavor to establish and foster a corporate culture that will promote the best interest of our Company, our shareholders and other stakeholders by adhering to sound corporate governance policies and business ethics. We have taken steps to comply with the corporate governance principles under SEC Memorandum Circular No. 24, Series of 2019 (Code of Corporate Governance for Publicly-Listed Companies) ("**SEC M.C. No. 24, Series of 2019**"), including the establishment of Board committees to support the effective performance of the Board's functions (in the areas of audit, risk oversight, related party transactions and other key corporate governance concerns, such as nomination and remuneration) and appointment of independent directors.

Corporate Governance Manual

We have adopted a Manual on Corporate Governance (the "**Manual**") which institutionalizes the principles of good governance in the Company.

The Manual serves as reference and guide for our Company and our directors, employees, and consultants in ensuring that all our transactions adhere to the principles of integrity, transparency, accountability, and fairness, and that the interest of our Company and its stakeholders is upheld at all times. The following are the guidelines for the effective implementation of the Manual.

Distribution and Communication Process

Our Company's Manual is posted on our website and is available for physical inspection by our shareholders during business hours.

Training Process

Our directors, Compliance Officer, and Corporate Secretary are required to attend annual trainings on corporate governance.

Monitoring and Assessment

Our Compliance Officer shall establish an evaluation system to determine and measure compliance with the Manual. The mechanics of the evaluation systems shall be disclosed as deemed relevant or applicable by our Company. The Board may also create an internal self-rating system to measure the Board and Management's performance in adhering to good corporate governance practices. The Manual also provides for penalties for non-compliance with the provisions in the Manual, which shall apply to our directors, officers, and employees.

As of the date of this report, we have not committed any act that deviates from the corporate governance rules set forth under the Manual.

Policies

We also have the following policies in place to further aid in complying with principles of good governance:

a. Code of Business Ethics
b. Conflict of Interest Policy
c. Internal Audit Policy
d. Anti-Bribery and Anti-Corruption Policy
e. Risk Management Policy
f. Anti-Fraud Policy
g. Whistleblowing Policy
h. Recruitment & Selection Policy
i. Training Policy
j. Corporate Policy on Succession Planning
k. Health Policies
l. Diversity & Inclusiveness Policy
m. Mental Health Policy
n. Privacy Policy
o. Policy on Information Security
p. Policy on Environment and Social Impact Assessment
q. Policy on Gifts, Entertainment, and Sponsored Travels
r. Vendor Code of Conduct
s. Anti-Sexual Harassment Policy
t. Policy on Respect for and Protection of the rights of the People
u. Governance Policy on Former Employees
v. Policy on Conservation of Resources
w. Policy on Environment & Social Impact Assessment
x. Quality, Sustainability & Resilience Policy
y. Policy on Waste Management
z. Related Party Transactions Policy

Maynilad continues to intensify its campaigns and initiatives to promote awareness on and encourage participation in corporate governance activities. Maynilad takes part in the Annual Corporate Governance Session ("**ACGES**"), along with the other companies in the MVP Group of Companies. Each year, the ACGES Team holds lectures and discussions on various governance topics to help and guide the directors and officers of the MVP Group of Companies in the performance of their respective tasks. Maynilad also has other governance initiatives such as the Ethics in the Workplace sessions, Internal Controls Awareness Week, Risk Awareness Week in 2023, Privacy Awareness Week, Fraud Awareness Week, and Internal Controls and Risk-Mitigation Activities Champion Awards.

MAYNILAD

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Quezon City on _____ 2026.

By:

RAMONCITO S. FERNANDEZ
President and Chief Executive Officer

ALEX ERLITO S. FIDER
Corporate Secretary

CHRISTOPHER JAIME T. LICHAUCO
Chief Operating Officer

RICARDO F. DE LOS REYES
Chief Finance Officer

APR 14 2026

SUBCSCRIBED AND SWORN to before me this _____ day of _____ 2026, affiants expressing to me their proofs of identity as follows:

NAMES	PASSPORT NO.	DATE AND PLACE OF ISSUE
Ramoncito S. Fernandez	P7519928A	13 June 2018 / DFA NCR East
Atty. Alex Erlito S. Fider	P5654887A	17 January 2018 / DFA Manila
Ricardo F. de los Reyes	P4333942B	09 Jan 2020 / DFA Manila
Christopher Jaime T. Lichauco	P8644047A	06 Sep 2018 / DFA Manila

ATTY. MANNY V. GRACASIN
NOTARY PUBLIC
COMMISSION NO. 075 UNTIL DEC. 31, 2026 Q.C.
DPOS BLDG. GRD. FLR. QUEZON CITY HALL
IBP NO. 488436 / 12-27-24 / QUEZON CITY
PTR NO. 8390668 / 01-05-26 / QUEZON CITY
ROLL OF ATTORNEY'S NO. 56070
MCLE NO. VIII-0040298
TIN NO. 243-085-918

Doc. No. 52;
Page No. 12;
Book No. VIII;
Series of 2026.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **MA. ASSUNTA C. CUYEGKENG,** Filipino, of legal age, and a resident of 67-B C. Salvador St., Varsity Hills Subd., Loyola Heights, Quezon City after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Maynilad Water Services, Inc. (the "Corporation") and have been its independent director since 2023.

2. I am affiliated or have been previously affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Ateneo de Manila University	Assistant Instructor Professor	1978-1980 1985-present
CHED Technical Working Group on Institutional Sustainability Assessment[1]	Chairperson	2017-present
Philippine Institute of Pure and Applied Chemistry	Board member	2002-2025
Manila Observatory	Board member	1995-2016

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAR 26 2026 in MAKATI CITY City.

--Signature page follows--

[1] As explained in the letter of the Corporation to the Securities and Exchange Commission Corporate Governance and Finance Department dated 13 January 2025, the undersigned is qualified to sit as an independent director of the Corporation without need of written permission from the Head of the Commission on Higher Education. The undersigned's position, as Chairperson of the CHED Technical Working Group on Institutional Sustainability Assessment, is not covered by Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules as the position is not a public office, there being no oath of office, permanence of position, or government compensation.

MA. ASSUNTA C. CUYEGKENG
Affiant

SUBSCRIBED AND SWORN to before me this MAR 26 2026 in MAKATI CITY, affiant exhibiting to me her Philippine Passport No. P2829650B issued on 22 August 2019 at the DFA NCR East.

Doc. No. 286;
Page No. 59;
Book No. V;
Series of 2026.

MITZI LOVE C. SYJONGTIAN
Appointment No. M-299
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V Dela Costa Street, Makati City
Roll of Attorney's No. 87544
PTR No. 10766606/Makati City/01-02-2026
IBP No. 536184/Makati City/12-23-2025
MCLE No. VIII-0035562/May 22, 2025

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **FORTUNATO T. DE LA PEÑA,** Filipino, of legal age, and a resident of 5 APA Compound, Philand Drive, Tandang Sora, Quezon City after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Maynilad Water Services, Inc. (the "Corporation") and have been its independent director since 2023.

2. I am affiliated or have been previously affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philippine Association for the Advancement of Science and Technology	President	2012-2016 2022-present
Resins, Inc.	Independent Director	2024-present
AMH Corporation (Engineering Design Company)	Independent Director	2023-present
De La Salle University	Independent Director	2022-present
Board of Automated Technology (ATEC) Philippines	Chairman	2023-present
Department of Science and Technology (DOST)	Secretary	2016-2022
	Undersecretary	2001-2014
Technology Application and Promotion Institute	Director	1989-1991
University of the Philippines	Professorial Lecturer in Industrial Engineering	2011-2016
	Professor of Industrial Engineering	1973-2011
	Vice-President for Planning & Development	1993-1999
	Director of Institute for Small Scale Industries	1992-2001
	Chairman of Department of Industrial Engineering	1982-1988

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAR 27 2026 in MAKATI CITY City.

--Signature page follows—

FORTUNATO T. DE LA PEÑA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 27 2026 in MAKATI CITY, affiant exhibiting to me his Philippine Passport No. P5439461C issued on 5 October 2023 at DFA Manila and expiring on 4 October 2033.

Doc. No. 189;
Page No. 39;
Book No. III;
Series of 2026.

DAVID JOSEPH I. PASCUA
Appointment No. M-319
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V Dela Costa Street, Makati City
Roll of Attorney's No. 86896
PTR No. 10766607/Makati City/01-02-2026
IBP No. 536185/Makati City/12-23-2025
MCLE No. VIII-0039188/June 30, 2025

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **GIL S. JACINTO,** Filipino, of legal age, and a resident of 33-B Masbate St., Nayong Kanluran, Quezon City after having been duly sworn to in accordance with law, do hereby declare that:

1. I was elected Independent Director of Maynilad Water Services, Inc. (the "Corporation") for 2025.

2. I am affiliated or have been previously affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
University of the Philippines System	Assistant Vice-President for Academic Affairs (Internationalization)	2017-2020
	Director for Office of International Linkages	2017-2020
University of the Philippines – Diliman, Marine Science Institute	Professor	1997- 2020
UNESCO National Commission-UN Decade of Ocean Science for Sustainable Development	Consultant	2021-present
National Academy of Science and Technology - Philippines	Academician	2023-present
IOC Advisory Body of Experts of the Law of the Sea	Member	2013-present
UNESCO Intergovernmental Oceanographic Commission	Philippine Focal Person	2014-present
United Nations Office for Project Services (UNOPS)	Technical Consultant	2025-present
Department of Environment and Natural Resources	Consultant	2025-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

5. I have faithfully and diligently complied with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information, to the extent applicable, within five (5) days from its occurrence.

Done this APR 14 2026 in QUEZON CITY City.

--Signature page follows--

GIL S. JACINTO
Affiant

SUBSCRIBED AND SWORN to before me this APR 14 2026 in QUEZON CITY, affiant exhibiting to me his Philippine Passport No. P0304166C issued on 30 May 2022 at DFA Manila and expiring on 29 May 2032.

Doc. No. 53;
Page No. 12;
Book No. VIII;
Series of 2026.

ATTY. MANNY V. GRAGASIN
NOTARY PUBLIC
COMMISSION NO. 075 UNTIL DEC. 31, 2026 Q.C.
DPOS BLDG. GRD. FLR. QUEZON CITY HALL
IBP NO. 488436 / 12-27-24 / QUEZON CITY
PTR NO. 8390658 / 01-05-26 / QUEZON CITY
ROLL OF ATTORNEY'S NO. 56070
MCLE NO. VIII-0040208
TIN NO. 243-085-918

PART V.

ANNEXES AND SCHEDULES

Item 14. Annexes and Reports on SEC Form 17-C

Annex A – Reports on SEC Form 17-C

The following reports and financial statements were filed by the Corporation for the year 2025:

	Reports/Financial Statements Filed	Period Covered/Ended
1	SEC Form 17-C: Current (Multiple Filings)	See Details in the Table Below
2	SEC Form 17-Q: 1st Quarter of 2025	March 31, 2025
3	SEC Form 17-Q: 2nd Quarter of 2025 (Audited)	June 30, 2025
4	SEC Form 17-Q: 3rd Quarter of 2025	September 30, 2025
5	2025 MWSI Audited Financial Statements – Parent	December 31, 2025
6	2025 MWSI Audited Financial Statements – Consolidated	December 31, 2025

Maynilad Water Services, Inc. reported the following items on SEC Form 17-C for the year 2025:

	Items Reported	Date/s Filed
1	Results of the Board of Directors' Organizational Meeting: a) Election of Corporate Officers b) Appointment of Members of the Board Committees	January 10, 2025
2	Results of the Board of Directors' Meeting: a) Approval of Cash Dividend Declaration b) Approval of MWSI 2024 Audited Financial Statements	February 18, 2025
	Results of the Board of Directors' Meeting: a) Approval of Initial Public Offering of the Corporation's Common Shares b) Approval of Dividend Policy	March 14, 2025
3	Results of the Board of Directors' Meeting: a) Postponement of Annual Shareholders' Meeting (Supposedly on April 4, 2025) b) Calling of Annual Shareholders' Meeting on May 21, 2025	April 2, 2025
4	Results of the Board of Directors' Meeting: a) Approval of Amended Dividend Policy	May 14, 2025

5	Results of the Annual Stockholders' Meeting: a) Election of Corporation's Directors b) Election of Corporation's Officers c) Appointment of Members of the Board Committees d) Appointment of External Auditor (SGV)	May 21, 2025
6	Revised Concession Agreement (**"RCA"**) Term Extension a) Approval of the 10-year term extension of the RCA by the Economy and Development Council (**"ED Council"**), chaired by President Ferdinand R. Marcos, Jr.	June 19, 2025
7	Retirement of Chief Operating Officer (**"COO"**) and Resulting Changes in Management a) Announcement of Retirement of Mr. Randolph T. Estrellado, Director and COO of the Corporation, effective September 1, 2025 b) Appointment of Mr. Christopher Jaime T. Lichauco, the current Senior Vice President and Head of Customer Experience & Retail Operations (**"CXRO"**), as the Corporation's COO effective September 1, 2025 c) Appointment of Mr. Rodolfo Baylas, the current North District Head of CXRO, to the position vacated by Mr. Lichauco	August 26, 2025
8	Reallocation of Blue Bonds Proceeds a) Approval of the reallocation of unutilized proceeds to Additional Projects and the Las Piñas Conveyance Project	August 27, 2025
9	Revised Initial Public Offering (**"IPO"**) Timetable a) Notification of the Corporation's revised IPO timetable to the SEC and PSE	September 24, 2025
10	IPO-Related Matters a) Completion of Corporation's Listing on the PSE b) Letter Sent to the SEC and PSE regarding the Total Number of Overallotment Option Shares to be Exercised in Relation to the Corporation's IPO	November 7, 2025
11	Exercise of Overallotment Option a) Announcement of the exercise of the overallotment option by UBS AG, Singapore Branch (**"Stabilization Agent"**) in connection with stabilization activities for the IPO of the Corporation	November 10, 2025

12	Weekly Stabilization Report (November 7, 2025) a) Compliance with SEC regarding the Weekly Stabilization Report provided by the Corporation's Stabilization Agent	November 10, 2025
13	Weekly Stabilization Report (November 14, 2025) a) Compliance with SEC regarding the Weekly Stabilization Report provided by the Corporation's Stabilization Agent	November 17, 2025

Annex B – Consolidated Financial Statements for the Year Ended December 31, 2025

i. Statement of Management's Responsibility for Consolidated Financial Statements
ii. Independent Auditor's Report
iii. Consolidated Statements of Financial Position as of December 31, 2025 and 2024
iv. Consolidated Statements of Income for the Years Ended December 31, 2025, 2024, and 2023
v. Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2025, 2024, and 2023
vi. Consolidated Statements of Changes in Equity for the Years Ended December 31, 2025, 2024, and 2023
vii. Consolidated Statements of Cash Flows for the Years Ended December 31, 2025, 2024, and 2023
viii. Notes to Consolidated Financial Statements
ix. Independent Auditor's Report on Supplementary Schedules
x. Independent Auditor's Report on Components of Financial Soundness Indicators
xi. Index to the Supplementary Schedules
    a. Supplementary Schedule on Blue Bonds
    b. Supplementary Schedule on Securities Offering
    c. Schedule A. Financial Assets
    d. Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
    e. Schedule C. Amounts Receivables from Related Parties which are Eliminated During the Consolidation of Financial Statements
    f. Schedule D. Long-Term Debt
    g. Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Parties)
    h. Schedule F. Guarantees of Securities of Other Issuers
    i. Schedule G. Capital Stock
    j. Supplementary Schedule on Financial Soundness Indicators
    k. Supplemental Schedule of External Auditor: Fee-Related Information
    l. Map of Relationships of the Companies Within the Group

Annex C – Philippine Green Equity Label Report for the Year Ended 2025

Annex B

Consolidated Financial Statements for the Year Ended December 31, 2025

MAYNILAD

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Maynilad Water Services, Inc. and Subsidiaries** (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024, and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2025, 2024, and 2023, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

MANUEL V. PANGILINAN
Chairman of the Board

RAMONCITO S. FERNANDEZ
President and Chief Executive Officer

RICARDO F. DE LOS REYES
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this FEB 27 2026 at QUEZON CITY, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Manuel V. Pangilinan	P9969361A	18 Dec 2018 / DFA NCR East
Ramoncito S. Fernandez	P7519928A	13 Jun 2018 / DFA NCR East
Ricardo F. de los Reyes	P4333942B	09 Jan 2020 / DFA Manila

Doc. No. ; 175
Page No. ; 35
Book No. ; V
Series of 2026.

ATTY. MANNY V. GRAGASIN
NOTARY PUBLIC
COMMISSION NO. 075 UNTIL DEC. 31, 2026 Q.C.
DPOS BLDG. GRD. FLR. QUEZON CITY HALL
IBP NO. 488458 / 12-27-24 / QUEZON CITY
PTR NO. 8390658 / 01-05-26 / QUEZON CITY
ROLL OF ATTORNEY'S NO. 56076
MCLE NO. VIII-0040298
TIN NO. 243-085-918

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	1	9	9	6	-	1	1	6	5	1

COMPANY NAME

M	A	Y	N	I	L	A	D		W	A	T	E	R		S	E	R	V	I	C	E	S	,		I	N	C	.	
A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		(	A		S	u	b	s	i	d	i	a	r	y
	o	f		M	a	y	n	i	l	a	d		W	a	t	e	r		H	o	l	d	i	n	g		C	o	m
p	a	n	y	,		I	n	c	.	)																				

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

M	a	y	n	i	l	a	d		B	u	i	l	d	i	n	g	,		M	W	S	S		C	o	m	p	l	e
x	,		K	a	t	i	p	u	n	a	n		A	v	e	n	u	e	,		P	a	n	s	o	l			
1	1	1	9		Q	u	e	z	o	n		C	i	t	y															

Form Type	Department requiring the report	Secondary License Type, if Applicable
A A F S	S E C	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corpsec@mayniladwater.com.ph	8920-5485	09985305923

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
21	4th Tuesday of April	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Ricardo F. de los Reyes	Ricardo.delosReyes@ mayniladwater.com.ph	8981-3310	–

CONTACT PERSON's ADDRESS

Maynilad Building, MWSS Complex, Katipunan Avenue, Pansol, 1119 Quezon City

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*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Maynilad Water Services, Inc.
Maynilad Building, MWSS Complex
Katipunan Ave., Pansol, 1119 Quezon City

Opinion

We have audited the consolidated financial statements of Maynilad Water Services, Inc. and its Subsidiaries (the Group), a subsidiary of Maynilad Water Holding Company, Inc., which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition for Manila Concession (West Zone)

About 99% of the Company's consolidated revenues comprises water and sewerage service revenue from the Metropolitan Waterworks and Sewerage System (MWSS) West Service Area. This matter is significant to our audit because water and sewerage service revenue recognition is affected by the: (a) completeness of data captured during meter readings, which involves processing large volume of data from multiple locations and different billing cut-off dates for different customers; (b) propriety of the application of the relevant rates to the billable consumption of different customers classified as residential, semi-business, commercial or industrial; and (c) reliability of the systems involved in processing bills and recording revenues.

Note 14 to the consolidated financial statements provide the relevant disclosures related to this matter.

Audit response

We obtained an understanding of the water and sewerage service revenue process, which includes maintaining the customer database, capturing billable water consumption, uploading captured billable water consumption to the billing system, calculating billable amounts based on MWSS approved rates, and uploading data from the billing system to the financial reporting system. We also evaluated the design of and tested the relevant controls over this process. On a sample basis, we performed recalculation of the billed amounts, using the MWSS approved rates and formulae and compared them with the amounts reflected in the billing statements. We also performed analytical procedures and involved our internal specialist in reviewing the procedures on recording revenue by using computer assisted audit techniques.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20 IS (Definitive Information Statement), SEC Form 17 A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Meynard A. Bonoen.

SYCIP GORRES VELAYO & CO.

Meynard A. Bonoen
Partner
CPA Certificate No. 0110259
Tax Identification No. 301-105-435
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 110259-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-154-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10765021, January 2, 2026, Makati City

February 23, 2026

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 24 and 25)	**₱26,792,759**	₱10,519,541
Trade and other receivables (Notes 3, 5, 14, 24 and 25)	**3,121,557**	2,722,872
Contract assets (Notes 7, 14, 24 and 25)	**1,546,060**	1,386,458
Other current assets (Notes 6, 14, 24 and 25)	**2,235,572**	2,130,695
Total Current Assets	**33,695,948**	16,759,566
Noncurrent Assets		
Service concession assets (Notes 3, 7, 10, 11, 15 and 22)	**200,373,499**	168,339,382
Property and equipment (Notes 3 and 8)	**2,530,754**	1,963,230
Financial asset at fair value through other comprehensive income (Notes 9, 24 and 25)	**210,583**	124,864
Other noncurrent assets (Notes 3, 5, 6, 14, 22, 24 and 25)	**10,549,471**	10,983,572
Total Noncurrent Assets	**213,664,307**	181,411,048
Total Assets	**₱247,360,255**	₱198,170,614
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 3, 12, 14, 15, 17, 23, 24 and 25)	**₱29,035,755**	₱24,157,077
Short-term and current portion of interest-bearing loans (Notes 7, 11, 24 and 25)	**2,642,939**	4,186,065
Current portion of service concession obligation payable to MWSS (Notes 7, 10, 24 and 25)	**1,472,856**	1,027,255
Income tax payable	**911,038**	787,944
Total Current Liabilities	**34,062,588**	30,158,341
Noncurrent Liabilities		
Interest-bearing loans - net of current portion (Notes 7, 11, 24 and 25)	**89,914,700**	79,461,471
Service concession obligation payable to MWSS - net of current portion (Notes 7, 10, 24 and 25)	**6,922,708**	6,294,526
Deferred tax liabilities - net (Note 16)	**2,334,142**	1,737,595
Deferred credits (Note 3)	**1,240,613**	1,379,554
Retirement liability (Notes 3 and 17)	**424,751**	870,805
Customers' deposits (Notes 24 and 25)	**669,983**	605,611
Other noncurrent liabilities (Notes 2, 14, 17 and 22)	**2,023,333**	2,307,761
Total Noncurrent Liabilities	**103,530,230**	92,657,323
Total Liabilities	**137,592,818**	122,815,664

(Forward)

	December 31	
	2025	2024
Equity		
Capital stock (Notes 1 and 13)	**₱7,617,997**	₱5,683,728
Additional paid-in capital (Note 13)	**35,555,863**	10,030,294
Treasury shares (Note 13)	**(3,115,230)**	(960,555)
Other comprehensive income (loss) (Notes 9 and 17)	**(319,485)**	(607,544)
Other equity adjustments (Note 13)	**(309,220)**	(309,220)
Retained earnings (Note 13)		
Unappropriated	**29,601,292**	20,969,247
Appropriated	**40,736,220**	40,549,000
Total Equity	**109,767,437**	75,354,950
Total Liabilities and Equity	**₱247,360,255**	₱198,170,614

See accompanying Notes to Consolidated Financial Statements.

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands, Except Earnings per Share Value)

	Years Ended December 31		
	2025	2024	2023
OPERATING REVENUE (Note 14)			
Water services			
West zone	**₱28,543,455**	₱27,143,464	₱22,169,809
Outside west zone	**372,740**	349,147	255,291
Wastewater services			
West zone	**7,496,638**	5,785,440	4,727,116
Others	**232,291**	216,464	171,049
	36,645,124	33,494,515	27,323,265
COSTS AND EXPENSES			
Salaries, wages and benefits (Notes 3, 15 and 17)	**3,279,819**	2,893,449	2,525,069
Amortization of service concession assets (Notes 3 and 7)	**3,176,436**	3,028,573	2,744,831
Contracted services	**1,750,293**	1,642,111	1,458,707
Utilities	**1,486,068**	1,535,445	1,665,086
Taxes and licenses	**1,094,712**	1,026,052	834,058
Repairs and maintenance	**1,044,334**	873,926	900,059
Depreciation and amortization (Notes 3, 8 and 22)	**595,531**	527,324	524,326
Materials and supplies	**588,533**	869,304	832,128
Regulatory costs	**302,083**	280,457	242,203
Collection charges	**192,699**	197,918	182,165
Provision for expected credit losses (Notes 3 and 5)	**187,219**	112,368	600,524
Transportation and travel	**181,305**	220,562	191,252
Business meetings and representations	**174,397**	174,759	159,701
Rental (Notes 22 and 23)	**137,729**	148,664	89,117
Purchased water	**106,989**	294,803	619,525
Advertising and promotion	**97,704**	74,283	57,550
Insurance	**66,851**	64,021	62,227
Others	**460,639**	429,664	412,651
	14,923,341	14,393,683	14,101,179
INCOME BEFORE OTHER INCOME (EXPENSES)	**21,721,783**	19,100,832	13,222,086
OTHER INCOME (EXPENSES)			
Revenue from rehabilitation works	**29,176,153**	27,081,306	19,175,281
Cost of rehabilitation works	**(29,176,153)**	(27,081,306)	(19,175,281)
Interest expense and other financing charges (Note 18)	**(2,227,705)**	(2,414,395)	(2,503,388)
Foreign exchange gains (losses) - net (Note 24)	**(1,153,683)**	(1,643,393)	(1,167,582)
Foreign currency differential adjustments (FCDA) (Note 3)	**1,156,499**	1,656,317	1,129,029
Interest income (Note 4)	**306,500**	404,839	221,664
Others - net (Notes 8, 9 and 20)	**(203,561)**	(628,589)	1,021,230
	(2,121,950)	(2,625,221)	(1,299,047)
INCOME BEFORE INCOME TAX	**19,599,833**	16,475,611	11,923,039
INCOME BEFORE INCOME TAX	**19,599,833**	16,475,611	11,923,039
PROVISION FOR INCOME TAXES (Note 16)			
Current	**3,922,700**	3,430,220	2,409,324
Deferred	**457,868**	263,977	502,536
	4,380,568	3,694,197	2,911,860
NET INCOME	**₱15,219,265**	₱12,781,414	₱9,011,179
Basic and Diluted Earnings Per Share (Note 19)	**₱2.57**	₱2.85	₱2.00

See accompanying Notes to Consolidated Financial Statements.

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME	**₱15,219,265**	₱12,781,414	₱9,011,179
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive loss not to be reclassified to profit or loss in subsequent period (Note 17):			
Remeasurement income (loss) on retirement plan	**426,738**	(550,295)	(159,034)
Income tax effect	**(138,679)**	51,178	14,790
	288,059	(499,117)	(144,244)
TOTAL COMPREHENSIVE INCOME	**₱15,507,324**	₱12,282,297	₱8,866,935

See accompanying Notes to Consolidated Financial Statements.

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands)

	Capital Stock (Notes 1 and 13)	**Additional Paid-in Capital** (Note 13)	**Treasury Shares** (Note 13)	**Other Comprehensive Income (Loss)** (Notes 9 and 17)	**Other Equity Adjustments** (Note 13)	**Retained Earnings** (Note 13) **Unappropriated**	**Appropriated**	**Total**
At December 31, 2024	**₱5,683,728**	**₱10,030,294**	**(₱960,555)**	**(₱607,544)**	**(₱309,220)**	**₱20,969,247**	**₱40,549,000**	**₱75,354,950**
Total comprehensive income	**–**	**–**	**–**	**288,059**	**–**	**15,219,265**	**–**	**15,507,324**
Issuance of new common shares	**1,934,269**	**25,525,569**	**–**	**–**	**–**	**–**	**–**	**27,459,838**
Acquisition of treasury shares	**–**	**–**	**(2,154,675)**	**–**	**–**	**–**	**–**	**(2,154,675)**
Appropriation for capital expenditures	**–**	**–**	**–**	**–**	**–**	**(502,155)**	**502,155**	**–**
Reversal of appropriation						**314,935**	**(314,935)**	**–**
Dividends declared	**–**	**–**	**–**	**–**	**–**	**(6,400,000)**	**–**	**(6,400,000)**
At December 31, 2025	**₱7,617,997**	**₱35,555,863**	**(₱3,115,230)**	**(₱319,485)**	**(₱309,220)**	**₱29,601,292**	**₱40,736,220**	**₱109,767,437**
At December 31, 2023	₱4,546,982	₱10,041,662	(₱391,919)	(₱108,427)	(₱309,220)	₱25,641,222	₱28,750,000	₱68,170,300
Total comprehensive income	–	–	–	(499,117)	–	12,781,414	–	12,282,297
Issuance of new common shares	1,136,746	(11,368)	–	–	–	–	–	1,125,378
Acquisition of treasury shares	–	–	(568,636)	–	–	–	–	(568,636)
Reversal of appropriation	–	–	–	–	–	2,501,000	(2,501,000)	–
Appropriation for capital expenditures	–	–	–	–	–	(14,300,000)	14,300,000	–
Dividends declared	–	–	–	–	–	(5,654,389)	–	(5,654,389)
At December 31, 2024	₱5,683,728	₱10,030,294	(₱960,555)	(₱607,544)	(₱309,220)	₱20,969,247	₱40,549,000	₱75,354,950

	Capital Stock (Notes 1 and 13)	Additional Paid-in Capital (Note 13)	Treasury Shares (Note 13)	Other Comprehensive Income (Loss) (Notes 9 and 17)	Other Equity Adjustments (Note 13)	Retained Earnings (Note 13)		Total
						Unappropriated	Appropriated	
At December 31, 2022	₱4,546,982	₱10,032,877	(₱349,054)	₱35,817	(₱309,220)	₱20,230,043	₱28,750,000	₱62,937,445
Total comprehensive income	–	–	–	(144,244)	–	9,011,179	–	8,866,935
Acquisition of treasury shares	–	–	(122,137)	–	–	–	–	(122,137)
Issuance of ESOP shares	–	8,785	79,272	–	–	–	–	88,057
Dividends declared	–	–	–	–	–	(3,600,000)	–	(3,600,000)
At December 31, 2023	₱4,546,982	₱10,041,662	(₱391,919)	(₱108,427)	(₱309,220)	₱25,641,222	₱28,750,000	₱68,170,300

See accompanying Notes to Consolidated Financial Statements.

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱19,599,833**	₱16,475,611	₱11,923,039
Adjustments for:			
Amortization of service concession assets (Note 7)	**3,176,436**	3,028,573	2,744,831
Interest expense and other financing charges (Note 18)	**2,227,705**	2,414,395	2,503,388
Depreciation and amortization (Note 8)	**595,531**	527,324	524,326
Interest income (Note 4)	**(306,500)**	(404,839)	(221,664)
Retirement cost (Note 17)	**222,675**	152,875	102,808
Provision for expected credit losses (Note 5)	**187,219**	112,368	600,524
Change in fair value of financial assets at FVOCI (Note 9)	**(85,720)**	–	–
Dividend income (Note 9)	**(5,000)**	(28,000)	(16,000)
Unrealized foreign exchange losses (gains)	**102**	(1,079)	(703)
Gain on sale of property and equipment (Note 8)	**(50)**	(31)	(1,998)
Cost of share-based payment	–	–	116,725
Others	–	–	(30,312)
Operating income before working capital changes	**25,612,231**	22,277,197	18,244,964
Increase in:			
Trade and other receivables	**(482,391)**	(398,415)	(185,601)
Contract assets	**(159,602)**	(181,418)	(204,116)
Other current assets	**(104,876)**	(268,198)	(299,031)
Additions to mobilization fund (Note 6)	**(3,453,714)**	–	–
Additions to service concession assets (Notes 7 and 26)	**(25,246,483)**	(27,273,014)	(19,564,546)
Increase (decrease) in:			
Trade and other payables	**3,182,398**	2,559,315	(1,483,302)
Customers' deposits	**90,621**	61,909	(31,064)
Other noncurrent liabilities	**137,043**	898,384	104,424
Cash used for operations	**(424,773)**	(2,324,240)	(3,418,272)
Income taxes paid	**(3,799,606)**	(3,173,028)	(2,513,388)
Contributions to pension fund (Note 17)	**(242,092)**	(118,848)	(127,803)
Interest received	**202,991**	386,084	219,729
Net cash used in operating activities	**(4,263,480)**	(5,230,032)	(5,839,734)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other noncurrent assets	**(188,689)**	(602,266)	(6,564,072)
Acquisitions of property and equipment (Note 8)	**(676,447)**	(522,910)	(523,990)
Dividends received (Note 9)	**5,000**	28,000	16,000
Proceeds from sale of property and equipment (Note 8)	**50**	65	15,181
Net cash used in investing activities	**(860,086)**	(1,097,111)	(7,056,881)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the availment/drawdown of interest-bearing loans (Note 11 and 27)	**12,902,332**	24,741,300	18,829,316
Payments of:			
Dividends (Notes 13 and 27)	**(6,399,665)**	(5,654,209)	(3,599,723)
Interest-bearing loans (Notes 11 and 27)	**(4,222,127)**	(2,565,306)	(3,804,755)
Service concession obligation payable to MWSS (Notes 10 and 27)	**(932,166)**	(952,976)	(927,222)
Lease liability (Note 22)	**(189,879)**	(167,521)	(209,808)
Proceeds from share issuance (Note 13)	**27,459,838**	1,136,746	–
Interest paid (Note 27)	**(5,066,874)**	(4,025,270)	(2,805,164)
Acquisition of treasury shares (Note 13)	**(2,154,675)**	(568,636)	(122,137)
Net cash provided by financing activities	**21,396,784**	11,944,128	7,360,507
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**16,273,218**	5,616,985	(5,536,108)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**10,519,541**	4,902,556	10,438,664
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱26,792,759**	₱10,519,541	₱4,902,556

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information and Status of Operations

General
Maynilad Water Services, Inc. (Maynilad or the Parent Company) was incorporated on January 22, 1997 in the Philippines primarily to bid for the operation of the privatized system of waterworks and wastewater services of the Metropolitan Waterworks and Sewerage System (MWSS) for Metropolitan Manila.

On October 26, 2011, the Securities and Exchange Commission (SEC) approved the amendment of the Articles of Incorporation to amend its primary purpose to include the provision of allied and ancillary services and undertaking such other activities incidental to its secondary purposes.

On December 27, 2024, the SEC approved the amendments of the Articles of Incorporation to change its principal office address and capitalization (see Note 13).

The Parent Company's common shares are listed and traded in the Philippine Stock Exchange beginning November 7, 2025 (see Note 13).

Effective Interest in Maynilad
Maynilad Water Holding Company, Inc. (MWHCI) and Maynilad Subscription Agreements.
Pursuant to the Subscription Agreements executed between Maynilad and MWHCI, a company incorporated in the Philippines and a 51.27% owned subsidiary of Metro Pacific Investments Corporation (MPIC), MWHCI subscribed to 134,022 common shares of Maynilad at par value on December 28, 2012. However, such shares were issued only on February 13, 2013. Along with the additional subscription to 402,067 common shares, this increased MWHCI's ownership interest in Maynilad to 92.85% as at December 31, 2013.

MCNK JV Corporation and MWHCI Subscription Agreements.
On December 28, 2012, a subscription agreement was executed between MCNK JV Corporation (MCNK, a subsidiary of the Japan-listed entity, Marubeni Corp.) and MWHCI where MCNK subscribed to 169,617,682 common shares of MWHCI. On February 13, 2013, MCNK and MWHCI entered into another subscription agreement for MCNK's additional subscription to 508,853,045 common shares, resulting in a 21.54% interest in MWHCI. On the same date, MPIC purchased 154,992,852 common shares of stock of MWHCI from DMCI Holdings, Inc. (DMCI, a listed Philippine entity) resulting in ownership interests of 51.27% and 27.19% for MPIC and DMCI, respectively, as at December 31, 2013.

As at December 31, 2025 and 2024, Maynilad is a 66.78% and 94.40% owned subsidiary of MWHCI, respectively. In addition, MPIC directly owns 4.00% and 5.28% of the Company, resulting in an effective ownership interest of 38.24% and 53.68% as at December 31, 2025 and 2024, respectively.

MPHI is a Philippine corporation whose stockholders are Enterprise Investment Holdings, Inc. (EIH; 60.0% interest), Intalink B.V. (26.7% interest) and First Pacific International Limited (FPIL; 13.3% interest). First Pacific Company Limited (FPC), a Hong Kong-based investment holding 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. Under Hong Kong Generally Accepted

Accounting Principles, FPC is required to account for the results and assets and liabilities of EIH and its subsidiaries as part of FPC group companies in Hong Kong.

The newly registered office address of the Parent Company is Maynilad Building, MWSS Complex, Katipunan Avenue, Pansol, 1119 Quezon City.

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors (BOD) on February 23, 2026.

Concession Agreement

On February 21, 1997, Maynilad entered into a Concession Agreement with the MWSS ("Original Concession Agreement" or OCA). Under the OCA, MWSS granted Maynilad, as agent, the right to perform certain functions and to exercise certain rights and powers under the MWSS Charter, and as contractor, the sole right to manage, operate, repair, decommission and refurbish all fixed and movable assets required (except certain retained assets of MWSS) to provide water and wastewater services in the West Service Area, as defined in the OCA. This includes the right to bill and collect for water and wastewater services supplied in the West Service Area for 25 years or until May 6, 2022 (the "Expiration Date").

In April 2011, the Expiration Date was extended for 15 years, moving it to July 31, 2037, unless the OCA is pre-terminated due to an event of default. The MWSS approved the 15-year extension of the OCA in 2009 (see Notes 7, 10 and 22) and it was duly acknowledged by the Republic of the Philippines (RoP) through a Letter of Consent and Undertaking dated March 17, 2010 ("Republic Undertaking").

Maynilad is also tasked to manage, operate, repair, decommission and refurbish certain specified MWSS facilities in the West Service Area. The legal title to these assets remains with MWSS. However, legal title to the property, plant and equipment that Maynilad contributes to the existing MWSS system during the concession period remains with Maynilad until the Expiration Date (or on early termination date) at which time, all rights, titles and interest in such assets will automatically vest in MWSS.

Sometime in the early part of 2019, then President Rodrigo Duterte ordered the review of the terms of the OCA of Maynilad and Manila Water. In January 2020, he caused the establishment of the Concession Agreements Review Committee ("RevCom") to review the OCA and to submit its recommendations to the President. The RevCom was composed of the Executive Secretary, the Secretaries of the Departments of Justice and Finance, the Solicitor General, the Government Corporate Counsel and the Presidential Adviser on Flagship Programs and Projects.

On May 18, 2021, Maynilad and MWSS signed the Revised Concession Agreement (RCA), the notable provisions of which are the following:

1. Confirmation of the July 31, 2037 Expiration Date;
2. Imposition of a tariff freeze until December 31, 2022;
3. Removal of corporate income tax (CIT) from among Maynilad's recoverable expenditures as well as the Foreign Currency Differential Adjustment (FCDA);
4. Capping of the annual inflation factor to 2/3 of the Consumer Price Index (CPI);
5. Imposition of rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of the previous standard rate;
6. Removal from the Republic Undertaking of the non-interference of the Government in the rate-setting process, and the limitation of the RoP's financial guarantees to cover only those loans and contracts that are existing as of the signing of the RCA;

7. Replacement of the market-driven Appropriate Discount Rate (ADR) with a 12% fixed nominal discount rate; and
8. Retention of the rate rebasing mechanism where, subject to the rate caps in item 5 above, the rates for the provision of water and wastewater services will be set at a level that will allow Maynilad to recover, over the term of the concession, expenditures efficiently and prudently incurred and to earn a reasonable rate of return.

The RCA was to take effect six months after its signing on May 18, 2021, or on November 18, 2021 ("Effective Date"), upon compliance with all the conditions precedent (CPs). However, the Republic Undertaking, which is among the CPs, has not yet been issued as of November 18, 2021. Hence, upon the request of the Concessionaires, the MWSS Board of Trustees (MWSS BOT), through a resolution passed on November 16, 2021, moved the RCA's Effective Date to December 18, 2021.

Maynilad, on December 14, 2021, again requested the MWSS BOT to defer the RCA's Effective Date by another two months (until February 16, 2022) or until the Republic Undertaking has been issued. Following the Regular Board Meeting held on February 10, 2022, MWSS issued Resolution No. 2022-015-CO to further extend the Effective Date of the RCA for thirty (30) days or until March 18, 2022. On March 9, 2022, the MWSS BOT approved to defer further the RCA Effective Date from March 18, 2022, until such time that the Republic Undertaking is issued.

On June 9, 2022, Maynilad received a copy of Resolution No. 2022-073-CO dated June 2, 2022, which approved the further extension of the Effective Date of the RCA until June 30, 2022, subject to receipt of the signed Republic Undertaking as required under Article 16.3 (iii) (c) of the RCA.

On June 30, 2022, Maynilad received MWSS's letter of even date informing Maynilad that the DOF has issued the Republic Undertaking dated June 24, 2022, signed by the Executive Secretary and the DOF Secretary.

Maynilad wrote the MWSS on July 1, 2022, informing them that the signed Republic Undertaking did not conform to the agreed form in the RCA, and, thus, Section 16.3 (iii) (c) of the RCA has not been satisfied. Thus, Maynilad's obligation to effect the changes in the OCA has not commenced.

Maynilad posited that the OCA, as amended by the Technical Corrections Agreement dated July 31, 1997, and Amendment No. 1 dated October 5, 2001, and extended by the Memorandum of Agreement and Confirmation dated April 22, 2010 ("2010 MOA"), and the Letter of Undertaking dated March 17, 2010 issued by the Department of Finance, remained valid and effective.

In the meantime, on January 22, 2022, Maynilad's legislative franchise or Republic Act (RA) No. 11600 (RA 11600) took effect. RA 11600, which granted Maynilad a 25-year franchise, or until 2047, to "establish, operate and maintain a waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and Province of Cavite," recognized the OCA and the 2010 MOA that extended the term of the concession for 15 years, or until 2037.

On August 9, 2022, pursuant to RA 11600, Maynilad formally applied for a 10-year extension of the RCA with the MWSS to be able to provide affordable water to its customers and mitigate anticipated tariff increases. On September 6, 2022, Maynilad provided MWSS the preliminary tariff impact simulations and highlighted the fiscal benefits of a 10-year extension of the RCA.

In a subsequent letter dated September 14, 2022, Maynilad proposed to the MWSS certain amendments to the RCA, which include: (a) reinstatement of the FCDA mechanism; (b) reinstatement of the full CPI adjustment; and (c) review of the exclusions from the Material Adverse Government Action provision. Such request was made on account of certain events, i.e., the COVID-19 pandemic, the Ukrainian conflict and the significant depreciation of the Peso, which not only posed a challenge to Maynilad's operations, but have also highlighted the need to ensure that the Concession Agreements are future-proof and the customers are guaranteed continuity of service.

On May 10, 2023, MWSS and Maynilad signed the Amendments to the RCA, among which include the following highlights:

1. Adjustment in the CPI factor or "C" from 2/3 to ¾ of the percentage change in the CPI for the Philippines;

2. Reinstatement of the FCDA, but only with respect to the (a) MWSS loans that are being and will be serviced by Maynilad, and (b) principal payments for drawn and undrawn amounts of Maynilad's foreign currency denominated loans existing as of June 29, 2022;

3. Introduction of a modified FCDA for Maynilad loans contracted after June 29, 2022. The FCDA and MFCDA mechanisms are based on the principle of "no over or under recovery" and does not impact the company's revenue position. However, this mechanism may be availed of only when there is an "extraordinary inflation" or "extraordinary deflation" of the Philippine Peso (i.e., more than 20% change in the base exchange rate), and the amount that may be recovered is capped (i.e., up to 50% of actual net forex gain over a period of one year);

4. Exclusion of certain events from what may not be considered as Material Adverse Government Action such as the amendment of existing rules, regulations, and other issuances resulting from acts of the legislative and judicial branches of government and delay or inaction by the Regulatory Office (MWSS-RO) on applications relating to rate adjustments filed by the Concessionaire; and

5. Deletion of the composition and decisions of the MWSS-RO from what may not be subject to arbitration.

The Amendments to the RCA took effect retroactively on June 29, 2022, the date of effectivity of the RCA.

Along with the Amendments to the RCA, the RoP issued, on May 10, 2023, the Republic Undertaking in the form agreed on by the Parties, the effectivity of which retroacted to July 1, 2022.

Pursuant to the requirement for a public hearing, Maynilad and the MWSS-RO conducted a public hearing/consultation on December 4, 2023 at the World Trade Center in Pasay City. On December 14, 2023, MWSS approved the 10-year extension from 2037 to 2047, pending the acknowledgment by the RoP through the Secretary of Finance. This acknowledgment is required for all amendments to the RCA. In a letter dated March 3, 2025, the Company was advised by MWSS that the Department of Finance recommended that MWSS adhere to the procedures under Republic Act No. 11966, or the Public-Private Partnership Code of the Philippines (the "PPP Code") and its

implementing rules and regulations. The Department of Finance considered the 10-year extension of the RCA as a variation of an executed public-private partnership (PPP) contract, which, as a project that costs above ₱15.0 billion, requires the approval of the National Economic Development Authority (NEDA) Board in accordance with the General NEDA-Investment Coordination Committee (NEDA-ICC) Procedures as of April 25, 2024. Consequently, MWSS has informed Maynilad that a technical working group, comprising representatives from both MWSS and the Company, will be formed to prepare the necessary documentation for submission to the NEDA-ICC. Thereafter, Maynilad expect the NEDA-ICC to review the submission. There is no assurance that Maynilad will receive the approval by the NEDA Board and acknowledgement of the RoP through the Secretary of Finance to align the expiration dates of the Franchise and the RCA.

On November 17, 2025, the Company received the duly executed Memorandum of Agreement on and Confirmation of the Amendment to the Revised Concession dated October 10, 2025, signed and acknowledged by the Secretary of the Department of Finance.

Concession Fees

The aggregate Concession Fees pursuant to the Concession Agreement is equal to the sum of the following:

a. the percentage of the aggregate Philippine Peso equivalent due under any MWSS loan disbursed during the concession period, including MWSS loans for existing projects and the Umiray-Angat Transbasin Project (UATP), on the relevant payment date as specified in the RCA; and
b. an amount equal to one-half of the annual budget for MWSS for that year, provided that such an annual budget shall not, for any year, exceed ₱200 million, subject to C adjustments. As of January 2021, this was ₱576.66 million.

If the concession fees are not paid within the specified time, the United States (U.S.) Dollar equivalent of such unpaid amount may be drawn on the Parent Company's performance bond. In addition, the unpaid amount shall be subject to penalties or default interest.

The concession fees have two major components: one referring to the Parent Company's contributions for MWSS' maintenance and operating expenditures (MOE) and the other, representing the MWSS' cost of borrowings to its external creditors. The CPI-indexed portion of the former is treated as an operational expenditure of the concession, while the remaining non-CPI-linked MOE plus the company's share in MWSS's loans are capitalized as part of its service concession assets and amortized over the remaining duration of the concession period. The loan component of the company's payment obligation in respect thereof rank at least pari passu with its unsecured payment obligations under other debt instruments.

Termination

MWSS has a right to terminate the RCA under certain circumstances, including, but not limited to, the company's failure to provide 24-hour water supply at the required pressure that continues for 15 days or three days in cases where the failure could adversely affect public health or welfare, its insolvency, its failure to perform service obligations under the RCA that continues for not less than seven days after written notice from the MWSS-RO and which, in the reasonable opinion of MWSS, jeopardizes the provision of essential water and sewerage supply services to all or any significant part of the West Zone, or if the MWSS-RO determines that the company is charging more than the prescribed fees. In the case of an event of termination caused by the company, the concession may either (i) be assigned to a qualified replacement operator nominated by the lenders who have provided financing for its activities in the RCA or (ii) revert to MWSS, following an agreed procedure in the RCA.

In either event, MWSS may draw on the Parent Company's performance bond. If the Parent Company's lenders fail to nominate a qualified replacement operator timely, then it is entitled to receive an early termination payment from MWSS, pursuant to a formula provided in the RCA. This payment consists of 75% of the value of assets not transferred to MWSS, capped at net Debt, plus 75% of the book value of shareholders' equity adjusted for the net book value of fixed assets based on the concessionaire's latest reported audited financial statements, costs of which have been approved by the MWSS-RO as an expenditure, without prejudice to MWSS demanding payment for penalties and liquidated damages. For this purpose, "common good" means those actions for "the promotion of health and safety, enhance the right of the people to a balanced ecology and preserve the comfort and convenience of those within the service concession area".

The Parent Company also has the right to terminate the concession for, among other things, the failure of MWSS to perform a material obligation under the RCA or upon occurrence of certain events that would impair the company's rights, subject to a curing period. However, certain events that may be considered as "Material Adverse Government Action", such as the reorganization of MWSS or any other regulatory agency, were excluded. In the case of early termination due to the fault of MWSS, the company is entitled to an early termination payment pursuant to a formula in the RCA. This payment includes the value of assets not transferred to MWSS, capped at net debt plus concessionaire loan breakage costs and shareholders' equity adjusted for the net book value of fixed assets based on the concessionaire's latest reported audited financial statements, costs of which have been approved by the MWSS-RO as an expenditure, without prejudice to MWSS demanding payment for penalties and liquidated damages.

Tariff Rate Determination under the Revised Concession Agreement

The Parent Company is mandated to deliver water and wastewater services to the West Zone until the end of the concession period under the RCA. Its services require spending for both operational expenditures for business operations and capital expenditures for infrastructure development. To recover such expenditures, the company is authorized to collect tariffs from customers throughout the concession period. The RCA is structured to allow the company to recover all approved costs, while earning a 12% annual rate of return on the opening cash position (OCP), which should ultimately be reduced to zero by the end of the concession period.

At the end of the recording period, the Parent Company's activities in relation to carrying out its obligations under the RCA and its relevant receipts and expenditures, result in either a deficit or surplus cash flow. This cash flow is accumulated with the Parent Company's latest OCP, plus 12% return applied to it, to form its interim cash position (ICP). The ICP is subject to audit of the MWSS-RO in the next rate rebasing, for recovery through an adjustment to the Parent Company's tariff.

The Parent Company is entitled to recover its pre-operating, operating, capital maintenance and investment expenditures, taxes (excluding corporate income tax) and concession fees, while earning a fixed nominal return of 12%, before taxes, on these items. During a rate rebasing exercise, the Parent Company submits a business plan to the MWSS-RO for review, recommendation and approval. This business plan includes the Parent Company's service obligations, such as agreed service coverage and service level targets and outlines all investment and expenditure requirements in the concession area necessary to meet these service obligations. For the current period, these rate caps are based on a pro-forma tariff that assumes the previous tariff freeze from 2020 to 2022 was not implemented. Considering certain agreed assumptions, the MWSS-RO determines the tariff adjustment required for the company to recover its investments plus the guaranteed return over the concession's remaining life. Prior to implementation, the approved business plan and corresponding tariff increases undergo public consultations. Tariffs are structured based on customer classification and customer consumption brackets, with higher consumption levels resulting in a higher water rate on a per cubic meter basis.

Every five years, as part of the rate rebasing process, the OCP is validated through an audit by the MWSS-RO of the company's historical receipts and expenditures. During the process, the MWSS-RO also reviews and validates the company's Key Performance Indicators and Business Efficiency Measures (KPI-BEMs), which include its capital expenditure program and operating plans to fulfill service obligations. The MWSS-RO then sets the appropriate tariff based on the company's performance vis-à-vis the agreed targets, as well as the prudency and efficiency of the execution of projects and activities specified in the business plan for the prior five-year period. Accordingly, the present value of future cash flows, calculated by using the Appropriate Discount Rate (ADR) of 12%, should be equal and opposite to the OCP at the start of the rate rebasing period. The OCP represents potential headroom in financing its activities through possible tariff increases in future rate rebasing periods.

To achieve the appropriate tariff rate, a one-time equivalent adjustment to the prevailing tariff rate may be necessary. This adjustment, whether an increase or decrease, is typically staggered over the five-year rate rebasing period to mitigate consumer concerns over sudden tariff changes. The RCA imposes rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of previous standard rates. This structured approach ensures that Parent Company can continue to meet its service obligations while maintaining financial stability and transparency in its operations.

Rate Rebasing Exercise

Fourth Rate Rebasing (2013-2017)

- *2013-2017 Rate Rebasing - Domestic Arbitration.*

  MWSS released BOT Resolution No. 2013-100-RO dated September 12, 2013 and RO Resolution No. 13-010-CA dated September 10, 2013, reducing Maynilad's 2012 average all-in basic water charge by 4.82% or ₱1.46 per cu.m. or ₱0.29 per cu.m. for the rate rebasing period 2013 to 2017 (Fourth Rate Rebasing Period).

  On October 4, 2013, Maynilad filed its Dispute Notice before the Appeals Panel for Major Disputes challenging RO's determination of the Rebasing Adjustment as embodied in Resolution No. 13-010-CA.

  On December 17, 2013, the RO released Resolution No. 13-011-CA implementing a status quo for Maynilad's Standard Rates and FCDA pending the Appeals Panel's issuance of the arbitral award.

  On January 5, 2015, the Appeals Panel in an award dated December 29, 2014, upheld Maynilad's alternative Rebasing Adjustment for the Fourth Rate Rebasing Period of 13.41% or its equivalent of ₱4.06 per cu.m. ("First Award"). This increase has effectively been reduced to ₱3.06 per cu.m, following the integration of the ₱1.00 Currency Exchange Rate Adjustment (CERA) into the basic water charge.

  The First Award, being final and binding on the parties, Maynilad asked the MWSS to approve the 2015 Tariffs Table so that the same can be published and implemented 15 days after its publication.

  However, the MWSS and the RO chose to defer the implementation of the First Award despite it being final and binding on the parties, and informed Maynilad that they have decided to await the final outcome of their arbitration with the other concessionaire, Manila Water, before making any official pronouncements on the applicable resulting water rates for the two Concessionaires.

- *2013-2017 Rate Rebasing - International Arbitration.*

  In a decision dated July 24, 2017, the Arbitral Tribunal ("Tribunal") unanimously upheld the validity of Maynilad's claim against the Republic Undertaking to compensate Maynilad for the delayed implementation of its relevant tariffs for the rebasing period 2013 to 2017 ("Second Award").

  The Tribunal ordered the RoP to reimburse Maynilad the amount of ₱3,424.7 million for losses from March 11, 2015 to August 31, 2016, without prejudice to any rights that Maynilad may have to seek recourse against MWSS for losses incurred from January 1, 2013 to March 10, 2015. Further, the Tribunal ruled that Maynilad is entitled to recover from the RoP its losses from September 1, 2016 onwards. In case a disagreement on the amount of such losses arises, Maynilad may revert to the Tribunal for further determination.

  Subsequently, Maynilad agreed with the corrected computation by the RoP of Maynilad's revenue losses from March 11, 2015 to August 31, 2016 in the amount of ₱3.18 billion (with cost of money as of August 31, 2016).

  On February 11, 2019, Maynilad wrote the DOF about the amount of its updated claim for compensation by the RoP, which was ₱6,655.5 million ("Actual Losses"), with a request that the DOF order the MWSS and the RO to meet with Maynilad to agree and discuss a proposed settlement of the updated claim. The DOF never responded to this letter.

  On December 10, 2019, during a joint hearing of the Congressional Committees on Public Accounts and Good Government and Public Accountability, Maynilad made an oral offer to waive its claims against RoP for the Actual Losses representing Maynilad's foregone revenues for the period March 11, 2015 to December 31, 2017.

  On January 2, 2020, Maynilad executed the Release Form and Waiver of Claim on Arbitral Award ("Waiver") in favor of the RoP. In the Waiver, Maynilad, particularly its shareholders MPIC and DMCI Holdings, Inc., unconditionally waived its claim against the RoP for the payment of the Actual Losses, and released and discharged the RoP, including the MWSS, from any liability or obligation with respect thereto. Maynilad emphasized that the Waiver does not constitute an admission of any unlawful act or liability of any kind on the part of Maynilad and the RoP, and may not be used as evidence in any legal proceeding except to enforce or challenge its terms.

Fifth Rate Rebasing (2018-2022) and the Supreme Court Decision on the Consolidated Cases

On March 31, 2017, Maynilad submitted a five-year business plan to the RO for the new rate rebasing covering the years 2018 to 2022 with its proposed rate adjustments.

On September 13, 2018, the MWSS issued Resolution No. 2018-136-RO, adopting RO Resolution No. 2018-09-CA dated September 7, 2018, granting Maynilad a partial rate adjustment of ₱5.73/cu.m. for the Fifth Rate Rebasing Period (2018 to 2022), to be implemented on an uneven staggered basis of (i) ₱0.90/cu.m. effective October 1, 2018; (ii) ₱1.95/cu.m. effective January 1, 2020, (iii) ₱1.95/cu.m. effective January 1, 2021, and (iv) ₱0.93/cu.m. effective January 1, 2022. The approved rate adjustment still did not include the CIT component to which Maynilad is entitled by virtue of the First Award. In their Resolutions, the MWSS and RO stated that the inclusion of the CIT in Maynilad's tariff is subject to the SC's resolution of MWSS's Petition for Review.

To preserve its right to the CIT, which has already been adjudged in its favor in the First Award, and pursuant to Article 12 of the Concession Agreement, Maynilad, on October 12, 2018, filed a Dispute Notice, signaling the start of another arbitration. However, on November 9, 2018, MWSS and Maynilad filed a joint application with the Appeals Panel to suspend proceedings to give the parties time to try to settle their differences amicably.

As stated previously, in January 2020, President Duterte ordered the review of the OCA on the ground that the same allegedly contained onerous provisions that were unfavorable to the National Government and the consuming public. Because of the review of the OCA, the rate adjustments for 2020 and 2021 were both suspended. Maynilad was able to implement only the first tranche of the Rebased Tariff on October 1, 2018, its first tariff adjustment since Maynilad filed an arbitration case against MWSS in 2013.

Following the RevCom's review of the OCA, Maynilad and the MWSS signed the RCA on May 18, 2021. One of the conditions precedents to the effectivity of the RCA was Maynilad's execution of a Release, Waiver and Quitclaim, expressly forfeiting the First Award in favor of the MWSS.

The RCA also stipulates that there shall be no rate adjustment until December 31, 2022.

In a decision promulgated by the Supreme Court (SC) on December 7, 2021, which was received by Maynilad on May 17, 2023, the SC, in the consolidated petitions filed by civil society groups, declared the OCA and its term extension valid, but also declared Maynilad a public utility and consequently forbade it from recovering CIT, in accordance with the SC's ruling in the Meralco case. This ruling, together with Maynilad's legislative franchise, has finally put to rest all of Maynilad's claims for inclusion of the CIT as a recoverable expense pursuant to the First Award.

Sixth Rate Rebasing (2023-2027)

On October 24, 2022, Maynilad completed its public consultations for the 2023-2027 Rate Rebasing Exercise. The results of the exercise, which include updated targets for key Service Obligations (Water and Wastewater Coverage, Water Service Level and Non-Revenue Water) and an undertaking to spend more than ₱160 billion on capital expenditure projects over the period 2023-2027, have been shared through public consultations.

The proposed Business Plan for the 2023-2027 Rate Rebasing also involves the "catch-up" implementation in 2023 of inflation adjustments for 2020-2022, followed by a phased implementation of further tariff increases between 2024-2027.

On November 10, 2022, the MWSS BOT approved Maynilad's Rate Rebasing Adjustment for the Sixth Rate Rebasing Period on a staggered basis as follows: (i) ₱3.29/cu.m. effective January 1, 2023; (ii) ₱6.26/cu.m. effective January 1, 2024; (iii) ₱2.12/cu.m. effective January 1, 2025; (iv) ₱0.84 to ₱1.01/cu.m. effective January 1, 2026; and (v) ₱0.80 to ₱1.01/cu.m. effective January 1, 2027. The environmental charge will increase from 20% to 25% starting January 1, 2025, subject to Maynilad's attainment of sewer coverage of 25% by the end of 2024.

The implementation of the staggered tariff beginning 2024 is subject to Maynilad's attainment of its targets for water supply and continuity and coverage provided in the 2022 Approved Business Plan, as determined by the RO.

On December 15, 2022, Maynilad caused the publication of its Tariff Table, with the tariff adjustments taking effect on January 1, 2023.

On November 29, 2023, the MWSS BOT, through Resolution No. 2023-146-RO, approved Maynilad's new standard rates table with a Rate Adjustment Limit (RAL) of 19.83%, composed of 3.53% "C" factor and 16.30% "R" factor. The RAL, as applied to the 2023 basic charge of ₱39.70/cu.m., resulted in an average adjustment of ₱7.87/cu.m. to the basic charge.

On December 15, 2023, Maynilad caused the publication of its Tariff Table, with the tariff adjustments taking effect on January 1, 2024.

On November 22, 2024, the MWSS BOT, through Resolution No. 2024-20-CA, approved Maynilad's new standard rates table with an RAL of 8.05%, composed of 3.30% "C" factor and 4.75% "R" factor. The RAL, as applied to the 2024 basic charge of ₱47.57/cu.m., resulted in an average adjustment of ₱3.83/cu.m. to the basic charge.

On December 12, 2024, Maynilad caused the publication of its Tariff Table, with the tariff adjustments taking effect on January 1, 2025.

RA 11600 – Maynilad's Legislative Franchise

RA 11600 grants Maynilad a 25-year franchise to "establish, operate and maintain a waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and Province of Cavite." RA 11600 affirms Maynilad's authority to provide waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and the Province of Cavite. RA 11600 took effect on January 22, 2022, 15 days after its publication in the Official Gazette on January 7, 2022. The 25-year term will end on January 21, 2047.

Aside from the grant of a 25-year franchise to Maynilad, the other highlights of RA 11600 include the following:

i. The grant of authority to the MWSS, when public interest for affordable water security so requires and upon application by Maynilad, to amend Maynilad's RCA to extend its term (i.e., 2037) to coincide with the term of the franchise. In addition, the RCA shall also act as Maynilad's Certificate of Public Convenience and Necessity for the operation of its waterworks and sewerage system. In the event the waterworks and sewerage system assets of MWSS pertaining to the Franchise Area are privatized by law, Maynilad shall have the right to match the highest compliant bid after a public bidding. The RCA between MWSS and Maynilad shall remain valid unless otherwise terminated pursuant to its terms, or invalidated when national security, national emergency or public interest so requires;

ii. The prohibition on the passing on of corporate income tax to Maynilad customers;

iii. The requirement to publicly list at least 30% of Maynilad's outstanding capital stock within five years from the grant of the franchise;

iv. The completion of Maynilad's water and sewerage projects to attain 100% coverage by 2037, which shall include periodic five-year completion targets; and

v. The grant to Maynilad of the right of eminent domain insofar as it is may be reasonably necessary for the efficient establishment, improvement, upgrading, rehabilitation, maintenance and operation of the services, subject to the limitations and procedures under the law.

RA 11600 also has an equality clause, which grants Maynilad, upon review and approval of Congress, any advantage, favor, privilege, exemption or immunity granted under existing franchises or which may be granted subsequently to water distribution utilities.

On March 21, 2022, the MWSS BOT passed Resolution No. 2022-025-RO, Series of 2022 (the "Resolution"), which deals with the tax implications following the effectivity of the legislative franchise granted to the Concessionaires.

The Resolution confirmed that beginning March 21, 2022, which was when the Concessionaires formally accepted the terms of their respective legislative franchises, the charges for water and wastewater services will no longer be subject to the 12% Value Added Tax (VAT), but will be subject to Other Percentage Tax (OPT).

The OPT, which shall be reflected as "Government Taxes" in the customers' statement of account, consists of (i) the 2% national franchise tax, and (ii) the local franchise tax implemented by the respective local government units (LGUs) where the Business Area offices of the Concessionaires are located.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's and all of its subsidiaries' (collectively referred to as the "Group") functional and presentation currency, and all amounts are rounded to the nearest thousand (₱000), except when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include statements named PFRS Accounting Standards and Philippine Accounting Standards (PAS), including Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Financial and Sustainability Reporting Standards Council (FSRSC) and Philippine Interpretations Committee (PIC).

Basis of Consolidation

The accompanying consolidated financial statements comprise the financial statements of the Company, which include the financial statements of the Parent Company and those entities that it controls.

The financial statements of Maynilad and the following subsidiaries that it controls comprise the consolidated financial statements.

Subsidiaries	Nature of Business
Philippine Hydro, Inc. (Phil Hydro)	Bulk water supply and water distribution (outside the West Service Area)
Amayi Water Solutions Inc. (Amayi)	Water distribution (outside the West Service Area)

All subsidiaries are wholly-owned and were incorporated in the Philippines.

Phil Hydro. On August 3, 2012, the Parent Company, through a Share Purchase Agreement with a third party, acquired 100% ownership interest in Phil Hydro.

Phil Hydro is engaged in waterworks construction, engineering and engineering consulting services. Phil Hydro is currently undertaking water supply projects outside Metro Manila in line with the thrusts of the government under Presidential Decree No. 198, also known as the Provincial Water Utilities Act of 1973, which mandates the local government units to create and operate local water utilities and provide potable water to the public.

Phil Hydro has existing 25-year Bulk Water Supply Agreements (BWSAs) with various provincial municipalities outside the West Service Area and a Memorandum of Agreement (MOA) with certain provincial municipalities for the construction and operation of water treatment facilities for water distribution services.

Amayi. Amayi was incorporated for the purpose of operating, managing, maintaining and rehabilitating waterworks, wastewater and sanitation system and services outside the Concession Area.

On February 19, 2019, Amayi entered into a concession agreement with the Municipality of Boac, Marinduque. The concession agreement shall be effective for a period of 25 years beginning on the commencement date.

On January 23, 2020, the Office of the Boac Waterworks Operation of the Municipality of Boac, Marinduque notified Amayi of the order of their newly elected Municipal Mayor calling for the review and further study of the concession agreement.

On February 20, 2020, Amayi was informed through a letter from the Municipal Mayor that a joint legislative-executive panel has been created to review and re-examine the concession agreement, thus deferring the commencement date.

On January 23, 2024, operation of the Boac Waterworks has been turned over to Amayi.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies. All significant intercompany balances, transactions, income and expense and profits and losses from intercompany transactions are eliminated in full upon consolidation.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise stated, the amendments did not have any material impact to the Group.

- 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.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- *Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

  The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis

  The Group is currently assessing the impact of these amendments.

- *Amendments to PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments*
- *Amendments to PFRS 9 and PFRS 7, Contracts Referencing Nature-dependent Electricity*
- *Annual Improvements to PFRS Accounting Standards—Volume 11*
  - *Amendments to PFRS 1, Hedge Accounting by a First-time Adopter*
  - *Amendments to PFRS 7, Gain or Loss on Derecognition*
  - *Amendments to PFRS 9, Lessee Derecognition of Lease Liabilities and Transaction Price*
  - *Amendments to PFRS 10, Determination of a 'De Facto Agent'*
  - *Amendments to PAS 7, Cost Method*

Effective beginning on or after January 1, 2027

- *PFRS 18, Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Group is currently assessing the impact of this new standard.

- *PFRS 19, Subsidiaries without Public Accountability*
- *PFRS 17, Insurance Contracts*
- *Amendments to PAS 21, Translation to a Hyperinflationary Presentation Currency*

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*

Fair Value Measurement
The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring and nonrecurring fair value measurements.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Fair value measurement disclosures are presented in Note 24.

Financial Instruments

Classification of financial assets
Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost;
- financial assets measured at fair value through profit or loss (FVPL);
- financial assets measured at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss; and
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

The Group has no financial assets at FVPL and FVOCI where cumulative gains or losses previously recognized are reclassified to profit or loss as at December 31,2025 and 2024.

Financial assets at amortized cost
A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in "Interest income" in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in "provision for expected credit losses" account in the consolidated statement of income.

This category includes cash and cash equivalents (excluding cash on-hand), trade and other receivables, restricted cash and deposits, which are presented under "Other current assets" and "Other noncurrent assets" in the consolidated statements of financial position.

Financial assets at FVOCI
A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit losses model.

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are

not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the Parent Company; and
- the amount of the dividend can be measured reliably.

The Group's financial assets at FVOCI are their unquoted equity investments that are included in Note 9 as at December 31, 2025 and 2024.

Classification of financial liabilities
Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

This category includes trade and other payables (excluding statutory payables), interest-bearing loans, service concession obligation payable to MWSS, customers' deposits, lease liabilities and other noncurrent liabilities.

The Group has no financial liabilities at FVPL as at December 31, 2025 and 2024.

Derecognition of Financial Assets and Liabilities

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

- the contractual rights to the cash flows from the financial asset expire, or
- the Group transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which it either (i) transfers substantially all the risks and rewards of ownership of the financial asset, or (ii) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and the Group has not retained control.

When the Group retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Group treats the transaction as a transfer of a financial asset if the Group:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Impairment of Financial Assets
PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

The Group recognizes expected credit losses (ECL) for the following financial assets that are not measured at FVPL:

- debt instruments that are measured at amortized cost;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL
For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired
For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired
Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized, and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

- Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade", or when the exposure is less than 30 days past due.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to "Trade and other receivables".

Service Concession Assets and Service Concession Obligation Payable

Parent Company. The Parent Company accounts for its concession arrangement with MWSS in accordance with IFRIC 12, *Service Concession Arrangement*, under the Intangible Asset model as it receives the right (license) to charge users of public service. Under the Concession Agreement, the Parent Company is granted the sole and exclusive right and discretion during the concession period to manage, occupy, operate, repair, maintain, decommission, and refurbish the identified facilities required to provide water services. The legal title to these assets shall vest in MWSS at the end of the concession period.

Phil Hydro. Phil Hydro accounts for its Bulk Water Supply Agreements in accordance with IFRIC 12 under the Intangible Asset model as it receives the right (license) to charge users of public service.

Service concession assets (SCA) are recognized to the extent that the Group receives a license or right to charge the users of the public service. The SCA pertain to the fair value of the service concession obligations at drawdown date and construction costs related to the rehabilitation works performed by the Group. The SCA also include the present value of the "Service Concession Obligation Payable" assumed by the Parent Company at drawdown date and other local component cost and cost overruns by the Group, as well as cost of rehabilitation works incurred. The Parent Company's SCA are

amortized using the unit of production (UOP) method over the projected total billable water volume during the remaining term of the service concession arrangement. Phil Hydro amortizes its SCA using the straight-line method over the terms of the Bulk Water Supply Agreements and Memorandum of Agreement.

The amortization period for the service concession assets will begin when the assets are ready for their intended use.

The Group recognizes and measures revenue from rehabilitation works using the input method. Under this method, progress is measured by reference to actual costs incurred to date.

Cost of rehabilitation works, which includes all direct materials, labor costs and those indirect costs related to contract performance, is recognized consistent with the revenue recognition method applied. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, which may result in revisions to estimated costs and gross margins, are recognized in the year in which the revisions are determined.

Subsequent costs and expenditures related to the concession agreement are recognized as additions to SCA at fair value of obligations at drawdown date and cost of rehabilitation works.

Under IFRIC 12, if the operator provides construction or upgrade services, the consideration received or receivable by the operator shall be recognized in accordance with PFRS 15. The consideration may be rights to; (a) a financial asset, or (b) an intangible asset. The operator shall recognize an intangible asset to the extent that it receives a right (a license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. However, both types of consideration are classified as a contract asset during the construction or upgrade period in accordance with PFRS 15.

Under the concession agreement with MWSS, the Parent Company is obligated to render rehabilitation projects. Revenue from the rehabilitation works is recognized as revenue as the service is being performed using the input method based on the actual costs incurred to date.

Service Concession Assets not yet available for use
For service concession assets not yet available for use as of reporting date, they are to be recognized as part of contract assets. These contract assets are tested for impairment similar with other non-financial assets under PAS 36, *Impairment of Assets*. These contract assets will form part of the service concession assets once completed.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest, and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Property and Equipment
The Group's property and equipment consist of land and land improvements, instrumentation tools and other equipment, office furniture, fixtures and equipment, transportation equipment and right-of-use (ROU) assets that do not qualify as investment properties.

Property and equipment, except land, are stated at cost less accumulated depreciation and any impairment in value (see policy on Impairment of Nonfinancial Assets). Land is stated at cost.

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use, including capitalized borrowing costs incurred during the construction period.

ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. ROU assets are subject to impairment.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Land improvements	5 to 25 years
Instrumentation, tools and other equipment	5 years
Office furniture, fixtures and equipment	5 years
Transportation equipment	5 years
ROU assets – land and building	2 to 17.5 years
ROU assets – transportation equipment	2 to 5 years

The Group computes for depreciation charges based on the significant component of the asset.

The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of income in the year the item is derecognized.

Impairment of Nonfinancial Assets

An assessment is made at each reporting date to determine whether there is any indication of impairment of any nonfinancial assets (i.e., property and equipment and SCA), or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the Group estimates the asset's or cash generating unit's (CGU) recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's value in use or its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the year in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Foreign Currency-Denominated Transactions

Foreign exchange differentials arising from foreign currency transactions are credited or charged to operations. As approved by the MWSS BOT under Amendment No. 1 of the Concession Agreement, the following will be recovered through billings to customers:

- Restatement of foreign currency-denominated loans;
- Excess of actual concession fee payments over the amounts of concession fee translated using the base exchange rate assumed in the business plan approved every rate rebasing exercise;
- Excess of actual interest payments translated at exchange spot rates on settlement dates over the amounts of interest translated at drawdown date rates; and
- Excess of actual payments of other financing charges relating to foreign currency-denominated loans translated at exchange spot rates on settlement dates over the amount of other financing charges translated at drawdown date rates.

Under the Amendments to the RCA, FCDA will be based on the following: forex gains/losses arising from (a) principal and interest payments on all MWSS loans that are being and will be serviced by Maynilad, and (b) principal payments for drawn and undrawn amounts of Maynilad's foreign currency denominated loans existing as of June 29, 2022. For Maynilad loans contracted after June 29, 2022, a modified FCDA will apply, but it may be availed of only when there is an "extraordinary inflation" or "extraordinary deflation" of the Philippine Peso (i.e., more than 20% change in the base exchange rate), and the amount that may be recovered is capped.

In view of the automatic reimbursement mechanism, the Parent Company recognizes deferred FCDA (included as part of "Other noncurrent assets" or "Deferred credits" accounts in the consolidated statements of financial position) with a corresponding credit (debit) to FCDA revenues for the unrealized foreign exchange losses (gains), which have not been billed or which will be refunded to the customers. The write-off of the deferred FCDA or reversal of deferred credits pertaining to concession fees will be made upon determination of the new base foreign exchange rate, which is assumed in the business plan approved by the RO during the latest rate rebasing exercise, unless indication of impairment of deferred FCDA would be evident at an earlier date. Deferred FCDA and deferred credits are calculated as the difference between the drawdown or rebased rate and the closing rate. These are presented as part of "Other noncurrent assets" and "Deferred credits" accounts in the consolidated statements of financial position, respectively.

Customers' Deposits

Customers' deposits are initially measured at fair value. After initial recognition, these deposits are subsequently measured at amortized cost using the effective interest method. Accretion of customers' deposits is included under "Interest expense and other financing charges" account in the consolidated statements of income. The discount is recognized as deferred credits and amortized over the remaining concession period using the effective interest method. Amortization of deferred credits is included as part of the "Other income" account in the consolidated statements of income.

Revenue from Contracts with Customers

The Group is in the business of providing water services to its customers within its concession area. Revenue from contracts with customers is recognized when services are transferred to the customer at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Water and Wastewater Services

Revenue from water and wastewater services is recognized upon the supply of water to the customers and when the related services are rendered. Billings to customers consist of the following:

a. Water charges

   - Basic charges represent the basic tariff charged to consumers for the provision of water services.
   - FCDA, which is the tariff mechanism that allows the Parent Company to recover foreign exchange losses or to compensate foreign exchange gains on a current basis beginning January 1, 2002 until the Expiration Date.
   - Maintenance service charge represents a fixed monthly charge per connection. The charge varies depending on the meter size.

b. Wastewater charges

   - Environmental charge represents 20% of the water charges, except for maintenance service charge.

- Sewerage charge represents 20% of the water charges, excluding maintenance service charge, for all consumers connected to the Parent Company's sewer lines. Effective January 1, 2012, pursuant to RO Resolution No. 11-007-CA, sewerage charge applies only to commercial and industrial customers connected to sewer lines.

c. Government taxes consist of (i) the 2% national franchise tax, and (ii) the local franchise tax implemented by the respective LGUs where the Business Area offices of the Concessionaires are located (see Note 1).

- National franchise tax is 2% of total water and wastewater charges.
- Local franchise tax is based on the total water and wastewater charges using the applicable local franchise tax rate.

The performance obligations are satisfied over time, and payment is generally due seven days from invoicing.

- *Connection and installation fees*

  The connection and installation fees are non-refundable upfront fees which do not provide a separate service. The connection and installation fees, along with the water and wastewater services, are treated as one performance obligation. The Group determines the amortization period for deferred connection and installation revenues and costs based on the expected relationship with its customers. In the absence of other reliable information, the Company determined that the customers are expected to maintain their water and wastewater connection throughout the concession period. Therefore, the Company amortizes its deferred connection and installation revenues and related costs over the remaining concession period.

- *Contract costs*

  The Group recognizes costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable and record them in the "Other current assets" and "Other noncurrent assets" accounts in the consolidated statements of financial position.

  Costs incurred in fulfilling contracts with customers comprise of costs for connection and installation of the customers to the Group's water system. These costs are recognized as an asset to the extent they are considered recoverable to the extent of the actual costs incurred. The related asset is amortized over the remaining concession period during the satisfaction of performance obligations of the water and wastewater services.

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations*

  The Group provides water and wastewater services to its customers. Water and wastewater services are composed of water service, wastewater service connection and installation, maintenance, and sanitation services. The Group has determined that the services are to be bundled and considered as one performance obligation since the services are highly interrelated and highly interdependent with one another.

- *Determining the transaction price*

  The Group determined that the transaction price is the total consideration in the contract.

- *Determining the timing of satisfaction of connection and installation services*

  The Group concluded that the revenue from water and wastewater services is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Group. As another entity would not need to re-perform the services that the Group has provided to date, this demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs. The services are on-going and are completed when the customer is disconnected from the Group's water system.

  When the Group provides construction or upgrade services, the consideration received, or receivable, is recognized in accordance with PFRS 15. The Group accounts for revenue and costs relating to operation services based on the input method. Using this method, progress is measured by reference to the actual costs incurred to date (shown as "Revenue from rehabilitation works" and "Cost of rehabilitation works" accounts in the consolidated statements of income).

Revenue Adjustments
Revenue adjustments, either considered as variable consideration or do not meet the criteria for revenue recognition, are being determined and reviewed on a periodic basis. These adjustments pertain to regularly unpaid bills and potential overbillings, the amounts of which are determined based on historical data and experience and the policies and parameters set by the Parent Company.

Contract Balances

Contract asset
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Cost and Expense Recognition
Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized in the consolidated statements of income as incurred.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when all the activities necessary to prepare the asset for its intended use or sale are substantially complete. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and fair value of consideration received in excess of par are recognized as additional paid-in capital.

Treasury shares, which represent own equity instruments that are reacquired, are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of income on the purchase, sale, issuance or the cancellation of the Parent Company's own equity instruments.

Retained earnings represent the Group's accumulated earnings less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively. They include the accumulated equity in undistributed earnings of consolidated subsidiaries, which are not available for dividends until declared by subsidiaries. Appropriated retained earnings are those that are restricted to fund capital expenditures. Unappropriated retained earnings are those that can be allocated for specific purposes and can be distributed as dividends (Note 13).

Other equity adjustments represent the redemption of preferred shares and the movement related to the Parent Company's share-based payment (refer to Note 13).

Income Taxes

- *Current Income Tax*

  Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

- *Deferred Income Tax*

  Deferred income tax is provided, using the balance sheet liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except in certain instances as provided by the relevant standards.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rate that is expected to apply to the period when the assets are realized or the liabilities are settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognized in other comprehensive income account is included in the consolidated statements of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation. When the Group expects a provision to be reimbursed, such as under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Share-based Payments

Employees of the Parent Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) under the Employee Stock Option Plan (ESOP).

The cost of equity-settled transactions is determined as the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized, together with a corresponding increase in other equity adjustments, over the period in which the performance and/or service conditions are fulfilled, and is shown as part of "Salaries, wages and benefits" account in the consolidated statements of income.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are not recognized unless virtually certain.

Earnings per Share (EPS)
Basic EPS is computed based on the weighted average number of outstanding shares and adjusted to give retroactive effect to any stock split during the year. The dilutive effect of outstanding ESOP shares is reflected as additional share dilution in the computation of diluted EPS.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires the Group to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. In preparing the Group's consolidated financial statements, management has made its best estimates and judgments of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. The uncertainties inherent in these estimates and assumptions could result in outcomes that could require material adjustments to the carrying amounts of the assets or liabilities affected in future years. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment
In the process of applying the Group's accounting policies, management has made the judgment as indicated below, apart from those involving estimations and assumptions, which has the most significant effect on the amounts recognized in the consolidated financial statements:

Amortization of Service Concession Assets. The Parent Company accounts for its concession arrangement with MWSS in accordance with IFRIC 12 under the Intangible Asset model as it receives the right (license) to charge users of public service. Phil Hydro accounts for its Bulk Water Supply Agreements in accordance with IFRIC 12 under the Intangible Asset model as it receives the right (license) to charge users of public service.

The Parent Company amortizes its SCA using the UOP method, given that the economic benefit of these assets is more closely aligned with billed volume, which the Parent Company can reliably estimate. Phil Hydro amortizes its SCA using the straight-line method over the terms of each Bulk Water Supply Agreement and Memorandum of Agreement.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainties at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below. The estimates and assumptions are based on the parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions as they occur.

Allowance for ECL. The following information explains the inputs, assumptions and techniques used by the Group in estimating ECL:

- General approach for cash in banks and cash equivalents, non-trade receivables, restricted cash and deposits

  The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The Group considers the probability of its counterparty to default its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized, forward-looking estimates, and time value of money.

- Simplified approach for trade and other receivables (excluding non-trade receivables) and contract assets, which are presented under "Other current assets".

  The Group uses a simplified approach for calculating ECL on trade and other receivables (excluding non-trade receivables) and contract assets using a provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type and rating).

  The provision matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e., gross domestic product) that are expected to deteriorate over the next year can lead to an increased number of defaults in the Group's operating segments, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

- Incorporation of forward-looking information

  The Group considers a range of relevant forward-looking macroeconomic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. A broad range of forward-looking information is considered as economic inputs such as the consumer price index, gross domestic product, inflation rate, unemployment rates and other economic indicators.

  The macroeconomic factors are aligned with information used by the Group for other purposes such as strategic planning and budgeting.

The Group identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses.

Predicted relationships between the key macroeconomic indicators and default and loss rates on various portfolios of financial assets have been developed by analyzing historical data over the past three to nine years. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

- Grouping of instruments for losses measured on collective basis

  For ECL provisions modelled on a collective basis, a grouping of exposures is performed based on shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Group segmented its trade receivables based on their billing class as shown below:

  a. Domestic

     i. Residential – pertains to receivables arising from water and wastewater service use for domestic purposes only.
     ii. Semi-business – pertains to receivables arising from water and wastewater service use for small businesses.

  b. Non-domestic

     i. Commercial – pertains to receivables arising from water and wastewater service use for commercial purposes.
     ii. Industrial – pertains to receivables arising from water and wastewater service use for industrial and manufacturing purposes.

The following credit exposures are assessed individually:

a. All stage 3 assets, which are considered to be specifically impaired, regardless of the class of financial assets; and

b. Cash in banks and cash equivalents, deposits and restricted cash, non-trade receivables and deposits

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

The assessment of the correlation among historically observed default rates, forecasted economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Trade receivables from demolished accounts amounting to ₱16.6 million and ₱34.3 million were written off in 2025 and 2024, respectively. (see Note 5).

Trade and other receivables, net of allowance for ECL of ₱1,690.2 million and ₱1,519.6 million, amounted to ₱3,121.6 million and ₱2,722.9 million as at December 31, 2025 and 2024, respectively (see Notes 5 and 24). Provision for ECL amounted to ₱187.2 million, ₱112.4 and ₱600.5 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Fair Value of Financial Assets and Financial Liabilities. PFRS Accounting Standards require that certain financial assets and financial liabilities be carried at fair value, which requires the use of accounting estimates and judgments. The determination of the fair value requires management to make estimates and assumptions to determine the extent to which the Group receives a right of license to charge users of the public service. In making those estimates, management is required to determine a suitable discount rate to calculate for the present value of these cash flows. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and financial liabilities would directly affect income and equity.

The fair values of financial assets and financial liabilities are set out in Note 25.

Estimated Billable Water Volume. The Parent Company estimated the billable water volume, where the amortization of service concession assets is derived from, based on the period over which the Parent Company's concession agreement with MWSS is in force. The Parent Company reviews annually the billable water volume based on factors that include market conditions such as population growth and consumption, and the status of the Parent Company's projects and their impact on non-revenue water. It is possible that future results of operations could be materially affected by changes in the Parent Company's estimates brought about by changes in the aforementioned factors. A reduction in the projected billable water volume would increase amortization and decrease noncurrent assets.

In 2021, the Parent Company commissioned the Diliman Integrative Technical Consultancy, Inc. (DITCI) to conduct a water demand study within its concession area. The result of this study was used to determine short-term and long-term water demand requirements. As such, DITCI prepared annual medium term (2022-2026) and long-term (through 2050) demand forecasts. The results of this study were used to forecast the latest billed volume that was included in the recently approved business plan and the same was also used for the new amortization of the Parent Company.

Service concession assets, net of accumulated amortization of ₱48,744.8 million and ₱45,568.3 million, amounted to ₱200,373.5 million and ₱168,339.4 million as at December 31, 2025 and 2024, respectively (see Note 7). Amortization of SCA amounted to ₱3,176.4 million, ₱3,028.6 million and ₱2,744.8 million in 2025, 2024 and 2023, respectively (see Note 7).

Estimated Useful Lives of Property and Equipment. The useful life of each item of the Group's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation, and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded depreciation expense and decrease property and equipment.

There was no change in estimated useful lives of property and equipment in 2025 and 2024.

Property and equipment, net of accumulated depreciation and amortization of ₱5,465.3 million and ₱5,088.7 million, amounted to ₱2,530.8 million and ₱1,963.2 million as at December 31, 2025 and 2024, respectively. Depreciation and amortization of property and equipment amounted to ₱595.5 million, ₱527.3 million and ₱524.3 million in 2025, 2024 and 2023, respectively (see Note 8).

Recognition of Deferred Tax Assets. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

The Parent Company used Optional Standard Deduction (OSD) in computing its taxable income in 2025 and 2024, respectively. Phil Hydro used itemized deduction in computing its taxable income in 2025 and 2024 (see Note 16). The method of deduction to be availed by the Parent Company is assessed every taxable year. Accordingly, deferred tax assets and liabilities are measured based on either OSD or itemized deduction method, depending on the forecasted gross and taxable income, and which method of deduction is more beneficial to the Parent Company.

The Group recognized deferred tax assets amounting to ₱571.9 million and ₱484.5 million as at December 31, 2025 and 2024, respectively (see Note 16).

The Group did not recognize deferred tax assets on deductible temporary differences where doubt exists as to the tax benefits these deferred tax assets will bring in the future.

Deferred FCDA and Deferred Credits. Under Amendment No. 1 of the Concession Agreement, the Parent Company is entitled to recover (refund) foreign exchange losses (gains) arising from MWSS loans and any concessionaire loans. For the unrealized foreign exchange losses, the Parent Company recognized deferred FCDA as an asset, since this is a resource controlled by the Parent Company as a result of past events and from which future economic benefits are expected to flow to the Parent Company. Unrealized foreign exchange gains, however, are presented as deferred credits and will be refunded to the customers.

Based on the 2022 Approved Business Plan, the Parent Company used a new base foreign exchange rate from ₱53.16 to ₱53.51 for United States Dollar, applicable to concession fee payments starting January 1, 2023 (see Note 7).

Asset Impairment. The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important, which could trigger an impairment review, include but are not limited to the following:

- Significant under performance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use (VIU) approach. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs. Determining the recoverable amount of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts, and any resulting impairment loss could have a material adverse impact on the results of operations.

Noncurrent nonfinancial assets, which are carried at cost and subjected to impairment test when certain impairment indicators are present, are as follows:

	2025	2024
Service concession assets (see Note 7)	**₱200,373,499**	₱168,339,382
Property and equipment (see Note 8)	**2,530,754**	1,963,230
	₱202,904,253	₱170,302,612

In 2025 and 2024, there have been no substantive impairment indicators that necessitated further impairment assessment on these assets.

Determination of Other Long-term Incentive Benefits.
The Long-term Incentive Plan (LTIP) for cycle 2023, 2024 and 2025 was approved by the Maynilad BOD on December 10, 2024.

The cost of LTIP is determined using the projected unit credit method based on prevailing discount rates and profit targets. While management's assumptions are believed to be reasonable and appropriate, significant differences in actual results or changes in assumptions may materially affect the Company's other long-term incentive benefits.

Accrued LTIP, which was included as part of the "Other noncurrent liabilities" account in the consolidated statements of financial position, amounted to ₱908.2 million and ₱586.7 million as at December 31, 2025 and 2024, respectively. The total cost of the LTIP recognized by the Company presented as part of the "Salaries, wages and benefits" account in the consolidated statements of income amounted to ₱321.5 million, ₱420.7 million and ₱166.0 million in 2025, 2024 and 2023, respectively (see Notes 12 and 17).

Provisions and Contingencies. The Group is currently involved in various legal and administrative proceedings. The Group's estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsel handling defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material adverse effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings (see Note 20).

Disputes with MWSS. Pending resolution of the dispute between the Parent Company and MWSS on certain claims of MWSS, the disputed amount of ₱5.1 billion as at December 31, 2025 and 2024, is considered as contingent liability. The outstanding provision amounted to ₱607.2 million as at December 31, 2025 and 2024 (see Notes 7, 10 and 20).

4. Cash and Cash Equivalents

The cash and cash equivalents account consists of:

	2025	2024
Cash on hand and in banks	**₱3,153,060**	₱3,044,842
Cash equivalents	**23,639,699**	7,474,699
	₱26,792,759	₱10,519,541

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are made for varying periods between one day and three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term investment rates.

Interest income earned from cash in banks and cash equivalents, net of applicable final tax, amounted to ₱306.5 million, ₱404.8 million and ₱221.7 million in 2025, 2024 and 2023, respectively.

5. Trade and Other Receivables

This account consists of receivables from:

	2025	2024
Customers (Note 14):		
Residential	**₱2,493,786**	₱2,322,515
Semi-business	**295,453**	257,305
Commercial	**720,731**	685,346
Industrial	**208,683**	175,285
Bulk water supply (Note 14)	**281,293**	207,676
	3,999,946	3,648,127
Employees	**30,174**	46,328
Others	**781,643**	547,980
	4,811,763	4,242,435
Less allowance for ECL	**1,690,206**	1,519,563
	₱3,121,557	₱2,722,872

The classes of the Company's receivables from customers are as follows:

- Residential – pertains to receivables arising from water and wastewater service use for domestic purposes only.
- Semi-business – pertains to receivables arising from water and wastewater service use for small businesses.
- Commercial – pertains to receivables arising from water and wastewater service use for commercial purposes.
- Industrial – pertains to receivables arising from water and wastewater service use for industrial and manufacturing purposes.
- Bulk water supply – pertains to receivables arising from water service to water districts outside the West Service Area.

Receivables from customers and bulk water supply are non-interest bearing and generally have a 60-day term.

Other receivables consist mainly of receivables from collecting agents normally received within 30 days and advances for construction and installation of water reticulation systems for subdivisions in the West Service Area payable on installment basis over a period of three to five years. The portion of advances for water reticulation systems expected to be collected beyond one year amounted to ₱6.3 million as at December 31, 2025 and 2024, and is presented as part of "Others" in the "Other noncurrent assets" account in the consolidated statements of financial position.

The movements in the Company's allowance for ECL, which were determined individually and collectively, are as follows:

	2025					
	Receivables from Customers				Other	
	Residential	**Semi-Business**	**Commercial**	**Industrial**	**Receivables**	**Total**
At January 1	**₱869,424**	**₱142,494**	**₱366,946**	**₱85,278**	**₱55,421**	**₱1,519,563**
Provisions	**129,702**	**14,211**	**33,811**	**9,495**	–	**187,219**
Write-off	**(11,925)**	**(605)**	**(2,219)**	**(210)**	**(1,617)**	**(16,576)**
At December 31	**₱987,201**	**₱156,100**	**₱398,538**	**₱94,563**	**₱53,804**	**₱1,690,206**

	2024					
	Receivables from Customers				Other	
	Residential	Semi-Business	Commercial	Industrial	Receivables	Total
At January 1	₱853,608	₱138,185	₱356,830	₱83,992	₱8,873	₱1,441,488
Provisions	45,141	4,978	12,585	3,090	46,574	112,368
Write-off	(29,325)	(669)	(2,469)	(1,804)	–	(34,267)
Reversal	–	–	–	–	(26)	(26)
At December 31	₱869,424	₱142,494	₱366,946	₱85,278	₱55,421	₱1,519,563

The management recognized provisions for ECL amounting to ₱187.2 million, ₱112.4 million and ₱600.5 million in 2025, 2024 and 2023, respectively.

6. Other Current Assets and Other Noncurrent Assets

Other Current Assets

This account consists of:

	2025	2024
Prepayments (Note 22)	**₱504,522**	₱400,948
Input VAT	**303,765**	562,238
Advances to supplier/contractors	**733,041**	544,892
Deposits	**272,619**	231,696
Others (Note 14)	**421,625**	390,921
	₱2,235,572	₱2,130,695

Prepayments mainly pertain to insurance and local taxes that are expected to be consumed or utilized within the next financial year (see Note 22).

Input VAT is an indirect tax on the purchased goods and services, which the Company uses in its operations. Before March 21, 2022, the Company recovers its input VAT by offsetting it against the output VAT. Upon acceptance of the legislative franchise on March 21, 2022, the Company shifted from 12% VAT to OPT. The remaining input VAT refers to the unutilized input VAT from the purchase of capital goods to be amortized over the assets' remaining useful life and the input VAT associated with the retention payable from contractors' billings, which will be either capitalized or expensed upon actual release of the retention money, subsequent to the final acceptance or turnover of the completed project.

Deposits mainly consist of bill deposits to Meralco.

Advances to suppliers pertain to purchase of raw water, while advances to contractors are normally applied within a year against billings.

As at December 31, 2025 and 2024, "Others" consists mainly of materials and supplies amounting to ₱349.9 million and ₱317.6 million, respectively; creditable withholding tax amounting to ₱40.0 million and ₱40.9 million, respectively; and cost of new water service connections amounting to ₱31.7 million and ₱25.7 million, respectively, which were capitalized since these costs are recoverable and directly associated with the contract with customers (see Note 14).

Other Noncurrent Assets

This account consists of:

	2025	2024
Mobilization fund	**₱9,174,039**	₱9,796,828
Cost of new water service connection (Note 14)	**631,149**	536,986
Deposits	**658,585**	565,246
Others (see Note 14)	**85,698**	84,512
	₱10,549,471	₱10,983,572

Mobilization fund pertains to advance payments to contractors for services purchased but not yet received and is normally applied within a year against progress billings.

Cost of new water connections pertains to costs attributable to installation of water connections to customers. These costs are recoverable and are directly associated with the contract with customers under PFRS 15.

Deposits consist mainly of payments to LGUs as restoration deposits, which are refunded upon completion of the project. As at December 31, 2025 and 2024, deposits for restoration works amounted to ₱579.4 million and ₱487.0 million, respectively.

As at December 31, 2025 and 2024, "Others" pertains to Parent Company's deferred employee benefits amounting to ₱85.7 million and ₱81.9 million, net of accumulated amortization of ₱63.7 million and ₱53.6 million, respectively.

7. Service Concession Assets

The movements in this account are as follows:

	2025	2024
Cost:		
Balance at beginning of year	**₱213,907,718**	₱183,462,264
Additions	**33,618,898**	30,448,478
Effect of the extension of RCA (Note 1)	**1,591,655**	–
Reclassification	**–**	(3,024)
Balance at end of period	**249,118,271**	213,907,718
Accumulated amortization:		
Balance at beginning of period	**45,568,336**	42,542,787
Amortization	**3,176,436**	3,028,573
Reclassification	–	(3,024)
Balance at end of period	**48,744,772**	45,568,336
	₱200,373,499	₱168,339,382

Service concession assets consist of the present value of total estimated concession fee payments pursuant to the Concession Agreement (see Note 1), and the costs of rehabilitation works incurred.

Service concession assets also include Tranche B Concession Fees, which pertain to additional concession fees charged by MWSS to the Parent Company representing the cost of borrowings by MWSS as at December 2004. In 2005, pursuant to the Debt and Capital Restructuring Agreement (DCRA), the Parent Company had recognized and fully paid Tranche B Concession Fees amounting to US$36.9 million and the related accrued interest thereon (see Note 10).

Pursuant to the recommendation of the Receiver under the DCRA, the disputed amount being claimed by MWSS of additional Tranche B Concession Fees of US$18.1 million is considered as contingent liability of the Parent Company (see Notes 3, 10 and 20).

The Parent Company recognized additional concession fees amounting to ₱169.9 million and ₱317.0 million in 2025 and 2024, respectively, mainly pertaining to various rehabilitation projects and UATP-related local component costs, which were capitalized as service concession assets (see Note 10).

In 2025, the Parent Company recognized additional service concession assets amounting to ₱1,591.7 million as a result of the term extension of the Revised Concession Agreement (see Notes 1 and 10).

In 2025 and 2024, specific borrowing costs capitalized as part of service concession assets of the Parent Company amounted to ₱4,155.3 million and ₱2,975.7 million, respectively, while general borrowing cost capitalized as part of service concession assets amounted to ₱140.6 million and ₱52.9 million, respectively (see Note 11).

The rate used to determine the amount of general borrowing costs eligible for capitalization were 5.4% and 5.5% in 2025 and 2024, respectively.

Based on the 2022 Approved Business Plan, the Parent Company used a new base foreign exchange rate from ₱53.16 to ₱53.51 for U.S. Dollar, applicable to concession fee payments starting January 1, 2023. The effect of change in rebased rate amounting to ₱841.7 million was accounted for as an adjustment of the "Service concession assets" and "Deferred credits" accounts to adjust their carrying values based on the newly determined and approved rebased rate in 2023. These foreign exchange differences, which may no longer be recovered through the FCDA mechanism under the Concession Agreement, pertain to actual concession fee payments by Maynilad to MWSS, hence, formed part of the service concession assets. No similar adjustment was made in 2025.

In addition to the payments of service concession obligation payable to MWSS reported in the consolidated statements of cash flows at rebased rates amounting to ₱932.2 million and ₱953.0 million as at December 31, 2025 and 2024, respectively, and the regulatory costs reported in the consolidated statements of income amounting to ₱302.1 million, ₱280.5 million and ₱242.2 million in 2025, 2024 and 2023, respectively, the Parent Company paid actual concession fees of ₱214.1 million and ₱205.5 million as at December 31, 2025 and 2024, respectively.

Phil Hydro accounts for each of its BWSAs (except the BWSA with New Era University) and MOA with the Municipal Government of Rizal, Nueva Ecija in accordance with IFRIC 12, *Service Concession Arrangements*, under the Intangible Asset model as it receives the right (license) to charge users of public service. In 2019, the Company recognized an impairment loss on service concession assets of Phil Hydro amounting to ₱93.2 million as part of the accumulated amortization. Service concession assets that are not yet available for use are subjected to impairment testing under PAS 36.

Service concession assets under construction and rehabilitation of the Group amounting to ₱94.0 billion and ₱77.5 billion as at December 31, 2025 and 2024, respectively, are considered as contract assets under PFRS 15.

8. Property and Equipment

The roll forward analysis of this account follows:

	2025						
	Land and Land Improvements	**Instrumentation, Tools and Other Equipment**	**Office Furniture, Fixtures and Equipment**	**Transportation Equipment**	**ROU Assets - Land and Building**	**ROU Assets - Transportation Equipment**	**Total**
Cost							
At January 1	**₱44,617**	**₱2,072,654**	**₱2,680,166**	**₱1,042,683**	**₱508,888**	**₱702,933**	**₱7,051,941**
Additions	**579**	**270,139**	**262,485**	**143,244**	**519,232**	–	**1,195,679**
Reclassification	–	**(445,022)**	**445,022**	–	–	–	–
Disposals	–	**(174,103)**	**(14,993)**	**(8,661)**	–	**(55,370)**	**(253,127)**
At December 31	**45,196**	**1,723,668**	**3,372,680**	**1,177,266**	**1,028,120**	**647,563**	**7,994,493**
Accumulated Depreciation and Amortization							
At January 1	**4,093**	**1,287,009**	**2,023,186**	**887,065**	**424,655**	**462,703**	**5,088,711**
Depreciation and amortization	**291**	**89,982**	**250,805**	**73,726**	**107,834**	**72,893**	**595,531**
Reclassification	–	**(937)**	**937**	–	–	–	–
Disposals	–	**(174,103)**	**(14,993)**	**(8,661)**	–	**(22,746)**	**(220,503)**
At December 31	**4,384**	**1,201,951**	**2,259,935**	**952,130**	**532,489**	**512,850**	**5,463,739**
Net Book Value at December 31	**₱40,812**	**₱521,717**	**₱1,112,745**	**₱225,136**	**₱495,631**	**₱134,713**	**₱2,530,754**

	2024						
	Land and Land Improvements	Instrumentation, Tools and Other Equipment	Office Furniture, Fixtures and Equipment	Transportation Equipment	ROU Assets - Land and Building	ROU Assets - Transportation Equipment	Total
Cost							
At January 1	₱44,617	₱2,185,428	₱2,269,010	₱1,001,167	₱513,482	₱619,070	₱6,632,774
Additions	–	191,635	278,523	52,752	–	83,863	606,773
Reclassification	–	(222,041)	221,741	300	–	–	–
Disposals	–	(82,368)	(89,108)	(11,536)	(4,594)	–	(187,606)
At December 31	44,617	2,072,654	2,680,166	1,042,683	508,888	702,933	7,051,941
Accumulated Depreciation and Amortization							
At January 1	3,841	1,290,141	1,942,219	769,742	350,615	386,462	4,743,020
Depreciation and amortization	252	75,091	172,748	128,681	74,311	76,241	527,324
Reclassification	–	2,495	(2,673)	178	–	–	–
Disposals	–	(80,718)	(89,108)	(11,536)	(271)	–	(181,633)
At December 31	4,093	1,287,009	2,023,186	887,065	424,655	462,703	5,088,711
Net Book Value at December 31	₱40,524	₱785,645	₱656,980	₱155,618	₱84,233	₱240,230	₱1,963,230

The Parent Company sold items of property and equipment for a total consideration of ₱0.05 million, ₱0.07 million and ₱15.2 million in 2025, 2024 and 2023, respectively.

Loss and gain on disposals of property and equipment amounting to ₱0.05 million, ₱0.03 million and ₱2.0 million in 2025, 2024 and 2023, respectively, are presented as part of the "Others - net" account under "Other income (expenses)" in the consolidated statements of income.

No property and equipment as at December 31, 2025 and 2024 have been pledged as security or collateral.

9. Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

The financial assets at FVOCI amounting to ₱210.6 million and ₱124.9 million as at December 31, 2025 and 2024, pertain to the Parent Company's investments in unquoted equity shares in a local water distribution company. In 2025, the Parent Company reversed an impairment loss amounting to ₱85.7 million that was recognized from this investment prior to the adoption of PFRS 9*, Financial Instruments,* and presented as part of the "Others – net" account under "Other income (expenses)" in the consolidated statements of income

Dividend income on financial assets at FVOCI presented as part of the "Others – net" account under "Other income (expenses)" in the consolidated statements of income amounted to ₱5.0 million, ₱28.0 million, and ₱16.0 million in 2025, 2024 and 2023, respectively.

10. Service Concession Obligation Payable to MWSS

This account consists of:

	2025	2024
Concession fees payable	**₱7,788,347**	₱6,714,564
Accrued interest	**607,217**	607,217
Total Concession Fee Payable	**8,395,564**	7,321,781
Less: current portion	**1,472,856**	1,027,255
Noncurrent portion	**₱6,922,708**	₱6,294,526

Interest accretion on service concession obligation amounted to ₱597.9 million, ₱605.9 million and ₱640.2 million in 2025, 2024 and 2023, respectively (see Note 18).

Disputes with MWSS

The Parent Company has been contesting certain charges billed by MWSS relating to: (a) the basis of the computation of interest; (b) MWSS cost of borrowings; and (c) additional penalties. Consequently, the Parent Company has not provided for these additional charges. These disputed charges were effectively reflected and recognized by the Parent Company as Tranche B Concession Fees amounting to US$30.1 million by virtue of the DCRA entered in 2005. The Parent Company also paid US$6.8 million in 2005 as an additional amount of Tranche B Concession Fees determined by the Receiver (see Note 7).

The Parent Company reconciled its liability to MWSS with the confirmation and billings from MWSS. The difference between the amount confirmed by MWSS and the amount recognized by the Parent Company amounted to ₱5.1 billion as at December 31, 2025 and 2024. The difference mainly pertains to disputed claims of MWSS consisting of additional Tranche B Concession Fees, borrowing cost and interest penalty under the Concession Agreement (prior to the DCRA). The Parent Company's position on these charges is consistent with the Receiver's recommendation, which was upheld by the Rehabilitation Court (see Notes 3, 7 and 20).

Following the issuance of the Rehabilitation Court's Order on December 19, 2007 disallowing the MWSS' disputed claims and the termination of the Parent Company's rehabilitation proceedings, the Parent Company and MWSS sought to resolve the matter in accordance with the dispute resolution requirements of the transitional and clarificatory agreement (TCA).

Prior to the DCRA, the Parent Company had accrued interest on its payable to MWSS based on the terms of the Concession Agreement, which was disputed by the Parent Company before the Rehabilitation Court. This already amounted to ₱985.3 million as at December 31, 2011 and had been charged to interest expense in prior years. The Parent Company maintained that the accrued interest on its payable to MWSS had been adequately replaced by the Tranche B Concession Fees discussed above. The Parent Company's position was consistent with the Receiver's recommendation, which was upheld by the Rehabilitation Court (see Notes 7 and 20). With the prescription of the TCA and in light of the Parent Company's current negotiation and outstanding offer of US$14.0 million to fully settle the claim of MWSS, the Parent Company reversed the amount of accrued interest in excess of the US$14.0 million settlement offer amounting to ₱378.1 million in 2012. The remaining balance of ₱607.2 million as at December 31, 2025 and 2024, which pertains to the disputed interest penalty under the Concession Agreement prior to DCRA, has remained in the books pending resolution of the remaining disputed claims of MWSS.

In 2025, in relation to the approval of the extension of the Concession Agreement as discussed in Note 1, the Parent Company assumed additional obligations, representing MWSS loan repayments that will mature or are scheduled for payment beyond 2037 and until the end of the extended concession term. These obligations resulted in the recognition of additional service concession obligation payable and, consequently, additional service concession assets amounting to ₱1,591.7 million in the consolidated statement of financial position (see Note 7).

The schedule of undiscounted estimated future concession fee payments, based on the extended life of the Agreement, is as follows:

	In Original Currency		
Year	Foreign Currency Loans (Translated to US$)*	Peso Loans/ Project Local Support	Total Peso Equivalent
		(In Millions)	
2026	$9.4	₱787.9	₱1,340.1
2027	10.8	809.6	1,447.1
2028	11.8	824.2	1,518.7
2029-2047	84.8	20,144.3	25,129.6
	$116.8	₱22,566.0	₱29,435.5

**Translated using the December 31, 2025 exchange rate of ₱58.79:US$1.*

11. **Interest-bearing Loans and Bonds**

This account consists of:

	2025	2024
₱18.5 billion Corporate Notes	**₱15,725,925**	₱17,514,135
₱15.0 billion Blue Bonds	**15,000,000**	15,000,000
₱10.0 billion Term Loan Facility (MBTC)	**9,937,500**	10,000,000
₱10.0 billion Term Loan Facility (BPI)	**9,812,500**	9,937,500
₱6.0 billion Term Loan Facility (BDO)	**5,850,000**	5,925,000
₱6.0 billion Term Loan Facility (LBP)	**5,100,000**	5,400,000
₱5.0 billion Term Loan Facility (LBP)	**4,937,500**	5,000,000
¥13.1 billion Facility Loan (JICA)	**4,111,121**	4,465,757
₱4.0 billion Term Loan Facility (BPI)	**4,000,000**	–
₱4.0 billion Term Loan Facility (BPI)	**4,000,000**	–
₱4.0 billion Term Loan Facility (LBP)	**3,900,000**	3,950,000
₱4.8 billion Term Loan Facility (DBP)	**3,021,000**	3,339,000
₱2.5 billion Term Loan Facility (BPI)	**2,500,000**	–
₱2.5 billion Term Loan Facility (LBP)	**2,500,000**	–
₱5.0 billion Term Loan Facility (BDO)	**2,222,222**	2,777,778
¥7.9 billion Facility Loan (JCB)	**593,448**	966,960
Peso-denominated Bank Loan (LBP)	–	15,937
Total Interest-bearing Loans/Bonds	**93,211,216**	84,292,067
Less unamortized debt issuance costs	**653,577**	644,531
Total Carrying Value	**92,557,639**	83,647,536
Less current portion	**2,642,939**	4,186,065
Noncurrent portion	**₱89,914,700**	₱79,461,471

₱18.5 billion Corporate Notes (Various Lenders)

On February 22, 2018, the Parent Company entered into several loan agreements for the refinancing of all its existing loans under the ₱21.2 billion Term Loan and ₱5.0 billion Corporate Notes, whereby the Parent Company was granted a Term Loan Facility ("the Notes Facility") in the aggregate amount of ₱18.5 billion. Under the new terms, the loan shall be drawn in three tenors; 7Y, 10Y and 15Y Fixed Corporate Notes, payable in semi-annual installments within 15 years to commence at the end of the sixth month after the initial issue date and bear interest rate per annum equal to the applicable benchmark rate plus 0.60%, 0.70% and 0.60% per annum for the 7Y, 10Y and 15Y Fixed Corporate Notes, respectively. The Notes Facility is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱199.7 million were recognized in 2018 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Amortization of debt issuance costs attributed to this loan amounting to ₱13.2 million, ₱15.0 million and ₱14.2 million in 2025, 2024 and 2023, respectively, is presented as part of the "Interest expense and other financing charges" account in the consolidated statements of income (see Note 18).

₱15.0 billion Blue Bonds

On July 12, 2024, the Parent Company listed its maiden bond issuance with an aggregate issue size of ₱15 billion (the "Blue Bonds" or the "Offer") on the Philippine Dealing & Exchange Corp. in support of its capital expenditure on sustainable water and wastewater management. The Blue Bonds were issued in two (2) series – (i) Series A: 6.7092% 5-Year fixed rate bonds due 2029 and (ii) Series B: 7.0931% 10-Year fixed rate bonds due 2034. The proceeds from the Offer shall be used primarily to

finance Eligible Blue Projects and/or Blue Activities under SEC Memorandum Circular No. 15, Series of 2023 ("Guidelines on Eligible Blue Projects and Activities for the Issuance of Blue Bonds in the Philippines"). The bonds are secured by a negative pledge.

Debt Issuance Costs. All legal, professional fees and other related debt issue cost incurred in relation to the debt totaling ₱183.6 million were recognized in 2024 and offset against the related debt. Debt issuance costs are amortized using the EIR method over the term of the debt.

Specific borrowing costs capitalized as part of service concession assets related to this debt amounted to ₱1,070.1 million and ₱504 million in 2025 and 2024, respectively (see Note 7).

₱10.0 billion Term Loan Facility (Metropolitan Bank & Trust Co.)
On March 22, 2024, the Parent Company entered into a Loan Agreement with Metropolitan Bank & Trust Co. The loan shall be payable in semi-annual installments within 10 years to commence on September 26, 2025, and bear a fixed interest rate of 6.5% per annum for the first five years. The interest rate applicable for the remaining five years tenor will be based on benchmark rate plus spread. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱75.1 million were recognized in 2024 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱663.7 million and ₱506.8 million in 2025 and 2024, respectively (see Note 7).

₱10.0 billion Term Loan Facility (Bank of the Philippine Islands)
On May 10, 2023, the Parent Company entered into a Loan Agreement with Bank of the Philippine Islands. The first and second drawdowns amounting to ₱5.0 billion each were drawn on May 11, 2023 and October 3, 2023, respectively. The loan shall be payable in semi-annual installments within 10 years to commence on November 11, 2024, and bear fixed interest rates of 6.41% and 7.00% per annum for the first and second drawdowns, respectively, for the first five years. The interest rate applicable for the remaining five years will be based on benchmark rate plus spread. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱75.2 million were recognized in 2023 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

The amortization of debt issuance costs related to this loan amounted to ₱3,290 in December 31, 2025, with no amortization recognized in 2024 and 2023. This expense is included under "Interest expense and other financing charges" in the consolidated statements of income (see Note 18).

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱678.3 million and ₱686.9 million in 2025 and 2024, respectively (see Note 7).

₱6.0 billion Term Loan Facility (BDO Unibank Inc.)
On November 15, 2022, the Parent Company entered into a Loan Agreement with BDO Unibank, Inc. to: (i) partially fund capital expenditure requirements; (ii) refinance existing obligations; and (iii) fund other general corporate requirements. The drawdown from this facility was made on November 17, 2022.

The loan shall be payable in semi-annual installments within 10 years to commence at the end of the 18th month reckoned from the drawdown date, which bears a fixed-rate loan structured as 3+3+4. Each tenor will be based on the Bloomberg Valuation (BVAL) Service reference rate, plus 65 basis points credit spread, with interest rate floor as follows: (i) 3Y – 5.75% per annum and (ii) 4Y – 5.90% per annum. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱45.2 million were recognized in 2022 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱427.8 million and ₱442.8 million in 2025 and 2024, respectively (see Note 7).

₱6.0 billion Term Loan Facility (Land Bank of the Philippines)
On August 10, 2022, the Parent Company entered into a Loan Agreement with Land Bank of the Philippines for the refinancing of its existing loan under the US$137.5 million MWMP Loan. The drawdown from this facility was made on August 12, 2022.

The loan shall be payable in semi-annual installments within 15 years to commence at the end of the sixth month reckoned from the drawdown date, which bears a fixed-rate loan structured as 3+5+5+2. Each tenor will be based on the BVAL Service reference rate, plus 50 basis points credit spread, with interest rate floor as follows: (i) 3Y – 4.50% per annum, (ii) 5Y – 5.25% per annum and (iii) 2Y – 4.25% per annum. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱60.2 million were capitalized in 2022 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Amortization of debt issuance costs attributed to this loan amounting to ₱4.9 million, ₱5.0 million and ₱5.2 million in 2025, 2024 and 2023, respectively, is presented as part of the "Interest expense and other financing charges" account in the consolidated statements of income (see Note 18).

₱5.0 billion Term Loan Facility (Land Bank of the Philippines)
On December 11, 2023, the Parent Company entered into a Loan Agreement with Land Bank of the Philippines. Drawdown from this facility was made on December 14, 2023. The loan shall be payable in semi-annual installments within 10 years to commence on June 14, 2025 and bear a fixed interest rate of 6.60% per annum for the first three years. The interest rate on the repricing date will be based on the applicable benchmark rate, plus spread. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱37.6 million were recognized in 2023 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets amounted to ₱336.3 million and ₱337.9 million in 2025 and 2024, respectively. (see Note 7).

Total general borrowing costs amounted to ₱140.6 million and ₱52.9 million in 2025 and 2024, respectively (see Note 7).

¥13.1 billion Facility Loan (Japan International Cooperation Agency or JICA)
On June 7, 2017, the Parent Company entered into a credit agreement with the JICA whereby the Parent Company was granted a Japanese yen-denominated Facility Loan amounting to ¥13.1 billion. The loan shall be payable in semi-annual installments within 17 years to commence on October 10, 2022. Drawdowns amounting to ¥0.7 billion, ¥0.5 billion, ¥0.8 billion, and ¥0.9 billion were made on April 2, 2019, June 28, 2019, August 30, 2019 and December 6, 2019, respectively. The final drawdown amounting to ¥10.2 billion was made on June 23, 2023. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱54.3 million and ₱7.3 million were capitalized in 2019 and 2018, respectively, and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Amortization of debt issuance costs attributed to this loan amounting to ₱7.1 million, ₱7.6 million and ₱5.0 million in 2025, 2024 and 2023, respectively, is presented as part of the "Interest expense and other financing charges" account in the consolidated statements of income (see Note 18).

₱4.0 billion Term Loan Facility (Land Bank of the Philippines)
On November 7, 2022, the Parent Company entered into a Loan Agreement with Land Bank of the Philippines to partially fund the general corporate requirements of the Company. The drawdown from this facility was made on November 10, 2022.

The loan shall be payable in semi-annual installments within 10 years to commence at the end of the 18th month reckoned from the drawdown date, which bears a fixed-rate loan structured as 3+5+2. Each tenor will be based on the BVAL Service reference rate, plus 50 basis points credit spread, with interest rate floor as follows: (i) 3Y – 4.50% per annum, (ii) 5Y – 5.25% per annum and (iii) 2Y – 4.25% per annum. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱40.2 million were recognized in 2022 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

The amortization of debt issuance costs related to this loan amounted to ₱64,241 in December 31, 2025, with no amortization recognized in 2024 and 2023. This expense is included under "Interest expense and other financing charges" in the consolidated statements of income (see Note 18).

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱280.2 million and ₱289.6 million in 2025 and 2024, respectively (see Note 7).

₱4.8 billion Term Loan (Development Bank of the Philippines)
On February 24, 2014, the Parent Company entered into a Loan Agreement with the Development Bank of the Philippines. The loan proceeds shall be used to finance the first stage of the Parañaque-Las Piñas STP and associated wastewater conveyance system.

The loan shall be payable in semi-annual payments within 20 years to commence at the end of the fifth year, which bears a fixed rate per annum equal to 6.0%. The first, second, third and fourth drawdowns amounting to ₱1.0 billion, ₱2.0 billion, ₱1.0 billion and ₱0.8 billion were made on March 2, 2015, October 4, 2016, August 1, 2017 and March 5, 2018, respectively. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱46.1 million were recognized in 2015 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

The amortization of debt issuance costs related to this loan amounted to ₱0.1 million in December 31, 2025, with no amortization recognized in 2024 and 2023. This expense is included under "Interest expense and other financing charges" in the consolidated statements of income (see Note 18).

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱188.3 million and ₱207.8 million in 2025 and 2024, respectively (see Note 7).

Under the terms of the loan agreements, the Parent Company may, at its option and without premium and penalty, redeem the Corporate Notes in whole or in part, subject to the conditions stipulated in the agreements. The embedded early redemption and prepayment options are clearly and closely related to the host debt contract, and thus, do not require to be bifurcated and accounted for separately from the host contract.

₱5.0 billion Term Loan Facility (BDO Unibank Inc.)
On November 26, 2019, the Parent Company entered into a Loan Agreement with BDO Unibank, Inc. The loan shall be payable in semi-annual installments within 10 years to commence on May 29, 2021 and bears a fixed rate per annum of 4.9505% for the first five years. The interest rate for the remaining five years will be based on the applicable benchmark rate, plus 0.60% per annum. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱37.8 million were recognized in 2019 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Amortization of debt issuance costs attributed to this loan amounting to ₱3.5 million, ₱4.3 million and ₱4.9 million in 2025, 2024 and 2023, respectively, is presented as part of the "Interest expense and other financing charges" account in the account in the consolidated statements of income (see Note 18).

¥7.9 billion Facility Loan (Japanese Commercial Bank)
On June 7, 2017, the Parent Company entered into a credit agreement (Facility Agreement) with foreign banks, namely The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank Ltd., and Sumitomo Mitsui Banking Corporation (collectively referred to as "the Lenders"). The first and second drawdowns amounting to ¥4.9 billion and ¥3.0 billion were made on August 20, 2018 and November 28, 2018, respectively. The loan shall be payable in semi-annual installments within 10 years to commence at the end of the 36th month from the date of the Facility Agreement. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱70.6 million were recognized in 2018 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Amortization of debt issuance costs attributed to this loan amounting to ₱4.0 million, ₱5.9 million and ₱7.7 million in 2025, 2024 and 2023, respectively, is presented as part of "Interest expense and other financing charges" account in the consolidated statements of income (see Note 18).

₱2.5 billion Term Loan (Bank of the Philippine Islands)
On March 17, 2025, the Parent Company entered into a credit agreement with the Land Bank of the Philippines whereby the Parent Company was granted a peso-denominated Facility Loan amounting to ₱2.5 billion. A drawdown of ₱2.5 billion was drawn on March 19, 2025. The loan shall be payable in semi-annual installments within 10 years to commence on September 20, 2025. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱18.7 million were recognized in 2025 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱125.3 million and nil in 2025 and 2024, respectively (see Note 7).

₱2.5 billion Term Loan (Land Bank of the Philippines)
On March 17, 2025, the Parent Company entered into a credit agreement with the Land Bank of the Philippines whereby the Parent Company was granted a peso-denominated Facility Loan amounting to ₱2.5 billion. A drawdown of ₱2.5 billion was drawn on March 19, 2025. The loan shall be payable in semi-annual installments within 10 years to commence on September 20, 2025. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱18.7 million were recognized in 2025 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱125.3 million and nil in 2025 and 2024, respectively (see Note 7).

₱4.0 billion Term Loan (Bank of the Philippines Islands)
On July 10, 2025, the Parent Company entered into a credit agreement with the Bank of the Philippine Islands whereby the Parent Company was granted a peso-denominated Facility Loan amounting to ₱4.0 billion. A drawdown of ₱4.0 billion was drawn on July 14, 2025. The loan shall be payable in semi-annual installments within 10 years to commence on January 14, 2027. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱30.0 million were recognized in 2025 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱128.4 million and nil for December 31, 2025, and 2024, respectively (see Note 7).

₱4.0 billion Term Loan (Landbank of the Philippines)
On June 27, 2025, the Parent Company entered into a credit agreement with the Bank of the Philippine Islands whereby the Parent Company was granted a peso-denominated Facility Loan amounting to ₱4.0 billion. A drawdown of ₱4.0 billion was drawn on July 1, 2025. The loan shall be payable in semi-annual installments within 10 years to commence on September 20, 2026. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱30.0 million were recognized in 2025 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Specific borrowing costs capitalized as part of service concession assets related to this loan amounted to ₱127.6 million and nil for December 31, 2025, and 2024, respectively (see Note 7).

Covenants
The loan agreements contain, among others, covenants regarding the maintenance of certain financial ratios such as debt-to-equity ratio and debt service coverage ratio. As at December 31, 2025 and 2024, the Parent Company has complied with these covenants.

₱255.0 million Loan of Phil Hydro (Land Bank of the Philippines)
On May 4, 2015, Phil Hydro entered into a Loan Agreement with the Land Bank of the Philippines. The loan shall be payable in quarterly installments within eight years of commencement after the end of the eighth quarter and bears an interest rate per annum equal to the higher of (i) the applicable benchmark rate, plus 1.0% per annum, or (ii) 5.5% per annum. The benchmark rate shall be determined by reference to the Philippine Dealing System Treasury Reference Rates (PDST-R2) rate. The loan is secured by a negative pledge.

Debt Issuance Costs. All legal and professional fees incurred in relation to the loan totaling ₱1.3 million were recognized in 2015 and offset against the related loan. Debt issuance costs are amortized using the EIR method over the term of the loan.

Amortization of debt issuance costs attributed to this loan amounting to nil, ₱0.01 and ₱0.01 million in December 31, 2025, 2024 and 2023, respectively, is presented as part of the "Interest expense and other financing charges" account in the consolidated statements of income (see Note 18).

As of December 31, 2025, Phil Hydro has fully settled its ₱255 million loan.

Covenants
The loan agreement contains, among others, covenants regarding the maintenance of certain financial ratios such as debt-to-equity ratio and debt service coverage ratio. As at December 31, 2025 and 2024, Phil Hydro has complied with these covenants.

Unamortized Debt Issuance Cost
The movements in the balance of unamortized debt issuance costs related to all interest-bearing loans are as follows:

	2025	2024
Balance at beginning of year:		
Peso Loans	**₱427,885**	₱401,083
Japanese Yen-denominated	**44,952**	58,457
Peso Bonds	**171,694**	–
	644,531	459,540
Additions during the year:		
Peso Loans	**97,821**	75,088
Japanese Yen-denominated	–	–
Peso Bonds	–	183,611
	97,821	258,699
Amortization during the year (see Note 18):		
Peso Loans	**52,464**	48,286
Japanese Yen-denominated	**11,156**	13,505
Peso Bonds	**25,156**	11,917
	88,776	73,708
Balance at ending of year:		
Peso Loans	**473,242**	427,885
Japanese Yen-denominated	**33,796**	44,952
Peso Bonds	**146,538**	171,694
	₱653,576	₱644,531

**Debt issue cost amortization amounting to ₱55.8 million and ₱35.6 million as at December 31, 2025 and 2024, respectively, were capitalized to service concession assets.*

The repayments of loans based on existing terms are scheduled as follows:

	December 31, 2025			
Year	**Japanese Yen-Denominated***	**Peso Loans**	**Peso Bonds**	**Total Peso Equivalent**
2026	**¥2,269.5**	**₱1,790.5**	**–**	**₱2,642.9**
2027	**1,742.8**	**1,808.0**	**–**	**2,462.6**
2028	**1,216.2**	**3,542.2**	**–**	**3,998.9**
2029	**1,216.2**	**1,877.2**	**–**	**2,333.9**
2030 onwards	**6,080.8**	**64,488.9**	**15,000**	**81,772.8**
	¥12,525.5	**₱73,506.8**	**₱15,000**	**₱93,211.1**

**Translated using the December 31,2025 exchange rate of ₱0.3756:1 JPY*

	December 31, 2024			
Year	Japanese Yen-Denominated*	Peso Loans	Peso Bonds	Total Peso Equivalent
2024	¥2,269.5	₱3,352.7	₱–	₱4,186.1
2025	2,269.5	1,575.3	–	2,408.6
2026	1,742.8	1,733.0	–	2,372.9
2027	1,216.2	3,379.7	–	3,826.2
2028 onwards	7,297.0	53,818.8	15,000.0	71,498.2
	¥14,795.0	₱63,859.5	₱15,000.0	₱84,292.0

**Translated using the December 31, 2024 exchange rate of ₱0.3672:1 JPY*

12. Trade and Other Payables

This account consists of:

	2025	2024
Accrued expenses	**₱12,659,403**	₱10,442,948
Accrued construction costs (see Note 15)	**9,489,225**	6,938,546
Trade and other payables	**6,453,942**	6,550,398
Lease liabilities (see Note 22)	**200,161**	72,401
Due to a related party (see Note 15)	**164,600**	94,788
Contract liabilities (see Note 14)	**68,424**	57,996
	₱29,035,755	₱24,157,077

Accrued expenses mainly consist of salaries, wages and benefits, contracted services, interest payable to the banks and provisions for estimated liabilities. Details of provisions required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* are not disclosed as these may prejudice the Company's positions in relation to the cases pending before the courts or quasi-judicial bodies.

Accrued interest expense that forms part of the total accrued expenses is the amount of interest payable to the bank and investors from the Parent Company's interest-bearing loans and issued bonds (see also Notes 11 and 18) amounting to ₱1,296.3 million and ₱1,051.8 million as at December 31, 2025 and 2024, respectively.

Accrued construction costs represent unbilled construction costs from contractors that are normally settled upon receipt of billings.

Trade and other payables are non-interest bearing and are normally settled within one year. These consist of deferred output VAT amounting to ₱7.4 million and ₱171.0 million as at December 31, 2025 and 2024, respectively. Deferred Output VAT pertains to the tax on the Parent Company's uncollected VATable sales due upon the collection of the respective receivables. Sales connected to deferred output VAT took place before the effectivity date of R.A. No. 11976 Ease of Paying Taxes (EOPT) Act. Retention in contract payable amounted to ₱4,566.0 million and ₱4,933.0 million as at December 31, 2025 and 2024, respectively. These are the amounts of money withheld by the Parent Company.

Trade payables also include liabilities relating to assets held in trust (see Note 23) used in the Parent Company's operations amounting to ₱98.5 million as at December 31, 2025 and 2024.

13. Equity

a. The Parent Company's authorized and issued shares as at December 31, 2025 and 2024 are presented below:

	December 31, 2025		December 31, 2024	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized common shares – ₱1 par value	**9,093,964,000**	**₱9,093,964,00**	9,093,964,000	₱9,093,964,000
Issued and outstanding – common shares:				
Beginning of year – *₱1 par value*	**5,683,727,500**	**₱5,683,727,500**		
Class A – ₱1000 par value			4,222,482	₱4,222,482,000
Class B – ₱1000 par value			236,000	236,000,000
ESOP shares –₱1000 par value			88,500	88,500,000
Total	**5,683,727,500**	**5,683,727,500**	4,546,982	4,546,982,000
Stock split on 2024 *(1:1,000)*			1,000	–
Total	**5,683,727,500**	**5,683,727,500**	4,546,982,000	4,546,982,000
Issuance of shares	**1,934,269,800**	**1,934,269,800**	1,136,745,500	1,136,745,500
Issued shares	**7,617,997,300**	**7,617,997,300**	5,683,727,500	5,683,727,500
Less: Treasury shares	**215,393,700**	**3,115,230,115**	71,100,000	960,554,583
End of year	**7,402,603,600**	**₱4,502,767,185**	5,612,627,500	₱4,723,172,917
Treasury shares:				
Beginning of year	**71,100,000**	**₱960,554,583**	34,607	₱391,918,720
Reacquisition	**144,293,700**	**2,154,675,532**	36,493	568,635,863
Total	**215,393,700**	**3,115,230,115**	71,100	960,554,583
Stock split on 2024 *(1:1,000)*			1,000	–
End of year	**215,393,700**	**₱3,115,230,115**	71,100,000	₱960,554,583

Amendments to the Articles of Incorporation. On December 27, 2024, Parent Company received approval from the SEC through a Certificate of Approval on Increase of Capital Stock from ₱4,546,982,000 divided into 4,222,482 Class A common shares with a par value of ₱1,000; 236,000 Class B common shares with a par value of ₱1,000; and 88,500 ESOP shares with a par value of ₱1,000, to ₱9,093,964,000 divided into 9,093,964,000 shares with a par value of ₱1, approved by majority of the BOD on November 8, 2024, and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock at a meeting held on December 12, 2024.

Simultaneous with the increase in authorized capital stock, the following amendments were also approved by the affirmative vote of at least a majority of the members of the BOD in their regular meeting held on November 8, 2024 and by the affirmative vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock of the Company in their duly constituted meeting held on December 12, 2024, and the SEC through a Certificate of Approval dated December 27, 2024:

1. Reclassifying the Common Class "A" Shares and Common Class "B" Shares into a single class of "Common Shares";
2. Reduction in the par value of Common Class "A" and Class "B" Shares from ₱1,000 to ₱1 per share;
3. Reclassifying the 88,500 ESOP Shares to "Common Shares"; and
4. Reduction in the par value of ESOP Shares from ₱1,000 to ₱1 per share.

Of the net increase in the authorized capital stock of ₱4,546,982,000, consisting of 4,546,982,000 common shares with a par value of ₱1, the amount of ₱1,136,745,500 was subscribed and fully paid in cash by the following subscribers:

Subscriber	Nationality	No. of Shares	Amount Subscribed	Amount Paid-up
Maynilad Water Holding Company, Inc.	Filipino	1,076,567,289	₱1,076,567,289	₱1,076,567,289
Metro Pacific Investments Corporation	Filipino	60,178,211	60,178,211	60,178,211
		1,136,745,500	₱1,136,745,500	₱1,136,745,500

Alongside the new subscription, costs directly incurred upon issuance of new shares were capitalized and deducted from equity, particularly from APIC, amounting to ₱11.4 million.

Initial Public Offering

On May 30, 2025, the Philippines Securities and Exchange Commission (SEC) granted formal approval for the issuance of shares by the entity through its en banc resolution. Subsequently, on November 7, 2025, the Parent company conducted an Initial Public Offering (IPO), offering up to 1,660.3 million common shares in a primary offer and up to 24.9 million primary common shares in a preferential offer. Additionally, there was an overallotment option of up to 249.0 million primary common shares, with a potential upsize option of up to 354.7 million secondary common shares, all priced at ₱15.00 per share, intended for listing and trading on the Main Board of The Philippine Stock Exchange, Inc. As at December 31, 2025 and 2024, the total number of shareholders for common shares is 21 and 19, respectively. The total number for stockholders in 2025 includes PCD Nominee Corporation, which acts as custodian for various shareholders.

Total proceeds from the IPO amounted to ₱27,459.8 million, ₱1,934.3 million of which, representing par value, were recognized under Common Capital Stock, and the excess over par amounting to ₱25,525.6 million, net of issuance and other directly attributable costs of ₱1,544.5 million, were recognized as Additional Paid-in Capital (APIC).

b. ESOP and Treasury Shares

The employees of the Parent Company are allowed equity participation of up to six percent (6%) of the issued and outstanding capital stock of the Parent Company upon the effective date of the increase in authorized capital stock of the Parent Company, pursuant to and in accordance with the provisions of Clause 2.6 of the DCRA. For this purpose, a series of 88,500,000 nonvoting convertible redeemable shares (ESOP shares) was created from common Class A shares as reflected in the Parent Company's amended Articles of Incorporation. In 2008, the ESOP shares

were effectively reduced to 88,500 shares due to change in par value from ₱1 to ₱1,000. The ESOP shares have no voting rights, except for those provided under Section 6 of the Corporation Code and have no pre-emptive rights to purchase or subscribe to future or additional issuances or disposition of shares of the Parent Company.

Within thirty (30) days after the earlier of (i) the end of the fifth year from the creation of the ESOP Shares, and (ii) the listing date for common shares in a recognized Philippine Stock Exchange, the Parent Company may redeem the ESOP shares at a redemption ratio equal to one common share for every ESOP share held and such common shares so exchanged shall have the same rights and privileges as all other common shares.

Each ESOP share will be convertible, at the option of the holder thereof, at any time during the period commencing the earlier of (i) the end of the fifth year from the creation of the ESOP shares; or (ii) the listing date for common shares in a recognized Philippine Stock Exchange into one fully paid and non-assessable common share. Such common share shall have the same rights and privileges as all other common shares. Conversion of the ESOP share may be effected by surrendering the certificates representing such shares to be converted to the Parent Company common shares at the Parent Company's principal office or at such other office or offices as the BOD may designate, and a duly signed and completed notice of conversion in such form as may from time to time be specified by the Parent Company (a "Conversion Notice"), together with such evidence as the Parent Company may reasonably require, to prove the title of the person exercising such right. A Conversion Notice, once given, may not be withdrawn without the consent in writing of the Parent Company.

In 2012, the Board and shareholders of the Parent Company approved the amendment of its Articles of Incorporation to allow for the reissuance of ESOP shares that have been bought back by the Parent Company from separated employees. Upon approval by the SEC of the amendment on January 31, 2013, ESOP shares reacquired by the Parent Company from its resigned employees were subsequently reissued to all qualified employees.

In October 2024, the Parent Company conducted a series of roadshows and consultations for ESOP shares – buyback and conversion to common shares in relation to Parent Company's conversion of all types of shares into common shares. Employees were given until November 14, 2024 to submit their respective duly signed notice of acceptance of terms and conditions about selling/keeping of ESOP shares. Actual payment for ESOP shares reacquired by Parent Company was made on December 13, 2024.

Treasury Shares of Parent Company amounted to ₱3,115.2 million and ₱960.6 million as at December 31, 2025 and 2024. Increase in treasury shares amounting to ₱2,154.7 million, representing 144.2 million shares, pertains to unexercised overallotment option during the IPO which were reacquired by the Parent Company.

c. Dividends

On February 27, 2024, during the regular meeting, the Parent Company's BOD set and approved the declaration of cash dividends amounting to ₱5.7 billion (₱998.57 per common share) to all shareholders of record as at February 29, 2024. Payments were made on April 15, 2024.

On February 18, 2025, during the regular meeting of the BOD, the Corporation approved and declared cash dividends amounting to ₱6.4 billion (₱1.14 per common share) to all shareholders of record as of February 29, 2025 which were paid not later than March 15, 2025.

d. Appropriation of Retained Earnings

On February 26, 2018 and October 29, 2018, the Parent Company's BOD approved the appropriation of its retained earnings amounting to ₱15.0 billion and ₱5.0 billion for various water and wastewater projects. The appropriation is intended to fund the Parent Company's capital expenditures for (1) water sources and treatment; (2) operations support programs to sustain, enhance and expand the water facilities and operations in the following areas: (i) service level at 24 hours water availability at a minimum of 16 psi water pressure, (ii) water coverage, (iii) reliability, flexibility and adaptation to climate change, and (iv) right-of-way and lot acquisition for water facilities; (3) pipelaying of secondary and tertiary pipelines; (4) sanitation programs; and (5) customer service and information capex. As at December 31, 2025, these projects are still ongoing.

On November 26, 2019, the Parent Company's BOD approved the appropriation of its retained earnings amounting to ₱7.0 billion to fund the Parent Company's capital expenditures for the following projects: (1) upgrading of Dagat-Dagatan sewage treatment plant to 205MLD South Caloocan-Malabon-Navotas (CAMANA) Water Reclamation Facility, and (2) the design and build of the 140 MLD Water Reclamation Facility for the Central Manila Sewerage System. These projects are expected to be implemented in the next five years. As at December 31, 2025, these projects are still ongoing.

On December 7, 2020, the Parent Company's BOD approved the appropriation of its retained earnings amounting to ₱1.75 billion to fund capital expenditures for pipelaying projects expected to be implemented in the next two years. As at December 31, 2025, these projects are still ongoing.

At the meeting of the BOD of the Corporation held on December 10, 2024, the following were passed and approved:

- Reversal of ₱2.5 billion appropriated retained earnings (to be reverted to unappropriated retained earnings) due to updates in awarded contract values and removal of completed projects mentioned in the previous appropriations; and

- Appropriation of retained earnings in the amount of ₱14.3 billion to fund new and ongoing capital expenditure requirements, which are primarily related to wastewater projects expected to be completed in the next two (2) years.

On December 9, 2025, the Board of Directors approved the following:

- Appropriation of retained earnings amounting to ₱502.1 million due to updates in awarded contract values which are primarily related to pipelaying and conveyance project. These are expected to be completed within the next two (2) years.

- Reversal of appropriated retained earnings amounting to ₱314.9 million for the completed projects that were previously appropriated in 2018 to 2024.

The accumulated earnings, which are included in the Group's retained earnings amounting to ₱40,736.2 million and ₱40,549.0 million as at December 31, 2025 and 2024, respectively, are not available for dividend declaration as these are appropriated for various projects. In addition, unappropriated retained earnings are further restricted for payment of dividends to the extent of treasury shares amounting to ₱3,115.2 million and ₱960.6 million, in 2025 and 2024, respectively. Earnings from its subsidiaries amounting to ₱55.9 million and ₱28.2 million, in 2025 and 2024, respectively, are not also available for dividend declaration.

e. Equity Adjustments

Redemption of Preferred Shares

The Parent Company issued and redeemed preferred shares in 2008. Foreign exchange fluctuation from date of issuance of the preferred shares to the date of issuance of notice of redemption amounting to ₱309.2 million is recognized as part of the "Other equity adjustments" account shown under the equity section of the consolidated statements of financial position.

Maynilad Share-based Payment

On December 1, 2023, the BOD approved the awarding of 6,514 ESOP shares to all qualified Maynilad employees to be paid through stock purchase bonus (equity-settled transaction). The ESOP covers employees who have met the following eligibility criteria:

a. The employee has completed a full year's service, either as a regular or probationary employee, from December 1, 2022 to November 30, 2023 (the "Period");

b. The employee has obtained at least a satisfactory rating in the previous performance appraisal immediately preceding December 1, 2023;

c. The employee has not been suspended at any time during the Period;

d. The employee has not exceeded 10 days of absences without official leave during the Period; and

e. The employee has not exceeded 20 days of leave without pay during the Period.

Communication to eligible employees was made on December 18, 2023.

The fair value of ESOP shares amounting to ₱14,001.74 per share was determined based on the Parent Company's equity value at the date of grant using the discounted cash flows (DCF) method.

The grant of shares under the ESOP does not require an exercise to be paid by the employees nor are there cash alternatives. All ESOP shares will be held in the treasury until issuance.

No ESOP-related expense was recognized in 2025 and 2024.

In November 2024, all ESOP shareholders had given their decision to either sell or keep their shares. The company, then, reacquired and paid all employees who chose to sell, while those who chose to keep had their shares converted into common shares.

There were no more ESOP shares outstanding as at December 31, 2025.

14. Revenue from Contracts with Customers

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	2025	2024	2023
Geographical areas:			
West zone	**₱36,272,384**	₱33,145,368	₱27,067,974
Outside west zone	**372,740**	349,147	255,291
	₱36,645,124	₱33,494,515	₱27,323,265

Contract balances:

	2025	2024
Trade receivables (gross of allowance for ECL) (Note 5)	**₱3,999,946**	₱3,648,127
Contract assets	**1,546,060**	1,386,458
Cost of new water service connections	**662,852**	562,653
	₱6,208,858	₱5,597,238
Contract liabilities	**₱1,428,797**	₱1,270,202
Less: Current portion	**68,424**	57,996
	₱1,360,373	₱1,212,206

Trade receivables are non-interest bearing and are generally on terms of 60 days.

Contract assets are initially recognized after rendering water and wastewater services to a customer before the customer pays consideration or before payment is due. Upon completion of the performance obligation the amounts recognized as contract assets are reclassified to trade receivables.

Contract assets of the Parent Company as at December 31, 2025 and 2024 consist of the following:

	2025	2024
Customers:		
Residential	**₱741,216**	₱656,041
Semi-business	**116,211**	100,173
Commercial	**526,155**	471,488
Industrial	**162,478**	158,756
	₱1,546,060	₱1,386,458

Contract liabilities are initially recognized from the collection of the connection and installation fees and are recognized over the remaining concession period as the Parent Company provides water and wastewater services to customers. The Parent Company recognized contract liabilities under the "Trade and other payables" account amounting to ₱68.4 million and ₱58.0 million for the current portion and ₱1,360.4 million and ₱1,212.2 million for the noncurrent portion under the "Other noncurrent liabilities" account in the consolidated statements of financial position as at December 31, 2025 and 2024, respectively. In 2025 and 2024, the Company recognized revenue from contract liabilities from prior year amounting to ₱58.0 million and ₱47.8 million, respectively.

Cost of new water service connections recognized amounted to ₱31.7 million and ₱25.7 million under the "Other current assets" and ₱631.1 million and ₱537.0 million under the "Other noncurrent assets" account in the consolidated statements of financial position as at December 31, 2025 and 2024, respectively, since these costs are recoverable and are directly associated with the contract with customers (Note 6).

15. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Category	Year*	Amount/ Volume of Transactions	Outstanding Receivable (Payable)	Terms	Conditions
Parent and intermediate Parent Company					
Maynilad Water Holdings Company Inc.					
Dividends	**2025**	**₱6,041.8 million**	**₱**–	Noninterest-bearing,	Unsecured
	2024	5,292.8 million	–	settlement in cash and payable on demand	
Metro Pacific Investments Corporation					
Dividends	**2025**	**337.7 million**	–	Noninterest-bearing,	Unsecured
	2024	295.9 million	–	settlement in cash and payable on demand	
Donations	**2025**	**–**	–	Noninterest-bearing,	Unsecured
	2024	25.7 million	–	settlement in cash and payable on demand	
Advertising and promotions	**2025**	**2.9 million**	**(4.3 thousand)**	Noninterest-bearing,	Unsecured
	2024	9.5 million	(4.3 thousand)	settlement in cash and payable on demand	
Subsidiary of a significant influence investor					
DM Consunji, Inc.					
Revenue from trade and non-trade services	**2025**	**73.3 million**	**5.2 million**	Noninterest-bearing,	Unsecured, not
	2024	76.0 million	2.8 million	settlement in cash and payable on demand	impaired
Construction costs (see Note 12)	**2025**	**2,784.3 million**	**(52.0) million)**	Noninterest-bearing,	Unsecured
	2024	4,039.7 million	(124.0 million)	settlement in cash and payable on demand	
Rental	**2025**	–	**(1.9 million)**	Noninterest-bearing,	Unsecured
	2024	–	(1.9 million)	settlement in cash and payable on demand	
Training Fees	**2025**	**0.9 million**	–	Noninterest-bearing,	Unsecured
	2024	0.4 million	–	settlement in cash and payable on demand	
Advertising and promotions	**2025**	**23.4 million**	–	Noninterest-bearing,	Unsecured
	2024	–	–	settlement in cash and payable on demand	
Significant influence investees of FPC					
Manila Electric Company					
Revenue from trade and non-trade services	**2025**	**9.7 million**	**0.9 million**	Noninterest-bearing,	Unsecured, not
	2024	10.0 million	0.3 million	settlement in cash and payable on demand	impaired
Electricity costs	**2025**	**1,215.8 million**	**270.5 million**	Noninterest-bearing,	Unsecured
	2024	1,216.2 million	226.6 million	settlement in cash and payable on demand	
Meralco Industrial Engineering Services Corporation					
Construction costs (Note 12)	**2025**	–	**0.9 million**	Noninterest-bearing,	Unsecured
	2024	–	0.9 million	settlement in cash and payable on demand	
Miescor Logistics, Inc.					
Repairs and maintenance	**2025**	**1.6 million**	**(0.4 million)**	Noninterest-bearing,	Unsecured
	2024	–	(1.8 million)	settlement in cash and payable on demand	

(Forward)

Category	Year*	Amount/ Volume of Transactions	Outstanding Receivable (Payable)	Terms	Conditions
Meralco Energy, Inc.					
Construction costs (Note 12)	**2025**	**₱165.2 million**	**₱14.7 million**	Noninterest-bearing,	Unsecured
	2024	–	–	settlement in cash and payable on demand	
MIESCOR Builders Incorporated					
Construction costs (Note 12)	**2025**	–	**0.4 million**	Noninterest-bearing,	Unsecured
	2024	–	–	settlement in cash and payable on demand	
Indra Philippines, Inc.					
Revenue from trade and non-trade services	**2025**	–	**40.0 thousand**	Noninterest-bearing,	Unsecured, not
	2024	–	40.0 thousand	settlement in cash and payable on demand	impaired
Commercial outsourcing of information technology and system services	**2025**	**282.0 million**	**(15.0 million)**	Noninterest-bearing,	Unsecured
	2024	346.4 million	–	settlement in cash and payable on demand	
PLDT, Inc.					
Revenue from trade and non-trade services	**2025**	**13.2 million**	**89.8 thousand**	Noninterest-bearing,	Unsecured, not
	2024	10.6 million	67.7 thousand	settlement in cash and payable on demand	impaired
Communication expense	**2025**	**7.3 million**	**(0.4 million)**	Noninterest-bearing,	Unsecured, not
	2024	16.3 million	(0.2 million)	settlement in cash and payable on demand	impaired
Entity under control of MPIC					
Metro Pacific Water Solutions Inc.					
Revenue from trade and non-trade services	**2025**	**38.0 thousand**	**0.3 million**	Noninterest-bearing,	Unsecured, not
	2024	14.8 thousand	0.3 million	settlement in cash and payable on demand	impaired
Construction costs (Note 12)	**2025**	**144.3 million**	**(41.6 million)**	Noninterest-bearing,	Unsecured
	2024	131.9 million	5.8 million	settlement in cash and payable on demand	
Others**					
Revenue from trade and non-trade services	**2025**	**46.1 million**	**28.7 million**	Noninterest-bearing,	Unsecured, not
	2024	42.1 million	29.5 million	settlement in cash and payable on demand	impaired
Management fees	**2025**	**0.1 million**	**6.5 million**	Noninterest-bearing,	Unsecured
	2024	0.3 million	6.3 million	settlement in cash and payable on demand	
Communication expenses	**2025**	**53.8 million**	**(4.2 million)**	Noninterest-bearing,	Unsecured
	2024	45.8 million	(6.5 million)	settlement in cash and payable on demand	
Insurance	**2025**	**18.9 million**	**(14.2 thousand)**	Noninterest-bearing, settlement in cash and	Unsecured
	2024	24.5 thousand	(14.2 thousand)	payable on demand	
Sponsorship fees	**2025**	–	**(43.0 thousand)**	Noninterest-bearing,	Unsecured
	2024	–	(43.0 thousand)	settlement in cash and payable on demand	
Donations	**2025**	**32.1 million**	–	Noninterest-bearing,	Unsecured
	2024	35.2 million	–	settlement in cash and payable on demand	
Professional fees	**2025**	**0.3 million**	**(103.5 thousand)**	Noninterest-bearing, settlement in cash and	Unsecured
	2024	0.8 million	(103.5 thousand)	payable on demand	
Supplies and materials	**2025**	**–**	–	Noninterest-bearing,	Unsecured
	2024	24.8 thousand	–	settlement in cash and payable on demand	
Outsourced services	**2025**	**116.2 million**	**(6.2 million)**	Noninterest-bearing,	Unsecured
	2024	94.6 million	(3.8 million)	settlement in cash and payable on demand	
Transportation equipment	**2025**	**20.4 million**	**(7.1 thousand)**	Noninterest-bearing,	Unsecured
	2024	31.5 million	(7.1 thousand)	settlement in cash and payable on demand	
Training fees	**2025**	**1.6 million**	–	Noninterest-bearing,	Unsecured
	2024	4.2 million	–	settlement in cash and payable on demand	
Repairs and maintenance	**2025**	–	**(14.2 thousand)**	Noninterest-bearing,	Unsecured
	2024	–	(14.2 thousand)	settlement in cash and payable on demand	

(Forward)

Category	Year*	Amount/ Volume of Transactions	Outstanding Receivable (Payable)	Terms	Conditions
Meetings and conferences	**2025**	**₱–**	**₱–**	Noninterest-bearing, settlement in cash and payable on demand	Unsecured
	2024	99.3 thousand	–		
Total					
Due to related parties (Note 12)	**2025**	**₱11,250.6 million**	**₱164.6 million**		
	2024	₱11,587.3 million	₱94.9 million		
Due from related parties	**2025**	**₱142.4 million**	**₱41.7 million**		
	2024	₱139.0 million	₱39.3 million		

**The balances and transactions presented in this table were incurred/realized as at and for the years ended December 31, 2025 and 2024.*
***Others represents affiliated entities, including entities under common control of MPIC and FPC.*

Terms and Conditions of Transactions with Related Parties

Outstanding balances at year-end are unsecured and interest-free. Balances are settled in cash and are payable on demand. The Group did not make any provision for impairment loss relating to amounts owed by related parties.

Total compensation and benefits of key management personnel of the Company consist of:

	2025	2024	2023
Compensation	**₱236,744**	₱241,157	₱317,759
Pension costs	**16,353**	15,722	14,325
Short-term benefits	**19,880**	18,652	18,296
	₱272,977	₱275,531	₱350,380

16. Income Taxes

Provision for current income tax represents the total regular corporate income tax of the Group in 2025, 2024 and 2023.

The components of the Group's net deferred tax liabilities as at December 31, 2025 and 2024, respectively, as shown in the consolidated statements of financial position, are as follows:

	2025	2024
Deferred tax assets:		
Allowance for ECL	**₱164,550**	₱164,536
Revenue from contracts with customers – net	**147,899**	128,807
Pension liability and unamortized past service cost	**125,476**	109,573
Allowance for inventory obsolescence	**51,306**	38,914
Accrued expenses	**65,481**	36,998
Lease liabilities	**17,193**	5,626
	571,905	484,454
Deferred tax liabilities:		
Service concession assets	**(2,905,827)**	(2,150,567)
Unamortized debt issuance costs	**(69)**	(71,290)
ROU assets	**(20)**	(84)
Others	**(131)**	(108)
	(2,906,047)	(2,222,049)
Deferred tax liabilities – net	**(₱2,334,142)**	(₱1,737,595)

In 2025 and 2024, provision for deferred income tax on retirement liability recognized in other comprehensive income amounted to ₱138.7 million and ₱51.2 million, respectively.

Service concession assets consist of concession fees and property, plant and equipment. For income tax purposes, concession fees are amortized using UOP method, while property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives or remaining concession period, whichever is shorter.

The reconciliation of provision for income tax, computed at the statutory income tax rate, to provision for income tax, as shown in the consolidated statements of income, is summarized as follows:

	2025	2024	2023
Income tax at statutory tax rate based on effective tax rate	**₱4,899,958**	₱4,118,903	₱2,988,700
Add (deduct) the tax effects of:			
Tax impact on change of method of deduction and others	**107,725**	(122,477)	(12,414)
Interest income already subjected to final tax	**(76,583)**	(101,178)	(55,409)
Non-deductible expenses and others	**(550,532)**	(201,051)	(9,017)
Provision for income tax	**₱4,380,568**	₱3,694,197	₱2,911,860

In 2025, 2024 and 2023, the majority of the non-deductible expenses pertains to provisions recognized by the Group (see Note 12).

17. Employee Benefits

LTIP

Long-Term Incentive Plan (LTIP) for its managers and executives, based on profit targets, for the cycle 2023, 2024 and 2025 was approved by the Maynilad BOD on December 10, 2024.

As at December 31, 2025 and 2024, the LTIP payable is as follows:

	2025	2024
Balance at beginning of year	**₱586,667**	₱166,000
Addition	**321,533**	420,667
Total	**908,200**	586,667
Less: Noncurrent portion	**–**	586,667
Current portion	**₱908,200**	₱–

The total costs of the LTIP amounted to ₱321.5 million, ₱420.7 million and ₱166.0 million in 2025, 2024 and 2023, respectively, presented as part of "Salaries, wages and benefits" account in the consolidated statements of comprehensive income. Accrued LTIP, which was included as part of "Trade and other payables" and "Other noncurrent liabilities" accounts in the consolidated statements of financial position, amounted to ₱908.2 million and ₱586.7 million as at December 31, 2025 and 2024, respectively.

Retirement Plan

The pension liabilities for the noncontributory retirement plan of the Group as at December 31, 2025 and 2024 are as follows:

	2025	2024
Maynilad Water Services, Inc.	**₱422,799**	₱868,954
Philippine Hydro, Inc.	**1,817**	1,751
Amayi Water Services, Inc.	**135**	100
	₱424,751	₱870,805

Maynilad – Defined Benefit Plan

The Parent Company has a funded, noncontributory and actuarially computed retirement plan covering all regular and permanent employees. The benefits are based on years of service and compensation during the last year of employment.

Changes in the funded retirement liability in 2025 are as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Retirement Liability**
At December 31, 2024	**₱2,023,641**	**₱1,154,687**	**₱868,954**
Retirement cost in the consolidated statements of income:			
Current service cost	**177,206**	–	**177,206**
Net interest cost	**121,420**	**75,951**	**45,469**
Total	**298,626**	**75,951**	**222,675**
Remeasurements in other comprehensive income (loss):			
Loss on return on plan assets	–	**(29,187)**	**29,187**
Actuarial changes due to experience adjustment	**(160,993)**	–	**(160,993)**
Actuarial changes arising from changes in financial assumptions	**(294,932)**	–	**(294,932)**
Total	**(455,925)**	**(29,187)**	**(426,738)**
Benefits paid	**(134,046)**	**(134,046)**	–
Actual contributions	–	**242,092**	**(242,092)**
At December 31, 2025	**₱1,732,296**	**₱1,309,497**	**₱422,799**

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Retirement Liability
At December 31, 2023	₱1,382,039	₱1,097,407	₱284,632
Retirement cost in the consolidated statements of income:			
Current service cost	130,890	–	130,890
Net interest cost	87,461	65,476	21,985
Total	218,351	65,476	152,875
Remeasurements in other comprehensive income (loss):			
Gain on return on plan assets	–	26,659	(26,659)
Actuarial changes due to experience adjustment	1,914	–	1,914
Actuarial changes arising from changes in financial assumptions	575,040	–	575,040
Total	576,954	26,659	550,295
Benefits paid	(153,703)	(153,703)	–
Actual contributions	–	118,848	(118,848)
At December 31, 2024	₱2,023,641	₱1,154,687	₱868,954

The components of net pension cost included under the "Salaries, wages and benefits" account in the consolidated statements of income in 2025 2024 and 2023 are as follows:

	2025	2024	2023
Current service cost	**₱177,206**	₱130,890	₱96,736
Net interest cost	**45,469**	21,985	6,072
	₱222,675	₱152,875	₱102,808

The Parent Company recognized remeasurement loss arising from pension plan in other comprehensive loss. The movements in the remeasurement loss are as follows:

	2025	2024	2023
Remeasurement gain (loss) on defined benefit obligation:			
Actuarial gain (loss) due to:			
Changes in financial assumptions	**₱294,932**	(₱575,040)	(₱138,663)
Experience adjustments	**160,993**	(1,914)	15,807
Gain (loss) on return on plan assets	**(29,187)**	26,659	(36,178)
Remeasurement gain (loss) on retirement plan	**₱426,738**	(₱550,295)	(₱159,034)

Actual return on plan assets amounted to ₱46.8 million, ₱92.1 million, and ₱38.8 million in 2025, 2024 and 2023, respectively.

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	2025	2024
Investments in:		
Government securities	**₱640,897**	₱587,577
Equity securities	**302,866**	375,505
Unit trust funds	**240,149**	87,920
Bonds	**85,581**	85,054
Cash and cash equivalents	**36,408**	10,080
Receivables and others	**3,596**	8,551
	₱1,309,497	₱1,154,687

The plan assets' carrying amount approximates its fair value since the plan assets are short-term in nature or marked-to-market. Investments held have quoted prices in an active market. The remaining plan assets, which are short-term in nature, do not have quoted market prices in an active market. The plan assets have diverse investments and do not have any concentration risk.

As at December 31, 2025 and 2024, the plan assets consist of the following:

- Investments in equity securities are composed of investment in shares of various listed entities. The carrying amounts of investments in equity securities also approximate their fair values since they are marked-to-market.
- Unit trust funds include mutual funds invested in quoted shares.
- Cash and cash equivalents include regular savings and time deposits.
- Receivables and others include interest and dividends.

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension cost and present value of defined benefit obligation are shown below:

	2025	2024
Discount rate	**6.53%**	6.13%
Salary increase rate	**7.00%**	8.00%
Turnover rate	**8.33%**	8.33%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2025	
	Increase (Decrease) in Basis Points	**Increase (Decrease) in Amount**
Discount rate	**100**	**(₱178,178)**
	(100)	**212,201**
Salary increase rate	**100**	**218,789**
	(100)	**(171,262)**
Turnover rate	**100**	**(9,015)**
	(100)	**9,332**

	2024	
	Increase (Decrease) in Basis Points	Increase (Decrease) in Amount
Discount rate	100	(₱217,980)
	(100)	261,775
Salary increase rate	100	264,065
	(100)	(224,216)
Turnover rate	100	(16,189)
	(100)	17,026

Shown below are the maturity analyses of the undiscounted benefit payments:

	2025		
	Normal Retirement	**Other than Normal Retirement**	**Total**
Less than one year	**₱155,282**	**₱42,439**	**₱197,721**
More than one year to five years	**233,166**	**176,257**	**409,423**
More than 5 years to 10 years	**234,997**	**401,854**	**636,851**
More than 10 years to 15 years	**731,104**	**704,359**	**1,435,463**
More than 15 years to 20 years	**1,328,001**	**961,594**	**2,289,595**
More than 20 years	**6,037,199**	**2,102,591**	**8,139,790**
	₱8,719,749	**₱4,389,094**	**₱13,108,843**

	2024		
	Normal Retirement	Other than Normal Retirement	Total
Less than one year	₱155,275	₱49,813	₱205,088
More than one year to five years	323,758	192,834	516,592
More than 5 years to 10 years	214,926	410,208	625,134
More than 10 years to 15 years	740,375	772,699	1,513,074
More than 15 years to 20 years	1,350,967	1,108,976	2,459,943
More than 20 years	7,998,126	2,747,590	10,745,716
	₱10,783,427	₱5,282,120	₱16,065,547

Actual contributions to the defined benefit pension plan amounted to ₱242.1 million and ₱118.8 million in 2025 and 2024, respectively. The Parent Company expects to contribute ₱195.5 million to the defined benefit pension plan in the period January 1 to December 31, 2026.

Phil Hydro and Amayi
Phil Hydro recognized pension liability amounting to ₱1.8 million as at December 31, 2025 and 2024, respectively, while Amayi recognized pension liability amounting to ₱ 0.1million as at December 31, 2025 and 2024, respectively, in the consolidated statements of financial position determined in accordance with R.A. No. 7641, *The Philippine Retirement Pay Law*, which provides for its qualified employees under a defined minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at a normal retirement age with the required credited years of service based on the provisions of R.A. No. 7641. There was no pension income recognized under the "Salaries, wages and benefits" account in the consolidated statements of income in 2025, 2024 and 2023.

18. Interest Expense and Other Financing Charges

	2025	2024	2023
Interest-bearing loans (see Note 11)	**₱1,510,458**	₱1,711,882	₱1,760,415
Accretion on service concession obligation payable to MWSS (see Note 10)	**597,919**	605,930	640,220
Amortization of debt issuance costs (see Note 11)	**33,002**	38,065	37,085
Accretion of customers' deposits	**38,763**	32,872	30,312
Accretion on lease liability (see Note 22)	**47,563**	25,646	35,356
	₱2,227,705	₱2,414,395	₱2,503,388

19. Basic/Diluted Earnings Per Share

	2025	2024	2023
Net income (a)	**₱15,219,265**	₱12,781,414	₱9,011,179
Weighted average number of shares at end of year for basic earnings per share (b)*	**5,910,957**	4,487,784	4,510,599
Effect of dilution from ESOP shares	–	–	36,383
Weighted average number of shares at end of year for diluted earnings per share (c)	**5,910,957**	4,487,784	4,546,982
Basic earnings per share (a/b)	**₱2.57**	₱2.85	₱2.00
Diluted earnings per share (a/c)	**₱2.57**	₱2.85	₱1.98

**The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.*

20. Provisions and Contingencies

The following are the significant contingencies of the Company as at December 31, 2025 and 2024:

a. Additional Tranche B Concession Fees and interest penalty are being claimed by MWSS in excess of the amount recommended by the Receiver. Such additional charges being claimed by MWSS (in addition to other miscellaneous claims) amounted to ₱5.1 billion as at December 31, 2025 and 2024. The Rehabilitation Court has resolved to deny and disallow the said disputed claims of MWSS in its December 19, 2007 Order, upholding the recommendations of the Receiver on the matter. Following the termination of the Parent Company's rehabilitation proceedings, the Parent Company and MWSS sought to resolve this matter in accordance with the dispute requirements of the TCA (see Notes 3, 7 and 10). A joint committee, with members from Maynilad and MWSS, was formed in June 2016 to prepare a report containing a stipulation of facts, issues, and recommendations on the Disputed Claims. On July 4, 2016, Maynilad submitted to MWSS a Statement of Facts. MWSS has yet to provide Maynilad with its comments.

b. On October 13, 2005, the Parent Company and Manila Water (the "Concessionaires") were jointly assessed by the Municipality of Norzagaray, Bulacan for real property taxes on certain common purpose facilities purportedly due from 1998 to 2005 amounting to ₱357.1 million. It is the position of the Concessionaires that it is the RoP that owns these properties, and is therefore exempt from real property taxes.

   On September 5, 2022, the CBAA ruled that the Water Concessionaires and MWSS are not liable for real property tax on the land and common purpose facilities. On October 11, 2022, the Province of Bulacan and Municipality of Norzagaray appealed the CBAA Decision by way of a Petition for Review to the Court of Tax Appeals (CTA). On May 26, 2023, the CTA En Banc dismissed the Petition without prejudice due to the petitioners' repeated failure to comply with the Rules of Civil Procedure and the lawful orders of the CTA.

   On July 22, 2024, Maynilad received the Notice of Resolution and Resolution issued by the CTA on July 11, 2024, resolving the Motion for Issuance of Entry of Judgment filed by Maynilad and denying the same for being moot, in view of the Manifestation of the Petitioners dated May 3, 2024, and the Resolution of the CTA recalling and setting aside the CTA Resolution dated May 26, 2023.

As of February 23, 2026, the case remains pending before the CTA.

c. In 2016, the DENR issued Administrative Order No. 2016-08 (DAO No. 2016-08), which sets new wastewater guidelines for each type of body of water and also specifies significant effluent quality parameters for each industry based on the most probable pollutant that a type of industry will discharge into the environment. It also sets new significant parameters that have to be complied with before treated wastewater is discharged to receiving bodies of water.

DAO No. 2016-08 provides a grace period for compliance of not more than five years, provided that the establishment submits a Compliance Action Plan (CAP) and periodic status reports of implementation to the DENR on the steps taken for the establishment's compliance schedule within the prescribed grace period.

Maynilad has 22 wastewater reclamation facilities (WRF) treating effluents compliant with the previous standards under DAO 35-s.1990. With the effectivity of DAO No. 2016-08 that imposes more stringent standards (biological nutrient removal and fecal coliform), Maynilad would have to incur higher capital and operational expenditures to make its existing WRFs compliant with the new effluent standards. In March 2017, Maynilad submitted to the DENR its CAP to comply with DAO No. 2016-08 and requested, among others, that it be granted the five-year grace period (or until 2021) provided in DAO No. 2016-08 within which to comply with the new effluent standards.

On April 23, 2021, Maynilad wrote the DENR to request for an extension to comply with the approved CAP until 2028. The request for extension is to give Maynilad sufficient time to implement and complete the upgrade of its facilities to comply with DAO No. 2016-08. On June 30, 2021, the DENR issued DAO No. 2021-19, which relaxed certain standards in DAO No. 2016-08.

On July 6, 2021, Maynilad received DENR's letter dated July 1, 2021 advising Maynilad of Environmental Management Bureau (EMB) Memorandum Circular No. 2021-01, which clarified that the grace period began when DAO No. 2016-08 went into effect. In its letter, the DENR explained that the moratorium or grace period will end on June 18, 2021. However, Maynilad may continue to use its approved CAP since the objective is to ensure compliance with all environmental laws.

On June 30, 2021, the DENR issued DAO 2021-19 updating the water quality guidelines for selected parameters based on current classification of water bodies and its beneficial use, and the effluent standards for selected parameters based on perceived impact to the activities in the area and to the environment. It also provided that any person or establishment requesting for modification of significant effluent quality parameters shall submit to the EMB Central Office the methodology and technical report with justifications containing the required details. A particular parameter, as indicated in Table 8 of DAO 2016-08, may also be excluded in succeeding monitoring periods, provided that there is a request for exclusion and certain conditions are met.

On September 1, 2021, Maynilad submitted the updated CAPs for its 21 WRFs and requested for the extension of the respective grace periods for the implementation of the new standards. The Laguna Lake Development Authority (LLDA) approved Maynilad's updated CAPs and granted additional grace periods for the WRFs to be modified to be able to fully comply with the applicable general effluent standards. The previously granted grace period until December 31, 2022 has been extended for each WRF, consistent with the effectivity of its discharge permit.

During the prescribed grace period, a moratorium, which includes issuance of cease and desist and/or closure order, fine, and other penalties against the establishment's operations, is in effect. However, the establishments are not exempt from compliance monitoring and inspections by LLDA. DAO 1990-35 shall apply during the grace period, and each establishment must still comply with all the conditions in its discharge permit.

Maynilad, through its Wastewater Management Division, regularly submits the quarterly CAP update reports to the LLDA.

d. Water for All Reform Movement (WARM) filed a Petition before the Court of Appeals (CA) praying for the issuance of a Writ of Kalikasan to enjoin Maynilad and Manila Water from implementing a combined drainage and sewerage system as it supposedly violates Sections 27 (a) and (e) of the Clean Water Act (CWA), which prohibit the direct deposit and transport of sewage into water bodies. WARM additionally claims that the (i) Sanitation Code has already been repealed by the CWA, and (ii) the Concessionaires are in continuing violation of the Writ of Continuing Mandamus issued by the Supreme Court in the Manila Bay Case.

It is the position of the Water Concessionaires that (i) the Writ of Continuing Mandamus is not a law, (ii) there are no grounds for the issuance of the Writ of Kalikasan, and (iii) the Sanitation Code (which expressly allows the installation of a combined system) has not been repealed by the CWA.

The CA dismissed the Petition filed by WARM, citing that the installation of a combined drainage and sewerage system is allowed under the Sanitation Code. WARM elevated the CA's decision via Certiorari to the SC in 2014. On July 19, 2023, the Parent Company received a copy of the Decision of the SC denying the petition and affirming the resolutions of the CA.

On July 22, 2024, Maynilad received the Notice of Resolution and Resolution issued by the CTA on July 11, 2024, resolving the Motion for Issuance of Entry of Judgment filed by Maynilad and denying the same for being moot, in view of the Manifestation of the Petitioners dated May 3, 2024, and the Resolution of the CTA recalling and setting aside the CTA Resolution dated May 26, 2023.

As of February 23, 2026, the case remains pending before the CTA.

e. The Parent Company is a party to various civil and labor cases relating to breach of contracts with damages, illegal dismissal of employees, and nonpayment of back wages, benefits and performance bonus, among others.

f. Provisions recognized in 2025, 2024 and 2023 were presented as "Others-net" in the consolidated statements of income and as "Accrued expenses" under "Trade and other payables" in the consolidated statements of financial position (see Note 12). Other disclosures required by PAS 37 were not provided as they may prejudice Maynilad's position in on-going claims, litigations, and assessments.

21. **Significant Contracts with Manila Water (East Concessionaire)**

In relation to the Concession Agreement, the Parent Company entered into the following contracts with the East Concessionaire:

a. Interconnection Agreement wherein the two Concessionaires shall form an unincorporated joint venture that will manage, operate, and maintain interconnection facilities. The terms of the agreement provide, among others, the cost and the volume of water to be transferred between zones; and

b. Common Purpose Facilities Agreement that provides for the operation, maintenance, renewal, and, as appropriate, decommissioning of the Common Purpose Facilities, and performance of other functions pursuant to and in accordance with the provisions of the Concession Agreement and performance of such other functions relating to the Concession (and the Concession of the East Concessionaire) as the Parent Company and the East Concessionaire may choose to delegate to the Joint Venture, subject to the approval of MWSS.

c. On January 25, 2022, Maynilad and Manila Water entered into a contract with China International Water and Electric Corp. for the design and build of the proposed Angat Water Transmission Project (Tunnel 5). On February 17, 2022, Maynilad and Manila Water entered into a contract with Dohwa Engineering, Co. Ltd. for the construction management of the proposed Angat Water Transmission Project (Tunnel 5). The Angat Water Transmission Project (Tunnel 5) is part of the MWSS's water security program, which aims to provide (i) additional nineteen (19) cubic meters per second of raw water supply, and (ii) improve the reliability and operational flexibility of the Umiray-Angat-Ipo raw water conveyance system.

d. On October 28, 2022, Maynilad and Manila Water entered into a Memorandum of Agreement for the purchase of raw bulk water by the former from the latter at ₱21/cu.m. and treated bulk water at ₱26/cu.m. As of December 31, 2025, the contract is deemed terminated.

e. On February 1, 2024, Maynilad and Manila Water entered into a Memorandum of Agreement for the purchase of treated bulk water of 47 Million Liters per day (47 MLD) delivered or made available by Manila Water to Maynilad at a purchased water rate of ₱40.99 per cu.m, exclusive of taxes, for each billing month, subject to the bulk water charge adjustments of Rebasing Convergence adjustment, CPI adjustment, Extraordinary Price adjustment, FCDA, Modified FCDA, and any other adjustments as approved by the MWSS. For every excess of volume beyond 47 MLD, the purchased water rate that will apply is ₱43.00 per cu.m, exclusive of taxes, for each billing month, subject to the bulk water charge adjustments of Rebasing Convergence adjustment, CPI adjustment, Extraordinary Price adjustment, FCDA, Modified FCDA, and any other adjustments as approved by the MWSS. As of December 31, 2025, the contract is deemed terminated.

f. On April 29, 2025, Maynilad and Manila Water entered into a Cross-Border Agreement wherein Manila Water shall share/provide treated water to Maynilad through identified and interconnected points for a bulk water charge of ₱31.69 per cubic meter exclusive of applicable taxes and fees, and subject to price adjustments based on CPI. The treated water quantity is at 10 MLD Minimum Treated Water Volume on a take-or-pay basis, (the "Minimum Volume") and up to 11 MLD up to 40 MLD Maximum Treated Water Volume on a take and pay basis (the "Maximum Volume"). The contract ended December 31, 2025.

22. **Commitments**

Concession Agreement
Significant commitments under the Concession Agreement follow:

a. To pay Concession Fees (see Note 7)

b. To post Performance Bond (see Note 6)

Under Section 6.10 of the RCA, as amended, the Parent Company is required to post and maintain, throughout the concession period, a performance bond in favor of MWSS to secure the Parent Company's performance of its obligations under certain provisions of the Concession Agreement. The aggregate amount drawable in one or more installments under such performance bond during the Rate Rebasing Period to which it relates is set out below.

Rate Rebasing Period	Aggregate Amount Drawable Under Performance Bond
	(In Millions)
First (August 1, 1997 – December 31, 2002)	US$120.0
Second (January 1, 2003 – December 31, 2007)	120.0
Third (January 1, 2008 – December 31, 2012)	90.0
Fourth (January 1, 2013 – December 31, 2017)	80.0
Fifth (January 1, 2018 – December 31, 2022)	60.0
Sixth (January 1, 2023 – December 31, 2027)	₱21,953.0

The Parent Company shall ensure that the performance bond is maintained in the amount equal to at least the performance bond amount at all times during the performance bond validity period. In the event that MWSS draws against the performance bond, the Parent Company shall replenish the same to restore the value of the performance bond to its original amount within fifteen (15) days from the date MWSS shall have drawn thereon without need of demand.

c. To pay half of MWSS and MWSS-RO's budgeted expenditures for the subsequent years, provided that the aggregate annual budgeted expenditures do not exceed ₱200.0 million, subject to CPI adjustments. As a result of the extension of the life of the Concession Agreement, the annual budgeted expenditures shall increase by 100%, subject to CPI adjustments, effective January 2010 (see Notes 1 and 7).

d. To meet certain specific commitments with respect to the provision of water and wastewater services in the West Service Area, unless modified by the MWSS-RO due to unforeseen circumstances.

e. To operate, maintain, renew and, as appropriate, decommission facilities in a manner consistent with the National Building Standards and best industrial practices so that, at all times, the water and wastewater system in the West Service Area is capable of meeting the service obligations (as such obligations may be revised from time to time by the MWSS-RO following consultation with the Parent Company).

f. To repair and correct, on a priority basis, any defect in the facilities that could adversely affect public health or welfare, or cause damage to persons or third-party property.

g. To ensure that at all times the Parent Company has sufficient financial, material and personnel resources available to meet its obligations under the Concession Agreement.

h. To prevent incurrence of debt or liability that would mature beyond the Expiration Date.

Failure of the Parent Company to perform any of its obligations under the Concession Agreement of a kind or to a degree which, in a reasonable opinion of the MWSS-RO, amounts to an effective abandonment of the Concession Agreement and which failure continues for at least seven days after written notice from the MWSS-RO, may cause the Concession Agreement to be terminated.

MWSS JBIC Loan (Concession Fee)

The Loan Agreement between the Government and JBIC (formerly OECF) was signed on February 9, 1990. The proceeds of the Loan were used to fund the implementation of the Angat Water Supply Optimization Project (AWSOP), with MWSS as the implementing agency. Prior to privatization, actual drawdowns from the Loan were recorded by MWSS as equity from the Government, while the draws during privatization were assumed and paid by the Concessionaires. The sharing is 61.83% and 38.17% for Maynilad and Manila Water, respectively.

On June 6, 2019, Maynilad received a letter from the MWSS requesting to pay ₱821.0 million ("Invoiced Amount"). Accordingly, Maynilad learned that the drawdowns made on the JBIC Loan prior to the privatization of MWSS's operations are considered loans and not equity as formerly advised. MWSS's request for the Concessionaires to pay was triggered by an instruction from the DOF to the Bureau of Treasury, to have the Concessionaires reimburse the Government for the latter's payments on the JBIC Loan.

Maynilad replied to MWSS on July 1, 2019 and clarified the Invoiced Amount. Maynilad's position is to pay only ₱677.0 million because (ii) Maynilad remitted to the MWSS ₱113.0 million representing Guarantee Fees based on MWSS's invoice. However, the JBIC Loan makes no reference to and does not include the payment of Guarantee Fees, the borrower being the Government itself. This being the case, the Guarantee Fees that Maynilad remitted to MWSS must be set off or applied against the Invoiced Amount; and (2) while Maynilad always pays the foreign exchange shortfall in the debt servicing of MWSS-contracted loans, there is no need for Maynilad to pay the Forex Shortfall of ₱31.0 million in the JBIC Loan catch-up payment. The difference in the foreign exchange rate (from Japanese Yen to Philippine Peso) has already been captured and reflected in the total peso amount billed by the Bureau of Treasury.

Further, Maynilad also requested to pay ₱677.0 million in eight monthly installments of ₱84.6 million to commence in July 2019 until February 2020, to coincide with the full payment/maturity of the JBIC Loan.

As communicated by MWSS-Finance on July 17, 2019, Maynilad can pay based on the requested amount and schedule while waiting for the response of the Bureau of Treasury concerning the guarantee fee and shortfall. Maynilad paid the first installment on July 30, 2019.

The last installment for JBIC Loan was paid on February 18, 2020. As at February 23, 2026, Bureau of Treasury has yet to respond to the Company's letter concerning the guarantee fee and shortfall.

Leases

Company as a lessee

The Group leases the right of way, office space and branches where service outlets are located, several equipment and service vehicles, renewable under certain terms and conditions to be agreed upon by the parties. The Group also has certain leases with lease terms of 12 months or less and leases of low value.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognized in the consolidated statements of comprehensive income presented as part of "Interest expense and other financing charges", "Depreciation and amortization", and "Rental":

	2025	2024
Depreciation expense of ROU assets	**₱180,727**	₱150,552
Expense relating to short-term leases	**107,241**	92,803
Interest expense on lease liabilities	**47,563**	25,646
Expense relating to low-value assets	**30,488**	55,860
	₱366,019	₱324,861

Lease liabilities represent payments to be made over the remaining lease term. Movements of the lease liabilities during the years are as follows:

	2025	2024
Balance at the beginning of the period	**₱372,787**	₱436,438
Additions during the period	**519,232**	83,862
Payments	**(189,879)**	(167,521)
Termination	**(32,624)**	(5,638)
Accretion of interest	**47,563**	25,646
Balance at end of the period	**717,079**	372,787
Less current lease liabilities	**200,161**	72,401
Noncurrent lease liabilities (Note 24)	**₱516,918**	₱300,386

As at December 31, 2025 and 2024, the current portion of lease liabilities are presented under "Trade and other payables" and the noncurrent portion of lease liabilities are presented under "Other noncurrent liabilities" in the consolidated statements of the financial position.

Most of the contracts of lease by the Group have stipulations stating that renewal of lease is subject to mutual agreement of both the lessor and the lessee. As such, it is not reasonably certain that the Group will exercise the option to extend the lease since the extension is considered unenforceable.

The approximate annual future minimum lease payable of the Group under its existing non-cancellable lease agreements as a lessor are as follows:

	2025	2024
	(In Millions)	
1 year	**₱218.8**	₱136.9
more than 1 years to 2 years	**208.0**	102.9
more than 2 years to 3 years	**159.0**	86.4
more than 3 years to 4 years	**145.9**	31.3
more than 4 years to 5 years	**12.5**	11.8
more than 5 years	**48.2**	60.8

23. Assets Held in Trust

Assets which are owned by MWSS but are used in the operations of the Parent Company under the Concession Agreement are not reflected in the consolidated statements of financial position but carried as Assets Held in Trust, except for certain assets transferred to the Parent Company.

Materials and Supplies
The Parent Company has the right to use any items of inventory owned by MWSS in carrying out its responsibility under the Concession Agreement, subject to the obligation to return the same at the end of the concession period, in kind or in value at its current rate, subject to CPI adjustments.

Facilities
The Parent Company has been granted the right to operate, maintain in good working order, repair, decommission and refurbish the movable property required to provide the water and wastewater services under the Concession Agreement. MWSS shall retain legal title to all movable property in existence at the Commencement Date. However, upon expiration of the useful life of any such movable property as may be determined by the Parent Company, such movable property shall be returned to MWSS in its then-current condition at no charge to MWSS or the Parent Company (see Note 7).

The Concession Agreement also provides the Parent Company and the East Concessionaire to have equal access to MWSS facilities involved in the provision of water supply and wastewater services in both West and East Service Areas including, but not limited to, the MWSS management information system, billing system, telemetry system, central control room and central records.

The net book value of the facilities transferred to the Parent Company on Commencement Date based on MWSS' closing audit report amounted to ₱7.3 billion with a sound value of ₱13.8 billion.

Beginning at the Commencement Date, MWSS' corporate headquarters were made available for a one-year lease to the Parent Company and the East Concessionaire, subject to renewal with the consent of the parties concerned. The Parent Company renewed its lease contract with MWSS amounting to ₱519.2 million, effective on January 1, 2025, and covering the period up to December 31, 2029. Lease payments amounted to ₱189.9 million, ₱89.2 million and ₱77.8 million in 2025, 2024 and 2023, respectively (see Note 22).

24. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are its debts to the local banks and concession fees payable to MWSS per Concession Agreement. Other financial instruments of the Group are cash and cash equivalents, and trade and other receivables. The main purpose of those financial instruments is to finance the Group's operations.

The main risks arising from the Group's principal financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The BOD reviews and approves the policies for managing the Group's financial risks. The Group monitors risks arising from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Company's interest-bearing loans.

The following table shows the Company's significant financial liabilities that are exposed to cash flow interest rate risk:

₱4.8 billion Corporate Notes (1st drawdown)	Fixed rate benchmark (6.00%, March 2, 2015 to March 2, 2035)
₱4.8 billion Corporate Notes (2nd drawdown)	Fixed rate benchmark (6.00%, October 4, 2016 to March 2, 2035)
₱4.8 billion Corporate Notes (3rd drawdown)	Fixed rate benchmark (6.00%, August 1, 2017 to March 2, 2035)
₱4.8 billion Corporate Notes (4th drawdown)	Fixed rate benchmark (6.00%, March 5, 2018 to March 2, 2035)
₱18.5 billion Fixed Corporate Notes - 10Y (1st drawdown)	Fixed rate benchmark+0.70% (6.8229%, March 23, 2018 to March 23, 2028)
₱18.5 billion Fixed Corporate Notes - 15Y (1st drawdown)	Fixed rate benchmark+0.60% (6.4920%, March 23, 2018 to March 23, 2026)
₱18.5 billion Fixed Corporate Notes - 10Y (2nd drawdown)	Fixed rate benchmark+0.70% (6.8388%, April 27, 2018 to March 23, 2028)
₱18.5 billion Fixed Corporate Notes - 15Y (2nd drawdown)	Fixed rate benchmark+0.60% (6.5489%, April 27, 2018 to March 23, 2026)
¥7.9 billion Facility Loan (1st drawdown)	Fixed rate benchmark+0.90% (August 20, 2018 to June 7, 2027)
¥7.9 billion Facility Loan (2nd drawdown)	Fixed rate benchmark+0.90% (November 28, 2018 to June 7, 2027)
¥13.1 billion Facility Loan (¥2.9 billion drawdown)	Fixed rate benchmark (April 2, 2019 to October 10, 2034)
¥13.1 billion Facility Loan (¥10.2 billion drawdown)	Fixed rate benchmark (June 23, 2023 to October 10, 2034)
₱6.0 billion Term Loan Facility	Fixed rate benchmark+0.50% (5.4992%, August 12, 2022 to August 12, 2037)
₱4.0 billion Term Loan Facility	Fixed rate benchmark+0.50% (7.0036%, November 10, 2022 to November 10, 2032)
₱6.0 billion Term Loan Facility	Fixed rate benchmark+0.65% (7.1581%, November 17, 2022 to November 17, 2032)
₱10.0 billion Term Loan Facility (1st drawdown)	Fixed rate benchmark (6.4059%, May 11, 2023 to May 11, 2028)
₱10.0 billion Term Loan Facility (2nd drawdown)	Fixed rate benchmark (7.0006%, October 3, 2023 to May 11, 2028)
₱5.0 billion Term Loan Facility	Fixed rate benchmark (6.5963%, December 14, 2023 to December 14, 2026)
₱5.0 billion Term Loan Facility	Fixed rate benchmark (6.4959%, March 24, 2024 to March 24, 2034)
₱15.0 billion Blue Bonds Series A: 9.0 billion Series B: 6.0 billion	Fixed rate benchmark (6.7092%, July 12, 2024 to July 12, 2029) (7.9031%, July 12, 2024 to July 12, 2034)
₱2.5 billion Term Loan Facility	Fixed rate benchmark (6.2528%, March 12, 2025 to March 12, 2035)
₱2.5 billion Term Loan Facility	Fixed rate benchmark (6.2279%, March 20, 2025 to March 20, 2035)
₱4.0 billion Term Loan Facility	Fixed rate benchmark (6.1868%, September 20, 2025 to March 20, 2035)
₱4.0 billion Term Loan Facility	Fixed rate benchmark (6.2225%, July 14, 2025 to July 13, 2035)
Peso-denominated Bank Loan	Fixed rate benchmark (5.50%, June 29, 2015 to June 29, 2025)

Interest on financial liabilities classified as fixed rate is fixed until the maturity of the instrument.

The following tables show information about the Company's financial assets and financial liabilities that are exposed to cash flow and fair value interest rate risks.

	2025	
	Within 1 Year	**Total**
Short-term cash investments – Cash and cash equivalents (1-90 days) *	**₱26,784,848**	**₱26,784,848**

**Excludes cash on hand amounting to ₱7.9 million.*

	2024	
	Within 1 Year	Total
Short-term cash investments – Cash and cash equivalents (1-90 days) *	₱10,515,179	₱10,515,179

**Excludes cash on hand amounting to ₱4.4 million.*

	2025				
	Within 1 Year	**More than 1 Year**	**Total (In US$)**	**Total (In ¥)**	**Total (In ₱)**
Liabilities:					
Interest–bearing loans:					
Interest rate	**6.00%, 6.39%, 6.75%, 7.30%, 6.70%, 6.89%, 6.55%, 6.83%, 6.90%, 6.61%, 5.00%, 5.50%, 6.40%, 7.00%, 7.15%, 6.60%, 6.50% and 5.50%**	**6.00%, 6.39%, 6.75%, 7.30%, 6.70%, 6.89%, 6.55%, 6.83%, 6.90%, 6.61%, 5.00%, 5.50%, 6.40%, 7.00%, 7.15%, 6.60%, 6.50% and 5.50%**			
	¥2,269,497	**–**	**–**	**¥2,269,497**	**₱852,423**
Current – local	**1,790,516**	**–**	**–**	**–**	**1,790,516**
Noncurrent – foreign	**–**	**¥10,255,979**	**–**	**¥10,255,979**	**3,852,146**
Noncurrent – local	**–**	**₱86,062,555**	**–**	**–**	**86,062,555**
					92,557,640
Service concession obligation payable to MWSS:					
Interest rate	**5.88%**				
Current – foreign	**$7,996**	**–**	**$7,996**	**–**	**₱470,286**
Current – local	**₱1,002,570**	**–**	**–**	**–**	**1,002,570**
Noncurrent – foreign	**–**	**$72,197**	**$72,197**	**–**	**4,007,611**
Noncurrent – local	**–**	**₱4,254,846**	**–**	**–**	**2,915,097**
					8,395,564
					₱100,953,204

The spot exchange rates used were ₱58.79:US$1 and ₱0.3756: JPY1 as at December 31, 2025.

	2024				
	Within 1 Year	More than 1 Year	Total (In US$)	Total (In ¥)	Total (In ₱)
Liabilities:					
Interest-bearing loans:					
Interest rate	6.00%, 6.39%, 6.75%, 7.30%, 6.70%, 6.89%, 6.55%, 6.83%, 6.90%, 6.61%, 5.00%, 5.50%, 6.40%, 7.00%, 7.15%, 6.60%, 6.50% and 5.50%	6.00%, 6.39%, 6.75%, 7.30%, 6.70%, 6.89%, 6.55%, 6.83%, 6.90%, 6.61%, 5.00%, 5.50%, 6.40%, 7.00%, 7.15%, 6.60%, 6.50% and 5.50%			
Current foreign	¥2,269,504	–	–	¥2,269,504	₱833,362
Current-local	₱3,352,703	–	–	–	3,352,703
Noncurrent -foreign	–	¥12,525,477	–	12,525,477	4,599,355
Noncurrent – local	–	₱74,862,116	–	–	74,862,116
					83,647,536
Service concession obligation payable to MWSS:					
Interest rate	9.02%				
Current – foreign	$5,604	–	$5,604	–	₱324,136
Current – local	₱703,118	–	–	–	703,118
Noncurrent – foreign	–	$66,169	$66,169	–	3,827,530
Noncurrent – local	–	₱2,466,997	–	–	2,466,997
					7,321,781
					₱90,969,317

The spot exchange rates used were ₱57.845:US$1 and ₱0.3672: JPY1 as at December 31, 2024.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future value of financial instruments will fluctuate because of changes in foreign exchange rates.

The Group's foreign currency risk arises primarily from movements of the Philippine Peso against the United States Dollar and Japanese Yen. The servicing of foreign currency denominated loans of MWSS is among the requirements of the Concession Agreement. Revenues are generated in Philippine Peso. However, there is a mechanism in place as part of the Concession Agreement wherein the Company (or the end consumers) can recover currency fluctuations through the FCDA that is approved by the RO.

Information on the Company's foreign currency-denominated monetary assets and liabilities and the Philippine Peso equivalent of each as at December 31, 2025 and 2024 is presented as follows:

	2025		
	US Dollar	**JPY**	**Total Peso Equivalent**
Asset			
Cash and cash equivalents and restricted cash	**$1,676**	**¥10,793**	**₱102,586**
Liabilities			
Interest–bearing loans	**$–**	**¥12,525,476**	**4,704,569**
Service concession obligation payable to MWSS	**$76,168**	**–**	**4,477,898**
	76,168	**12,525,476**	**9,182,467**
Net foreign currency denominated liabilities	**($74,492)**	**(¥12,514,683)**	**(₱9,079,881)**

The spot exchange rates used were ₱58.79:US$1 and ₱0.3756:JPY1 as at December 31, 2025.

	December 31, 2024		
	US Dollar	JPY	Total Peso Equivalent
Asset			
Cash and cash equivalents and restricted cash	$1,719	¥11,125	₱103,548
Liabilities			
Interest–bearing loans	$–	(¥14,794,981)	(₱5,432,717)
Service concession obligation payable to MWSS	(71,772)	–	(4,151,666)
	(71,772)	(14,794,981)	(9,584,383)
Net foreign currency denominated liabilities	($70,053)	(¥14,783,856)	(₱9,480,835)

The spot exchange rates used were ₱57.845:US$1 and ₱0.3672:JPY1 as at December 31, 2024.

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and equity as at December 31, 2025 and 2024. The estimates in the movement of the foreign exchange rates were based on the management's annual financial forecast.

	Increase (Decrease) in Peso, U.S Dollar and JPY Exchange Rates	**Foreign Exchange Rate**	**Effect on Income Before Income Tax**
December 31, 2025			
U.S. Dollar	**+1%**	**58.79**	**(₱43,869)**
JPY	**-1%**	**.38**	**47,005**
U.S. Dollar	**-1%**	**58.79**	**43,869**
JPY	**+1%**	**.38**	**(47,005)**

	Increase (Decrease) in Peso, U.S Dollar and JPY Exchange Rates	Foreign Exchange Rate	Effect on Income Before Income Tax
December 31, 2024			
U.S. Dollar	+1%	57.85	(₱40,522)
JPY	-1%	0.37	(54,286)
U.S. Dollar	+1%	57.85	40,522
JPY	-1%	0.37	54,286

The Group recognized net foreign exchange losses of ₱1.2 billion, ₱1.6 billion and ₱1.2 billion in 2025, 2024 and 2023, respectively, and mainly arising from the translation of the Company's cash and cash equivalents, deposits, interest-bearing loans and service concession obligation payable to MWSS. However, the net foreign exchange gain or loss on interest-bearing loans and service concession obligation payable to MWSS is subject to foreign exchange recovery mechanisms under the Concession Agreement (see Note 2).

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group trades only with recognized, creditworthy third parties. Because of the basic need service it provides, historical collections of the Group are relatively high. Credit exposure is widely dispersed. Receivable balances are monitored on an ongoing basis.

With respect to credit risk arising from the other financial assets of the Group consisting of cash and cash equivalents, deposits and restricted cash and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have demonstrated financial soundness for the past five years.

Maximum exposure to credit risk of financial assets not subject to impairment
The Group has unquoted equity shares measured at fair value through other comprehensive income amounting to ₱210.6 million and ₱124.9 million as at December 31, 2025 and 2024, respectively (see Note 9).

Maximum exposure to credit risk of financial assets subject to impairment
The table below shows the maximum exposure to credit risk for the Group's financial instruments (amounts in thousands):

	2025	2024
Cash and cash equivalents* (see Note 4)	**₱26,784,848**	₱10,515,179
Trade and other receivables − net (see Note 5)	**3,121,557**	2,722,872
Contract assets (see Note 14)	**1,546,060**	1,386,458
Deposits and restricted cash (see Note 6)	**272,619**	238,428
Deposits**	**652,296**	558,957
Total credit risk exposure	**₱32,377,380**	₱15,421,894

**Excludes cash on hand amounting to ₱7.9 million and ₱4.4 million as at December 31, 2025 and 2024, respectively.*
***Included as part of "Other noncurrent assets", excluding advances for customers amounting to ₱6.3 million as at December 31, 2025 and 2024, respectively, in the consolidated statements of financial position.*

The table below shows the maximum exposure to credit risk for the Group's financial instruments by credit rating grades (amounts in thousands).

	2025				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Lifetime ECL Simplified Approach**	**Total**
High grade	**₱27,057,467**	**₱-**	**₱654,443**	**₱4,761,666**	**₱32,473,576**
Standard grade	**1,444,505**	**26,602**	**120,423**	**2,480**	**1,594,010**
Gross carrying amount	**28,501,972**	**26,602**	**774,866**	**4,764,146**	**34,067,586**
Loss allowance	**(54,679)**	**−**	**−**	**(1,635,527)**	**(1,690,206)**
Carrying amount	**₱28,447,293**	**₱26,602**	**₱774,866**	**₱3,128,619**	**₱32,377,380**

	2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱10,753,607	₱–	₱700,402	₱4,207,796	₱15,661,805
Standard grade	1,114,091	26,602	136,603	2,356	1,279,652
Gross carrying amount	11,867,698	26,602	837,005	4,210,152	16,941,457
Loss allowance	(56,297)	−	(837,005)	(626,261)	(1,519,563)
Carrying amount	₱11,811,401	₱26,602	₱–	₱3,583,891	₱15,421,894

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents, deposits and restricted cash are placed in various banks. These are held by large prime financial institutions that have good reputation and low probability of insolvency. Management assesses the quality of these financial assets as high grade.

For trade and other receivables and contract assets, high grade relates to those which are consistently collected before the maturity date, normally seven days from bill delivery. Standard grade includes receivables from customers that are collectible beyond seven days from bill delivery even without an effort from the Parent Company to follow them up, or those advances from officers and employees that are collected through salary deduction. For deposits, standard grade consists of meter and security deposits that are normally refundable upon termination of service.

Set out below is the information about the credit risk exposure on the Group's trade and other receivables and contract assets using a provision matrix as at December 31, 2025 and 2024, the table below summarizes the financial assets of the Group (amounts in thousands):

	2025				
		Days past due			
	Current	**1 to 180 days**	**181-360 days**	**More than 360 days**	**Total**
Expected credit loss rate	**1.92%**	**4.81%-28.79%**	**33.12%-53.65%**	**54.84%-100%**	
Estimated total gross carrying amount at default*	**₱1,674,902**	**₱1,908,476**	**₱248,273**	**₱2,048,388**	**₱5,880,039**
Expected credit loss	**31,183**	**141,974**	**147,574**	**601,767**	**922,498**
Credit-impaired receivables	–	–	–	**767,708**	**767,708**
Total	**₱31,183**	**₱141,974**	**₱147,574**	**₱1,369,475**	**₱1,690,206**

**Balances shown exclude other non-trade receivables and advances to officers and employees amounting to ₱477.8 million as at December 31, 2025.*

	2024				
		Days past due			
	Current	1 to 180 days	181-360 days	More than 360 days	Total
Expected credit loss rate	1.86%	4.57%-25.64%	29.63%-49.50%	53.95%-100%	
Estimated total gross carrying amount at default*	₱1,560,524	₱1,709,725	₱180,158	₱1,674,247	₱5,124,654
Expected credit loss	28,641	145,553	77,456	555,370	807,020
Credit-impaired receivables	–	–	–	712,543	712,543
Total	₱28,641	₱145,553	₱77,456	₱1,267,913	₱1,519,563

**Balances shown exclude other non-trade receivables and advances to officers and employees amounting to ₱504.24 million as at December 31, 2024.*

Excessive risk concentration

Given the Group's diverse base of counterparties in its financial assets, it is not exposed to large or excessive concentrations of credit risk in any geographical region or industry.

Write-off policy

The Group writes off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. The Group writes off an account when any of the following conditions is met:

- unpaid bill(s) of former owner/tenant who can no longer be found. The amount to be written off shall be net of any customer deposit posted by the previous owner/tenant;
- the customer is deceased and left no estate, or the heir is not financially capable of settling the account;
- the unpaid bill(s) of a customer who has been declared bankrupt by the court;
- the filing of legal action to collect the unpaid bill(s) does not seem prudent under the circumstances, as determined by the Legal and Regulatory Affairs (LRA);
- a final judgment favoring the customer was issued in a case filed against the customer for collection of money. In this case, the amount to be written off shall be equal to the amount recommended by the court;

- any unpaid bills(s), more than three years old, of disconnected services and which remain uncollected after exerting all diligent efforts, as supported by the disconnection letter and/or demand letter; and
- the water service connection no longer exists, and the customer has no other account with Maynilad.

The Group also monitors loans written-off and any recoveries made. Outstanding receivables of demolished accounts were written off amounting to ₱16.6 million and ₱34.3 million as at December 31, 2025 and 2024, respectively (see Note 5).

Liquidity Risk

Liquidity risk is the potential for not meeting the obligations as they become due because of an inability to liquidate assets or obtain adequate funding.

The Group monitors its risk to a shortage of funds using recurring liquidity planning. Cash planning considers the maturity of both its financial investments and financial assets (e.g., trade and other receivables, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank drafts, bank loans and debentures.

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

	2025				
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due after 12 Months	Total
Financial Assets					
Cash and Cash Equivalents*	**₱3,145,149**	**₱23,639,699**	**₱–**	**₱–**	**₱26,784,848**
Trade receivables:					
Customers	**1,986,548**	**1,732,106**	**–**	**–**	**3,718,654**
Bulk	**152,388**	**128,905**	**–**	**–**	**281,293**
Non-trade Receivables:					
Employees	–	**30,174**	**–**	**–**	**30,174**
Others	**466,347**	**315,295**	**–**	**–**	**781,642**
Contract Assets	**–**	**1,546,060**	**–**	**–**	**1,546,060**
Deposits**	**–**	**–**	**578,465**	**73,831**	**652,296**
Financial assets at FVOCI	**210,583**	–	–	–	**210,583**
Deposits and restricted cash			**272,619**		**272,619**
	5,961,015	**27,392,239**	**851,084**	**73,831**	**34,278,169**
Financial Liabilities					
Interest-bearing loans***	**₱–**	**₱1,525,263**	**₱2,414,016**	**₱89,914,700**	**₱93,853,979**
Trade and other payables****	**912,055**	**5,911,784**	**11,044,760**	**8,445,448**	**26,314,047**
Service concession obligation payable to MWSS	–	**631,485**	**715,819**	**7,048,260**	**8,395,564**
Customers' deposits	–	**–**	**–**	**1,446,234**	**1,446,234**
Lease liabilities*****	–	**54,707**	**164,054**	**573,674**	**792,435**
	912,055	**8,123,239**	**14,338,649**	**107,428,316**	**130,802,259**
Liquidity position (gap)	**₱5,048,960**	**₱19,269,000**	**(₱13,487,565)**	**(₱107,354,485)**	**(₱96,524,090)**

	2024				
	On Demand	Due Within 3 Months	Due Between 3 and 12 Months	Due after 12 Months	Total
Financial Assets					
Cash and Cash Equivalents*	₱3,040,480	₱7,474,699	₱–	₱–	₱10,515,179
Trade receivables:					
Customers	1,919,851	1,520,600	–	–	3,440,451
Bulk	5,725	201,951	–	–	207,676
Non-trade Receivables:					
Employees	–	46,328	–	–	46,328
Others	392,196	155,784	–	–	547,980
Contract Assets	–	1,386,458	–	–	1,386,458
Deposits**	–	–	–	558,957	558,957
Financial assets at FVOCI	124,864	–	–	–	124,864
Deposits and restricted cash	–	–	238,428	–	238,428
	5,843,116	10,785,820	238,428	558,957	17,066,321
Financial Liabilities					
Interest-bearing loans***	–	(3,462,656)	(5,889,609)	(113,986,178)	(123,338,443)
Trade and other payables****	(587,206)	(6,310,976)	(7,995,581)	(7,719,745)	(22,613,508)
Service concession obligation payable to MWSS	–	(697,436)	(674,775)	(17,220,518)	(18,592,729)
Customers' deposits	–	–	–	(1,335,612)	(1,355,612)
Lease liabilities*****	–	(57,607)	(79,295)	(293,218)	(430,120)
	(587,206)	(15,424,585)	(14,639,260)	(155,214,531)	(166,330,412)
Liquidity position (gap)	₱4,895,910	(₱14,400,832)	(₱14,400,832)	(₱154,655,574)	(₱149,264,091)

**Excludes cash on hand amounting to ₱7,911 and ₱4,362 as at December 31, 2025 and 2024, respectively.*
***Included as part of "Other noncurrent assets" in the consolidated statements of financial position.*
****Principal plus interest payment.*
*****Excludes taxes payable, interest payable, current portion of lease and contract liabilities.*
****** Included as part of "Other noncurrent assets", excluding advances for customers amounting to ₱6,289 as at December 31, 2025 and 2024 in the consolidated statements of financial position.*

Capital Management

The primary objective of the Group's capital management strategy is to ensure that it maintains a healthy capital structure in order to maintain a strong credit standing while it maximizes shareholder value.

The Group closely manages its capital structure vis-a-vis a certain target gearing ratio, which is net debt divided by total capital plus net debt. The Group's target gearing ratio is not to exceed 75%. This target is to be maintained over the next five years by managing the Group's level of borrowings and dividend payments to shareholders.

For purposes of computing its net debt, the Group includes the outstanding balance of its long-term interest-bearing loans, service concession obligation payable to MWSS and trade and other payables, less the outstanding cash and cash equivalents, deposits and restricted cash. To compute its capital, the Group uses total equity.

	2025	2024
Interest-bearing loans and service concession obligation payable to MWSS (see Notes 10 and 11)	**₱100,953,204**	₱90,969,317
Trade and other payables (see Note 12)	**29,035,755**	24,157,077
Less cash and cash equivalents, deposits and restricted cash (see Notes 4 and 6)	**(27,065,378)**	(10,757,968)
Net debt (a)	**102,923,581**	104,368,426
Total equity	**109,767,437**	75,354,950
Total equity and net debt (b)	**₱212,691,018**	₱179,723,376
Gearing ratio (a/b)	**48%**	58%

For the purposes of monitoring debt ratio covenants, the Group computes using both interest-bearing debt and total liabilities. The Group closely monitors its debt covenants and maintains a capital expenditure program and dividend declaration policy that keeps the compliance of these covenants into consideration.

25. Fair Value of Financial Assets and Financial Liabilities

The following table summarizes the carrying values and fair values of the Company's financial assets and financial liabilities as at December 31, 2025 and 2024:

	2025			
	Carrying value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial Assets				
At fair value through other comprehensive income	**₱210,583**	**₱ –**	**₱ –**	**₱210,583**
At amortized cost -				
Deposits (included under "Other noncurrent assets" account)	**652,296**	–	–	**574,973**
	₱862,879	**₱**	**₱**	**₱785,556**
Financial Liabilities				
Other financial liabilities:				
Interest-bearing loans	**₱92,557,639**	**₱ –**	**₱ –**	**₱97,628,758**
Service concession obligation payable to MWSS	**8,395,564**	–	–	**8,831,247**
Customers' deposits	**1,446,234**	–	–	**390,352**
Lease liabilities	**717,079**	–	–	**706,933**
	₱103,116,516	**₱ –**	**₱ –**	**₱107,557,290**

	2024			
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
At fair value through other comprehensive income	₱124,864	₱ –	₱ –	₱124,864
At amortized cost -	–	–	–	–
Deposits (included under "Other noncurrent assets" account)	558,957	–	–	482,665
	₱683,821	₱ –	₱ –	₱607,529
Financial Liabilities				
Other financial liabilities:				
Interest-bearing loans	₱83,647,536	₱ –	₱ –	₱87,080,115
Service concession obligation payable to MWSS	7,321,781	–	–	7,668,381
Customers' deposits	1,355,612	–	–	367,362
Lease liabilities	372,787	–	–	375,605
	₱92,697,716	₱ –	₱ –	₱95,491,463

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

Cash and Cash Equivalents, Trade and Other Receivables, Contract Assets, Deposits and Restricted Cash, and Trade and Other Payables. Due to the short-term nature of these transactions, the carrying values approximate the fair values as at the reporting date. These are carried at amortized cost.

Financial Assets at FVOCI. Fair value is measured using valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Interest-bearing Loans. For floating rate loans, the carrying value approximates the estimated fair value as at the reporting date due to quarterly repricing of interest rates. For fixed rate loans, the estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of financial instruments.

Deposits, Service Concession Obligation Payable to MWSS, Customers' Deposits and Lease Liabilities. Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of financial instruments.

During the periods ended December 31, 2025 and 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.

The fair values of fixed rate interest-bearing loans, deposits, service concession obligation payable to MWSS, customers' deposits and lease liabilities are determined using Fair Value Hierarchy Level 3.

The estimated fair value of the following financial instruments is based on the discounted value of future cash flows using the prevailing interest rates. Discount rates used are as follows:

	2025	2024
Deposits	**5.04%-6.41%**	6.09%-6.18%
Interest bearing loans	**1.82%-6.13%**	5.87%-6.11%
Service concession obligation payable to MWSS	**2.5%-8.89%**	2.5%-8.53%
Customers' deposits	**6.41%**	6.09%
Lease liabilities	**4.77%-6.01%**	5.71%-6.18%

26. Supplemental Disclosure of Cash Flow Information

a. The noncash operating activities relating to service concession asset amounting to nil and ₱146.9 million and ₱713.5 million in 2025, 2024, and 2025 respectively, pertain to MWSS loan drawdowns for Bigte-Novaliches Aqueduct No. 7 (BNAQ7) and Kaliwa Dam Project. Borrowing costs capitalized as part of service concession assets amounting to ₱4,295.9 million, ₱3,028.6 million and ₱1,356.6 million in 2025, 2024, and 2023 respectively (see Note 7).

b. Noncash operating activities pertaining to application of mobilization fund to service concession assets amounting to ₱4,076.5 million and nil in 2025 and 2024, respectively. In 2025, there was an additional service concession asset of ₱1,591.7 million due to the extension of the Revised Concession Agreement.

27. Changes in Liabilities Arising from Financing Activities

	January 1, 2025	**Cash Flows**	**Foreign Exchange Movement**	**Other***	**December 31, 2025**
Short-term and current portion of interest-bearing loans (Note 11)	**₱4,186,065**	**(₱4,222,127)**	**₱–**	**₱2,679,000**	**₱2,642,938**
Noncurrent portion of interest-bearing loans and bonds (Note 11)	**79,461,471**	**12,902,332**	**(141,275)**	**(2,307,825)**	**89,914,703**
Current portion of service concession obligation payable to MWSS (Note 10)	**1,027,255**	**(932,166)**	**(89,366)**	**1,467,134**	**1,472,857**
Noncurrent portion of service concession obligation payable to MWSS (Note 10)	**6,294,526**	**–**	**54,343**	**573,838**	**6,922,707**
Interest payable	**1,051,763**	**(5,066,874)**	**(439,145)**	**5,750,595**	**1,296,339**
Lease liabilities (Notes 2 and 22)	**372,787**	**(189,879)**	**–**	**534,171**	**717,079**
Dividends payable (Note 13)	**3,642**	**(6,399,665)**	**–**	**6,400,000**	**3,977**
Total liabilities from financing activities	**₱92,397,509**	**(₱3,908,379)**	**(₱615,443)**	**₱15,096,910**	**₱102,970,600**

**Other includes the effect of reclassification of non-current portion of interest-bearing loans and service concession obligation payable to current due to passage of time, accrual of dividends, amortization of debt issue cost, accretion on service concession obligation payable and addition to lease liabilities.*

	January 1, 2024	Cash Flows	Foreign Exchange Movement	Other*	December 31, 2024
Short-term and current portion of interest-bearing loans (Note 11)	₱2,587,660	(₱2,565,306)	₱–	₱4,163,711	₱4,186,065
Noncurrent portion of interest-bearing loans (Note 11)	59,214,238	24,741,300	(402,978)	(4,091,089)	79,461,471
Current portion of service concession obligation payable to MWSS (Note 10)	874,561	(952,976)	(29,608)	1,135,278	1,027,255
Noncurrent portion of service concession obligation payable to MWSS (Note 10)	6,489,036	–	187,930	(382,440)	6,294,526
Interest payable	708,740	(4,025,270)	(336,502)	4,704,795	1,051,763
Lease liabilities (Notes 2 and 22)	436,438	(167,521)	–	103,870	372,787
Dividends payable (Note 13)	3,462	(5,654,209)	–	5,654,389	3,642
Total liabilities from financing activities	₱70,314,135	₱11,376,018	(₱581,158)	₱11,288,514	₱92,397,509

**Other includes the effect of reclassification of non-current portion of interest-bearing loans and service concession obligation payable to current due to passage of time, accrual of dividends, amortization of debt issue cost, accretion on service concession obligation payable and addition to lease liabilities.*

28. Operating Segment Reporting

The Group has only one operating segment, which is the water and wastewater services, and its results of operations are reviewed by the chief operating decision maker to make decisions and to assess the Group's financial performance, and for which discrete financial information is available. The financial information that are required in relation to segment reporting are the same as those information already presented in these consolidated financial statements. In addition, the Group considers its concession agreement operating in West Zone Service Area of Metro Manila and Province of Cavite as one geographical location

29. Events After the Reporting Period

On February 23, 2026, during the regular meeting of the BOD, Maynilad set and approved the declaration of cash dividends amounting to ₱8.44 billion (₱1.14 per common share) to all shareholders of record as at March 9, 2026. Payments will be made not later than March 18, 2026.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Maynilad Water Services Inc.
Maynilad Building, MWSS Complex
Katipunan Ave., Pansol, 1119 Quezon City

We have audited the accompanying financial statements of Maynilad Water Services Inc. (the Company) as at and for the year then ended December 31, 2025, on which we have rendered the attached report dated February 23, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has twenty-one (21) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Meynard A. Bonoen
Partner
CPA Certificate No. 0110259
Tax Identification No. 301-105-435
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 110259-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-154-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10765021, January 2, 2026, Makati City

February 23, 2026

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Maynilad Water Services Inc.
Maynilad Building, MWSS Complex
Katipunan Ave., Pansol, 1119 Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Maynilad Water Services, Inc. and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 23, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Meynard A. Bonoen
Partner
CPA Certificate No. 0110259
Tax Identification No. 301-105-435
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
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Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-154-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10765021, January 2, 2026, Makati City

February 23, 2026

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

INDEX TO THE SUPPLEMENTARY SCHEDULES
December 31, 2025
(Amounts in Thousands)

1. **Revised Securities Regulation Code Rule 68-J Schedules**

    a. Financial Assets (Schedule A)
    b. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principle Stockholders (Schedule B)
    c. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements (Schedule C)
    d. Long-Term Debt (Schedule D)
    e. Indebtedness to Related Parties (Schedule E)
    f. Guarantees of Securities and Other Issuers (Schedule F)
    g. Capital Stock (Schedule G)

2. **Additional Components**
    - Supplementary Schedule of Financial Soundness Indicators
    - Map of Relationship of the Companies Within the Group

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

SUPPLEMENTARY SCHEDULE ON BLUE BONDS
As Required by Revised Securities Regulation Code Rule 68, Annex 68-I
December 31, 2025

On July 12, 2024, the Parent Company issued its Blue Bonds in two (2) series – (i) Series A: 6.7092% 5-year fixed rate bonds due 2029 and (ii) Series B: 7.0931% 10-year fixed rate bonds due 2034. The bonds are payable on a quarterly basis.

i. Proceeds as disclosed in final prospectus

1. Gross	₱15,000,000,000
2. Net	₱14,819,864,845

ii. Actual Proceeds

1. Gross	₱15,000,000,000
2. Net	₱14,814,323,474

iii. Expenditure item where the proceeds were used
The year-to-date expenditures were used in water and wastewater projects.

iv. Balance of the proceeds as of December 31, 2025

I. Proceeds	
Net proceeds	₱14,814,323,474
II. Utilization:	
Water projects	4,877,888,061
Wastewater projects	4,888,232,300
Balance as of December 31, 2025	**₱5,048,203,113**

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

SUPPLEMENTARY SCHEDULE ON SECURITIES OFFERING
As Required by Revised Securities Regulation Code Rule 68, Annex 68-I
December 31, 2025

On November 7, 2025, the Parent company conducted an Initial Public Offering (IPO), offering up to 1,660.3 million common shares in a primary offer and up to 24.9 million primary common shares in a preferential offer. Additionally, there was an overallotment option of up to 249.0 million primary common shares, with a potential upsize option of up to 354.7 million secondary common shares, all priced at ₱15.00 per share, intended for listing and trading on the Main Board of The Philippine Stock Exchange, Inc.

i. Gross and net Proceeds as disclosed in the final Prospectus

	Gross Proceeds	Net Proceeds
Sale of the Firm Shares and the Reserved Shares	₱25,278,300,000	₱24,318,700,00
Sale of the Upsize Option Shares	5,320,600,000	5,147,500,000
Sale of the Overallotment Option Shares	3,735,700,000	3,639,800,000

ii. Actual gross and net proceeds

Proceeds as of December 31, 2025	
IPO Gross Proceeds	₱29,004,317,032
Less: Offer Expenses	(1,544,478,337)
IPO Net Proceeds	**₱27,459,838,695**

iii. Each expenditure item where the proceeds were used

The year-to-date expenditures were used in water and wastewater projects.

Required Capital Expenditure:	
Water CAPEX	₱1,372,238,561
Wastewater CAPEX	354,458,636
Customer Service and Information Technology CAPEX	203,575,394
Subtotal	**1,930,272,591**
General Corporate Purposes	**584,241,562**
Total Disbursements	**₱2,514,514,153**

iv. Balance of the proceeds as of end of reporting period

Unutilized Proceeds as of December 31, 2025	
IPO Net Proceeds	₱27,459,838,695
Less: Total Disbursements	(2,514,514,153)
IPO Net Proceeds	**₱24,945,324,542**

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

Supplementary Schedules Required by Revised Securities Regulation Code Rule 68, Annex 68-J
December 31, 2025

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Amount shown in the statements of financial position	Income received and accrued
Cash and cash equivalents		
Total cash on hand and in banks	₱3,153,060	₱–
Total cash equivalents	23,639,699	(306,500)
	₱26,792,759	(₱306,500)

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)

Name and designation	Balance as at January 1, 2025	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2025
			Amount collected	Amount written off			
Not Applicable							

Schedule C. Amounts of Receivables from Related Parties which are Eliminated during Consolidation of Financial Statements

Name and designation	Balance as at January 1, 2025	Additions	Deductions		Current	Noncurrent	Balance as at December 31, 2025
			Amount collected	Amount written off			
Philippine Hydro pH, Inc.	₱475,496	₱117,099	(₱95)	₱–	₱592,500	₱–	₱592,500
Amayi Water Solutions, Inc.	239,206	18,044	(404)	–	256,846	–	256,846
	₱714,702	₱135,143	(₱499)	₱–	₱849,346	₱–	₱849,346

Schedule D. Long-Term Debt

Title of issue and type of obligation	Interest Rates	Principal Amount (in Original Currency)	Maturity	Interest Periodic Payments	Principal Periodic Payments	Current Portion of Long-term debt (in PHP)	Noncurrent Portion of Long-term debt (in PHP)	Total Long-term debt (in PHP)
18.5 billion Corporate Notes								
1st drawdown Fixed Corporate Notes – 7Y	6.7028%	Php18,500,00	March 23, 2025	Semi-annual	Semi-annual	Php123,210	Php 15,602,715	Php 15,725,925
1st drawdown Fixed Corporate Notes – 10Y	6.8911%		March 23, 2028					
1st drawdown Fixed Corporate Notes – 15Y	6.5569%		March 23, 2033					
2nd drawdown Fixed Corporate Notes – 7Y	6.8337%		March 23, 2025					
2nd drawdown Fixed Corporate Notes – 10Y	6.9072%		March 23, 2028					
2nd drawdown Fixed Corporate Notes – 15Y	6.6144%		March 23, 2033					
15.0 billion Blue Bonds	Series A –6.07092%	9,000.00	July 12, 2029	Quarterly	Quarterly	–	9,000,000	9,000,000
	Series B – 7.0931%	6,000.00	July 12, 2034	Quarterly	Quarterly	–	6,000,000	6,000,000
10.0 billion Term Loan Facility (MBTC)	6.4959%	10,000,000	May 11, 2033	Semi-annual	Semi-annual (*Starting September 25 2025)*	125,000	9,812,500	9,937,500
10.0 billion Term Loan Facility (BPI)	1st Draw – 6.4059%	10,000,000	March 24, 2034	Semi-annual	Semi-annual (*Starting November 11 2024)*	125,000	9,687,500	9,812,500
	2nd Draw – 7.0006%	10,000,000	July 12, 2034	Semi-annual				
6.0 billion Term Loan Facility (BDO)	7.2297%	6,000,000	August 12, 2037	Semi-annual	Semi-annual (*Starting May 17 2024)*	75,000	5,775,000	5,850,000
6.0 billion Term Loan Facility (LBP)	5.4992%	6,000,000	November 17, 2032	Semi-annual	Semi-annual	300,000	4,800,000	5,100,000
5.0 billion Term Loan Facility (LBP)	6.5963%	5,000,000	December 14, 2033	Semi-annual	Semi-annual (*Starting June 14, 2024)*	62,500	4,875,000	4,937,500
¥13.1 billion Facility Loan (JICA)	0.900%	¥13,049,000	October 10, 2034	Semi-annual	Semi-annual *(Starting October 10, 2022)*	456,791	3,654,330	4,111,121

(Forward)

Title of issue and type of obligation	Interest Rates	Principal Amount (in Original Currency)	Maturity	Interest Periodic Payments	Principal Periodic Payments	Current Portion of Long-term debt (in PHP)	Noncurrent Portion of Long-term debt (in PHP)	Total Long-term debt (in PHP)
₱4.0 billion Term Loan Facility (LBP)	7.0036%	₱4,000,000	November 10, 2032	Semi-annual	Semi-annual *(Starting May 10, 2024)*	50,000	3,850,000	3,900,000
₱4.8 billion Corporate Notes (DBP)	6.00%	₱4,770,000	March 24, 2035	Semi-annual	Semi-annual *(Starting September 24, 2020)*	318,000	2,703,000	3,021,000
₱5.0 billion Term Loan Facility (BDO)	5.00%	₱5,000,000	November 29, 2039	Semi-annual	Semi-annual *(Starting May 29, 2021)*	555,556	1,666,666	2,222,222
¥7.9 billion Facility Loan (JCB) *1st drawdown Mizuho Bank, Ltd* *1st drawdown MUFG Bank* *2nd drawdown Mizuho Bank, Ltd.* *2nd drawdown MUFG Bank* *2nd drawdown Sumimoto Banking Corp.*	1.2200%	¥7,900,000	June 7, 2027	Semi-annual	Semi-annual *(Starting June 7, 2020)*	395,632	197,816	593,448
2.5 billion Peso-denominated Bank Loan (BPI)	6.2528%	₱2,500,000	March 12, 2035	Semi-annual	Semi-annual *(Starting September 15,2025)*	15,625	2,484,375	2,500,000
2.5 billion Peso-denominated Bank Loan (LBP)	6.2279%	₱2,500,000	March 20, 2035	Semi-annual	Semi-annual *(Starting September 20,2025)*	15,625	2,484,375	2,500,000
Peso-denominated Bank Loan (BPI)	6.2225%	₱4,000,000	July 13, 2035	Semi-annual	Semi-annual *(Starting January 14,2027)*	25,000	3,975,000	4,000,000
Peso-denominated Bank Loan (LBP)	6.1868%	₱4,000,000	March 20, 2035	Semi-annual	Semi-annual *(Starting September 15,2025)*	–	4,000,000	4,000,000
						₱2,642,939	**₱90,568,277**	**₱93,211,216**

Schedule E. Indebtedness to Related Parties

Name of related party	Balance at January 1, 2025	Balance at December 31, 2025
Not Applicable		

Schedule F. Guarantees of Securities and Other Issuers

Name of issuing entity of Securities guaranteed by the Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which the statement is filed	Nature of guarantee
Not Applicable				

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock Maynilad Water Services, Inc.	9,093,964,000	7,402,603,600	215,393,700	321,083,011	4,495,200	–
Philippine Hydro (pH), Inc.	2,500,000	2,500,000	–	–	5	–
Amayi Water Solutions, Inc.	500,000	31,250	–	–	5	–

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEES
For the Years Ended December 31, 2025

	2025	2024
Total Audit Fees		
December 31, 2025 Audit	**₱11,450,000**	₱12,150,000
March 31, 2025 Audit	**7,300,000**	–
June 30, 2025 Audit	**8,000,000**	
September 30, 2024 Audit	–	10,000,000
Total Audit Fees	**₱26,750,000**	22,150,000
Non-Audit service fees		
Agreed - Upon Procedures – Comfort Letter	**25,900,000**	695,000
Tax Services	**8,718,032**	3,100,000
All other services	**1,697,931**	5,000,000
Total Non-Audit Fees	**36,315,963**	8,795,000
Total Audit and Non-Audit Fees	**₱63,065,963**	₱30,945,000

SyCip Gorres Velayo & Co.
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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Maynilad Water Services Inc.
Maynilad Building, MWSS Complex
Katipunan Ave., Pansol, 1119 Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Maynilad Water Services, Inc. and Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 23, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2025 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Meynard A. Bonoen
Partner
CPA Certificate No. 0110259
Tax Identification No. 301-105-435
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BIR Accreditation No. 08-001998-154-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10765021, January 2, 2026, Makati City

February 23, 2026

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES
(A Subsidiary of Maynilad Water Holding Company, Inc.)

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
As at December 31, 2025

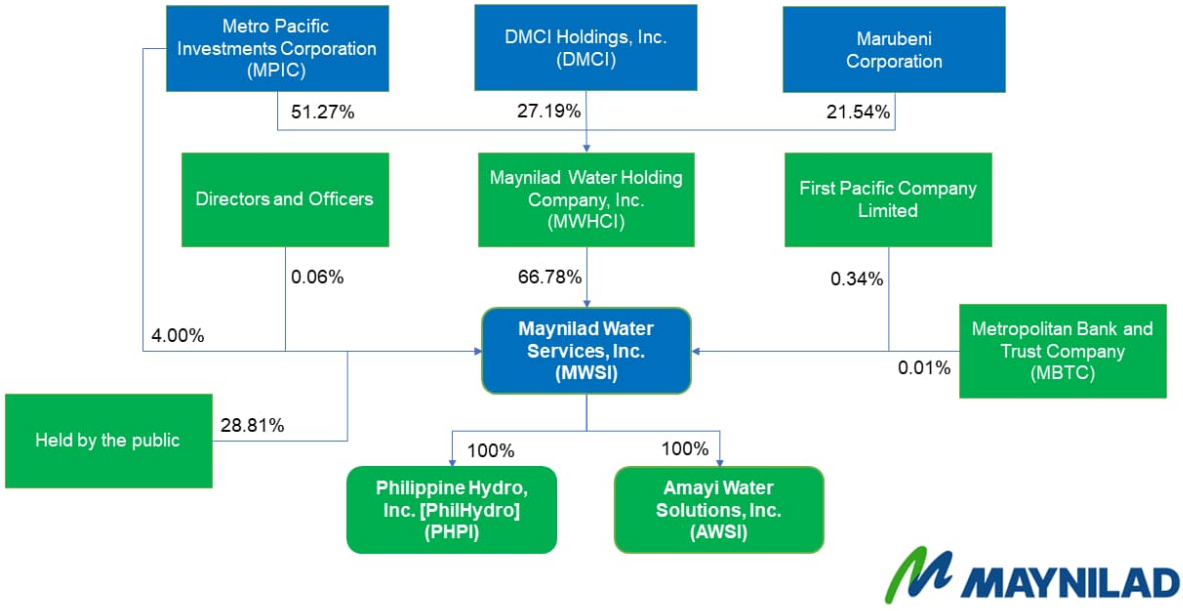
Ratio	Formula	2025	2024
Current Ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 33,695,948 Divided by: Total Current Liabilities 34,062,588 Current Ratio 0.99	0.99	0.56
Asset-to-Equity Ratio	Total Assets divided by Total Equity Total Assets 247,360,255 Divided by: Total Equity 109,767,437 Asset-to-Equity Ratio 2.25	2.25	2.63
Debt-to-Equity Ratio	Total Debt divided by Total Equity Total Debt 137,592,820 Divided by: Total Equity 109,767,437 Debt-to-Equity Ratio 1.25	1.25	1.63
Return on Equity	Net Income divided by Average Total Equity Net Income 15,219,265 Divided by: Average Total Equity 92,561,194 Return on Equity 0.16	0.16	0.18
Return on Assets	Net Income divided by Average Total Assets Net Income 15,219,265 Divided by: Average Total Assets 222,765,435 Return on Assets 0.07	0.07	0.07
EBITDA Margin	Earnings Before Interest, Tax and Depreciation and Amortization divided by Total Revenue Earnings Before Interest, Tax and Depreciation and Amortization 25,293,005 Divided by: Total Revenue 36,645,124 EBITDA Margin 0.69	0.69	0.66
Net Profit Margin	Net Income divided by Total Revenue Net Income 15,219,265 Divided by: Total Revenue 36,645,124 Net Profit Margin 0.42	0.42	0.38

MAYNILAD WATER SERVICES, INC. AND SUBSIDIARIES

(A Subsidiary of Maynilad Water Holding Company, Inc.)

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

December 31, 2025



Annex C

Philippine Green Equity Label Report for the Year Ended 2025

CERTIFICATION

I, **LOURDES MARIVIC K. PUNZALAN-ESPIRITU**, Chief Legal Counsel/Chief Compliance Officer/Corporate Information Officer of Maynilad Water Services, Inc. (the "Company"), a corporation organized and existing Philippine laws, with SEC Registration No. A199611651 and principal office at Maynilad Building, MWSS Complex, Katipunan Avenue, Pansol 1119 Quezon City, after being sworn in accordance with law, hereby certify as follows:

1. This Sworn Certification is executed in compliance with the Securities and Exchange Commission (SEC) Guidelines on Philippine Green Equity.

2. Based on the Company's records and as supported by its latest audited financial statements for the year ended 31 December 2025:

   (a) Revenues derived from green activities, as classified under the Philippine Sustainable Finance Taxonomy Guidelines and/or the ASEAN Taxonomy for Sustainable Finance (ATSF), represent 99.4% of the Company's total revenues;

   (b) Investments channeled toward green activities, including both capital and operating expenditures, constitute 83.7% of the Company's total investments; and

   (c) Revenues derived from fossil fuel activities represent 0% of the Company's total revenues and are thus within the limits prescribed under the SEC Guidelines on Philippine Green Equity.

3. The foregoing statements are true, correct, and complete to the best of my knowledge and were determined using information derived from the Company's internal accounting and financial records and its audited annual financial statements for the year ended 31 December 2025.

APR 14 2026

IN WITNESS WHEREOF, I have hereunto set my hand this __ April 2026 in Quezon City.

LOURDES MARIVIC K. PUNZALAN-ESPIRITU
Chief Legal Counsel /Chief Compliance Officer/ Corporate Information Officer

SUBSCRIBED AND SWORN to before me this APR 14 2026 April 2026 in Quezon City, affiant exhibiting to me her Passport No. P0331540B issued on 21 January 2019 by DFA NCR Northeast.

Doc. No. 84;
Page No. 18;
Book No. VIII;
Series of 2026.

ATTY. MANNY V. GRAGASIN
NOTARY PUBLIC
COMMISSION NO. 075 UNTIL DEC. 31, 2026 Q.C.
DPOS BLDG. GRD. FLR. QUEZON CITY HALL
IBP NO. 488436 / 12-27-24 / QUEZON CITY
PTR NO. 8390658 / 01-05-26 / QUEZON CITY
ROLL OF ATTORNEY'S NO. 56070
MCLE NO. VIII-0040298
TIN NO. 243-085-918

Maynilad Water Services, Inc.

Green Equity Report
Covered Period: For the year ended December 31, 2025

Green Equity Criteria	Description	Assessment
Revenue	At minimum, more than 50% of the revenue of the company as reported in the latest audited annual financial statements (AFS) must be derived from Green Activities.	The Company generated total revenues of ₱36,272 million, as reported in the 2025 AFS, with ₱36,040 million, or 99.36%, is attributable to water and wastewater services fully derived from Green Activities.
Investment	At minimum, more than 50% of the investments (sum of capital expenditure and operating expenditure) of the company as reported in the latest AFS, must be channeled towards Green Activities.	Based on the 2025 AFS, the Company incurred total investments of ₱44,334 million, of which ₱37,124 million, or 83.73%, were channeled to Green Activities. Capital expenditures amounted to ₱29,698 million, with ₱28,665 million, or 96.52%, allocated to Green Activities, while operating expenditures totaled ₱14,636 million, of which ₱8,459 million, or 57.77%, were classified as Green.
Fossil Fuel Limitation	Revenues of the company derived from fossil fuel must be limited to less than 5% to be eligible to the Philippine Green Equity Label.	The Company further attests that revenues derived from fossil fuel activities represent 0% of its total revenues, entirely complying with the limits set out in the SEC Guidelines on Philippine Green Equity.

Value in Motion:
Strengthening Governance, Delivering Impact

MAYNILAD

2025 INTEGRATED REPORT

About the Cover

The 2025 Integrated Report cover reflects Maynilad's theme, "Value in Motion: Strengthening Governance, Delivering Impact." Drawing inspiration from the flow of water, the design represents continuity, adaptability, and the integration of strategy, governance, and performance in delivering reliable water and wastewater services.

Visual elements embedded in the cover represent the year's guiding pillars—**Innovation, Resilience, and Care**—which frame how Maynilad manages risks, strengthens infrastructure, and operates responsibly. Anchored in the Company's blue and green palette, the cover serves as a visual gateway inviting readers to explore how Maynilad strengthens governance, delivers measurable outcomes, and creates value in motion.

About the Report [2-1, 2-2, 2-3, 2-5]

The 2025 Integrated Report (the Report) presents Maynilad's financial and non-financial performance and highlights how the Company creates value through its strategy, governance, operations, and stakeholder relationships. It provides a view of performance, key risks, and opportunities relevant to Maynilad's long-term viability and responsible stewardship of water resources.

Scope and Boundaries

This Report covers the reporting period from January 1 to December 31, 2025, and includes data from Maynilad's core operations within the West Zone concession area of Metro Manila and parts of Cavite, as well as from its subsidiary, Philippine Hydro, Inc. Data from earlier years have been included for comparative purposes.

Reporting Frameworks and Standards

This Report is prepared in accordance with the GRI Standards and references the International Integrated Reporting (IR) Framework. It is guided by the Framework's key principles, including strategic focus, connectivity of information, stakeholder responsiveness, and value creation over the short, medium, and long term, which are embedded throughout the Report. Disclosures also align with relevant requirements from the Sustainability Accounting Standards Board (SASB) and the Greenhouse Gas (GHG) Protocol and are in reference to applicable indicators from the International Financial Reporting Standards (IFRS S1 & S2). Where relevant, the Report also maps the company's programs and performance to the United Nations Sustainable Development Goals (UN SDGs) and integrates requirements from the Philippines' Securities and Exchange Commission (SEC).

To ensure the accuracy and credibility of the information disclosed, Maynilad's 2025 consolidated financial statements were audited by SyCip Gorres Velayo & Co. (SGV & Co.), a member firm of Ernst & Young Global Limited and a leading professional services firm in the Philippines. SGV continues to serve as the company's independent auditor, providing assurance that financial disclosures meet applicable accounting and auditing standards.

Sustainability disclosures follow a structured internal process to ensure accuracy, completeness, and consistency. Data for each material topic is provided by designated sustainability champions, consolidated and analyzed by the Sustainability Department, and validated by data owners. Where applicable, selected metrics are cross-checked against KPI reports submitted to MWSS RO.

In addition, selected environmental, social, and governance (ESG) data and performance indicators underwent limited assurance by Gaia Corporate Sustainability Solutions Inc. (GCSS), in accordance with relevant sustainability assurance standards.

Maynilad values the insights and perspectives of its stakeholders as part of its commitment to continuous improvement and transparency. Feedback, questions, and suggestions regarding this 2025 Integrated Report, as well as our overall sustainability performance and reporting practices, are welcome.

For inquiries, comments, or feedback, please contact:

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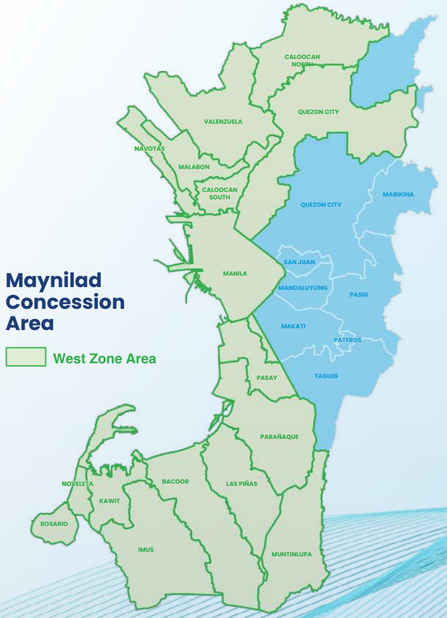
About Maynilad

[2-1, 2-6]

Maynilad Water Services, Inc. (Maynilad) is a Philippine-based exclusive water and wastewater service concessionaire for the West Zone of Metro Manila and parts of Cavite Province, serving a population of around 10.5 million people across 17 cities and municipalities. Maynilad operates a fully integrated service model that spans the entire water value chain, from source to consumer, and covering both wastewater treatment and disposal.

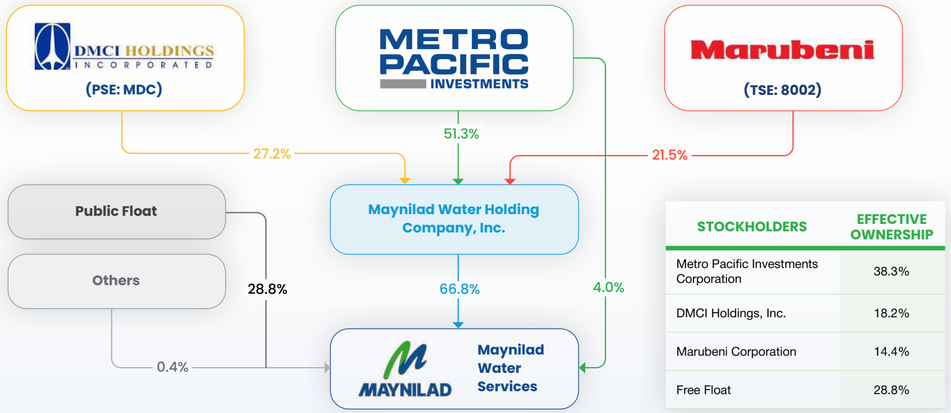
Maynilad operates under a 25-year legislative franchise through Republic Act No. 11600, which authorizes the company to establish, operate, and maintain waterworks, sewerage, and sanitation systems within its concession area. Its service area spans approximately 540 square kilometers, covering cities such as Caloocan, Las Piñas, Malabon, Muntinlupa, Navotas, Pasay, Parañaque, and Valenzuela, as well as portions of Manila, Quezon City, and Makati. In Cavite, Maynilad serves the cities of Cavite and Imus, and the municipalities of Rosario, Noveleta, Bacoor, and Kawit.

As of 2025, Maynilad served around 10.5 million people under a concession agreement with the Metropolitan Waterworks and Sewerage System (MWSS). It has been recognized as one of the largest water utilities in Southeast Asia as it holds the distinction of operating the largest water concession in the region based on population served within a single service area.



Shareholding Structure

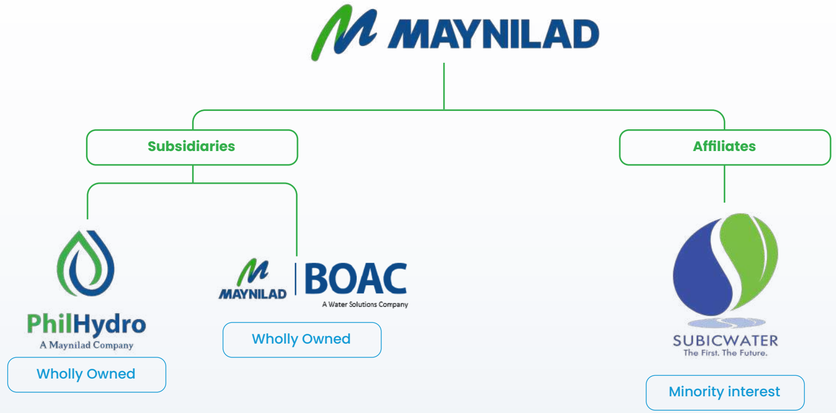
Maynilad is owned by Maynilad Water Holding Company, Inc. (MWHCI), which holds a majority stake in the company. MWHCI's shareholders include Metro Pacific Investments Corporation (MPIC), DMCI Holdings, Inc., and Marubeni Corporation—through MCNK JV Corporation, representing a mix of local and international institutional investors.



STOCKHOLDERS	EFFECTIVE OWNERSHIP
Metro Pacific Investments Corporation	38.3%
DMCI Holdings, Inc.	18.2%
Marubeni Corporation	14.4%
Free Float	28.8%

Subsidiaries

Maynilad's subsidiaries and affiliates support the Company's core water and wastewater operations, enabling specialized services, operational efficiency and strategic investments. These entities complement Maynilad's integrated service model by providing technical expertise, infrastructure development, and investment capabilities, while aligning with the Company's overall mission to deliver reliable and sustainable water services.



Key Milestones in Maynilad's Journey

1997

ESTABLISHMENT

Award of the West Zone concession in Metro Manila, formally launching Maynilad's role in delivering water and wastewater services

2005–2007

TURNAROUND

Transition of management to MWSS, followed by re-privatization and the takeover by MPIC and DMCI, which led to a structured rehabilitation and transformation program

2008–2009

FINANCIAL RESET AND CONTINUITY

Full resolution of prior financial obligations and approval of the concession extension until 2037 to ensure long-term operational continuity

2013

STRATEGIC PARTNERSHIP

Formation of a key strategic partnership with Marubeni Corporation, reinforcing financial strength and bringing global industry expertise

2021–2022

LEGAL AND REGULATORY STRENGTHENING

Enactment of a 25-year legislative franchise and implementation of the Revised Concession Agreement strengthened Maynilad's legal framework and service mandate

2024–2025

CAPITAL MARKETS

Issuance of the Philippines' first SEC-registered Blue Bonds, followed by Maynilad's listing on the Philippine Stock Exchange and recognition as the country's first Philippine Green Equity label, expanding access to capital for infrastructure growth and sustainability initiatives

Vision, Mission and Core Values

Our Vision

We are the leading water solutions company in the Philippines with a strong presence across Asia.

Our Mission

We provide safe, affordable and sustainable water solutions that enable those we serve to lead healthier, more comfortable lives.

Our Core Values

Honesty and Integrity

We deal with our stakeholders with honesty and integrity. We will always do what is right and fair for the sake of our customers, shareholders and the environment.

Customer Service

We consider our customers as our growth partners. Only by providing them with affordable, high-quality water solutions can we continue generating value for our company and shareholders.

Entrepreneurship

We encourage creative thinking and deliberate execution. We expect our people to manage our company's resources with a strong sense of initiative, ownership and accountability in order to balance the needs of our customers with those of our other stakeholders.

Commitment to Excellence

We view excellence as a means and not an end. To maintain our operational efficiency and industry leadership, we push our people to excel by being diligent and innovative in their work.

Teamwork

We value our people and consider their success as our own. This is why we provide them with the support, responsibilities, and opportunities that will allow them to develop individually and with the company.

Love for Country

We actively partner with the public sector so that we can provide even more Filipinos with water solutions that will spur national development and secure the environment.

Our Value Chain

[2-6, 2-22, 2-25]

Maynilad's value chain reflects how the Company transforms natural and financial resources into essential water and wastewater services that support public health, environmental protection, and sustainable urban development. Each stage contributes to long-term value creation for customers, communities, regulators, investors, and the environment.

WATER WITHDRAWAL

Raw water is abstracted from designated surface and ground water sources, as well as alternative water sources, under established regulatory permits. Source management focuses on supply security, resource availability, and risk management, taking into account hydrological variability, demand growth, and long-term sustainability considerations.

Value Created:

- Stable and secure water supply
- Strengthen preparedness for climate and hydrological variability

WATER TREATMENT

Abstracted water is treated to meet the Philippine National Standards for Drinking Water (PNSDW) through a controlled and monitored treatment process. This stage converts raw water into safe drinking water while managing operational, quality, and compliance risks.

Value Created:

- Consistent compliance with drinking water quality standards
- Protection of public health through treated water supply

WATER DISTRIBUTION

Treated water is delivered through an extensive network of pipelines, pumping stations, and reservoirs serving residential, commercial, and industrial customers. Distribution activities prioritize network reliability, pressure management, and service continuity to ensure equitable access.

Value Created:

- Reliable delivery of water services to customers
- Improved continuity of supply across the service area

WASTEWATER COLLECTION AND TREATMENT

Wastewater generated within the service area is collected, conveyed, and treated prior to discharge. Treatment processes are designed to reduce pollutants and protect receiving water bodies, contributing to improved sanitation and environmental quality.

Value Created:

- Reduced pollutant load discharged to receiving water bodies
- Improved sanitation outcomes within the service area

NATION BUILDING AND STAKEHOLDER ENGAGEMENT

Service delivery is complemented by investments in infrastructure, employment, governance compliance, and partnerships with public and private stakeholders. These activities support broader socioeconomic development and long-term water security.

Value Created:

- Contribution to urban development and essential services
- Strengthen institutional relationships supporting long-term operations

Our Services [2-6]

Maynilad delivers essential water and wastewater services that support public health, sanitation, and urban development across its concession area. Services are designed to meet regulatory requirements while ensuring safety, reliability, and accessibility for customers.

Our operations are categorized into three core services:

WATER

Provision of piped-in potable water that complies with Philippine National Standards for Drinking Water.

SEWERAGE

Collection and treatment of wastewater through the sewerage network, serving selected areas within the concession.

SANITATION

Provision of septic tank desludging services for areas not yet covered by sewerage network.

Key Policies

[2-23]

This section highlights key corporate policies that guide Maynilad's operations, service delivery, and stakeholder conduct.

GOVERNANCE AND ETHICS

These policies establish ethical conduct, accountability, transparency, and oversight across the organization.

- Code of Business Ethics
- Anti-Bribery and Anti-Corruption (ABAC) Policy
- Anti-Fraud Policy
- Whistle Blowing Policy
- Gifts, Entertainment, and Sponsored Travels Policy
- Governance Policy – Conflict of Interest
- Insider Trading Policy
- Related Party Transaction Policy
- Internal Audit Charter

SERVICE QUALITY AND CUSTOMER PROTECTION

These policies directly affect customer experience, service reliability, affordability, and grievance handling.

- Handling of Service-Related Complaints and Concerns
- Handling of Billing-Related Concerns
- Special Privilege Given to Senior Citizens
- Tariff Reduction for Low-Income Households
- Leak Repair Policy
- Water Safety Plan
- Pipelines and Equipment Testing Policy
- Geographic Information System (GIS) Policy

SUPPLY CHAIN AND CONTRACTOR GOVERNANCE

These policies ensure procurement, vendor, and contractor engagements are conducted transparently, ethically, and efficiently.

- Vendor Management Policy
- Vendor Code of Conduct
- Procurement of Goods and Services (Non-Infrastructure)
- Procurement of Infrastructure Projects
- Contractor and Consultant Accreditation
- Inventory and Warehouse Management
- Facilities Management

RISK MANAGEMENT AND COMPLIANCE

These policies support regulatory compliance, enterprise risk management, asset protection, and information security.

- Risk Management Policy
- Data Privacy Manual
- Information Security Policy
- IT Software Management Policy
- Asset Accountability Policy
- Asset Insurance, Registration, and Realty Tax Payment
- Tax Compliance Policy

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

These policies guide environmental stewardship, social safeguards, and community impacts.

- Quality, Sustainability, and Resiliency (QSR) Policy
- Policy on Environment and Social Impact Assessment
- Land Acquisition, Resettlement, and Rehabilitation Policy
- Anti-Illegal Task Force Policies and Guidelines (enforcement of Republic Act 8041 and IRR)

PEOPLE AND WORKPLACE PRACTICES

These policies define employee welfare, inclusion, conduct, and workplace safety.

- Policy on Respect for and Protection of the Rights of People
- Policy on Diversity and Inclusiveness
- Anti-Sexual Harassment Policy
- Anti-Violence Against Women and Their Children Act of 2004
- Magna Carta for Women
- Mental Health Policy
- Employees' Welfare Plan
- Health Benefits
- Corporate Policy on Succession Planning
- Performance Planning and Appraisal System
- Policy on Employee Innovations
- Standards of Discipline
- Human Resource Data Protection Policy
- No Smoking Policy
- Drug-Free Workplace Policy
- Solo Parent Act
- Maternity Leave Policy
- Paternity Leave Policy

ISO Certifications, Accreditations, and Related Framework

Maynilad implements and maintains several ISO certified management systems, accredited laboratory operations, and other internationally recognized frameworks across relevant operations and support functions to drive operational excellence, regulatory compliance, and continual improvement.

Certified Management Systems

MANAGEMENT SYSTEM	ISO STANDARD	SCOPE AND BOUNDARY	KEY BENEFIT
Quality Management System	ISO 9001:2015	96.59% of Maynilad-wide sites and offices	Consistent service and product quality
Environmental Management System	ISO 14001:2015	96.59% of Maynilad-wide sites and offices	Reduced environmental impact
Occupational Health and Safety Management System	ISO 45001:2018	96.59% of Maynilad-wide sites and offices	Improved workplace safety
Energy Management System	ISO 50001:2018	14 sites identified as significant energy users	Optimized energy efficiency at key facilities
IT Service Management System	ISO/IEC 20000-1:2018	ITS Division	Reliable IT services
Business Continuity Management System	ISO 22301:2019	15 critical sites	Improved preparedness, response, and recovery capability for critical operations.

Accredited Laboratory Operations

LABORATORY OPERATION	STANDARD	SCOPE AND BOUNDARY	KEY BENEFIT
WATER Laboratory and Meter Laboratory	PNS ISO/IEC 17025:2017	Accredited testing and calibration activities of WATER Laboratory and Meter Laboratory	Reliable, traceable, and technically valid laboratory results

Reporting and Guidance Standards

FRAMEWORK	STANDARDS	SCOPE AND BOUNDARY	PURPOSE
Greenhouse Gas Accounting and Reporting	ISO 14064-1:2018	Maynilad-wide	Supports the accounting and reporting of greenhouse gas (GHG) emissions
Risk Management	ISO 31000:2018	Maynilad-wide	Provides guidance for enterprise risk management and related controls

Industry Engagement & External Partnerships

Membership Associations
[2-28]

Maynilad is an active member of industry and professional associations, reflecting our commitment to good governance, sustainable practices, and continuous learning in the water sector.

1. Asia Water Council Secretariat.
2. Philippine Green Building Council
3. Business for Sustainable Development
4. Asia Corporate Excellence & Sustainability
5. Makati Business Club Inc.
6. Institute of Corporate Directors
7. University of Asia and the Pacific Foundation, Inc.
8. Association of Certified Fraud Examiners, Philippine Chapter, Inc.
9. Institute of Internal Auditors Philippines Inc.
10. Project Management Institute
11. Tax Management Association of the Philippines
12. People Management Association of the Philippines Inc.
13. Philippine Society for Talent Development Inc.
14. Organization Development Practitioners Network Philippines Inc.
15. Employee Confederation of the Philippines
16. Philippine Financial and Inter-Industry Pride Association Inc.
17. Philippine Institute for Supply Management Inc.
18. Management Association of the Philippines (MAP Secretariat)
19. Manila Overseas Press Club, Inc.
20. Public Relations Society of the Philippines
21. IABC Philippines Inc.
22. International Water Association
23. Marketing & Opinion Research Society of the Philippines Inc.
24. The Institute of Asset Management Ltd.
25. The Information Systems Audit and Control Association
26. Institute for Solidarity in Asia
27. Professional Evaluation and Certification Board
28. International Information System Security Certification Consortium, Inc.
29. Nordic Chamber of Commerce of the Philippines
30. Integrated Chemist of the Philippines
31. Safety Organization of the Philippines, Inc.

Strategic External Partners

Maynilad works with strategic external partners to enhance service delivery, implement sustainability programs, and address critical environmental and social priorities.

1. Philippine Water Works Association, Inc
2. Global Water Intelligence International
3. Philippine Association of Water Districts
4. Water Environment Association of the Philippines, Inc.
5. Philippine Disaster Resilience Foundation
6. Mt. Balagbag Farmers Association of San Isidro SJDMC Inc.
7. Ipo Tree Planters of Norzagaray Association Incorporated
8. Briquettor Association of the Philippines Inc.
9. Dumagat-Remontada ng Magata Kisampal Natural Organic Farming Organization
10. City of San Jose Del Monte Yapak Tour Guides Incorporated
11. La Mesa Watershed Reservation Multi Sectoral Management Council
12. Stakeholder's Chamber on the SDGs

Leadership Message
[2-22]

Message from the **Chairman**

Dear Stakeholders,

Maynilad's successful public listing marks a defining milestone in the Company's institutional evolution. With this transition, we are accountable not only to our customers and regulators, but to a broader community of shareholders who expect discipline, transparency, and long-term value creation.

Public listing does not alter our mission to deliver reliable, affordable, and sustainable water and wastewater services. What it does is elevate the standards by which we are governed and measured. The Board has embraced this responsibility fully.

In an operating environment shaped by climate variability, growing urban demand, infrastructure constraints, and heightened regulatory expectations, the Board focused on strengthening governance systems to match Maynilad's expanding operational and market responsibilities. Oversight of enterprise risk management, financial reporting, internal controls, and related party transactions was reinforced to meet enhanced disclosure standards and protect shareholder interests.

At the same time, governance must enable performance. The Board therefore reviewed capital investment priorities with close attention to affordability, execution risk, regulatory alignment, and climate resilience. We recognize the balance required between accelerating infrastructure development and safeguarding financial sustainability. Our oversight was guided by a clear objective: strengthen long-term service reliability without compromising public trust or fiscal discipline.

Maynilad's IPO and Green Equity Label reinforce this commitment. The listing broadened our capital base and strengthened financial flexibility, while the Green Equity designation affirms that capital deployment is anchored on credible sustainability frameworks and transparent use-of-proceeds mechanisms aligned with national development goals.

Sustainable performance ultimately depends on trust. The Board continues to ensure that stakeholder perspectives—from customers and employees to regulators, investors, and host communities—are integrated into strategy and risk oversight. This engagement strengthens our relationship with stakeholders and supports the creation of long-term, shared value.

Looking ahead, the Board remains confident in the Company's strategy, governance framework, and organizational culture. While management leads day-to-day execution, the Board remains fully engaged in overseeing risk, capital allocation, and long-term direction to ensure that Maynilad remains resilient, well-governed, and future-ready.

On behalf of the Board of Directors, I thank our stakeholders for their continued trust. We remain committed to guiding Maynilad with discipline, integrity, and a clear sense of public purpose.

Manuel V. Pangilinan
Chairman

Message from the **President and CEO**

Dear Stakeholders,

As a newly listed and regulated water utility entrusted with an essential public service, our responsibility is clear: deliver reliable service today while building resilience for tomorrow.

This year tested our ability to translate strategy into measurable results amid operational, regulatory, and climate pressures. Our performance reflects disciplined execution across financial, operational, and infrastructure priorities.

Revenues reached PHP 36.6 billion, while EBITDA grew to PHP 25.3 billion, increasing 9.4% and 14.8% year-on-year, respectively. EBITDA margins improved to 69.0%, driven by operating efficiencies and sustained non-revenue water (NRW) reduction efforts. Net income rose 19.1% to PHP 15.2 billion, strengthening our financial position and supporting continued capital investment.

Operationally, we achieved our NRW service obligation target, reducing system losses from 39% to 34% through focused leakage management, pressure optimization, pipe replacement, and meter modernization. Improved network efficiency allowed us to reduce overall water production while increasing billed connections—demonstrating stronger asset recoverability and disciplined network management.

Twenty-four-hour water service coverage reached 91.9%, and sewer coverage expanded to 27% as we accelerated wastewater program delivery in support of environmental compliance and public health objectives.

We also commissioned two new pumping stations, two wastewater treatment plants, and completed 82 kilometers of new pipelines. These investments expanded coverage, stabilized system pressure, reduced service interruptions, and strengthened climate resilience—reinforcing our long-term water security objectives.

The Company's Initial Public Offering, which raised PHP 34.3 billion, strengthened our equity base to PHP 109.8 billion and enhanced financial flexibility. Together with our Green Equity Label, it affirms that our growth is supported by disciplined capital allocation and transparent sustainability frameworks.

Our people remain central to our performance. Achieving Investors in People Platinum accreditation reflects the strength of our leadership and workforce practices. With approximately 89,000 training hours completed across technical, operational, leadership, and sustainability programs, we continue to build the capabilities required for a more complex and accountable operating environment.

We remain mindful that progress requires balance—accelerating infrastructure expansion while maintaining affordability, strengthening resilience while managing execution risk, and delivering growth while upholding regulatory discipline. These considerations guide how we allocate capital, sequence projects, and strengthen operational controls.

In the year ahead, we will continue to focus on further reducing system losses, expanding wastewater services, enhancing climate resilience, and reinforcing performance discipline across the organization. As a publicly listed utility, we are committed to delivering measurable impact today while building long-term resilience for the communities we serve.

I extend my sincere appreciation to our employees, customers, regulators, partners, and investors for their continued trust and collaboration. Together, we are strengthening Maynilad's foundations and ensuring that our growth remains responsible, disciplined, and sustainable.

Ramoncito S. Fernandez
President and CEO

Performance Highlights

Financial Highlights

2025 At a Glance

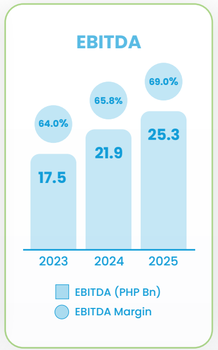
PHP 34.3Bn
GREEN EQUITY IPO
(FIRST IN ASIA)

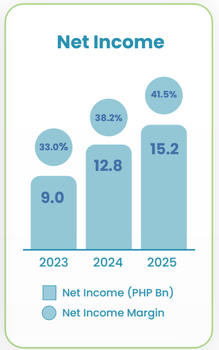
PHP 36.6Bn
REVENUE
(+9.4% from 2024)

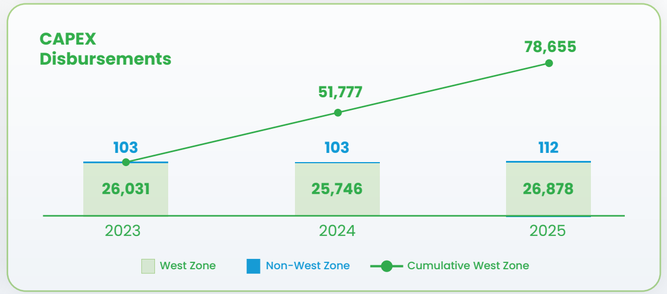
PHP 26.9Bn
CAPEX DISBURSED

PHP 25.3Bn
EBITDA
(69% EBITDA Margin)

PHP 15.2Bn
NET INCOME
(42% NI Margin)







Operational Highlights

WATER

10.5M
Population Served

82KM
New Water Pipes Laid

550.8MCM
West Zone Billed Volume

1,574,431
Billed Water Service Connections

91.9%
of customers
24/7 Water Supply Coverage

34.9%
Non-Revenue Water (NRW, Average)

WASTEWATER

2.6M
Population Covered by Sewer Services

6.9M
Population Covered by Sanitation Services

111,406
Number of septic tanks cleaned

ESG Highlights

ENVIRONMENT

870.6
MCM
Water Produced

72.5
MCM
Wastewater Treated

31.3
MCM
Recycled Water

9,656MT
Waste Diverted from Disposal

803.5
MWh
Renewable Energy from Solar Farm

0.12
tCO_2e/ML
GHG Emission Intensity

114,888.6
tCO_2e
Total GHG Emission

185,995
Trees Planted

SOCIAL

30.4
Average Training Hours per Employee

27%
Female Representation in the Workforce

0.4
Lost Time Injury Frequency Rate (LTIFR)

170
New Suppliers

5.0Bn
Procurement Budget Spend on Local Suppliers

33.0M
Community Investments

GOVERNANCE

2,189
hours
Anti-Corruption Training

Zero
Incident of Corruption

Zero
Incident of Data Breaches / Cybersecurity Incidents

Awards and Recognition

In 2025, Maynilad's continued pursuit of operational excellence and sustainability leadership earned multiple accolades from both national and international award-giving bodies. This year's recognitions reflect the breadth of Maynilad's initiatives and its growing influence across the water sector.

S&P Global Ratings

Rated "Medium Green" under S&P's Climate Transition Assessment, recognizing Maynilad's sustainable operations, potable water reuse, non-revenue water reduction, and alignment with international ESG standards.

SEC Green Equity Label

Maynilad was recognized as the first Philippine Green Equity Label recipient, affirming that over 50% of its revenues and investments support environmentally sustainable activities and ongoing adherence to sustainability standards.

IFR Asia Awards 2025

Maynilad's IPO was recognized at the IFR Asia Awards as ESG Deal of the Year and was cited as the first Asian IPO to carry a Green Equity label, following the Philippines' introduction of the Securities and Exchange Commission (Philippines) Green Equity Guidelines—the first such framework in Southeast Asia.

Alpha Southeast Asia Awards

Maynilad's PHP 15-billion Blue Bond issuance, the first SEC-registered blue bond in the Philippines, was recognized as the Best Blue Bond in Southeast Asia and Most Innovative Deal of the Year 2024. The bond supports sustainable water and wastewater projects, including pipe-laying, treatment facilities, and sewerage upgrades. Its success reflects strong investor confidence and supports Maynilad's role as a leader in sustainable finance.

Philippine Dealing System (PDS) Annual Awards

Recognized for being the Philippine's first SEC-registered Blue Bond issuer, funding sustainable water and wastewater projects and pioneering green finance in the local market.

Asia Corporate Excellence & Sustainability (ACES) Awards

Maynilad was named among Asia's Most Influential Companies and recognized as one of the Top Green Companies in Asia for its sustainability leadership, including Non-Revenue Water reduction initiatives and the pioneering NEW WATER—Asia's first direct potable reuse project.

Global Water Awards

At the 2025 Global Water Awards held in Paris, Maynilad received SDG6 Champion of the Year, for its organization-wide campaign, *Makialam, Makiisa, Magmalasakit* (3M) Campaign. The initiative rallied employees to support water conservation, sanitation expansion, and climate resiliency efforts, strengthening the link between internal culture and public service. This marks Maynilad's fourth consecutive recognition from the Global Water Awards.

Asian Water Awards

Maynilad's NEW WATER initiative was recognized as Water Reuse and Recycling Project of the Year for WATERLab's ISO-accredited advanced testing methods, enhancing monitoring capabilities beyond regulatory standards and ensuring safe, sustainable potable water reuse.

Asian Civil Engineering Coordinating Council (ACECC)

Maynilad was recognized as one of the winners of Civil Engineering Project Awards for the Design and Construction of La Mesa Treatment Plant 1 - Process Improvement Works, showcasing engineering excellence in enhancing water treatment infrastructure.

INQ ESG EDGE Awards

Maynilad won Gold and Silver recognition for its efforts in lowering non-revenue water losses and expanding reforestation, strengthening sustainable water supply and biodiversity conservation.

Investors in People (IiP) – Platinum Accreditation

Maynilad achieved a Platinum Accreditation from Investors in People, the highest recognition under the global framework for excellence in people management. The Company is the first and only water utility in the Philippines to receive this distinction, affirming its strong values-driven culture, employee empowerment, and leadership development initiatives that align with long-term strategic goals.

Philippine Quill Awards

At the 21st Philippine Quill Awards, Maynilad secured five distinctions for excellence in business communication. The Company won an Excellence Award for Leak Warriors: Mobilizing Maynilad Employees for Water Recovery under the Employee Engagement category. Additional Merit Awards were conferred for the *Makialam, Makiisa, Magmalasakit* internal campaign, Mark the 39% public awareness initiative, the Crisis Response to the Osmeña Highway Pipe Leak, and Mayni-LAD to the Rescue! Wastewater Video Episode 6 for creative storytelling in wastewater advocacy.

Anvil Awards

Maynilad received two Silver Anvil Wards for NRW reduction campaigns, including "Mark the 39%" raising public awareness on water losses, and "Be a Leak Warrior" mobilizing influencers to engage communities in water conservation.

Governance & Leadership

[S2.6 (a)(i-iv), S2.6 (b)(i-ii), S1.27 (a)(i-iv), S1.27 (b)(i-ii)]

Effective governance and structured leadership are essential to Maynilad's continued progress and resilience. In 2025, the Company further strengthened its governance frameworks and policies to support transparent, accountable, and informed decision-making across all levels of the organization.

The Board of Directors provides oversight on key priorities, such as financial, operational, ESG performance, enterprise risk management, regulatory compliance, and ethics. Accountability runs from the Board to management and operational units, supported by the Chief Sustainability Officer and Enterprise Risk Management teams to ensure that sustainability and risk considerations are integrated into strategic planning and operational execution.

Governance Structure & Oversight

[2-9, 2-10, 2-17, 2-18]

Maynilad's governance structure defines how decisions are made, responsibilities are assigned, and accountability is maintained across the organization. It ensures that oversight is not only exercised at the Board level but also cascades effectively to management and operational units.

The Board comprises 15 members, including 12 nominees from Maynilad's principal stockholders—Metro Pacific Investments Corporation (7), DMCI Holdings (3), and Marubeni Corporation (2)—and three (3) independent directors who provide impartial oversight to Board deliberations and help ensure balanced and transparent decision-making. As of the end of 2025, one seat remained vacant following the retirement of one Board member, resulting in 14 filled positions. The nomination of the members of the Board is conducted in accordance with the Shareholders' Agreement, which grants each stockholder the right to nominate and elect a specified number of directors. The independent directors were nominated and selected following the criteria set in RA 11600.

To strengthen governance effectiveness, the Board is supported by specialized committees that provide oversight on key areas of the business.

BOARD COMMITTEE		PRIMARY FOCUS
Executive	EC	Urgent and strategic matters
Audit, Risk Oversight & Related Party Transactions	ARR	Financial integrity, risk governance, and ethics
Corporate Governance & Sustainability	CGS	Governance policies and ESG oversight
Nomination & Compensation	NC	Board succession, performance, and remuneration
Finance	FIN	Financial strategy and capital allocation

These committees enhance accountability by reviewing strategic initiatives, monitoring risk, promoting sustainability, and ensuring that decisions are made with integrity and in alignment with stakeholder interests.

Board of Directors

Manuel V. Pangilinan
Non-Executive Director
Chairman of the Board

Isidro A. Consunji
Non-Executive Director
Vice Chairman of the Board

June Cheryl Cabal-Revilla
Non-Executive Director

Jose Ma. K. Lim
Non-Executive Director

Jorge A. Consunji
Non-Executive Director

Herbert M. Consunji
Non-Executive Director

Kazuaki Shibuya
Non-Executive Director

Nagahito Miyoshi
Non-Executive Director

Ramoncito S. Fernandez
Executive Director

Ricardo M. Pilares III
Non-Executive Director

Joseph Ian G. Gendrano
Non-Executive Director

Ma. Assunta C. Cuyegkeng
Independent Director

Fortunato T. Dela Peña
Independent Director

Gil S. Jacinto
Independent Director

Board Composition, Diversity, Competencies relevant to ESG and Risk [2-9, 2-11, 405-1]

The Board is composed of seasoned professionals with expertise spanning corporate law, engineering, finance, environmental management, public policy, and risk oversight. This diversity of experience allows the Board to provide holistic guidance in the face of complex operational, regulatory, and environmental dynamics.

BOARD MEMBER	POSITION	GENDER	LENGTH OF SERVICE	COMMITTEE MEMBERSHIP	KEY COMPETENCIES
Manuel V. Pangilinan	Non-Executive Director | Chairman of the Board	Male	18 years	Chairman NC	
Isidro A. Consunji	Non-Executive Director | Vice Chairman of the Board	Male	18 years	Member NC	
June Cheryl Cabal-Revilla	Non-Executive Director	Female	3 years	Chairman FIN Member ARR CGS	
Jose Ma. K. Lim	Non-Executive Director	Male	18 years	Member NC FIN	
Ramoncito S. Fernandez	Executive Director	Male	9 years		
Ricardo M. Pilares III	Non-Executive Director	Male	2 years		
Joseph Ian G. Gendrano	Non-Executive Director	Male	2 years		
Jorge A. Consunji	Non-Executive Director	Male	18 years		
Herbert M. Consunji	Non-Executive Director	Male	2 year	Member FIN	
Kazuaki Shibuya	Non-Executive Director	Male	3 years		
Nagahito Miyoshi	Non-Executive Director	Male	2 years	Member: ARR CGS FIN	

BOARD MEMBER	POSITION	GENDER	LENGTH OF SERVICE	COMMITTEE MEMBERSHIP	KEY COMPETENCIES
Ma. Assunta C. Cuyegkeng	Independent Director	Female	2 years	Chairman CGS Member: ARR NC FIN	
Fortunato T. Dela Peña	Independent Director	Male	2 years	Chairman ARR Member CGS	
Gil S. Jacinto	Independent Director	Male	2 years	Member: ARR CGS NC	

KEY COMPETENCIES

- Industry & Operations
- Risk & Governance
- Sustainability & ESG
- Finance & Strategy
- Government & Regulatory

Committees Overseeing Sustainability, Risks, Ethics, & Compliance

Effective governance at Maynilad is also anchored in specialized committees that provide oversight on key aspects of corporate performance, including sustainability, ethics, compliance, and enterprise risk. These committees ensure that material issues are addressed at the governance level and that management actions are aligned with corporate values and regulatory obligations.

Executive Committee

Isidro A. Consunji
Chairperson

Members
Ramoncito S. Fernandez
Jose Ma. K. Lim
June Cheryl Cabal-Revilla
Nagahito Miyoshi

The Executive Committee serves as a key governing body that acts on urgent and strategic matters affecting the overall direction and policies of the Company when the full Board is not in session. It is empowered by Maynilad's By-Laws to make decisions on behalf of the Board on issues that require timely action, subject to ratification or review during subsequent Board meetings. This ensures continuity of leadership, efficient decision-making, and responsive governance between Board meetings.

Through its oversight function, the Committee supports the Board in advancing strategic priorities, managing emerging risks, and ensuring that management actions remain aligned with long-term objectives, regulatory obligations, and stakeholder commitments.

Audit Risk Oversight, and Related Party Transactions Committee

Fortunato T. dela Peña
Chairperson

Members
Ma. Assunta C. Cuyegkeng
Gil S. Jacinto
June Cheryl A. Cabal-Revilla
Nagahito Miyoshi

The Audit, Risk Oversight, and Related Party Transactions Committee plays a central role in safeguarding Maynilad's financial integrity, internal control systems, risk governance, and ethical business practices. Acting on behalf of the Board, it provides independent oversight of financial reporting, audit functions, risk management, and regulatory compliance. It is composed of five members, the majority of whom are independent directors, including the Chairperson, ensuring objectivity, impartiality, and credibility in its deliberations and decisions.

The Committee reviews and evaluates the quarterly, semi-annual, and annual financial statements before their submission to the Board, ensuring that these fairly and accurately reflect the Company's financial position, results of operations, and cash flows in accordance with applicable accounting standards and regulatory requirements. It also oversees the external auditor's qualifications, engagement, and audit plan, and ensures that key findings are addressed.

In relation to the internal audit function, the Committee provides direct oversight of the Enterprise Risk Management and Internal Audit (ERMIA) unit. It approves the internal audit charter, annual audit plan, budget, and staffing, and regularly reviews internal audit reports to monitor the effectiveness of internal controls, governance processes, and risk management systems.

On risk oversight, the Committee monitors the enterprise risk management framework, reviews key and emerging risks, and ensures appropriate controls and mitigation measures are in place.

With regard to related party transactions (RPTs), the Committee enforces strict governance to ensure that all RPTs are conducted on an arm's length basis, are fair, reasonable, and in the best interest of the Company and its stakeholders. It reviews material related party transactions, ensures proper disclosure, and monitors compliance with the Company's RPT policies and applicable regulations. The Committee also safeguards minority shareholder interests by preventing conflicts of interest and ensuring transparency in dealings with affiliates, directors, and major shareholders.

The Committee also oversees compliance, ethics, and anti-corruption programs, including whistleblowing mechanisms and investigations related to fraud or misconduct.

Nomination and Compensation Committee

Manuel V. Pangilinan
Chairperson

Members
Jose Ma. K. Lim
Isidro A. Consunji
Ma. Assunta C. Cuyegkeng
Gil S. Jacinto

The Nomination and Compensation Committee supports strong governance and leadership continuity by ensuring the selection, development, and retention of qualified leaders. It oversees Board nominations, succession planning, and evaluates the effectiveness of director selection and replacement processes.

The Committee is primarily responsible for reviewing and evaluating the qualifications of all nominees for election to the Board and for appointments requiring Board approval. It actively manages Board recruitment and succession planning, including evaluating the effectiveness of the nomination, election, and replacement processes for directors, and assessing Board competence to promote good governance.

A core function of the Committee is to establish and develop executive remuneration policies. It ensures that compensation for directors and officers align with Maynilad's business strategy and operating environment. The Committee periodically reviews compensation policies to confirm their adequacy in attracting and retaining top talent, while preventing directors from influencing their own remuneration during their tenure.

The Committee also monitors the structure and composition of the Board, with a focus on ensuring compliance with regulations related to independent directors. It is tasked with maintaining a fair nomination and election process that complies with the company's By-Laws and relevant governance codes. In addition to executive compensation, the Committee reviews non-monetary rewards and provides recommendations on guidelines and packages, maintaining fairness and competitiveness across all levels of leadership.

The Committee also has the authority to convene meetings, assess its performance annually, and amend its charter subject to Board approval. It may also request necessary information from Management and engage external advisors to carry out its duties effectively.

Corporate Governance & Sustainability Committee

Ma. Assunta C. Cuyegkeng
Chairperson

Members
Fortunato T. de la Peña
Gil S. Jacinto
June Cheryl A. Cabal-Revilla
Nagahito Miyoshi

The Corporate Governance and Sustainability Committee plays a dual role in strengthening governance and advancing Maynilad's sustainability agenda. It supports the Board in maintaining an effective governance framework by reviewing policies to ensure compliance with regulations and align the Company's mission, vision, and values with strategic goals.

It also reviews the charters of Board committees, facilitates performance evaluations of the Board and senior executives, and identifies training and development needs for directors.

On sustainability, the Committee oversees the integration of environmental, social, and governance (ESG) considerations into operations and strategy. It monitors sustainability policies and initiatives, identifies material ESG issues, and evaluates their impact on long-term value creation.

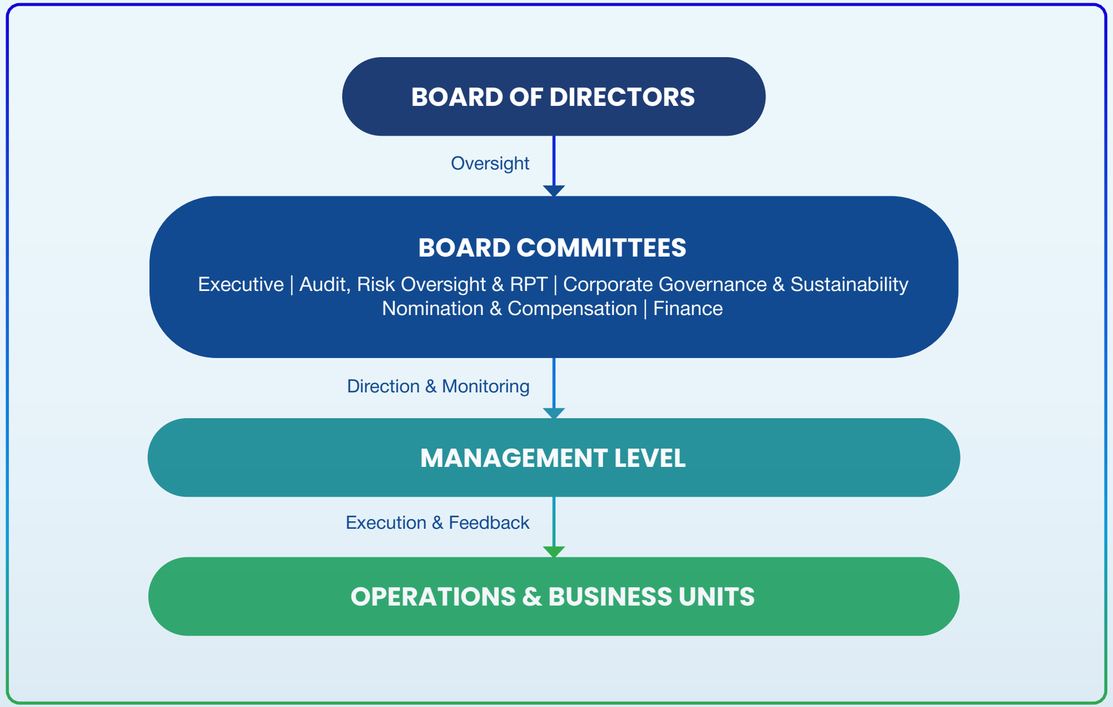
The Committee also ensures alignment with international standards, monitors partnerships and stakeholder engagement efforts, and oversees social investments and sustainability reporting.

Governance Map and Oversight Structure

To ensure effective oversight, accountability, and alignment with long-term value creation, Maynilad adopts a structured governance framework that clearly delineates the roles of the Board, its committees, management, and operational units. This framework is summarized through the Governance Map, which illustrates how decision-making authority, oversight responsibilities, and execution flow across the organization.

The Governance Map demonstrates how the Board of Directors exercise oversight over key areas such as financial performance, operational resilience, sustainability, enterprise risk management, regulatory compliance, and ethical conduct. Board committees provide focused governance and strategic guidance within their respective mandates, ensuring that complex matters receive appropriate expertise and attention prior to Board deliberation.

At the management level, accountability cascades from the Board to senior leadership and specialized functions, including the Chief Sustainability Officer and the Enterprise Risk Management teams. These functions play a critical role in embedding sustainability, risk, and compliance considerations into corporate strategy, capital allocation, and day-to-day operations. Operational units are responsible for executing approved strategies and initiatives, while providing performance and risk feedback to management and the Board.



Management Oversight on Risk and Sustainability

[2-12, 2-13, 2-14]

Maynilad's senior management team plays a critical role in advancing the Company's sustainability strategy and ensuring effective risk governance. Two key pillars of this oversight system are the Chief Sustainability Officer (CSO) and the Enterprise Risk Management (ERM) framework.

Chief Sustainability Officer

The Chief Sustainability Officer (CSO) serves as the Head of Quality, Sustainability, and Resiliency. The CSO is responsible for leading and coordinating the Company's overall ESG strategy, ensuring that sustainability is fully embedded into Maynilad's business model, operations, and culture.

Under the CSO's leadership, the Sustainability Council—a multi-disciplinary team composed of key leaders and functional representatives from across the Company—meets regularly to monitor ESG performance, identify opportunities for improvement, and oversee implementation of programs related to environmental stewardship, community engagement, and good governance.

The CSO works closely with the Board's Corporate Governance and Sustainability Committee and reports on progress in achieving material sustainability goals such as water reliability, climate resilience, regulatory compliance, employee engagement, and community development. The CSO also plays a central role in:

- Aligning Maynilad's sustainability strategy with international standards such as GRI, TCFD, SASB, and IFRS S1/S2.
- Overseeing sustainability reporting, including the Integrated Report and ESG disclosures to parent companies and stakeholders.
- Leading the formulation and delivery of long-term roadmaps on climate action, resource efficiency, and circularity.

SUSTAINABILITY COUNCIL

QSR John Emmanuel B. Martinez	**ERMIA** Mark Paul S. Capati
SCM Herbert Anthony S. Nacino	**ITS** Francis Noel A. Hernandez
Finance Emmanuel P. Marmol	**HR** Russel M. Cristi
CA&C Zyrille April M. Cartel	**LRA** Nikki C. Patubo
WMD Abigail Corazon A. Aya	**TRM** Laura Melissa C. Estinido
WSO Rafael King U. Ramos	**CXRO** Roldan Q. Pineda
PMD Marites M. Cruz	**CNRW** Wilfrida T. Sunga
Water Academy Oliver B. Sta Ana	**Philhydro** Mirla M. De Leon
BD Wawi B. Tago	**PEX** Walter C. Emnace

Enterprise Risk Management

Maynilad's Enterprise Risk Management (ERM) framework supports the Company's resilience by enabling a proactive and structured approach to identifying, assessing, and managing strategic and operational risks across the organization. The ERM program is integrated across all levels of the organization and is designed to anticipate potential disruptions and protect long-term value.

Guided by the Audit, Risk Oversight, and Related Party Transactions Committee of the Board, the ERM system is designed to align with ISO 31000 principles and industry best practices. Strong leadership commitment from top management ensures that risk management is integrated into decision-making, strategy development, and operational execution.

Clear risk ownership is established within the organization. Division Heads act as primary owners of strategic and operational risks within their respective business units and are responsible for implementing appropriate risk mitigation measures. These initiatives balance the cost of managing risks with anticipated benefits and include contingency, business continuity, and disaster recovery plans to minimize service disruptions and support timely recovery.

Top Management Team

Ramoncito S. Fernandez
President and CEO

Christopher Jaime T. Lichauco
Chief Operating Officer

Ricardo F. delos Reyes
Chief Finance Officer

Lourdes Marivic K. Punzalan-Espiritu
Chief Legal Counsel / Compliance Officer

Ryan B. Jamora
Head, Central Non-Revenue Water

Marie Antonette H. De Ocampo
Head, Corporate Affairs and Communication

Rodolfo O. Baylas, Jr.
Head, Customer Experience and Retail Operations

Jose Rizal O. Batiles
Head, Enterprise Risk Management and Internal Audit

Martin Inocencio B. de Guzman
Head, Human Resources

Francisco C. Castillo
Chief Information Officer / Head, Information Technology Services

Apollo C. Tiglao
Head, Program Management

Roel S. Espiritu
Chief Sustainability Officer / Head, Quality, Sustainability, and Resiliency

Cybele Martha L. Regalado
Head, Supply Chain Management

Ma. Cherry S. Marilla
Head, Technical Resource Management

Zmel D. Grabillo
Head, Wastewater Management

Ronaldo C. Padua
Head, Water Supply Operations

Business Model & Strategy

Value Creation Framework

[2-25, 3-3]

As a provider of an essential service, Maynilad understands that water is not just a utility but also a shared, life-sustaining resource that impacts public health, social equity, economic development, and environmental resilience. In the face of increasing climate volatility, rapid urbanization, and infrastructure constraints, the Company recognizes the need for a resilient and future-ready approach to managing water sustainably.

Maynilad's Value Creation Framework integrates key sustainability themes, stakeholder needs, and global development goals into how the company operates, innovates, and grows. The framework aligns with the Integrated Reporting Framework and the six capitals model, and it structures Maynilad's priorities around three interconnected sustainability pillars: Innovation and Business Growth, Operational Efficiency and Sustainable Solutions, and Stakeholder Engagement and Partnerships. These pillars are supported by specific material topics and are mapped to relevant UN Sustainable Development Goals (SDGs), demonstrating the company's contribution to global sustainability.

PURPOSE

Safe — MAYNILAD — Affordable

STAKEHOLDERS

INNOVATION AND BUSINESS GROWTH

SUSTAINABLE INITIATIVES	BUSINESS INPUT
Business Continuity	Organizational resilience and minimize service disruptions
Sustained Earnings	Financial stability and investor confidence
Asset Management	Optimize asser lifespan and reduce maintenance cost
Technology & Innovation	Drive long-term competitiveness and service expansion
Cyber Security & Data Privacy	Strengthen trust and digital resilience

OPERATIONAL EFFICIENCY AND SUSTAINABLE SOLUTIONS

SUSTAINABLE INITIATIVES	BUSINESS INPUT
Supply Chain Management	Resilient and efficient supply chain
Quality & Reliability of Water Supply	Increased customer trust, regulatory compliance, and operational stability
Water Efficiency & Wastewater Treatment	Reduced OPEX. Regulatory compliance. and resource management
Waste Management	Responsible waste management and regulatory compliance
Energy Management	Reduced anergy costs and improved operational atticiency
GHG Emission	Reducod environmental impact
Biodiversity Management	Promote environmental preservation and minimize environmental impact
Environmental Compliance	Avoidance of penalties

STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS

SUSTAINABLE INITIATIVES	BUSINESS INPUT
Customer Experience	Improved credibility and accountability: improved bill collection efficiency
Fair & Transparent Practices	Stronger stakeholder trust
Diversity, Equality, & Inclusion	Stronger organizational culture
Employee Engagement & Development	Highar productivity and impraved organizational resilience
Occupational Safety & Health	Enhanced workplace safety
Community Development	Strengthen partnerships and creation of shared value with communities

How Maynilad Creates Value & Contributes to UN SDGs

[2-25, 3-2, 3-3]

	INPUT	OUTPUT	OUTCOMES
Financial Capital	• PHP 26.9 Billion CAPEX • PHP 14.7 Billion OPEX • Disbursed 48% and 10% of Blue Bonds and IPO Proceeds	• PHP 36.6 Billion revenue	• PHP 109.8 Billion Net Equity Share • PHP 8.4 Billion Total Dividends • PHP 15.2 Billion Net Income • PHP 34.3 Billion Gross Proceeds from IPO • Long-term financial resilience, enhanced credit rating • EBITDA growth, increased investor confidence
Intellectual Capital	• Digital tools (EHSS, CMMS, GIS) • Software application • R&D resources • Internal and External Audit • Policies	• Zero incidents of cybersecurity breaches • Increased digital efficiency & AI-driven forecasting • Maynilad Water Safety Plan • IMS Certifications, accreditations, and recognized framework across covered sites and functions	• Sustained digital transformation
Manufactured Capital	• 8 water treatment plants, 41 pumping stations • NRW reduction technology & climate resilient infrastructure • 7,862 km of active pipelines to for delivering water to customers • 25 wastewater treatment plants • 654 km of sewer network pipelines • 97 Vacuum Truck Units with a total capacity of 770 cubic meters	• 82 km of new pipes • Delivered 870.6 million cubic meters of potable water to 10.5 million customers • Treated 72.5 million cubic meters of wastewater • 32,550 new water service connections • 24,698 new domestic separate, hybrid, and combined sewer service connections and 331 commercial sewer service connections • 34.9% Total NRW level • 111,406 septic tanks cleaned	• DOH & WHO water quality compliance • 91.9% water service coverage • 27% sewer coverage and 69% sanitation coverage • 256 million liters per day of NRW recovered • 550.8 million cubic meters of billed volume

BUSINESS ACTIVITY

KEY SERVICES

WATER
Provision of piped-in potable water that complies with Philippine National Standards for Drinking Water.

SEWERAGE
Collection and treatment of wastewater through the sewerage network, serving selected areas within the concession.

SANITATION
Provision of septic tank desludging services for areas not yet covered by sewerage network.

OUR VISION
We are the leading water solutions company in the Philippines with a strong presence across Asia.

OUR MISSION
We provide safe, affordable and sustainable water solutions that enable those we serve to lead healthier, more comfortable lives.

OUR CORE VALUES
- Honesty and Integrity
- Customer Service
- Entrepreneurship
- Commitment to Excellence
- Teamwork
- Love for Country

	INPUT	OUTPUT	OUTCOMES
Natural Capital	• 910 million cubic meters of water abstraction • 661 TJ of grid electricity consumed • 85 TJ of fuel consumed • 450 ha of watershed reforested in 2025 • 185,995 trees planted	• 1,295 ha of watershed protected and maintained over last 5 years • reduced carbon emission and improved energy efficiency • 803.5 MWh renewable energy consumed • Emission of 115 ktCO2e • 31,344 ML of recycled water • Generated 105 MT of hazardous waste and 353,285 MT of non-hazardous wastes	• PHP 109.8 Billion Net Equity Share • PHP 8.4 Billion Total Dividends • PHP 15.2 Billion Net Income • PHP 34.3 Billion Gross Proceeds from IPO • Long-term financial resilience, enhanced credit rating • EBITDA growth, increased investor confidence
Human Capital	• 2351 regular employees and 567 project-based employees • 88,670 total training hours provided to employees • PHP 10,296 average training cost per FTE	• 713 new hires • 92 internally trained subject matter experts • 29.36 average training hours per employee • 0.4 LTIFR • 42 new internal auditors • 26 additional Pollution Control Officers • 27% female employee representation	• Higher employee satisfaction, increased productivity • 5% employee turnover rate • 31% increase in employee training hours • Enhanced skill set of employees • Equal opportunities for employees at all levels
Social & Relationship Capital	• Engagement with LGUs, regulators, and NGOs • 17 LGU partners within our concession area • 2,290 accredited vendors with 92% local suppliers • 184,023 customer complaints resolved • Partnerships with 4 NGOs for Plant for Life Program • PHP 33 Million in community investments	• Enhanced partnerships with LGUs through community investments • 170 new accredited vendors • 4 social enterprise community • Local job hiring • 97% complaint resolution rate	• Sustained public trust and enhanced brand reputation • customer satisfaction and stronger regulatory engagement • strengthened partnership with NGOs in the protection of the watershed

Materiality Assessment [3-1]

Maynilad's approach to materiality is anchored on the principle that material topics should remain relevant, decision-useful, and aligned with long-term value creation. Rather than treating materiality as a periodic compliance exercise, Maynilad adopts a continuous review and validation approach.

While no new standalone materiality assessment was undertaken in 2025, Maynilad actively reviewed and reaffirmed the relevance of its material topics through internal governance processes and ongoing stakeholder engagement.

Material topics were reviewed against the Company's sustainability pillars—**Innovation and Business Growth, Operational Efficiency and Sustainable Solutions, and Stakeholder Engagement and Partnerships**—as well as enterprise risk management outputs to ensure continued alignment with value drivers across the short, medium, and long term.

The Company also maintained the mapping of material topics across the **Six Capitals**, reinforcing the interdependencies among financial and non-financial resources in its value creation process.

Stakeholder insights gathered through regular engagement with customers, employees, regulators, investors, and communities served as validation that existing material topics remain responsive to stakeholder concerns and expectations.

The reaffirmed material topics were further embedded into Maynilad's **Value Creation Framework**, strengthening the linkage between strategy, material topics, key performance indicators, and outcomes. This integration supports informed decision-making, improved governance, and transparent disclosure of how sustainability considerations are embedded in the Company's operations.

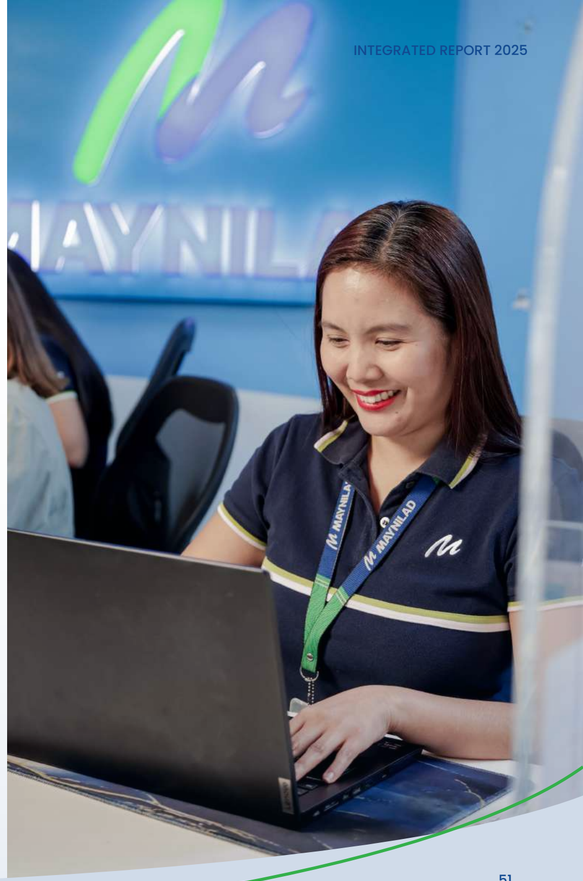
Stakeholder Engagement Approach [2-29]

Maynilad recognizes that long-term value creation and organizational resilience are deeply rooted in the strength of its relationships with stakeholders. As a public utility, the Company's ability to deliver safe, affordable, and sustainable water services depends not only on operational excellence but also on active engagement with communities, customers, employees, regulators, and partners.

Stakeholder Engagement Survey

In 2025, Maynilad strengthened its engagement approach through a Stakeholder Engagement Survey covering ESG priorities, service delivery, and material topics. Insights were complemented by targeted engagement with customers, regulators, LGUs, suppliers, and community groups. A total of 213 stakeholders participated in the survey, with the majority representing suppliers, contractors, and service providers (59%), followed by employees (33%). Other respondents included industry partners, customers, local government units (LGUs), national government agencies, and community organizations.

While the survey captured valuable insights across multiple sectors, Maynilad acknowledges that participation from certain stakeholder groups, such as media representatives and social enterprises, was limited. As a result, some responses may not fully reflect the broader views of those segments. Nonetheless, customer insights were collected separately through dedicated feedback mechanisms, while engagement with the media continues through public communication efforts.



Survey Objectives and Approach

To ensure a comprehensive and insightful process, the survey was structured around four key areas:

1. **Stakeholder Awareness & Engagement**
   Assess stakeholder familiarity with Maynilad's practices and communication

2. **Material Topics & Value Creation**
   Captured stakeholder views on key ESG issues based on their impact and financial materiality across the six capitals: Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural.

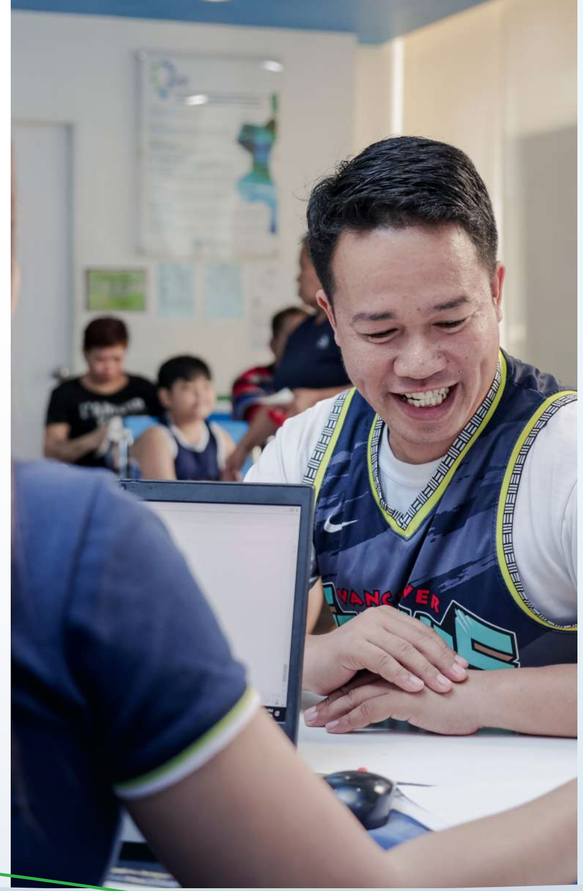
3. **Interaction & Communication Preferences**
   Explored how frequently stakeholders engage with Maynilad and their preferred methods of interaction.

4. **Risks, Opportunities & Strategic Insights**
   Identified emerging risks and opportunities that may influence the Company's long-term sustainability and performance.

Material Topics for Value Creation
[3-2]

Through the 2025 Stakeholder Engagement Survey and continuous alignment with integrated reporting standards, Maynilad reiterated the relevance of its previously established material topics and has retained the material topics disclosed in the Maynilad 2024 Integrated Report. These topics reflect the most significant ESG issues that influence the Company's ability to create long-term value and meet stakeholder expectations.

The material topics identified cover a broad range of priorities that directly affect Maynilad's operational performance, regulatory compliance, environmental footprint, workforce well-being, and relationship with communities and customers. These topics guide both strategic planning and day-to-day operations across business units. These material topics are mapped across the six capitals, allowing Maynilad to identify interdependencies and assess how its strategies and activities contribute to both short-term performance and long-term resilience. By continuing to evaluate and refine these topics through regular engagement and internal reviews, Maynilad ensures that its integrated approach remains responsive to evolving challenges and opportunities in the water and wastewater sector.



Key Insights and Thematic Highlights from the 2025 Stakeholder Engagement Survey

Workforce-Related Insights

Respondents expressed strong support for Maynilad's employee welfare programs, particularly its emphasis on occupational safety, productivity, and guidance for both internal and external stakeholders. At the same time, some identified areas for improvement, including stronger grievance mechanisms, better work-life balance policies, and more consistent contractor performance monitoring.

Respondents also identified employee skills and development, occupational health and safety, compensation, and wellbeing as critical areas affecting both employee satisfaction and organizational resilience.

Policy, Regulation, and Governance

Although only a small number of respondents directly addressed policy and regulatory issues, their feedback highlighted important considerations. Stakeholders emphasized the need for closer coordination with the MWSS Regulatory Office, clearer consumer communication, and proactive preparation for future regulatory shifts related to water reuse, digital monitoring, and sustainability reporting.

LGU and Local Government Engagement

Local government representatives underscored the importance of reliable water access, particularly in terms of steady supply, adequate pressure, and minimal service interruptions. They also suggested that Maynilad could further support local initiatives related to sustainable energy, public health, and environmental protection.

At the same time, respondents identified several risks that could affect service delivery, including rapid population growth, disaster vulnerability, and the presence of informal settlements. Some LGUs also raised concerns about traffic disruptions caused by pipeline and infrastructure projects.

Procurement and Supply Chain

Most suppliers rated Maynilad's procurement process positively, describing it as clear, fair, and highly structured. Many appreciated the company's strict ESG compliance requirements, viewing them as a sign of responsible governance. However, some suggested that procurement processes could be further improved through faster turnaround times and greater consideration of non-cost factors such as quality and long-term sustainability.

Respondents noted that importation costs, supply chain disruptions, ESG compliance requirements, and labor standards could impact Maynilad's operations. Several also recommended greater transparency in bidding processes and stronger digitalization across procurement systems.

Community Organizations and Social Enterprises

Although participation from representatives of community organizations and social enterprises was limited, respondents generally viewed Maynilad's programs as beneficial, particularly the Plant for Life initiative, which they recognized as having a positive environmental and social impact. Stakeholders encouraged deeper collaboration with NGOs, schools, and private sector partners, as well as greater support for livelihood programs in underserved communities.

They also highlighted climate change, pollution control, and natural resource management as key areas where Maynilad's engagement could generate meaningful impact.

Communication Channels and Preferences

The survey revealed that most stakeholders engage with Maynilad frequently, with a significant proportion interacting often. The most common channels of communication were email and face-to-face meetings, which were also identified as the most effective platforms for raising concerns.

While email emerged as the preferred channel for updates, some respondents also expressed interest in more flexible communication options, including phone calls, virtual meetings, and social media when appropriate.

Other Stakeholder Recommendations

Stakeholders offered several practical suggestions for improving engagement and operations. These included organizing an annual procurement and partnership forum, enhancing transparency in supplier communications, strengthening data governance, and improving customer service systems.

Employees also called for clearer career progression pathways and more competitive compensation structures, while community representatives emphasized the need for broader water coverage and better service reliability in underserved areas.

Risk & Opportunities

[S1.29(a-b), S1.30(a-c), S1.33(a), S2.9(a-b)]

Risk Management

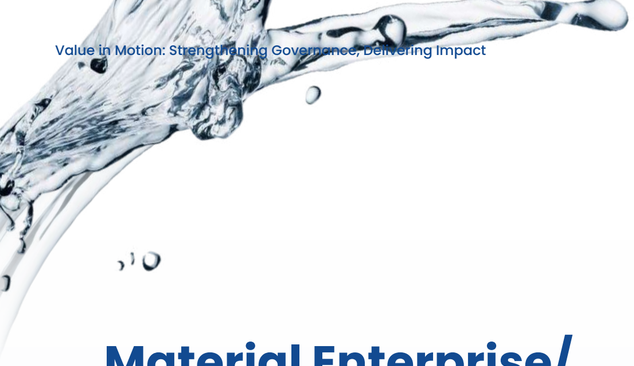
Maynilad operates in an environment shaped by climate variability, urban expansion, regulatory developments, and evolving technology. As such, the Company adopts a proactive and structured approach to managing risks and opportunities that may affect its long-term performance.

Its Enterprise Risk Management (ERM) framework, aligned with ISO 31000 principles, provides a company-wide system for identifying, assessing, and addressing strategic, operational, financial, compliance, and sustainability risks.

Oversight rests with the Board, through the Audit, Risk Oversight and Related Party Transactions Committee, which reviews key risks and evaluates the effectiveness of mitigation measures. At the management level, the ERM Team works with a cross-functional Strategic Risk Core Team to conduct periodic risk assessments covering short-, medium-, and long-term exposures.

Risks are systematically identified, prioritized, and assigned clear owners, with corresponding mitigation plans and performance monitoring. Control measures are regularly reviewed and strengthened where needed to address emerging challenges.

In 2025, Maynilad enhanced its risk management practices by improving data governance, strengthening asset condition reporting, and further integrating risk insights into business continuity and sustainability planning. The continued expansion of its ISO 22301-certified Business Continuity Management System improved preparedness across critical operations.



Material Enterprise/ Climate-Related Risks and Opportunities

[201-2, IF-WU-440a.3, IF-WU-450a.4]

Maynilad incorporates climate risk assessments into its strategic planning, capital investments, and enterprise risk management processes. The focus is on identifying vulnerabilities across the value chain, spanning raw water sourcing, treatment, transmission, distribution, and wastewater management, and deploying tailored responses that balance financial, operational, and environmental performance.

Risk Horizons and Value Chain Impact

Maynilad categorizes climate-related risks based on the time horizon of their impact:

Short-Term (1–2 years)

Increased unpredictability of weather patterns can disrupt raw water availability and intensify sediment runoff, particularly in key sources such as Laguna Lake. These conditions increase treatment complexity and compromise asset performance in the short term.

Medium-Term (3–5 years)

As raw water quality deteriorates, the cost of water treatment is expected to rise. This includes higher chemical usage and equipment wear. Extreme weather events also pose physical risks to pipeline networks and other critical infrastructure, requiring increased capital investments for adaptation.

Long-Term (Beyond 5 years)

Long-term threats include declining aquifer levels, water source competition, and evolving regulatory demands around water reuse, carbon emissions, and sustainability reporting—each requiring sustained investment and strategic foresight.

Key Climate Risks Across the Value Chain

[201-2]

Maynilad has identified the following key climate-related risks that affect its business model:

Climate-Related Risks	Risk Type	Operational Effects	Financial Impacts
Raw Water Quality Issues • driven by water source pollution and biological contamination (e.g., algal blooms)	Physical	• Lower water quality • Regulatory non-compliance • Reputational damage	• Increased OPEX for water treatment • Higher costs of fines and penalties
High Turbidity and Sedimentation • driven by intense rainfall events	Physical	• Damage to pumps and filtration systems	• Increased CAPEX for enhancement of water treatment infrastructure
Seasonal Raw Water Quality Variability • driven by varying rainfall intensity	Physical	• Increased wear and tear on treatment facilities • More service interruptions	• Lower revenue from reduced water billings and higher NRW • Increased OPEX for water treatment
Leaks and Infrastructure Failures • driven by varying rainfall intensity	Physical	• Increased wear and tear on piping systems • Increased NRW • More service interruptions	• Lower revenue from reduced water billings and higher NRW • Increased CAPEX for infrastructure repairs
Regulatory Non-Compliance • driven by evolving sustainability regulations	Transition	• Legal penalties • Reputational damage • Restricted access to regulatory approvals	• Higher costs of fines and penalties

Opportunities and Resilience Strategies

Maynilad's climate risk response is anchored on strengthening infrastructure resilience, ensuring compliance, and enhancing adaptive capacity. Several key actions have been initiated or accelerated in 2025:

Investments in Resilient Infrastructure

The Company continues to modernize and expand its water and wastewater systems, including the commissioning of new Water Reclamation Facilities and the implementation of asset condition reporting tools. These efforts help address both immediate operational risks and longer-term climate exposure.

Technology and Monitoring Enhancements

Maynilad is adopting digital tools such as AI-driven leak detection, algae monitoring systems, and network optimization platforms to manage risks in real-time and improve operational efficiency.

Sustainable Financing Mechanisms

Through ESG-linked instruments such as Blue Bonds and Green Equity, Maynilad secures capital for climate-aligned investments, while reinforcing its commitment to sustainability and transparency with investors.

Integrated Governance and Scenario Planning

Although a formal 2°C or lower climate scenario assessment has yet to be completed, climate risks are increasingly embedded in the Company's ERM processes and strategic planning frameworks. Maynilad aims to develop scenario-based risk models to better quantify climate risks across various time horizons and improve response planning.

Balancing Risks and Opportunities

As climate risks grow more interconnected, Maynilad continuously balances trade-offs between short-term financial objectives and long-term resilience. Decisions are made with full consideration of their sustainability implications, such as:

1. **Prioritizing NRW reduction projects while managing impacts on customer affordability**
2. **Investing in climate adaptation infrastructure even when profit margins may be temporarily affected**
3. **Scaling infrastructure growth while minimizing environmental and social externalities**

Through its integrated approach to climate risk, Maynilad is building a more adaptive business model, one that is better prepared for future shocks and capable of creating long-term value for stakeholders. Continued investments in infrastructure, governance, and partnerships will allow the Company to address water security risks, enhance operational continuity, and support the country's climate resilience agenda.

Significant Enterprise Risk Factors and Mitigating Measures

Maynilad conducts a quarterly review of its top and emerging enterprise risks to maintain a proactive and responsive risk management system. This ongoing assessment enables the Company to implement timely mitigation strategies and adapt to changes in the operating environment.

These risks are spread across various areas of Maynilad's value chain, from sourcing raw water to treatment, distribution, customer service, regulatory compliance, and financial management. They also include climate-related risks and digital vulnerabilities that reflect the evolving risk landscape.

The table below shows the significant enterprise risks, value chain segments affected, risk horizons, potential financial impact, and corresponding mitigation strategies.

Significant Enterprise Risk Factors and Mitigation Measures

[201-2, IF-WU-450a.4]

NO.	RISK CATEGORY	DESCRIPTION	VALUE CHAIN	TIME HORIZON	POTENTIAL FINANCIAL IMPACT	MITIGATION STRATEGIES AND CONTROLS
1	Water Supply Risk	Seasonal raw water quality issues; Continued reliance on Angat as primary water source; High Non-Revenue Water (NRW) levels	Raw Water Sourcing; Water Treatment; Distribution and Network Management	Short to Long Term	Regulatory penalties related to service level performance; Increased treatment and operational costs; Reduced production efficiency; Revenue impacts from water losses or service interruptions	Enhance treatment resilience; Monitor and manage raw water conditions; Pursue additional water sources; Implement NRW reduction programs; Optimize system operations
2	Project Delivery Risk	Delays in capital expenditure disbursement; Recurring challenges in capital projects delivery	Infrastructure Development; Operations	Short to Medium Term	Deferred revenue recognition; Cost overruns; Regulatory and service-level impacts	Improve project planning and governance; Accelerate land and ROW acquisition; Strengthen stakeholder engagement
3	Political and Regulatory Risk	Political and regulatory developments; Proposed legislation affecting sector governance	Regulatory Compliance; Financial Planning	Short to Medium Term	Regulatory penalties related to service performance or disclosure compliance	Proactively engage with regulators; Implement compliance remediation; Ensure strict disclosure adherence; Actively participate in legislative discussions
4	Revenue Risk	External factors affecting revenue; Regulatory or tariff changes affecting planned revenue	Customer Service; Financial Management	Short to Medium Term	Adjustments to allowable revenue; Penalties or rebates for unmet service obligations	Strengthen billing accuracy and account management practices; Reduce commercial losses; Ensure timely project completion
5	Cyber Security, Information Security, and Data Privacy Risk	Increasing cybersecurity threats; Evolving cybersecurity and data privacy regulations	IT; Data Governance; Corporate Services	Short to Medium Term	Reputational impact; Regulatory penalties; Financial losses	Enhance cybersecurity awareness and capability; Strengthen security governance; Improve security controls and incident response capabilities; Monitor regulatory developments and ensure compliance readiness

NO.	RISK CATEGORY	DESCRIPTION	VALUE CHAIN	TIME HORIZON	POTENTIAL FINANCIAL IMPACT	MITIGATION STRATEGIES AND CONTROLS
6	Climate-Related Risk	Extreme weather and other physical climate risks; Transition risks from low-carbon shift	Raw Water Sourcing; Infrastructure Resilience	Medium to Long Term	Increased operating costs; Service disruptions or reduced production efficiency; Higher capital or compliance costs	Enhance climate resilience of water supply and critical infrastructure; Strengthen climate risk forecasting and early-warning capabilities; Advance watershed protection and environmental programs; Implement low-carbon programs
7	Asset and Equipment Risk	Failures or deterioration of critical assets and equipment potentially leading to service disruptions	Operations and Maintenance	Short to Medium Term	Increased repair and operating costs; Service delivery interruptions	Implement asset renewal programs; Enhance operational reliability; Upgrade facilities for climate/ flood resilience; Strengthen asset management practices
8	Third-Party Risk	Capacity and performance issues of contractors and other third-party service providers	Vendor Management; Project Execution	Short to Long Term	Cost escalation; Project delays	Expand contractor capacity; Enhance contractor qualification and selection processes; Manage vendor concentration risk; Strengthen contractor performance management and capability development
9	Reputational Risk	Increased exposure due to heightened stakeholder scrutiny as a publicly listed company	Corporate Governance; Customer Relations	Short to Long	Revenue decline, Increased regulatory or compliance-related costs	Enhance cybersecurity awareness and capability; Strengthen security governance; Improve security controls and incident response capabilities; Monitor regulatory developments and ensure compliance readiness
10	Natural Calamity Risk	Operational disruption and asset damage due to natural disasters	Operations and Maintenance	Short to Long Term	Asset damage, Increased repair and maintenance costs, Service disruptions with potential revenue impact	Integrate disaster risk reduction into facility design and planning; Conduct structural assessments; Implement asset condition monitoring; Strengthen emergency preparedness and response programs

Operational Performance

Innovation and Business Growth

Business Continuity

Business continuity remains a core priority for Maynilad, underpinning service reliability and long-term operational resilience in an operating environment exposed to climate, seismic, and operational risks.

The Company maintains a robust Business Continuity Management System (BCMS) that enables it to anticipate, respond to, and recover from disruptions while sustaining critical water and wastewater services.

In 2025, Maynilad further strengthened its BCMS with the successful certification of the Paranaque Water Reclamation Facility, bringing the total number of ISO 22301:2019-certified sites to 15. These certified facilities include key water and wastewater treatment plants, pump stations, and critical support functions, reflecting a deliberate expansion of continuity coverage across high-impact operations.

Business continuity plans are continuously implemented, reviewed, and regularly tested through simulation exercises and emergency drills to validate their applicability and effectiveness under real-world conditions. These activities enhance operational agility, clarify decision-making protocols, and strengthen cross-functional coordination during crisis scenarios.

By embedding business continuity into daily operations and capital planning, Maynilad reinforces its ability to manage downside risks, protect asset value, and ensure uninterrupted service delivery—key factors supporting the Company's long-term stability and resilience.

Building System Resilience Through Infrastructure Investment

Maynilad's infrastructure investments are a strategic lever for enhancing operational resilience and ensuring uninterrupted water and wastewater services. In 2025, Maynilad disbursed PHP 26.9 Billion in capital expenditures, targeting areas critical to business continuity: wastewater treatment, water source development, network reliability, operational support, Non-Revenue Water (NRW) management, and digital systems for customer service. These investments strengthen system redundancy, secure supply, and improve Maynilad's capacity to respond to disruptions.

2025 CAPEX Program

PHP 9.1 Bn
Wastewater Treatment
20MLD Tunasan WRF
205MLD Camana WRF

PHP 5.3 Bn
Water Source Program
Cavite Modular Treatment Plants
Totaling 20.5MLD

PHP 5.9 Bn
Operations Support
La Mesa Lagoon Conversion
28.5km Primary Pipes Laid

PHP 0.9 Bn | Costumer Service and Information Technology

PHP 5.6 Bn | NRW Management

Significant investments in wastewater treatment facilities, including the Tunasan and CAMANA Water Reclamation Facility, expand treatment capacity, enhance regulatory compliance, and mitigate operational risk during emergency events. Water source programs through expansion of Cavite Modular Treatment Plants and La Mesa Lagoon conversion helps increase supply flexibility and resilience, while NRW management initiatives reduce system losses, repair legacy infrastructure, and prevent unplanned interruptions. Upgrades to operational support assets and IT systems enable real-time monitoring, faster incident response, and recovery capabilities, further embedding continuity into Maynilad's operations.

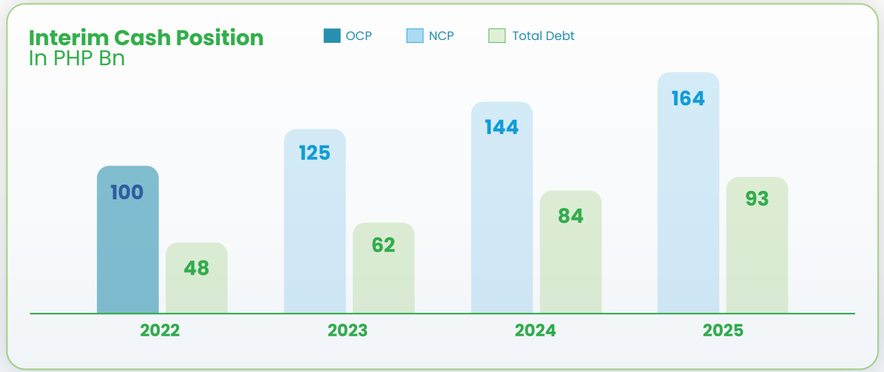
Sustained Earnings
[S1.34(a), S2.15(a)]

Maynilad continues to uphold strong and stable earnings performance as a foundation of its long-term sustainability. The Company maintained its disciplined approach to financial management, striking a careful balance between affordability, operational efficiency, regulatory compliance, and shareholder value. Its prudent capital allocation and continued focus on cost optimization enabled it to invest into high-impact projects, including water supply expansion, wastewater infrastructure upgrades, and digital transformation initiatives that enhance service delivery.

Maynilad's financial planning and capital allocation are overseen by its Board and management committees, with alignment to long-

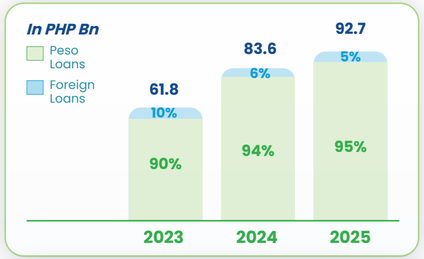
term strategic priorities and sustainability commitments. Financial performance is closely monitored through robust governance mechanisms, audit oversight, and enterprise risk management to ensure accountability and financial discipline.

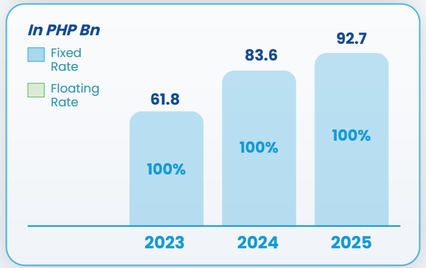
Under its concession agreement, Maynilad's regulated returns are anchored on the Opening Cash Position (OCP), as determined by the regulator, which serves as the sole basis for the 12% pre-tax nominal rate of return. Complementing this, the Interim Cash Position (ICP) is used internally as a close approximation of the OCP for relevant periods, reflecting adjustments between Philippine Financial Reporting Standards and regulatory accounting. As of end-2022, the OCP stood at PHP 100 billion, while the ICP is estimated at PHP 164 billion by 2025, primarily driven by accelerated and regulator-approved capital investments during the current rate rebasing period. This sustained growth in capital base not only reinforces the justification of tariff levels but also demonstrates the financial strength of the concession. The ICP levels have continued to exceed total debt, indicating the concession's profitability as the regulated returns exceed the non-recoverable costs such as financing and corporate income expenses.



Debt Profile

Maynilad strategically manages its financial obligations through debt and equity financing for capital expenditure, maintaining a robust balance sheet. The Company mitigates financial risks by utilizing fixed-rate, peso-denominated loads, with minimal foreign exchange exposure. Maynilad adheres to all loan covenants, as evidenced by its Debt/Equity Ratio and Debt Service Coverage Ratio. The company also insures that it is well within an internal guidance point with its Debt/EBITDA ratio.





KEY DEBT ANALYSIS

Debt Metrics/Terms	FY24	FY25
Average Cost of Debt (ex VAT)	6.23%	6.20%
Average Remaining Tenor	8.07 years	7.53 years
Debt/Equity	1.1x	0.8x
Debt Service Coverage Ratio	3.5x	6.1x
Debt/EBITDA	3.8x	3.6x
Equity (in P Mn)	75,355	109,767

COVENANTS

2.33x
Max D/E Ratio

1.2x
Min DSRC

INTERNAL GUIDANCE

5.5x
Max Debt/EBITDA

Note: All loan-related data presented applies solely to the Parent company

FEATURE STORY

Historic IPO Marks Maynilad's Achievement of First Green Equity Label

Maynilad Water Services, Inc. marked a defining milestone with its listing on the Philippine Stock Exchange under the ticker MYNLD, opening a new chapter in its growth and strengthening the Philippine capital market's role in financing sustainable infrastructure. The bell-ringing ceremony, attended by President Ferdinand R. Marcos Jr. and market leaders, marked a milestone not just for the Company, but for the Philippine water sector.

The Initial Public Offering raised approximately PHP 34.3 billion, one of the largest in the Exchange's history. Proceeds will support Maynilad's continued investments in expanding water supply, strengthening wastewater treatment, and modernizing infrastructure across the West Zone—initiatives that improve service reliability while protecting vital water resources.

Even before its market debut, the Securities and Exchange Commission awarded Maynilad the country's first-ever Green Equity Label, recognizing that the majority of its revenues and investments contribute to environmentally sustainable activities. This distinction places Maynilad at the forefront of green finance in the Philippine water sector.

The IPO attracted strong support from both local and international investors, including the International Finance Corporation (IFC) and the Asian Development Bank (ADB). Their participation reflects confidence not only in Maynilad's financial performance, but also in its long-term commitment to climate resilience and responsible infrastructure development.

For Maynilad, going public represents more than access to capital. It reinforces the Company's commitment to transparency, strong governance, and sustainable value creation as it continues to deliver safe, reliable and affordable water and wastewater service to millions of Filipinos.

Economic Performance
[201-1]

Maynilad's financial performance in 2025 strengthened its ability to sustain operations, expand infrastructure, and support long-term strategic priorities.

In 2025, total direct economic value generated increased by approximately 9%, primarily driven by higher revenue as service demand increased and operational capacity expanded. Growth in the Company's core utility operations reflect the continued expansion of its customer base and improvements in service delivery across the West Zone. Variations in interest and dividend income were modest and did not materially affect the overall upward trend in economic value generation.

Total economic value distributed increased marginally by about 5%, primarily reflecting adjustments in dividend distributions and financing costs. This reflects disciplined capital management and a balanced allocation of resources between shareholder returns and strategic reinvestment to support long-term infrastructure expansion and service reliability. Operating costs remained well managed despite continued service expansion, while employee wages and government payments increased. This reflects sustained workforce investment and higher tax contributions aligned with improved profitability.

As a result, economic value retained rose significantly by roughly 17% year-on-year. This increased Maynilad's capacity to reinvest in infrastructure upgrades, digital transformation, and climate resilience initiatives.

Amounts are in Php million

DESCRIPTION	2023	2024	2025
I. Direct economic value generated:	**27,561**	**33,927**	**36,957**
Revenue	27,323	33,495	36,645
Interest Income	222	405	307
Dividend income	16	28	5
II. Economic value distributed:	**18,876**	**22,236**	**23,269**
Operating costs	6,585	6,472	5,994
Employee wages and benefits	2,523	2,892	3,280
Payments to providers of capital	2,534	2,447	2,243
Dividends Distributed	3,600	5,654	6,400
Payments to government	3,485	4,737	5,319
Community investments	149	33	33
III. Economic value retained (calculated as 'Direct economic value generated' less 'Economic value distributed')	**8,685**	**11,692**	**13,688**

Economic value retained is calculated as 'Direct economic value generated' less 'Economic value distributed.' Numbers may not exactly add up due to rounding off.

Financial Independence
[201-4, 415-1]

Maynilad remains financially independent through its sole reliance on revenue and private investments, with no direct financial assistance received from the government. The Company aims to maintain its independence by contributing to the Philippine economy through tax contributions and investments into infrastructure, communities, and stakeholders.

For the current reporting period, Maynilad declares that:

- No tax relief, tax credits, or government subsidies were received;
- No investment grants, research and development (R&D) funding, or financial incentives were provided by government agencies, and;
- No financial support was received from Export Credit Agencies (ECAs) or other public financial institutions

Maynilad has also not provided any political contributions.

Tax Strategy
[207-1, 207-2, 207-3]

Maynilad adopts a responsible tax approach grounded in full compliance with applicable tax laws and regulations while efficiently managing tax obligations in accordance with statutory provisions. The Company's tax strategy supports sustainable operations and long-term value creation by ensuring accurate and timely tax reporting across national and local jurisdictions.

Oversight of tax matters is embedded within Maynilad's financial governance structure. The Chief Finance Officer, together with the Controllership and Tax Compliance Heads, reviews tax practices and regulatory developments, while the Tax Compliance Section manages filings, monitoring tax issuance, and coordinates implementation across relevant business units. Tax-related risks are assessed internally, with tax advisors and legal counsel engaged when necessary. Maynilad maintains a cooperative relationship with tax authorities and ensures proper documentation and representation in tax matters, reinforcing transparency and accountability.

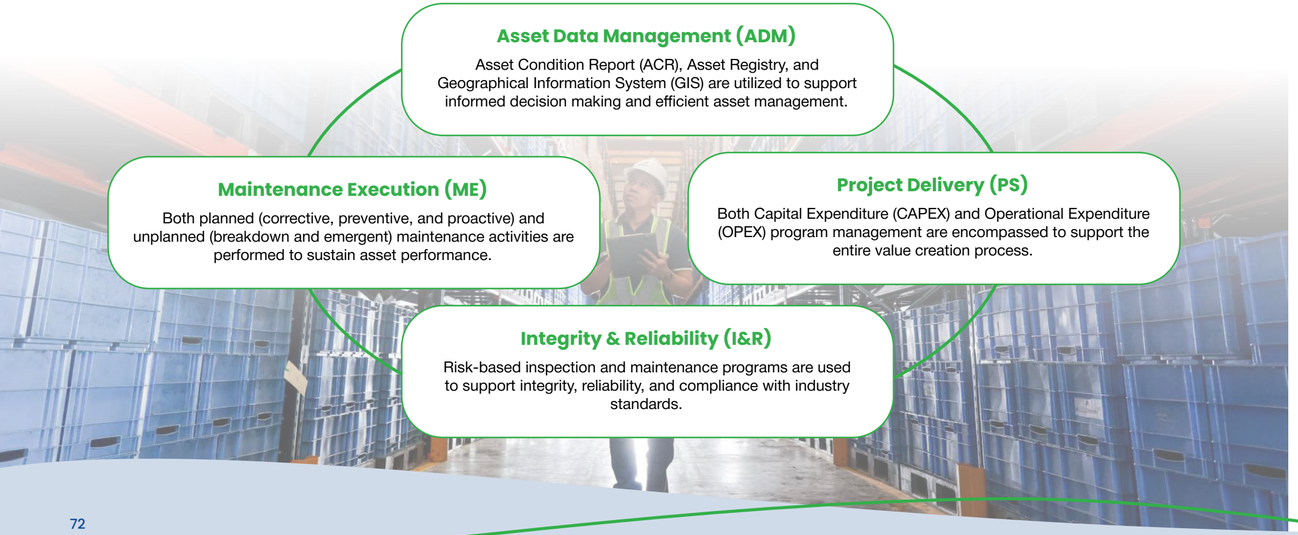
In 2025, total tax and royalty expenses increased by approximately 13% year-on-year, driven mainly by higher corporate income tax following stronger revenue performance and sustained profitability. Other taxes and regulatory payments remained generally stable, reflecting consistent compliance with statutory obligations. The overall increase aligns with improved financial results and shows the Company's continued contribution to national and local government revenues.

Tax and Royalty Expenses	Accrued (Million PhP)	Paid (Million PhP)
Corporate Income Tax	3,923	3,800
Other Taxes and Payments	1,095	1,095
Total	**5,017**	**4,894**

Asset Management

Maynilad manages a large and complex network of water and wastewater infrastructure designed to deliver reliable services across its concession area. The Company's asset management strategy focuses on maintaining and enhancing critical facilities to support service reliability by maximizing 24/7 water supply coverage, operational efficiency by minimizing NRW, and long-term system resilience by maximizing the longevity of our water and wastewater infrastructure. Through disciplined lifecycle planning, strategic capital investments, and performance monitoring, Maynilad ensures that its assets remain capable of meeting growing demand and evolving climate-related risks.

The Company's Integrated Asset Management System (AMS) governs assets from planning and construction to operation, maintenance, and renewal. Core processes include preventive and corrective maintenance, structured capital program management, reliability engineering using FMECA and RCA, and data-driven asset monitoring through condition reports and GIS. These practices reduce service disruptions, extend asset lifespan, and optimize resource allocation.



As part of its Pipeline Integrity Management Program, Maynilad implemented a pipeline condition assessment to gather information on the current physical condition of its pipelines and detect potential anomalies. The program prioritizes high-risk and critical primary lines, enabling the Company to proactively address vulnerabilities, guide rehabilitation planning, and strengthen the long-term reliability of the distribution network.

Maynilad also strengthened its preventive maintenance practices through the implementation of Condition-Based Maintenance (CBM), transitioning from traditional Time-Based Maintenance. This initiative supports the organization's progression in asset management maturity from Stage 3 (Time-Based Maintenance) to Stage 4 (Predictive/Condition-Based Maintenance), aligning with the Company's broader asset management objectives and operational reliability targets.

In 2025, Maynilad maintained its network of over 7,800 kilometers of pipelines and commissioned the Cupang, and Tunasan Water Reclamation Facilities, strengthening water supply, sanitation, and environmental compliance. Investments in climate-resilient infrastructure, digital monitoring, and predictive maintenance further enhance operational stability and sustainability.

Maynilad also places strong emphasis on asset protection and security to safeguard critical infrastructure and ensure uninterrupted service delivery. This is achieved through a combination of physical security measures, controlled access protocols, and continuous monitoring of high-risk assets such as treatment plants, pumping stations, and primary pipelines. Access to critical systems is strictly limited to authorized and certified personnel, supported by security officers, to prevent accidental miscalibration or deliberate interference.

Operational security is reinforced through perimeter controls as well as appropriate safeguarding of linear assets to maintain site integrity and reduce the risk of asset tampering. In addition, specialized protective enclosures are deployed for sensitive components such as flow meters, housing key equipment like loggers and converters with dedicated cable protection and heavy-duty locking mechanisms. These measures are complemented by Maynilad's Asset Data Management framework, which leverages data-driven monitoring to enable early detection of vulnerabilities and timely response to potential threats.

Current Facilities & Infrastructure

[IF-WU-000.E]

8 Water Treatment Plants	**41** Pumping Stations	**25** Wastewater Treatment Plants
39 Reservoirs	**35** In-line Boosters	**654** Sewer Lines
7,862 KM Active Water Pipelines		**97** Vacuum Truck Units

Technology and Innovation

Technology and innovation are key enablers of Maynilad's efficiency, service reliability, and sustainability. In 2025, the Company expanded the use of AI and data analytics for leak detection and network optimization, contributing to over 70,373 leak repairs and further reducing non-revenue water. Operational efficiency was also supported by modular treatment, allowing more flexible and cost-effective water and wastewater management.

Innovation initiatives are embedded with sustainability and ESG considerations, including alignment with IFRS S1 and S2 climate reporting standards. Maynilad continues to explore digital transformation projects, such as Building Information Modeling, alternative water source evaluation, and resource recovery initiatives, to enhance resilience, reduce environmental impact, and optimize resource use.

Despite challenges with aging assets and data governance, the Company remains committed to integrating smart, low-carbon solutions that strengthen operational performance, improve service continuity, and support long-term value creation for communities, customers, and stakeholders.

Cybersecurity and Data Privacy

[418-1]

IT service delivery is governed through Maynilad's ISO/IEC 20000-1:2018 certified IT Service Management System aligned with ISO/IEC 27001, while cybersecurity and data privacy are managed through internal policies, governance controls, applicable legal and regulatory requirements, and alignment with NIST Cybersecurity framework, ensuring IT and data privacy risks are managed systematically within the broader enterprise risk framework to support service continuity and customer protection. In 2025, Maynilad strengthened safeguard by addressing internal data governance gaps and refining protocols for data classification, access control, and incident response.

Governance remains central. A designated IT Security/Cybersecurity Head from the Information Technology Services (ITS) Division leads cybersecurity efforts, while the Enterprise Risk Management and Internal Audit (ERMIA) Division oversees data privacy. A designated Data Privacy Officer (DPO), supported by the Data Privacy Committee, ensures compliance with Data Privacy Act and emerging regulatory requirements.

Employee awareness was strengthened through Privacy Awareness Week 2025, including the seminar "PAWIawakin and Kaalaman: Data Privacy, Social Engineering & AI" with 346 participants, covering privacy principles and defense against social engineering and AI-related risks.

Preventive measures and risk mitigation were reinforced through improvements in data governance, monitoring of aging infrastructure, and protection against unauthorized access. As a result, Maynilad recorded zero incidents of data breaches, theft, or unauthorized disclosures in 2025, including zero complaints on customer privacy breaches or data loss, demonstrating the effectiveness of its safeguards.

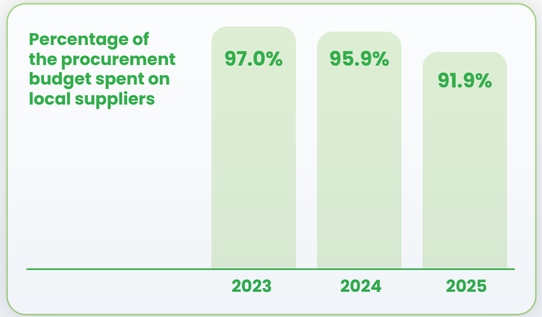
Looking forward, the Company plans to integrate cybersecurity KPIs and digital risk metrics into sustainability and business planning, establish advanced monitoring capabilities, and continue modernizing IT infrastructure. Ongoing investments in cybersecurity remain a strategic priority, safeguarding operational resilience, regulatory compliance, and stakeholder trust in an increasingly digital environment.

Operational Efficiency and Sustainable Solutions

Supply Chain Management

[204-1, 308-1, 308-2, 414-1, 414-2]

Procurement is critical to ensuring the availability of materials and services needed to sustain Maynilad's operations. In 2025, total procurement spending reached around PHP 5.5 billion with 92% sourced locally, supporting domestic suppliers, reducing logistical risks, and strengthening local economic activity. Procurement practices are guided by policies that promote fair competition, transparency, regulatory compliance, and ESG principles, including the Supplier Accreditation and Vendor Code of Conduct.



Supplier Management and ESG Screening

In 2025, Maynilad worked with 2,290 suppliers, onboarding 170 new suppliers, of which 64 were assessed against environmental and social criteria. In line with Maynilad's Supplier Sourcing Procedure, certain newly accredited suppliers that meet predefined criteria are exempted from ESG screening, as approved by Vendor Management. This ensures that the accreditation process remains efficient while maintaining focus on suppliers with higher ESG relevance.

The Supplier Code of Conduct establishes clear expectations, including:

- Business Conduct and Ethics
- Compliance with Legal Requirements
- Delivery of Goods and Performance of Services
- Labor and Human Rights

Supplier performance is monitored through internal KPIs, site audits, and periodic evaluations, ensuring compliance with contractual obligations and ESG commitments.

Operational Continuity and Supplier Risk Management

Maynilad ensures supply continuity through a multi-layered approach:

- **Performance Monitoring and Audits:** Maynilad conducted 42 business reviews with suppliers to address concerns, verify reliability and compliance, and highlight upcoming business opportunities with Maynilad.
- **Risk Management:** Diversified supplier base, buffer stocks, and contingency planning reduce exposure to disruptions

Maynilad also implements a contractor training program, attended by 16 out of 18 new contractors, covering safety standards and other key Company policies. The Supply Chain Management Division further strengthens operational efficiency, supplier capability, and organizational resilience through learning activities including seminars on ease of doing business (EODB), annual contractor/supplier assemblies on technical standards, and onboarding initiatives for new contractors. These initiatives demonstrate Maynilad's commitment to aligning its supply chain stakeholders with the Company's long-term strategic goals.

Quality and Reliability of Water Supply

[IF-WU-250a.2, IF-WU-440a.3]

Maynilad continued to prioritize the delivery of safe, reliable, and affordable water to the communities it serves. Operations are guided by the Philippine National Standards for Drinking Water (PNSDW) and Department of Health (DOH) regulations, ensuring that water supplied to customers consistently meets national safety and quality requirements. Through continuous monitoring, treatment optimization, and infrastructure investments, Maynilad works to maintain a stable water supply while strengthening resilience against climate variability and operational disruptions.

To verify water quality across its network, Maynilad conducts monthly monitoring across 1,221 sampling points across the concession area. These regular tests help ensure that water delivered to customers remains compliant with national drinking water standards and enable early detection of potential quality concerns.

In 2025, Maynilad achieved 100% compliance for bacteriological quality for all water treatment plants and its distribution system and 99.99% compliance with physicochemical quality at the distribution system. This reflects the Company's continued commitment to maintaining high standards in water quality management and regulatory compliance.

To ensure water quality compliance, the Company implements a risk-based and collaborative approach, particularly for emerging sources such as direct potable reuse. Maynilad engaged regulators, academic institutions, and international experts, including the US EPA, to guide the development of monitoring parameters and treatment frameworks. These efforts supported the proposal of interim guidelines and the identification of potential contaminants, complemented by expanded in-house laboratory capabilities for analyzing emerging substances.

Water quality management is further improved through comprehensive Water Safety Plans which document treatment processes, assess risks, and propose corrective actions. These are supported by close coordination with MWSS, DENR, DOH, LGUs, and industry stakeholders to align monitoring requirements and ensure that treatment technologies are responsive to site-specific risks. Through continuous research, stakeholder engagement, and adherence to national standards, Maynilad maintains safe and reliable drinking water across its operations.

In 2025, Maynilad also expanded the analytical capabilities of WATERLab, the Company's water quality laboratory, by introducing new testing services. These include analysis of emerging contaminants such as nitrosamines, testing for six (6) additional disinfection by products parameters under the PNSDW, and expanded microbiological analyses. The addition of these capabilities strengthens Maynilad's in-house capacity to conduct advanced testing and more comprehensive monitoring of drinking water quality, supporting regulatory compliance and continued delivery of safe potable water.

Beyond laboratory monitoring, Maynilad continues to enhance system reliability through preventive maintenance of treatment and distribution facilities, real-time operational monitoring, and proactive risk management. These measures help ensure consistent service delivery, minimize disruptions, and maintain public confidence in

Responsible Water Sourcing and Production

[2-4, 301-1, 303-1, 303-3]
[IF-WU-440a.1, IF-WU-000.B]

Water withdrawal is fundamental to Maynilad's operations, enabling the treatment and distribution of potable water to customers across the service area. In 2025, Maynilad recorded a total water withdrawal of approximately 910 billion liters, showing a notable decrease compared to the previous two years. This decline underscores the Company's ongoing efforts to optimize water use, reduce system losses, and enhance overall efficiency.

Surface water remained the primary source, accounting for around 907 billion liters, followed by third-party water at 2.8 billion liters and groundwater at 314 million liters. Maynilad draws water primarily from Angat-Ipo River System, Laguna Lake, groundwater and Cavite river system, while Philhydro relies on dams across the Luzon area. All sources are regulated by National Water Resource Board (NWRB) and Laguna Lake Development Authority (LLDA), ensuring environmentally responsible abstraction. The slight reduction in total withdrawal across all sources reflects Maynilad's strategic initiatives to optimize water production, reduce system losses, and improve operational efficiency across its treatment and distribution network.

Many of the major water sources supplying the West Zone of the Greater Metro Manila area are located in regions experiencing water stress, driven by population growth, competing water demand, and climate variability. This context underscores the importance of responsible water production and efficient use of available resources. Maynilad therefore continues to prioritize demand management, system efficiency improvements, and responsible sourcing practices to help safeguard long-term water availability while maintaining reliable services to its customers.

TOTAL WATER WITHDRAWAL BROKEN DOWN BY SOURCE, IN MEGALITERS (ML)	**2023**	**2024**	**2025**
Surface water	1,021,410	1,010,168	907,459
Groundwater	549	920	314
Third Party Water	5,562	3,117	2,783
Total	**1,027,521**	**1,014,205**	**910,556**

**Numbers may not exactly add up due to rounding off.*

TOTAL WATER WITHDRAWAL FROM ALL AREAS WITH WATER STRESS, IN MEGALITERS (ML)	2023	2024	2025
Surface water	909,830*	858,285*	783,446
Groundwater	0*	0*	0
Third Party Water	0*	0*	0
Total	**909,830***	**858,285***	**783,444**

** Restatement of the water stress data to exclude areas with Medium Water Stress level.*

PRODUCED WATER MEGALITERS (ML)	2023	2024	2025
Produced Water	964,783	943,290	870,600

Water Efficiency and Wastewater Treatment

Distribution System Efficiency and Non-Revenue Water Management

[IF-WU-140a.1, IF-WU-140a.2]

Efficient water distribution is essential to maximizing the value of available water resources and ensuring reliable service delivery. Maynilad continuously works to reduce Non-Revenue Water (NRW), water that is produced but not billed due to physical losses such as leaks, as well as commercial losses from meter inaccuracies and unauthorized consumption.

Maynilad sustained its efforts to manage NRW through a combination of network monitoring, infrastructure rehabilitation, and operational improvements. Maynilad's NRW reduction strategy includes active leakage control, meter management, pipe replacement, and commercial loss reduction.

In 2025, Maynilad repaired 70,373 secondary and tertiary line leaks, of which 34,927 were non-surface leaks identified using advanced leak detection equipment resulting in the recovery of approximately 280 MLD of water. Additionally, 206 primary line leak repairs were conducted, including 157 non-surface leaks, recovering 88 MLD of water. Maynilad also leverages artificial intelligence, data analytics, and hydraulic modeling to enhance the capability to monitor and localize leak occurrence

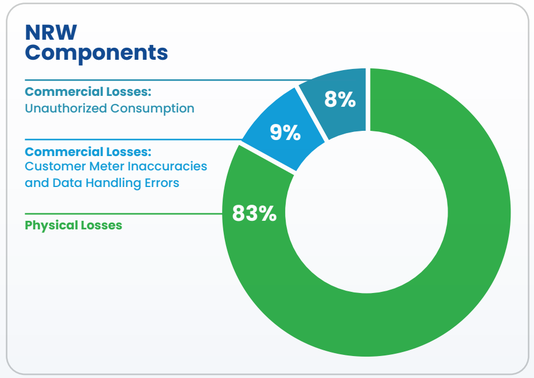
Selective pipe replacement program delivery progressed steadily from 29.21km in the first quarter to 82.19km by year-end, reflecting consistent accomplishment. This resulted in a 1.08% water main replacement rate in 2025.

METRIC	2024	2025
Total length of pipe replaced during the reporting period, km	142.5	82.2
Total length of water mains in distribution system, km	7,914.6	7,862.1
Volume of non-revenue real water losses from the distribution system, MLD	1,006	812

Maynilad also implements meter management to address commercial losses due to under registration of aging meters. Through this program, 1,691 small meters and 274,563 large meters were replaced, recovering 5.4 MLD and 5.07 MLD of water, respectively.

Lastly, Maynilad also addresses the losses due to unauthorized consumption through illegal connections. By the end of 2025, 7,841 outright illegal tappings were closed, recovering around 7.8 MLD.

As a result of these programs, Maynilad ended the year with an average total NRW of 34.9%, a reduction of 5 percent compared to the 39.9% in 2024. Correspondingly, the average NRW volume declined significantly to 812 MLD from 1,006 MLD in 2024, reflecting a substantial progress in reducing water losses across the system. This progress demonstrates Maynilad's commitment to enhancing operational efficiency and furthering its goal to reduce NRW to 20% by 2030.



Wastewater Management Approach

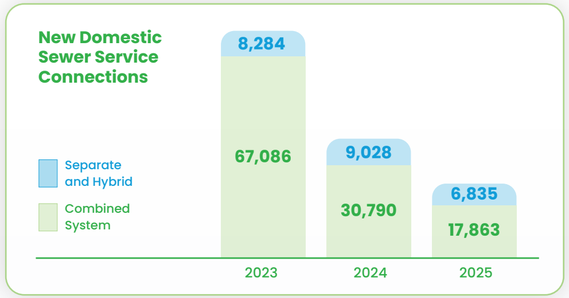
[303-2, IF-WU-450a.1, IF-WU-450a.2, IF-WU-450a.4, IF-WU-000.D, IF-WU-000.E]

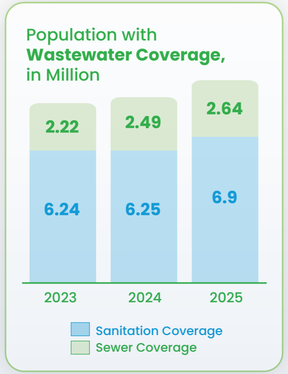
Maynilad is committed to delivering responsible wastewater services, recognizing that effective treatment is vital for public health, environmental protection, and the sustainability of water resources. In 2025, the Company maintains a wastewater treatment capacity of 789,517 cubic meters per day in 100-year flood zones with an increase in capacity of 46,000 cubic meters per day compared to 2024. Maynilad also continues to maintain zero sanitary sewer overflows (SSO), demonstrating infrastructure resilience under extreme conditions.

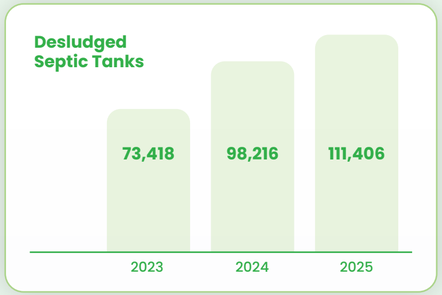
The Company operates a 653.8 km of sewer network covering 27% or around 2.64 million people, which represents an increase from the 25% coverage in 2024, and a sanitation coverage of 69% equivalent to 6.90 million people. Sewer and septage management are supported by a fleet of 97 vacuum truck units (VTUs) with a combined capacity of 770 cubic meters, enabling efficient septic tank cleaning and sewer network management. These sewer networks convey 111,598.6 cubic meters per day from sanitary sewers and 78,279.4 cubic meters per day from combined sewers.

To expand access, Maynilad added 6,835 new sewer connections for separate and hybrid systems and 17,863 for combined systems, while 111,406 septic tanks were cleaned, enhancing sanitation coverage and minimizing environmental contamination.

Maynilad's wastewater management approach integrates infrastructure expansion, process optimization, preventive maintenance, and operational monitoring, ensuring system reliability, service continuity, and regulatory compliance.







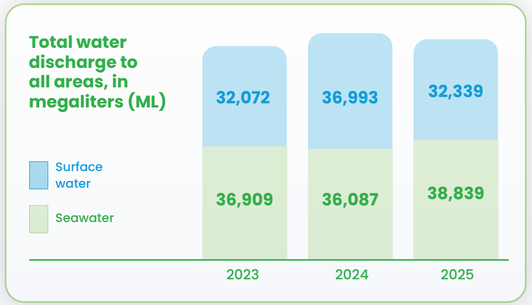
Effluent Management and Regulatory Compliance

[303-4, IF-WU-140b.2]

Ensuring treated wastewater meets regulatory standards is central to Maynilad's environmental stewardship. In 2025, Maynilad treated 72,533 million liters of wastewater and discharged around 71,178 million liters of treated effluent, with 32,339 million released to surface water and 38,839 million to seawater. The decrease in wastewater discharge is primarily due to ongoing rehabilitation of some wastewater treatment plans and the increase in wastewater reuse. Wastewater discharged was monitored against DENR standards, covering indicators such as

biochemical oxygen demand (BOD), total suspended solids (TSS), and nutrient concentrations, among others.

Maynilad continuously monitors system performance through real-time data monitoring, routine site audits, and targeted corrective actions, which allow the Company to manage operational risks and reduce potential environmental impacts. These measures, combined with robust treatment processes and modern infrastructure, ensure wastewater is safely treated and discharged, supporting sustainable wastewater management.

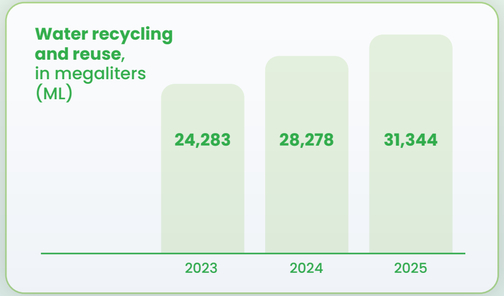


Water Recycling and Reuse

[301-2, 303-2, IF-WU-440a.2]

Maynilad continues to advance sustainable water management by maximizing water reuse and recycling across its operation to promote a circular economy. In 2025, around 1,355 million liters of treated effluent undergoes direct potable reuse through NEW WATER, supplemented by 29,989 million liters used for cleaning and backwashing. By reusing treated water, Maynilad helps reduce pressure on freshwater sources while supporting more sustainable water management.

Overall, reuse water accounted for 3.42% of total input material, reflecting Maynilad's commitment to resource efficiency, reduced freshwater withdrawal, and circular economy. These initiatives support operational resilience, minimize environmental impact, and demonstrate Maynilad's proactive approach to sustainable water stewardship.



Waste Management

[306-1, 306-2, 306-3, 306-4, 306-5]

Waste Management Approach

Waste management is an important part of Maynilad's environmental stewardship and daily operations. The Company generates different types of waste from treatment processes, maintenance activities, and infrastructure works, including both hazardous and non-hazardous materials.

All wastes are managed under an enterprise-wide framework that covers proper classification, segregation, handling, and disposal. Non-hazardous waste is handled through LGU services or accredited recyclers, while hazardous waste is managed by DENR-accredited transporters and treatment facilities in compliance with RA 6969 and DAO 2013-22. Facilities also track waste generation and submit regular monitoring reports to the DENR-EMB to ensure regulatory compliance.

Circular Resource Initiative

As part of its resource recovery initiatives, Maynilad continues to explore the reuse of wastewater treatment by-products. In 2025, 43% of the sludge generated from wastewater treatment is diverted from disposal through soil conditioning which is equivalent to 9,656 metric tons. In addition, these sludge are also processed into bio-bricks, which are suitable for non-load bearing construction application. In 2025, 16,000 units of these biobricks were produced and used for fencing and other construction use.

This initiative demonstrates the potential to convert operational waste streams into useful materials, contributing to waste reduction while supporting circular economy practices.

Waste Performance

Maynilad tracks waste streams across its operations to ensure transparency and support improved waste management practices. The tables below summarize the Company's waste generation and management performance during the reporting year.

Waste Generation
[2-4, 306-3]

WASTE CLASSIFICATION (IN MT)	2023	2024	2025
Non-hazardous	239,971	69,495	353,285
Hazardous	74*	32	105
Total Waste Generated	**240,045***	**69,527**	**353,390**

** Restatement of total hazardous waste due to a previous summation error in the reported data*
Note: Numbers may not exactly add up due to rounding off.

The significant increase in hazardous waste generation was mainly due to the disposal of company assets, increased laboratory capacity for water and wastewater testing, the disposal of expired chemicals, ongoing facility construction activities, routine cleaning and maintenance of chemical tanks, and the completion of the first full year of operations for the Poblacion plant. Meanwhile, the increase in non-hazardous waste is attributed to the increased biosolids production due to the operation of the Poblacion Water Treatment Plant and increased generation from La Mesa Treatment Plants.

Waste Diverted From Disposal
[306-4]

NON-HAZARDOUS WASTE			
RECOVERY METHOD (IN MT)	2023	2024	2025
Recycling	218,574	16,262	9,656*

** Significant decrease is due to limited operations of some wastewater treatment facilities undergoing rehabilitation works.*

Waste Diverted From Disposal
[306-4]

WASTE CLASSIFICATION	DISPOSAL METHOD	2023	2024	2025
Hazardous Waste	Other disposal methods	50	13	61
Non-hazardous Waste	Landfilling	21,397	51,443	342,228
Total		**21,447**	**51,456**	**342,289**

Note: Numbers may not exactly add up due to rounding off.

Energy Management
[302-1, 303-3, 302-4, 302-5]

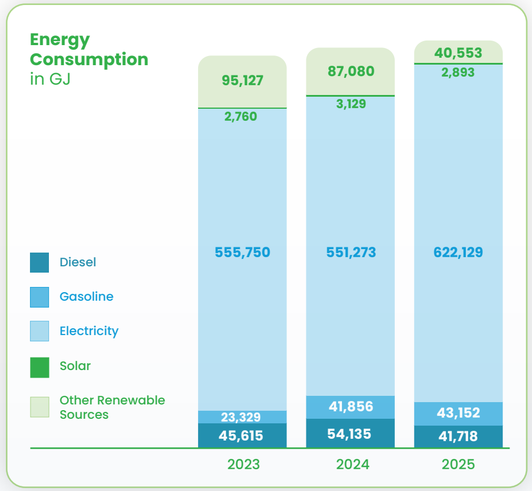
Energy is essential to Maynilad's water and wastewater operations, powering treatment facilities, pumping stations, and distribution systems that ensure reliable service delivery. Maynilad actively manages its energy consumption by monitoring operational performance across facilities and identifying opportunities to optimize energy use while maintaining service reliability.

As part of structured energy management efforts, 14 sites identified as significant energy users, accounting for approximately 70% of the Company's total energy consumption, are certified under ISO 50001:2018 or the Energy Management Systems. These certifications support systematic monitoring of energy performance, promote continuous improvement, and reinforce the adoption of industry best practices in energy management.

Total energy consumption increased in 2025 due to increased service coverage and operational expansion such as the increased energy usage from the Poblacion Water Treatment Plant. Electricity remained the primary source of energy for operations. Meanwhile, diesel consumption declined, reflecting the effect of re-fleeting service vehicles from diesel to gasoline-powered units, alongside ongoing operational efficiency measures.

To further improve energy performance, Maynilad continues to implement initiatives such as pump optimization, equipment upgrades, and real-time monitoring systems that enhance operational efficiency across treatment and distribution assets.

Maynilad is also strengthening its shift toward renewable energy with continued enhancement of its solar initiatives, including the optimization and expansion of solar installations to support energy-intensive facilities. These efforts are complemented by the integration of the Poblacion Water Treatment Plant under the renewable energy supply mix from MPower, supporting the Company's transition to a more sustainable and resilient energy portfolio.



IF-WU-130a.1

TOTAL ENERGY CONSUMED	
% Energy consumed from grid electricity	88.3%
% Energy consumed from renewable electricity	0.4%

Renewable Energy Use

Maynilad continues to integrate renewable energy into its operations to support lower emissions and more sustainable energy use.

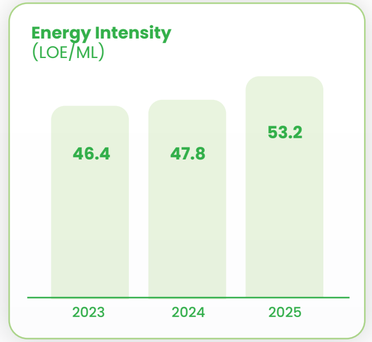
In 2025, solar power contributed 2,893 GJ, reflecting the continued use of the Company's solar facilities installation at the La Mesa Compound. Meanwhile, energy from other renewable sources declined to 40,553 GJ.

Maynilad is recalibrating its renewables mix in preparation for its RE transition plan. Despite the short-term decreases in RE utilization, Maynilad remains committed to expand renewable energy adoption by exploring additional solar installations and other clean energy opportunities to support its long-term decarbonization goals.

Energy Intensity
[302-3]

Energy intensity serves as a key performance indicator for evaluating how efficiently Maynilad utilizes energy relative to the volume of water it produces or treats. Monitoring this metric helps the Company assess operational performance and identify opportunities for process optimization, system upgrades, and renewable energy integration.

In 2025, energy intensity increased to 53.2 from 47.8 in 2024. This is primarily attributed to the additional electricity consumption associated with the operation of the Poblacion Water Treatment Plant, which has a power intensity approximately 42% higher than the average of existing water treatment plants. To address this, Maynilad is exploring the integration of renewable energy sources for the facility and pursuing Energy Management System certification to enhance efficiency and optimize energy use moving forward.



GHG Emission

[305-1, 305-2, 305-3, 305-4, 305-5, S1.33(b), S1.51(a-g), S2.14(c), S2.29(a), S2.33(a-h), S2.36(a)]

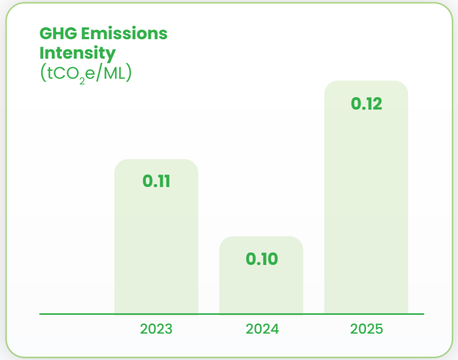
Managing greenhouse gas (GHG) emissions remains an important part of Maynilad's climate action efforts. As its operations rely on energy-intensive facilities such as treatment plants and pumping stations, the Company continues to implement measures that help reduce its overall emissions footprint.

Maynilad actively manages its greenhouse gas (GHG) emission as part of its commitment to sustainable operations and climate resilience. Emissions arise mainly from electricity consumption in water and distribution network operations.

The Company prepares and discloses its GHG inventory in accordance with ISO 14064-1:2018, covering Scope 1, Scope 2, and relevant Scope 3 categories, including emission intensity relative to water produced and wastewater treated. Emissions have been consistently monitored since 2009, the established base year, to support comparability and trend analysis over time. GHG calculations are aligned with methodologies from the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report and are supported by Maynilad's GHG Calculation Tool to ensure accuracy and robust data management

GHG EMISSIONS (tCO_2e)	2023	2024	2025
Direct Emissions (Scope 1)	**22,838**	**17,289**	**18,554**
Stationary Combustion	844	1,915	915
Mobile Combustion	3,792	4,371	4,020
Refrigerants	13,144	6,559	8,704
Wastewater Treatment	5,041	4,418	4,893
Biosolids	19	27	22
Indirect Emissions (Scope 2)	**85,524**	**82,914**	**96,300**
Other Indirect Emissions (Scope 3)*	**15**	**19**	**35**

*Scope 3 only includes business travel emissions from flights.
Note: Numbers may not exactly add up due to rounding off.



In 2025, Maynilad's GHG emissions were predominantly driven by indirect emissions (Scope 2), which increased year-on-year due to higher electricity consumption associated with expanded operations. Direct emissions (Scope 1) also rose slightly, mainly due to refrigerant charging activities. Meanwhile, other indirect emissions (Scope 3) remained minimal relative to total emissions, despite a modest increase compared to the previous year.

Despite the increase in absolute emissions, GHG emission intensity remained stable at 0.12 tCO_2e per ML, indicating that emissions growth was managed relative to operational output. This reflects improvements in operational efficiency even as service coverage and infrastructure continue to expand.

Maynilad has not recorded an absolute reduction in overall GHG emissions in 2025 due to operational expansion; however, emission reduction initiatives are embedded in the Company's decarbonization roadmap. In line with this, Maynilad continues to advance its decarbonization efforts through initiatives such as renewable energy adoption, reforestation efforts, and process optimization across its facilities. These efforts lay the groundwork for long-term emission reduction and support the Company's transition toward climate neutrality.

Air Emissions
[305-7]

The Company maintains controls to manage emissions from fuel combustion, generator sets, and mobile sources such as service vehicles. In 2025, Maynilad enhanced its monitoring and maintenance of equipment that could contribute to localized air quality concerns, particularly in densely populated service areas.

As part of its transition toward cleaner energy, Maynilad is actively reducing dependence on diesel-powered systems by adopting solar power and planning the electrification of its vehicle fleet. These actions are expected to lower emissions of particulate matter (PM), nitrogen oxides (NOx), sulfur oxides (SOx), and other pollutants associated with fossil fuel combustion.

Maynilad also complies with national air quality standards and environmental permits, ensuring that all emissions from its facilities remain within regulatory thresholds. Ongoing efforts to improve efficiency and explore cleaner technologies will further support its goals of minimizing its air emissions footprint while enhancing community well-being.

SIGNIFICANT AIR EMISSIONS in Metric Tons (MT)	2023	2024	2025
Nitrogen Oxides (NOx)	268	284	298
Sulfur Oxides (SOx)	1,995	1,936	2,246
Volatile organic compounds (VOCs)	9	11	9
Particulate matter (PM)	3	4	3
Carbon monoxide (CO)	40	52	48

Biodiversity Management

Operational Sites and Biodiversity Value
[304-1]

Maynilad operates key facilities within or adjacent to areas of high biodiversity value, reflecting the Company's responsibility to balance service delivery with environmental stewardship. Notable sites include:

- **La Mesa Compound:** Situated within the La Mesa Watershed Reservation, a protected area declared under Presidential Proclamation 1336 in 2007
- **Ipo Watershed:** Part of the Common Purpose Facility (CPF), co-managed with Manila Water, contributing to sustainable water resource management while protecting local ecosystems.

Through careful site management, ongoing monitoring, and collaboration with other partners, Maynilad ensures that operational activities have minimum impacts on biodiversity areas.

Maynilad Plant for Life Program
[304-2, 304-3]

Protecting ecosystems around its water sources remains a priority for Maynilad as part of its broader environmental stewardship efforts. A key initiative is the Plant for Life program, launched in 2007 to restore and rehabilitate critical watersheds such as Angat, Ipo, and La Mesa. Over the years, the program has expanded to other environmentally important areas, including Manila Bay coastal zones and mangrove ecosystems in Cavite.

In 2025 alone, Maynilad committed to reforest 450 hectares of Ipo Watershed, planting 185,995 seedlings including indigenous forest trees, fruit trees, and bamboos. This effort contributes to a cumulative 1,645,575 trees planted since 2007, covering 2,419.88 hectares of reforested land. Aside from reforestation, Maynilad also focuses on protecting the previously planted trees through regular maintenance which resulted in an average survival rate of 91.25% for the 2024 planting site.

The program integrates environmental and social impact by partnering with local communities and organizations, including four Ipo-based people's organizations totaling 387 members, and 11 private and civil society partners, mobilizing 676 volunteers during the 2025 planting season. These partnerships enhance local livelihood while ensuring sustained protection of the watershed.

Species Affected by Operations
[304-2, 304-4]

Maynilad manages its operations with careful consideration of biodiversity, particularly in areas where infrastructure projects intersect with natural habitats. In 2025, a total of 324 trees were affected, comprising 180 least concern (LC), 19 vulnerable (VU), 64 endangered (EN), 15 not evaluated (NE), and 46 data deficient (DD) species. Of these, 313 trees were cut and 11 were earth-balled and relocated. The presence of vulnerable and endangered species highlights the importance of implementing targeted measures to minimize ecological impact.

All activities were undertaken in compliance with DENR regulations, with necessary permits secured prior to implementation. For higher-risk species, Maynilad implemented targeted measures such as pre-activity assessment, prioritization of earth-balling and relocation where technically feasible, and the establishment of structured tree replacement programs using native and site-appropriate species at ratios aligned with regulatory requirements. Through these measures, Maynilad works to mitigate biodiversity impacts while supporting ecosystem recovery in affected areas.

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Environmental Compliance

Environmental compliance is a foundation of Maynilad's operational integrity and public accountability. The Company adheres to all applicable environmental regulations, including those covering water discharge, waste management, air quality, chemical handling, and facility operations.

In 2025, Maynilad showed a strong compliance record through the timely submission of environmental reports, fulfillment of permit conditions, and completion of mandated environmental monitoring. These include Self-Monitoring Reports (SMRs) to DENR-EMB and LLDA, hazardous waste manifests, and compliance audits for its water and wastewater treatment facilities.

Compliance with Laws and Regulations

[2-27, 416-1, 416-2, IF-WU-140b.1, IF-WU-250a.1]

Maynilad maintains a strong commitment to compliance with environmental and health regulations, ensuring that 100% of significant products and services are regularly evaluated for potential health and safety impacts. In 2025, the Company recorded 3 incidents of non-compliances in wastewater discharge, which were settled the same year. In addition, Maynilad received 46 notices of non-conformances, primarily related to effluent and product water quality. All incidents were promptly addressed, with corrective actions implemented to prevent recurrence.

Additionally, Maynilad adheres to voluntary codes through maintenance of certified management systems for quality, environmental, occupational health and safety, energy, IT service management, and business continuity, and accredited laboratory operations under PNS ISO/IEC 17025; and GHG quantification and reporting aligned with ISO 14064-1. These systems are continuously monitored and validated through internal and external audits, ensuring all non-conformities and opportunities for improvement are systematically addressed. No violations of voluntary codes were reported in 2025.

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Stakeholder Engagement and Partnerships

In 2025, Maynilad continued to strengthen relationships with its key stakeholders by promoting collaboration, transparency, and shared value across its operations. The Company recognizes that meaningful engagement with employees, customers, communities, regulators, and partners is essential to sustaining reliable water and wastewater services.

During the year, Maynilad focused on employee development and well-being, delivering extensive skill development programs while maintaining a strong safety culture. The Company also expanded community engagement through partnerships with government agencies to support health, wellness, and environmental initiatives, while advancing inclusive programs such as gender and development efforts and accessible WASH facilities.

Looking ahead, Maynilad aims to maintain open communication and responsible engagement with stakeholders while integrating social, environmental, and economic considerations into its programs and operations.

Customer Experience

Providing reliable and responsive service remains a priority for Maynilad as it serves millions of customers across its concession area. In 2025, the Company continues to strengthen customer engagement by enhancing communication channels and expanding the use of digital platforms, enabling customers to more easily access information and receive updates.

Maynilad continues to provide service advisories and updates on infrastructure works, maintenance activities, and supply interruptions. These are disseminated through a multi-channel approach, including email, SMS, hotline services, website updates, and social media platforms, ensuring broad and accessible reach across diverse customer segments. These efforts contribute to strengthening social relationships by enhancing customer awareness, improving transparency, and building trust.

Water Affordability and Access

[IF-WU-240a.1, IF—WU-240a.3, IF-WU-240a.4, IF-WU-000.A, IF-WU-000.C]

Ensuring that communities have access to safe and affordable water remains a key priority for Maynilad. In 2025, the total population served increased to 10.5 million from 10.4 million in 2024 and 10.3 million in 2023, reflecting steady growth in service coverage as more households and communities gained access to the water network.

The number of billed water services increased by 1.5% to 1.57 million, indicating improved service connectivity and metering coverage across residential, semi-business, commercial, and industrial accounts. Sewer service accounts also increased to 0.55 million in 2025. New water service connections reached 30,389 in 2025, significantly exceeding the target of 22,633 new connections and demonstrating Maynilad's continuing growth.

CUSTOMER TYPE		Number of Water Service Connections	Average Tariff (PHP/cubic meter)	Billed Volume (Million cubic meters)
Domestic	Residential	1,450,073	44.56	410.1
	Semi-Business	48,934	63.23	41.6
Non-Domestic	Commercial	64,076	148.71	75.2
	Industrial	11,348	160.00	23.9
Total		**1,574,431**		**550.8**

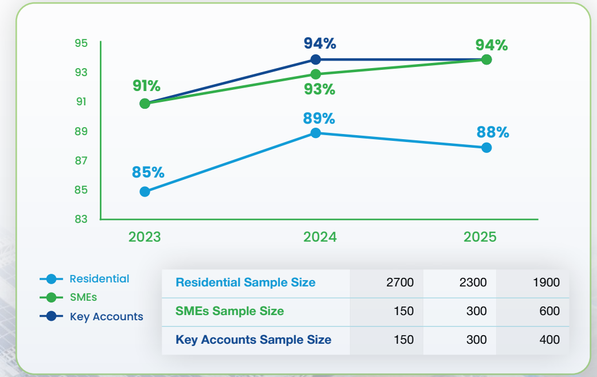
Note: Numbers may not exactly add up due to rounding off.

TYPE OF SERVICE CONNECTION	NUMBER OF SERVICE CONNECTION
Water Service Connection	1,574,431
Equivalent Domestic Sewer Connection	550,916

Customer Experience and Satisfaction

Maynilad places customers at the center of its operations, recognizing that consistent service delivery and responsive engagement are critical to sustaining trust and long-term value creation. Customer experience is managed across the entire service journey—from application and connection to billing, and service reliability—supported by structured feedback mechanisms and performance monitoring.

In 2025, Maynilad maintained strong customer satisfaction across customer categories, with 94% satisfaction among Key Accounts and SMEs, and 88% among residential customers. These results are based on feedback from 2,900 respondents, ensuring that customer insights are systematically integrated into service improvements and operational decision-making.



Residential Sample Size	2700	2300	1900
SMEs Sample Size	150	300	600
Key Accounts Sample Size	150	300	400

Maynilad's strong commitment to customer responsiveness is reflected in its 97% overall resolution rate, with 184,023 out of 189,675 substantiated cases resolved in 2025. Performance remained high across categories, including 98% resolution for billing-related concerns and 99% for requests for new water service connections, demonstrating operational efficiency and accountability. While all cases received—whether complaints or service requests—are duly addressed and resolved within the prescribed Service Level Agreements (SLA), some cases extend beyond the reporting period, which may cause the reported resolution rates to appear below 100%.

Substantiated Complaints	Received	Resolved	Resolution Rate
Service-Related Complaints	61,691	58,683	95%
Billing-Related Complaints	82,934	81,513	98%
Response to Request for New Water Service Connection	27,352	27,035	99%
Installation of New Water Service Connection	17,698	16,815	95%
Total	**189,675**	**184,023**	**97%**

Moving forward, Maynilad will continue to enhance customer experience through digitalization, process improvements, and data-driven insights, ensuring that services remain reliable, accessible, and responsive to the needs of a diverse customer base.

Fair and Transparent Practices

[206-1, 408-1, 409-1, S1.44(a)(i),(b-c), S2.25(a)(i),(b-c)]

Maynilad upholds its commitment to fairness and transparency as the foundation of strong governance and ethical leadership. These principles guide how the Company engages with customers, partners, regulators, and employees, ensuring that trust is earned and maintained through consistent accountability and integrity.

Beyond compliance, Maynilad strictly implements ethical standards through clear policies on anti-corruption, anti-bribery, and data privacy, while strengthening systems for grievance reporting, internal controls, and regulatory alignment. Senior leadership remained actively involved in championing a culture of integrity, transparency, and responsible decision-making.

Through these efforts, Maynilad meets regulatory expectations and also builds confidence among stakeholders, aligning its operations with global standards and its broader mission to deliver sustainable and inclusive services.

Maynilad upholds ethical labor standards while ensuring full compliance with all labor laws. During the reporting period, we recorded no incidents of child labor or young workers exposed to hazardous conditions. Furthermore, no operations or suppliers were identified as being at significant risk for child labor, either by type of operation or geographic location.

Similarly, we reported no instances of forced or compulsory labor within its operations or supply chain. Maynilad upholds fair labor standards and does not engage in practices that exploit workers. No specific measures were required in 2025 to eliminate child or forced labor, as these issues were not applicable to Maynilad's operations.

Additionally, no legal actions were received for anti-competitive behavior, antitrust, and monopoly practices in 2025.

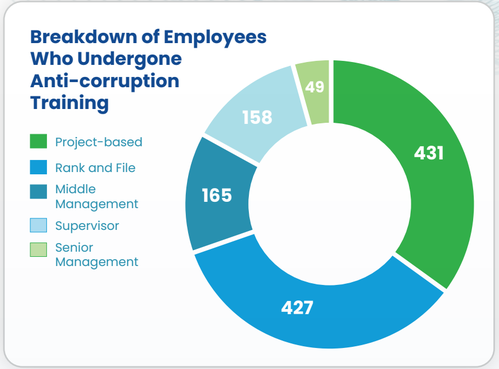
Our Anti-corruption Practices

[205-2]

Integrity Integrity and transparency are key to Maynilad's governance practices, guiding how the Company conducts its operations and engages with stakeholders. In 2025, 2,189 hours of anti-corruption training was rolled out across all employment levels, from executives and managers to supervisors, rank-and-file staff, and project-based personnel. This broad participation reflects the Company's effort to embed integrity throughout its workforce to ensure that employees clearly understand expectations on ethical conduct, conflict-of-interest management, and compliance with relevant laws and company policies. Continuous communication campaigns and leadership messaging further support a culture of accountability and zero tolerance for unethical practices.

As part of these efforts, Maynilad conducted its Fraud Awareness Week campaign under the theme "Fight Against Wrongdoing, Together We Stop Fraud." The initiative emphasized shared responsibility in preventing and detecting fraud, aligning with the Company's values of *Makialam, Makiisa, and Magmalasakit*. Key activities included awareness campaigns through internal communication platforms and interactive engagement activities that reinforced vigilance, ethical decision-making, and the importance of reporting suspicious behavior.

The campaign also encouraged active employee participation through engaging formats that made fraud awareness more relatable and actionable. By combining education with interactive initiatives, Maynilad strengthened practical understanding of fraud risks and a culture where employees are more confident to speak up, report concerns, and contribute to safeguarding the organization.



Integrity and Ethical Governance

[2-15, 2-16, 2-23, 2-24, 2-26, 205-1]

Complementing its anti-corruption efforts, Maynilad continued to uphold a broad integrity framework that promotes ethical leadership, regulatory compliance, and transparent stakeholder relationships. The Company's Anti-Bribery and Anti-Corruption (ABAC) Policy defines bribery broadly, as offering or accepting anything of value to gain unfair business advantage. This prohibition applies across its operations and extended supply chain and is reinforced through provisions in contracts, supplier agreements, and the Vendor Code of Conduct.

Maynilad maintains clear reporting channels for ethical concerns. The Whistleblowing Policy ensures that employees and external stakeholders can report suspected misconduct without fear of retaliation. To ensure integrity risks are properly managed, the company also conducts regular risk assessments and compliance reviews.

Employees are required to submit an annual Conflict of Interest (COI) Disclosure Form to ensure transparency around personal or professional relationships that could impair judgment or objectivity. The Company's governance policies are integrated into daily operations and decision-making processes, further embedding ethical practices across the organization.

The following policies form the foundation of Maynilad's commitment to integrity:

- Whistleblowing Policy
- Code of Business Ethics
- Conflict of Interest Policy
- Anti-Fraud Policy
- Anti-Bribery & Anti-Corruption (ABAC) Policy
- Gifts, Entertainment, & Sponsored Travels Policy
- Risk Management Policy
- Insider Trading Policy

Maynilad also ensures that major ethical concerns are escalated appropriately. Depending on severity, issues are brought to the attention of the Audit Committee, Executive Committee, or Board of Directors, with representatives from key shareholders engaged when necessary.

Diversity, Equality, and Inclusion

Maynilad continues to promote a workplace where diversity is valued and inclusion is reflected in everyday practices. In 2025, the Company strengthened efforts to build a respectful environment where employees of different backgrounds, genders, and age groups feel supported and empowered.

Equal Employment Opportunities

[2-7, 2-8, 202-2, 405-1, 406-1]

Maynilad upholds equal access to employment and career development to ensure that opportunities are based on merit, qualifications, and performance. Recruitment, promotion, skills development, and compensation processes are designed to minimize bias and support fairness throughout the employee lifecycle.

The Company also continues to advance Gender and Development (GAD) initiatives that promote awareness, accessibility, and inclusivity in the workplace. Partnerships with government agencies and community organizations further support fair hiring practices and help broaden opportunities for underrepresented and disadvantaged groups.

Workforce Composition

Maynilad's workforce continued to grow from 2023 to 2025, reflecting the Company's expanding operations and increasing service demands. Employees remain primarily concentrated in operational roles such as rank-and-file and project-based positions, which support the Company's core water and wastewater services. At the same time, staffing levels in supervisory and middle management positions increased gradually, suggesting strengthened leadership capacity as the organization grows.

Maynilad also continues to make progress in building a more inclusive workforce. Female representation has steadily improved across several job levels, including supervisory, middle management, and senior leadership roles. While men still comprise the majority of the workforce, the growing presence of women across these roles highlights Maynilad's continued progress toward promoting gender diversity and a more inclusive organizational structure. Maynilad targets to reach 30% female representation across its workforce by 2030, underscoring its commitment towards gender diversity.

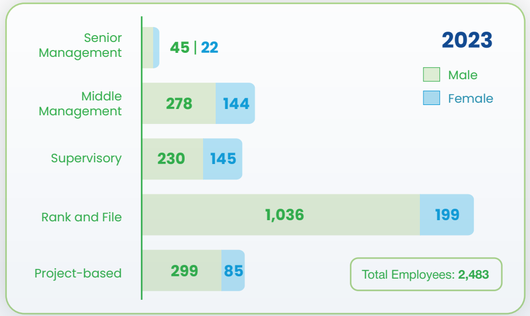
Geographically, the workforce is largely concentrated in Luzon, with 2,918 employees, consistent with Maynilad's service coverage and operational footprint.

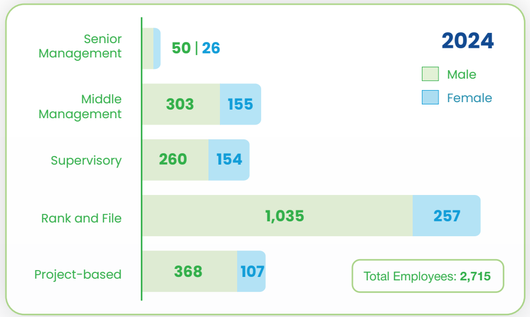
Maynilad continues to maintain a multi-generational workforce that supports knowledge transfer and organizational resilience. Employees aged 30 to 50 remain the largest segment of the workforce, forming

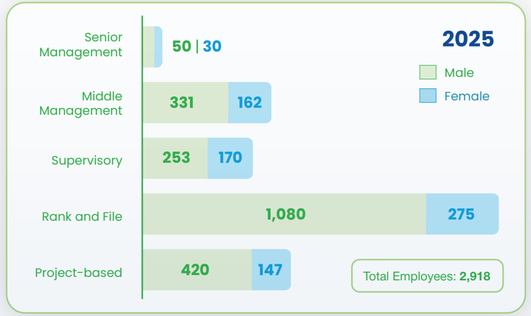
the core of the Company's operational and leadership capacity across departments. Meanwhile, the number of employees under 30 has steadily increased over the past three years, reflecting Maynilad's efforts to attract early-career talent and build a strong pipeline of future professionals, particularly in operational roles.

Employees over 50 continue to play an important role, particularly in senior and middle management positions where experience and institutional knowledge are critical. Overall, the age profile reflects a healthy mix of emerging talent and seasoned professionals, enabling Maynilad to sustain operational continuity while preparing the next generation of leaders.

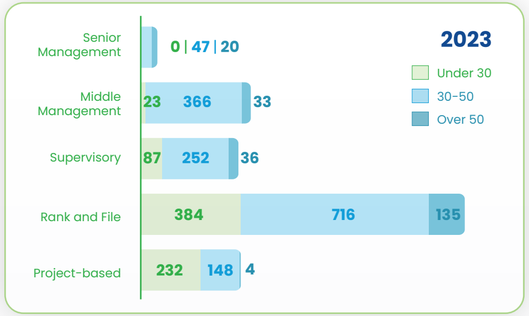
Workforce Composition by Gender

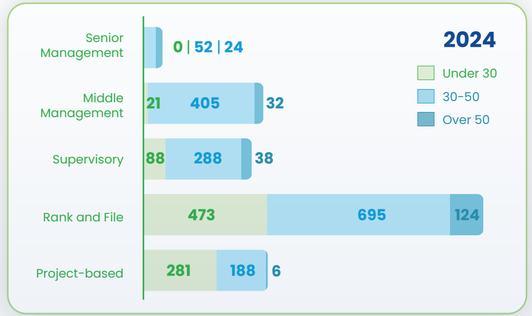


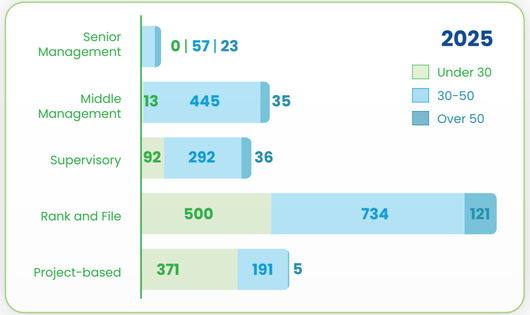




Workforce Composition by Age







Fair and Inclusive Workplace

Maynilad remains committed to fostering a fair and inclusive workplace where all employees are treated with dignity and respect. In 2025, there were no reported incidents of discrimination across the organization. As no cases were recorded, no review, remediation, or corrective actions were required.

The Company also promotes gender equality by ensuring that women have access to the same career opportunities as their male counterparts. Women are encouraged to pursue roles across all functions, including technical and engineering positions that have traditionally been male-dominated. This reflects Maynilad's progressive approach to breaking gender norms and creating an environment where employees can contribute and grow based on their capabilities.

Gender Pay Ratio
[405-2]

Maynilad In 2025, the ratio of women's to men's basic salary and remuneration was 0.73 at the senior management level, 0.99 at middle management, 0.96 at the supervisory level, and 0.87 among rank-and-file employees.

We recognize that these variations may stem from differing tenures, specialized roles, or leadership experiences across job levels. As part of our management approach, we regularly review compensation policies, invest in leadership development, and proactively address identified gaps to promote a more equitable environment for everyone in our workforce.

Security Practices and Human Rights
[410-1]

Maynilad safeguards its workforce, facilities, and operations while upholding respect for human rights. Security personnel are deployed through accredited third-party service providers and are required to undergo training on human rights policies and procedures. In 2025, 106 security personnel completed human rights training, totaling 426 security personnel assigned to Maynilad that completed human rights training.

Maynilad's human rights commitments align with internationally recognized standards and prohibit human trafficking, forced labor, child labor, discrimination, and violations of collective bargaining rights. The Company also upholds fair remuneration practices and respects the rights of employees, communities, and stakeholders.

Employee Engagement and Development
[S1.44(a)(i),(b-c), S2.25(a)(i),(b-c)]

In 2025, the Company continued to invest in employee development and well-being through skills development programs, leadership development, and workplace initiatives that support both professional growth and personal wellness. These efforts aim to create an engaged workforce where employees feel supported, valued, and empowered.

Employee engagement remained anchored on the 3M Program, promoting awareness, unity, and care across the organization. These principles helped strengthen collaboration, improve communication, and support a shared sense of purpose among employees. This people-centered approach was further affirmed during the year as Maynilad earned the Platinum Accreditation from Investors in People (IiP), the highest recognition for excellence in people management. As the first water utility in the Philippines to receive this distinction, the recognition highlights the Company's strong leadership, people-focused culture, and commitment to capability building, which continue to support both employee development and overall business performance.

Building on this foundation, Maynilad continued to provide targeted learning opportunities and monitor key workforce indicators to ensure its people strategies remain responsive to evolving business needs. These efforts support a resilient and future-ready workforce capable of sustaining operational excellence and delivering long-term value.

Employee Wellbeing and Engagement

Maynilad places strong emphasis on employee wellbeing and engagement as key drivers of organizational success.

In 2025, Maynilad continued to implement programs that prioritized the physical, mental, and emotional wellbeing of its employees. Holistic wellness was promoted through health initiatives such as vaccination campaigns, medical consultations, and wellness webinars focusing on mental health awareness and stress management. Fitness activities and recreational events were also organized to encourage work-life balance and community-building within the organization.

Maynilad also sustained its investment in professional growth. Over 88,670 training hours were recorded in 2025, with learning and development opportunities provided across roles and ranks. In addition, employee recognition programs continued to highlight contributions and service excellence, helping reinforce morale and appreciation throughout the year.

The Company aims to further strengthen its employee engagement strategy by embedding wellbeing more deeply into day-to-day operations and organizational culture. This includes expanding mental health services, creating more flexible engagement platforms, and tailoring wellness programs to the specific needs of different employee segments. The Company also plans to integrate employee feedback more systematically into program design and HR policy development.

Benefits and Utilization
[201-3, 401-2]

Maynilad recognizes that a well-designed employee benefits program is not only a matter of compliance but also a foundation of workforce wellbeing, loyalty, and long-term engagement.

All Maynilad employees remained eligible for core benefits such as SSS, Pag-IBIG, PhilHealth and health card benefits, along with access to leaves, depending on their employment category. Parental leaves were also available to support family-related needs, reinforcing the Company's commitment to work-life balance and family inclusivity. In addition, six (6) regular female employees availed of Magna Carta Leave in 2025, reflecting the Company's support for women's health and well-being.

BENEFITS PROVIDED FOR ALL EMPLOYEES	NUMBER OF EMPLOYEES WHO AVAILED BENEFIT		
	MALE	FEMALE	TOTAL
SSS	367	127	494
PhilHealth	No actual availment record		
Pag-ibig	355	153	508
Parental Leaves	57	16	73
Vacation Leaves*	1,498	515	2,013
Sick Leaves*	968	388	1,356
Retirement Fund (aside from SSS)*	36	9	45
HMO	2,100	773	2,873
Life Insurance	4	1	5

**Includes paid and unpaid leaves, for regular employees only*
Note: All employees are eligible for benefits listed above. The data only includes the benefit utilization

BENEFITS PROVIDED FOR PROJECT-BASED EMPLOYEES	NUMBER WHO AVAILED BENEFIT		
	MALE	FEMALE	TOTAL
Service Incentive Leaves*	132	34	166

**Project-based employees do not have separate sick and vacation leaves, but instead receive combined Service Incentive Leaves (SIL)*

Maynilad also provides a supplementary retirement benefit that helps employees prepare for long-term financial security beyond their mandatory social security coverage. Employees may choose to make voluntary contributions, thereby giving them greater flexibility and control over their future savings.

As of December 31, 2025, the Company's retirement plan reflects an estimated liability of PHP 422.80 million, supported by net plan assets amounting to PHP 1.31 billion. These figures are based on the financial statements of the MWSI Employees Retirement Plan and indicate that the plan is adequately funded to meet its obligations. To sustain this coverage, the Company continues to make regular contributions to the retirement fund, with a standard contribution rate equivalent to 5% of employee salary.

Maynilad's approach to retirement benefits focuses on long-term sustainability and responsible fund management. The Company regularly assesses the adequacy of plan assets relative to liabilities and recommends continued contributions to maintain full coverage. This ensures that employees are supported not only during their tenure but also as they transition into retirement.

Parental Leave
[401-3]

Parental leave remains an important part of Maynilad's commitment to employee well-being and work-life balance. The Company provides both male and female employees with the opportunity to take leave to care for their children to ensure they can do so without compromising job security.

Most employees who availed of parental leave in 2025 successfully returned to work and remained with the Company afterward, reflecting a strong return-to-work experience. Maynilad supports this transition through flexible work arrangements, reintegration discussions, and continued manager support to help ease employees return into their roles, while HR monitors return and retention trends to further strengthen the program and support employees with family responsibilities.

PARENTAL LEAVE			
REGULAR EMPLOYEES	MALE	FEMALE	TOTAL
Entitled to Parental Leaves	755*	637	1,392
Parental Leave Availment	42	27	69
Maternity Leave		18	18
Paternity Leave	40		40
Solo Parent Leave	2	9	11
Employees who returned to work after Parental Leave ended in 2025	42	27	69
Return to Work Rate	100%	100%	100%
Employees who Availed Parental Leave in 2024	38	26	64
Employees who returned to work after Parental Leave ended who were still employed 12 months after their return to work	37	24	61
Retention Rate**	97%	92%	95%

** 753 are married and 2 single male employees are entitled*

PARENTAL LEAVE			
PROJECT-BASED EMPLOYEES	MALE	FEMALE	TOTAL
Entitled to Parental Leaves	71	148	219
Parental Leave Availment	4	0	4
Maternity Leave		0	0
Paternity Leave	4		4
Solo Parent Leave	0	0	0
Employees who returned to work after Parental Leave ended in 2025	4	0	4
Return to Work Rate	100%	100%	100%
Employees who Availed Parental Leave in 2024	7	1	8
Employees who returned to work after Parental Leave ended who were still employed 12 months after their return to work	7	0	7
Retention Rate**	100%	0%	88%

*** Retention rate is calculated as the proportion of number of employees who took parental leaves who were still employed 12 months after their return to work*

Performance and Career Development Reviews
[404-3]

Maynilad implements regular performance and career development reviews to support employee growth and align individual goals with organizational objectives. These reviews provide structured feedback, identify development needs, and guide career progression through targeted learning and advancement opportunities. Through this process, the Company fosters continuous improvement, strengthens employee engagement, and ensures that its workforce remains capable of meeting evolving business demands.

New Employee Hires and Employee Turnover
[202-2, 401-1]

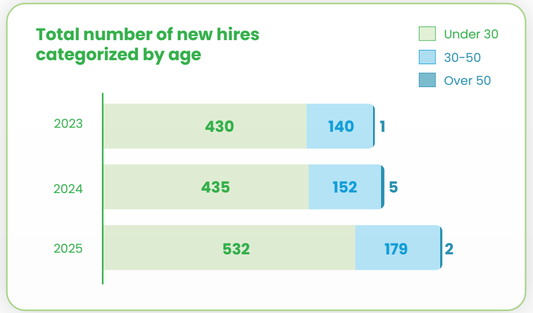
Maintaining a stable and motivated workforce remains important for sustaining Maynilad's operational performance. In 2025, the Company continued to attract new talent while monitoring employee turnover to ensure workforce stability and support long-term organizational growth. Recruitment and retention efforts focused on building a diverse and capable workforce that can support evolving operational needs.

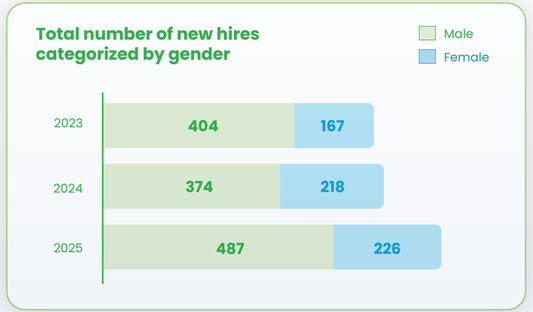
Total Number of New Hires

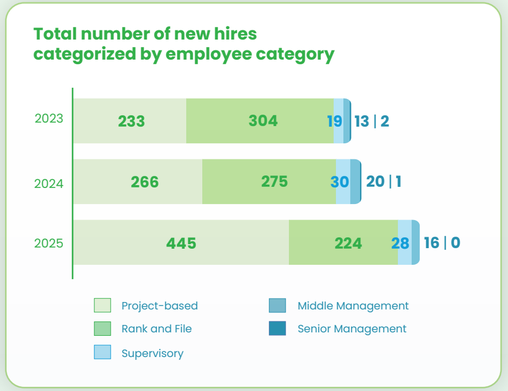
In 2025, Maynilad onboarded 713 new employees, reflecting a more measured yet strategic approach to workforce expansion. Hiring was primarily driven by operational and project-based requirements, supporting ongoing infrastructure development and service improvement initiatives. This approach allowed the Company to strengthen frontline capacity while maintaining stability across supervisory and management levels.

Most new hires came from the under-30 age group, highlighting Maynilad's continued focus on attracting early-career professionals and building a strong future talent pipeline. At the same time, the inclusion of mid-career hires brought valuable experience and technical expertise, enabling knowledge transfer and supporting operational continuity.

In terms of gender, hiring continued to reflect the technical and field-based nature of the water utility sector, with a predominantly male workforce. Nonetheless, female participation remained steady, showing the Company's commitment to fair and inclusive recruitment practices. Through this balanced approach, Maynilad continues to build a workforce that supports both immediate operational needs and long-term organizational growth.







Total Number of Local Hires

In 2025, Maynilad hired a total of 713 employees who were considered local hires — defined as Filipino employees residing within the Philippines. By continuing to prioritize local talent, Maynilad not only helps stimulate local economies but also strengthens the Company's ties to the communities it serves. Local hires are more familiar with the service context, geography, and culture, offering practical advantages for a utility company deeply embedded in local infrastructure and customer interaction. This localized hiring strategy supports operational efficiency while furthering Maynilad's social responsibility goals.

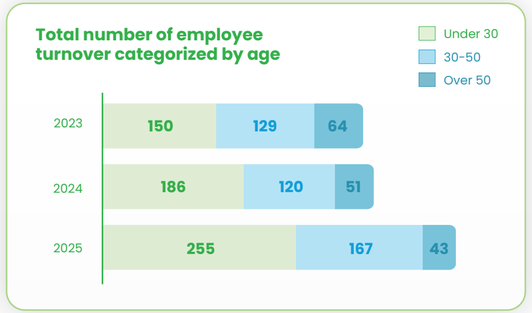
Total Number of Employee Turnover

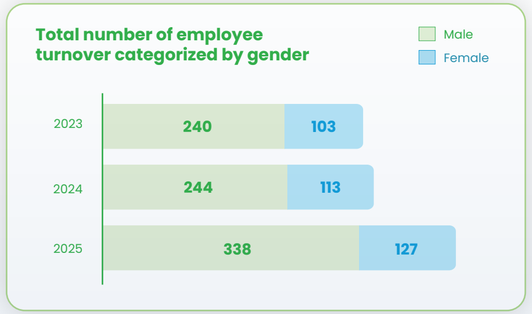
In 2025, employee turnover trends reflected the changing dynamics of Maynilad's workforce, with movements largely concentrated in operational and project-based roles. These patterns are typical of project-driven and field-based work, where employment cycles are more fluid and aligned with ongoing infrastructure and service requirements.

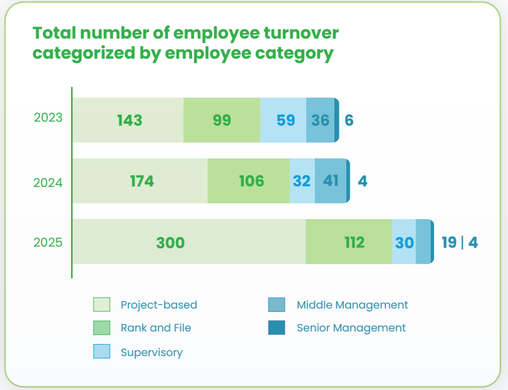
Turnover remained more pronounced among employees under 30, reflecting early-career mobility and the pursuit of new opportunities. Meanwhile, lower turnover among mid-career and senior employees supported continuity in institutional knowledge, leadership development, and overall organizational stability.

Across genders, turnover trends remained consistent with the Company's workforce composition, with higher movement among male employees due to their greater representation in technical and field roles. The overall pattern suggests that Maynilad's engagement initiatives, inclusive workplace practices, and career development programs continue to support employee retention while maintaining workforce flexibility.

At the same time, leadership and supervisory roles remained relatively stable, ensuring continuity in management and strategic direction. Maynilad continues to manage turnover through targeted engagement efforts, structured development programs, and effective knowledge transfer practices to sustain operational efficiency and long-term performance.







Skills Development

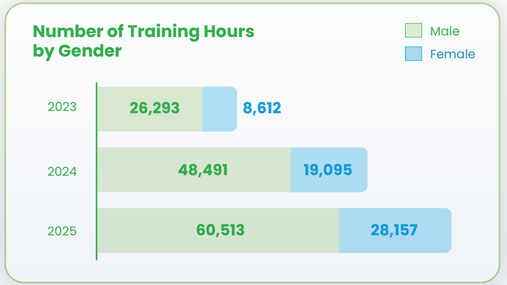
[404-1, 404-2]

Maynilad continues to prioritize employee learning as part of its commitment to operational excellence and workforce growth. In 2025, training initiatives remained aligned with the Company's strategic priorities, including sustainability, digital transformation, and service improvement. These programs ensured that employees across different roles were equipped with the skills needed to respond to evolving industry demands.

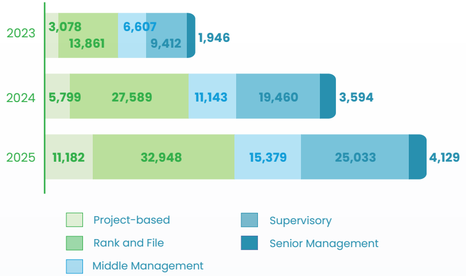
Employee Training Hours

Training participation increased in 2025, reflecting Maynilad's continued investment in workforce capability-building. Both male and female employees recorded higher training hours compared with the previous year, signifying the Company is committed to provide equitable access to learning and development opportunities across the organization.

Across employee categories, training hours increased at all levels, supporting Maynilad's focus on strengthening competencies throughout the workforce. Operational employees received the largest share of training to support day-to-day service delivery, while supervisors and managers participated in programs aimed at enhancing leadership and decision-making capabilities. Executive-level training also continued to ensure that senior leaders remain responsive to evolving industry demands and sustainability priorities.



Number of Training Hours by Employee Category

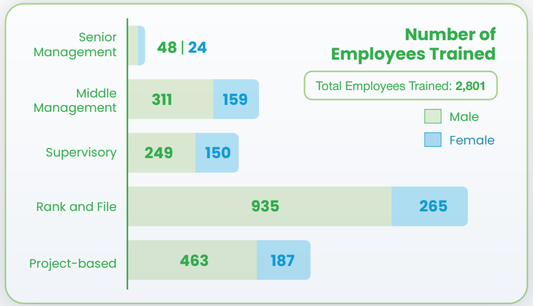


Number of Employees Trained

Maynilad continued to expand training participation across its workforce, with programs reaching employees from different employment categories. Most participants came from the regular workforce, reflecting the Company's investment in developing its core employees. Training opportunities were also extended to project-based staff, supporting a more inclusive learning environment across both permanent and contract roles.

Employee training in 2025 remained inclusive across gender and employment types. Both male and female employees participated in development programs to ensure balanced access to learning opportunities.

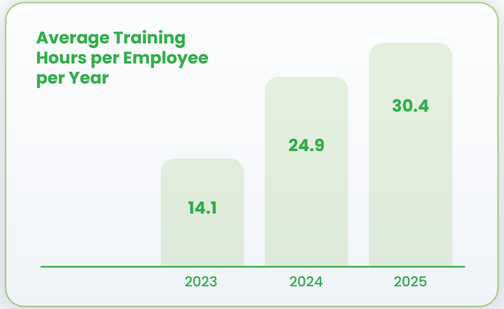
Training also reached project-based personnel, highlighting Maynilad's recognition that capability-building is essential for all employees contributing to its operations, regardless of employment status.

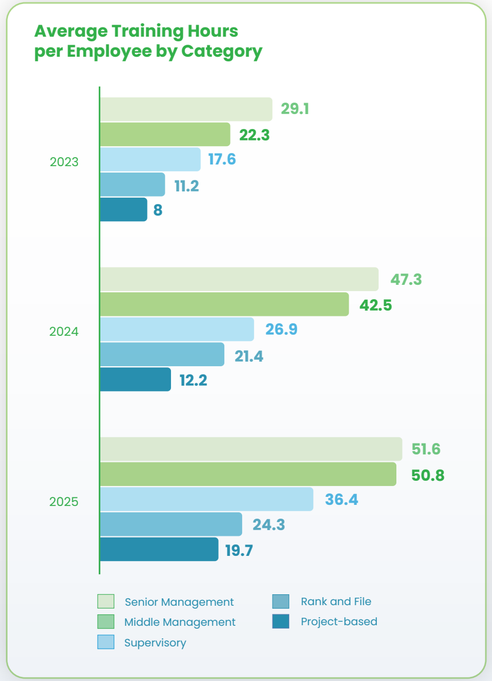


Average Training Hours

Average training hours per employee continued to increase in 2025, reflecting Maynilad's strengthened focus on capability development and continuous learning. This upward trend indicates that employees across the organization are receiving more opportunities to build skills that support both individual career growth and overall operational performance.

Across employee categories, training exposure also improved, with leadership groups receiving higher levels of training to enhance strategic and management capabilities. At the same time, operational and project-based employees benefited from expanded learning programs, ensuring that development opportunities remain accessible at all levels. This balanced approach supports a skilled, adaptable, and future-ready workforce aligned with the Company's long-term goals.





Freedom of Association
[2-30, 407-1]

Maynilad respects the right of employees to organize and engage in collective bargaining, fostering a fair and transparent working environment. The Company's policies explicitly safeguard these rights to ensure that employees can form or join labor unions without fear of discrimination or reprisal.

Maynilad continues to recognize two unions: the Maynilad Water Supervisors Association (MWSA) for supervisory employees and the Maynilad Water and Sewerage Union (MWSU-PTGWO) for rank-and-file employees. Upon regularization, eligible employees are enrolled in their respective unions.

As of 2025, a total of 1,596 employees are covered by collective bargaining agreements (CBA). These agreements define the terms and conditions of employment to ensure that employee rights, benefits, and welfare are protected. Employees not covered by the CBA continue to receive fair and equitable treatment under Company policies.

Maynilad maintains open communication between management and union representatives, supporting constructive dialogue and collaboration. This approach helps sustain a positive working environment where employee concerns are addressed and mutually beneficial outcomes are achieved

Employee Union Membership

357	1,239
MWSA	MWSU - PTGWO

Occupational Safety and Health
[403-1,403-3, 403-4, 403-7, 403-8]

Occupational safety and health (OSH) remain a key priority for Maynilad due to the operational risks associated with water and wastewater services. The Company continues to strengthen its safety management system through regular reviews of procedures, safety drills, and coordination with internal teams and partners.

The Company implements its Occupational Health and Safety Management System (OHSMS) across its operations, while external ISO 45001 certification covers the approved scope and certified sites, aligned with Republic Act 11058, Department of Labor and Employment (DOLE) regulations, and other relevant national safety standards. This system is applied across all operational sites, project locations, and offices, ensuring consistent safety protocols throughout the organization. Compliance with the OHSMS is regularly assessed through both internal and external audits, reinforcing accountability and continuous improvement.

All regular and project-based employees are covered by Maynilad's OHS policies and programs, while also extending safety requirements to contractors and service providers working within its facilities and project sites. Although subcontractors remain primarily responsible for their own occupational safety programs, Maynilad maintains oversight to ensure alignment with its safety standards and expectations.

The Occupational Safety and Health Management Department provides overall leadership in implementing OSH policies, ensuring legal compliance, and coordinating safety initiatives. Each business unit designates a Safety Officer who works closely with the OSH Department to address site-specific risks and safety concerns. To promote coordinated action and continuous learning, the Company conducts monthly Central Safety and Health Committee meetings, with discussions cascaded to unit-level safety committees.

Through these governance mechanisms, Maynilad systematically develops safety policies, conducts hazard identification and risk assessments, investigates incidents, analyzes root causes, and maintains comprehensive records of accidents and near-miss events. These structured processes help ensure that safety remains embedded in daily operations and that the Company continuously strengthens its ability to protect its workforce while maintaining reliable service delivery.

Training on Occupational Safety and Health

[403-5]

Maynilad continues to prioritize workplace safety by ensuring that employees across all levels receive Occupational Safety and Health (OSH) training. In 2025, a total of 1,100 employees completed OSH training, reflecting broad participation from executives to project-based personnel. The largest share of trained employees came from rank-and-file and project-based roles, highlighting the Company's focus on equipping frontline workers with the knowledge and skills needed to manage operational risks.

A total of 16,726 training hours were delivered, supporting continuous awareness of safety protocols, hazard identification, and incident prevention. Through these efforts, Maynilad strengthens its safety culture and ensures that employees are well-prepared to maintain safe and reliable operations.

EMPLOYEES TRAINED	MALE	FEMALE	TOTAL	TRAINING HOURS
Senior Management	1	1	2	28
Middle Management	59	22	81	1,144
Supervisory	79	33	112	2,680
Rank & File	373	118	491	8,702
Project-based	292	122	414	4,172
Total	**804**	**296**	**1,100**	**16,726**

Hazard Identification, Risk Assessment, and Incident Investigation

[403-2]

Maynilad maintains Environment, Health, and Safety (EHS) risk registers across its business units, which are reviewed regularly to identify and manage potential workplace hazards. High-risk activities undergo formal risk assessments and require work safety permits to ensure that proper controls are in place before work begins.

The Company applies a hierarchy of controls to address identified risks, supported by employee training and the use of appropriate protective equipment. A digital Environment, Health, Safety, and Security (EHSS) platform is also used for real-time incident reporting and monitoring, helping the Company respond quickly to issues and continuously improve safety performance.

In 2025, Maynilad maintained full coverage of its Occupational Health and Safety Management System (OHSMS), with all 2,351 regular employees and 567 project-based employees covered by the safety management system. These same groups are also 100% covered under both internally audited and externally audited systems. This comprehensive coverage ensures that all workers are consistently monitored under established safety standards and supports the Company's commitment to maintaining a safe and well-governed working environment.

Work-Related Injuries

[403-9]

Maynilad continues to strengthen its occupational health and safety practices to protect employees and contractors across all operations. In 2025, the Company recorded zero fatalities among employees, consistent with the previous two years, reflecting sustained efforts to maintain a safe working environment.

For project-based employees, there were two lost-time injuries in 2025 that were considered as high-consequence work-related injuries. These incidents occurred across 5,744,163 total hours worked, with the main types of injuries involving workers being struck by moving objects.

Among contractors, two recordable work-related injuries were reported in 2025, while no lost-time injuries occurred during the year. The main types of contractor injuries involved contact with sharp objects and equipment-related incidents, including being caught by an excavator's wheel.

Maynilad continues to reinforce workplace safety through established health and safety procedures, training, and monitoring systems to support safe operations for both employees and contractors.

For all employees:

TYPE OF INCIDENT	2023	2024	2025
Fatalities as a result of work-related injuries	0	0	0
Recordable work-related injuries	0	0	0
Lost-time work-related injuries	0	1	2
Total Number of Hours Worked	**4,584,824**	**5,404,332**	**5,744,163**
Main types of work-related injury	-	Caught on sharp object	Struck by moving Objects

For all contractors:

TYPE OF INCIDENT	2023	2024	2025
Recordable work-related injuries	1	1	2
Lost-time work-related injuries	6	1	0
Main types of work-related injury	Data Not Available	• Fatality: Fall from heights • Recordable Injury: Chlorine inhalation	• (1) Struck against sharp object • (1) Caught by

Work-Related Ill Health

[403-6, 403-10]

Maynilad recorded no cases of work-related ill health among employees or contractors in 2025, sustaining the improvement seen in the previous year. This outcome reflects stronger workplace health protocols and preventive measures across operations.

Through its ISO 45001-certified Occupational Health and Safety Management System, the Company conducts regular risk assessments, medical monitoring, and health awareness programs to protect worker well-being. These initiatives support early detection of health risks and promote a safer and healthier working environment.

Maynilad implements a proactive approach to prevent work-related ill health and create a healthy work environment. Employees are subject to regular health monitoring through an Annual Physical Examination inclusive of general check-ups, blood tests, and hearing tests. Regular vaccinations are also offered to employees. Maynilad also conducts regular health campaigns to inform internal stakeholders about relevant health issues and how they can ensure that they stay in optimal health.

FOR ALL EMPLOYEES	2023	2024	2025
Cases of recordable work-related ill health	25	0	0
Main types of work-related ill health	COVID related	Not Applicable	Not Applicable

FOR ALL CONTRACTORS	2023	2024	2025
Fatalities as a result of work-related ill health	1	0	0
Cases of recordable work-related ill health	2	0	0
Main types of work-related ill health	COVID related, Transmission, Cerebrovascular Accident, Presyncope	Not Applicable	Not Applicable

Community Development

[203-1, 203-2, 413-1, 413-2]

Maynilad recognizes that access to safe water and sanitation plays a crucial role in improving the quality of life in the communities it serves. Its community programs therefore go beyond infrastructure development, focusing on public health, environmental stewardship, and community empowerment. Infrastructure activities such as pipeline installations and facility upgrades may create temporary disruptions; therefore, Maynilad implements proactive measures to assess and manage potential environmental and social impacts.

All projects undergo environmental impact assessment (EIA) to identify risks and establish appropriate mitigation measures. These assessments, together with continued stakeholder engagement, support responsible project implementation and help address community concerns.

Indigenous People's Rights

[411-1]

Maynilad respects the rights and cultural heritage of Indigenous Peoples (IPs), particularly communities near critical water sources such as the Ipo Watershed. Engagement includes regular consultations and livelihood initiatives such as Sining Ipo, which supports Dumagat families through sustainable driftwood craft production while promoting watershed protection.

In 2025, there were no reported incidents involving violations of Indigenous Peoples' rights related to Maynilad operations.

Community Development Programs

[203-1, 203-2]

Beyond regulatory compliance, Maynilad implements community development initiatives focused on environmental stewardship, livelihood support, and capacity building to contribute to the long-term well-being of the communities it serves. These activities are conducted by the entire organization, with all employees invited to volunteer as organizers.

Infrastructure or Service Investments	Description	Current expected impacts on communities and local economies	Commercial, In-Kind, or Pro-bono	Cost of Infrastructure or Service Investments (PHP)
1. Sining Ipo	Driftwood-based livelihood program for 30 Dumagat members, including production support and market linkages	The community generated PHP 210,000 income through production of 115 trophies, 30 coaster sets, and 2 lamps. Maynilad also provided equipment for the community, enabling members and their families to transition from slash-and-burn to sustainable and better livelihood while protecting Ipo watershed.	In-kind	300,000.00
2. Green Badge	Upcycling initiative by converting old Maynilad uniforms into usable items with provision of tools and workspace	The group generated income through production of 200 upcycled items amounting to PHP 18,000, while reducing textile waste and enhancing community skills. Maynilad also provided new equipment and repaired their work area.	In-kind	300,000.00
3. Kapwa	Women-led social enterprise producing hygiene and sanitation products.	Expansion of membership from 15 to 45 in 2025 and generated PHP 50,000 income from 200 linen sprays, improving income and enhancing skills	In-kind	50,000.00
4. GAD-based social enterprise groups of Caloocan City	Support for two jewelry-making social enterprise groups in Caloocan City by providing seed funding.	Sustained income opportunities for community artisans and strengthened small-scale enterprise operations.	In-kind	30,000.00
5. GinhaWASH Program	Installation of drinking water facilities across schools and public institutions. Specifically, 4 units of 3-spout Refrigerated Drinking Fountains (RDFs) for 4 schools in Las Pinas, 10 water dispensers for Paranaque LGU, 38 RDFs for Quezon City LGU, 2 RDFs for Malabon LGU, and 10 RDFs for MWSS RO	Expanded access to safe drinking water in schools and public spaces, improving hygiene practices and reducing waterborne health risks.	In-kind	2,000,000.00
6. WASH up	A comprehensive health and wellness program that provides mobile hygiene facility, health services, and WASH education.	Improved hygiene practices and access to basic health services for around 1,000 beneficiaries from Muntinlupa City and Pasay City, contributing to better overall community health.	In-kind and pro-bono	500,000.00
7. Drink-WASH Station Refurbishment	Refurbishment of 20 of school-based WASH stations within Caloocan, Valenzuela, Quezon City, Bacoor, Kawit, and Imus City.	Sustained access to safe water and sanitation for students, supporting hygiene and reducing potential health risks in schools.	In-kind	2,000,000.00
8. Maynilad Fair Care	Provision of wellness services, medical consultation, medicines, and WASH education to LGU employees, and community-based organizations through partnership between Maynilad and MVP Hospital Group	Benefited 800 individuals across 4 LGUs (Las Pinas City, Navotas City, Cavite City, and Imus City), improving healthcare access and hygiene awareness while strengthening collaboration with LGUs and healthcare institutions.	In-kind and pro-bono	500,000.00

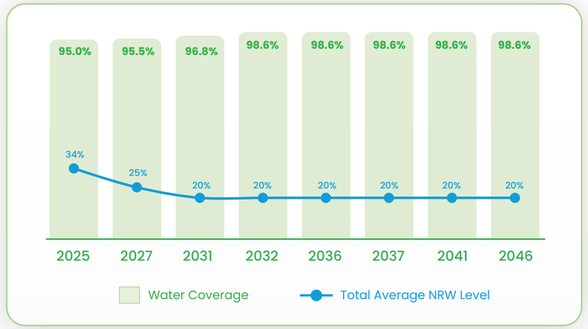
Infrastructure or Service Investments	Description	Current expected impacts on communities and local economies	Commercial, In-Kind, or Pro-bono	Cost of Infrastructure or Service Investments (PHP)
9. Oplan Balik Eskwela	Provision of hydration support, drinking water facilities, and cleaning materials to public schools during Brigada Eskwela activities. Specifically, 87 RDFs, 6,240 bottled water, and PHP 350,000-worth of cleaning materials.	Improved readiness and hygiene conditions in 50 schools, supporting a healthier learning environment.	In-kind	2,500,000.00
10. Global Handwashing Day	Hygiene education campaigns in public schools, promoting proper handwashing practices among children.	Reached 400 students, improving awareness and adoption of proper handwashing practices to help prevent common illnesses.	In-kind	400,000.00
11. Daloy Dunong	WASH education program for students, youth leaders, community groups, and other organizations	Improved knowledge and adoption of hygiene practices among 280 participants across youth and community leaders such as Manila Sangguniang Kabataan, Norzagaray Elementary School, SOS Children's Villages Pilipinas, supporting long-term behavior change.	In-kind and pro-bono	50,000.00
12. PAWD Convention	Sponsorship for Philippine Association of Water Districts (PAWD) Convention, the largest gathering of water district leaders in the country to share best practices, technologies, and management approaches	Strengthened capacity of 3,200 water sector professionals, contributing to improved water service delivery nationwide.	In-kind	800,000.00
13. PWWA Convention	Sponsorship and support on industry conferences that connect water utilities with new technologies and practices	Enhanced knowledge-sharing and innovation adoption across 1,800 water industry professionals	In-kind	600,000.00
14. WEAP	Support collaboration through knowledge-sharing platforms to exchange expertise, ideas, and support sustainable practices that help protect our water resources and the environment.	Improved collaboration on water and environmental sustainability initiatives among 900 environmental and water sector professionals.	In-kind	200,000.00
15. Kubeta PH - Oro Inodoro Awards	Promote awareness on proper wastewater management and sanitation through recognition campaigns.	Attended by 150 participants and reached 286,000 people through social media engagement, strengthening public awareness on sanitation practices	In-kind	1,800,000.00
16. World Water Day Awards	An advocacy campaign, in partnership with DENR, NWRB and other government and private organizations, recognizing 14 water and environmental sustainability champions through an annual awards program.	Engaged 150 participants and reached 180,000 people through social media engagement, promoting best practices and raising awareness on sustainable water management.	In-kind	900,000.00

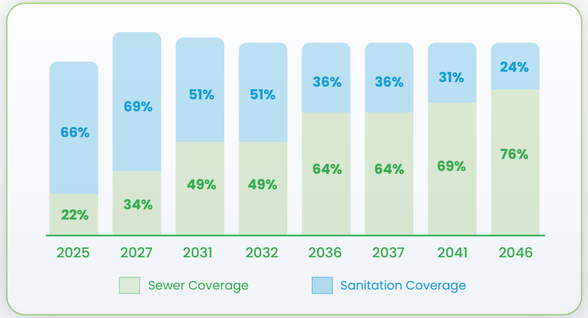
Infrastructure or Service Investments	Description	Current expected impacts on communities and local economies	Commercial, In-Kind, or Pro-bono	Cost of Infrastructure or Service Investments (PHP)
17. Clean-up Activities	A volunteer activity for employees and partners, bringing communities together to clean coastal areas and waterways in Cavite and Muntinlupa	Collected 137,000 kg of wastes from multiple sites, increasing community participation in environmental protection and improved local environmental conditions	In-kind	180,000
18. Bigkis Tubig	Capacity-building and education program for watershed protection and water resource management, gathering around 300 participants from 5 barangays in Imus, Cavite for the IEC session.	Increased community awareness and participation in protecting local water sources.	In-kind and pro-bono	150,000.00
19. Mission Ginhawa	Disaster response through provision of potable water, mobile treatment systems, and relief assistance in affected areas.	Delivered essential aid and safe water access to disaster-affected communities, including 200 school children of Victory Village Elementary School in Legazpi, Albay affected by Typhoon Uwan and communities in Liloan Cebu together with other MVP Group foundations, supporting recovery efforts	In-kind and pro-bono	2,500,000.00
20. Clean and Green LGU Initiatives	Equipment Support for LGUs through donation of water hyacinth dryer to help process the collected water hyacinth from waterways.	Improved LGU capacity for waterway waste management and local environmental programs.	In-kind	750,000.00
21. Fire Trailers	Donation of 1-unit fire trailer to Binangonan, Rizal to improve fire response capabilities.	Enhanced emergency preparedness and faster response in high-risk areas.	In-kind	320,000.00
22. Plant Tours with LGUs and NGAs	Plant Tours for DILG and LLDA to educate stakeholders on water and wastewater operations.	Improved understanding and awareness of water and wastewater management among public sector partners	In-kind	80,000.00
23. Kawa Pilipinas	Provision of financial and water support to Kawa Pilipinas Foundation Inc., in feeding programs serving vulnerable communities	Sustained feeding operations and improved food security for underserved populations	In-kind	100,000.00

Outlook

Maynilad's forward-looking agenda centers on strengthening water security, expanding sanitation services, and improving operational efficiency to support long-term sustainability. These targets are designed to prepare the Company for future challenges such as population growth, climate variability, and evolving regulatory requirements while ensuring that reliable water and wastewater services remain accessible to communities across its concession area.

Over the long term, Maynilad aims to steadily reduce non-revenue water while expanding water service coverage to reach nearly full access across its service areas. The Company has also identified several climate risks impacting water quality and availability alongside responses such as infrastructure investments and technology as it seeks to further minimize potential impacts. At the same time, the Company is prioritizing the gradual expansion of sewerage infrastructure and sanitation services, recognizing their critical role in protecting public health and the environment. These targets guide Maynilad's infrastructure investments and operational improvements through 2047.

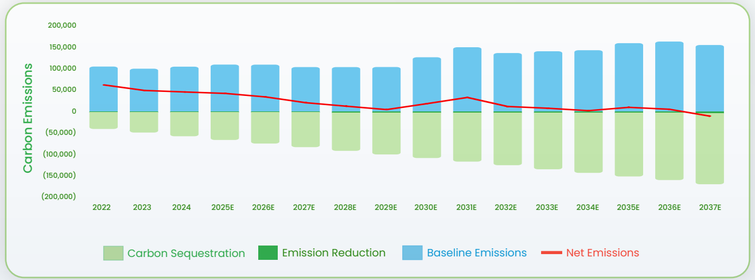




Complementing its operational roadmap, Maynilad's decarbonization roadmap outlines a clear path toward achieving climate neutrality by 2037, focusing on reducing operational emissions while strengthening environmental stewardship. The strategy combines energy transition, operational efficiency, and nature-based solutions to gradually lower the Company's carbon footprint while maintaining reliable water and wastewater services.

Key initiatives include increasing the share of renewable energy in operations, electrifying a significant portion of the vehicle fleet, and expanding reforestation and ecosystem restoration programs. These efforts, supported by watershed protection initiatives, are expected to reduce emissions and generate long-term carbon sinks, helping Maynilad move steadily toward its decarbonization commitment.

Decarbonization Roadmap



Climate Neutrality Target

35%
renewable energy mix

180,000 tCO_2
carbon sink

50%
electric vehicles

2,615
hectares to be forested for 2022-2037

These operational and environmental commitments reflect a holistic approach to sustainability, one that balances service expansion, infrastructure resilience, and environmental responsibility. Maynilad's outlook is therefore not only about meeting present needs but about building a future-ready water utility that can deliver reliable services, protect natural resources, and contribute meaningfully to national climate adaptation plans such as the Philippine Development Plan and AmBisyon 2040.

Financial Statements

To access the the full Audited Financial Statement, please scan the QR Code or visit:
https://www.mayniladwater.com.ph/financial-disclosures/

Independent Assurance Statement

Value in Motion:
Strengthening Governance, Delivering Impact 2025 Integrated Report

Maynilad Water Services ("Maynilad") has engaged GCSS Inc. to undertake independent assurance of sustainability / non-financial disclosures in 2025 Integrated Report – Value in Motion: Strengthening Governance, Delivering Impact (the "Report") for reporting period from January 1 to December 31, 2025, and includes data from Maynilad's core operations within the West Zone concession area of Metro Manila and parts of Cavite, as well as from its subsidiary, Philippine Hydro, Inc. This assurance engagement was conducted using AccountAbility, UK - AA1000 Assurance Standard (AA1000AS v3) and AA1000 AccountAbility Principles (AA1000AP) 2018. The report is prepared in accordance with Global Reporting Initiative (GRI) Standards 2021.

Scope of Engagement

The scope of assurance included a review of sustainability activities and performance data of Maynilad. The boundary of the report for identified material aspects and performance indicators are defined in 'About the Report', 'Our Value Chain' and 'Our Sustainability Approach' section respectively of this report. The scope of assurance engagement is moderate to the non-financial information associated with Maynilad operations covered within the report boundaries. This report was evaluated for adherence to the reporting principles of Global Reporting Standard (GRI) and AccountAbility principles.

Our responsibility is to carry out an assurance engagement on the Report. We performed a Type II, Moderate Level of Assurance and evaluated the Company's Sustainability performance based on the information made available during the interviews to the assurers.

Material Topics / Subject Matter Assured

ECONOMIC DISCLOSURES	
GRI 201-1	Economic Value Generated and Distributed
GRI 204-1	Proportion of spending on local suppliers
GRI 205-1	Operations assessed for the risk of corruption

ENVIRONMENTAL DISCLOSURES	
GRI 302-1	Energy Consumption within the organization
GRI 302-3	Energy Intensity
GRI 303-3	Water Withdrawal
GRI 303-4	Water Discharge
GRI 304-3	Habitats Protected and Restored
GRI 305-1	Direct (Scope 1) Emissions
GRI 305-2	Indirect (Scope 2) Emissions
GRI 306-3	Waste Generated
GRI 308-1	New suppliers that were screened using environmental criterion
SOCIAL DISCLOSURES	
GRI 401-1	New employee hires and turnover
GRI 401-3	Parental leave
GRI 403-1	Occupational Health and Safety Management System
GRI 403-6	Promotion of Workers health
GRI 403-9	Work related injuries
GRI 404-1	Average hours of training per year per employee
GRI 406-1	Incidents of discrimination and corrective action taken
GRI 414-1	New suppliers that were screened using social criterion
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

Other than the indicators stated above, we did not conduct assurance on other disclosures hence no conclusion can be made.

Assurance Procedure

We used the GRI Principles to evaluate the performance data together with the company's data protocols for how the sustainability performance data is measured, recorded and reported. This formed the basis of the Reporting Criteria for undertaking our assurance work.

Our engagement procedures included:

Review of Stakeholder Engagement and Materiality Process

Reviewed Maynilad's 2025 Stakeholder Engagement Survey and assessed the methodology for identifying and reaffirming material topics under the Inclusivity and Materiality principles.

Performance Data Validation

Assessed the accuracy and integrity of the GRI performance indicators listed above, cross-referencing data against KPI reports submitted to MWSS Regulatory Office, regulatory filings, and internal management systems.

Assessment of Internal Controls

Reviewed the design and operating effectiveness of internal processes for data collection, aggregation, quality control, and reporting, including Maynilad's GHG Calculation Tool, ISO-certified management systems (ISO 14001, ISO 14064, ISO 45001, ISO 50001), and the sustainability data validation process led by the Sustainability Department.

Document Review and Data Consistency:

Reviewed the consistency of data within the Report and between the Report and original source documentation, including regulatory submissions, KPI trackers, and operational records.

Management and Senior-Level Interviews

Conducted onsite interviews with key personnel, including the Chief Sustainability Officer, ERM function, and sustainability champions across business units, to understand governance processes, risk management practices, and sustainability performance management.

Assessment of Forward-Looking Disclosures

Consistent with AA1000AS v3 requirements for forward-looking information, we reviewed the methodologies applied by Maynilad in developing its climate risk assessments (aligned with IFRS S1/S2), decarbonization roadmap, and long-term targets. These disclosures were assured at Moderate level only.

GRI Principles Assessment

Evaluated reporting quality against GRI Principles of Accuracy, Balance, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability.

Financial data reported in the 2025 Integrated Report is taken directly from the independent audited financial statements and the same has not been checked against its source as part of this assurance process.

Limitations

Our scope of work did not include providing conclusions in relation to:

- The completeness or accuracy of information relating to areas beyond the subject matters listed above.
- Information reported by Maynilad other than in its 2025 Integrated Report.
- Management's forward-looking statements, other than verification of the methodologies applied in their development.
- Disclosures made by subsidiaries not covered within the defined report boundaries.
- Physical site visits and remote verification of original data sources.
- Scope 3 GHG emission categories beyond business travel, which are not fully disclosed in the Report.

These limitations are inherent to a Moderate Level assurance engagement. To mitigate these limitations, we relied on management representations, review of regulatory submissions, and benchmarking with prior-year disclosures. No circumstances were identified that would require us to qualify or disclaim our conclusions.

Adherence to AA1000 Principles

Inclusivity

Maynilad demonstrates a structured approach to stakeholder engagement, underpinned by formal mechanisms including the 2025 Stakeholder Engagement Survey (213 respondents across six stakeholder groups), dedicated customer feedback channels, and active participation in industry bodies and multi-sectoral councils. The survey captured insights across suppliers, employees, LGUs, regulators, and community organizations, and outputs were integrated into material topic reaffirmation and strategic planning.

Engagement mechanisms are mapped in the Report for each stakeholder group, detailing method, frequency, and key concerns raised. Maynilad acknowledges participation gaps from media representatives and social enterprises, which represents an area for continued improvement in ensuring broader stakeholder representation.

Materiality

Maynilad employs a continuous materiality review and validation approach anchored on the AA1000AP (2018) materiality principle. While no standalone materiality reassessment was conducted in 2025, the Company undertook an active review and reaffirmation of material topics through the 2025 Stakeholder Engagement Survey, enterprise risk management outputs, and internal governance processes led by the Corporate Governance and Sustainability Committee.

Material topics are mapped across Maynilad's three sustainability pillars — Business Growth, Operational Efficiency, and Stakeholder Relationships — and across the Six Capitals framework, ensuring coherent linkage between sustainability strategy and value creation. We note that a more explicit double materiality assessment incorporating both impact materiality and financial materiality dimensions, as encouraged under evolving global standards (e.g., ESRS), would further strengthen Maynilad's materiality process.

Responsiveness

Maynilad has established a comprehensive policy framework to respond to material stakeholder concerns. Key policies addressing identified material topics include the Anti-Bribery and Anti-Corruption (ABAC) Policy, Water Safety Plan, Occupational Safety and Health Management System (ISO 45001), Environmental Management System (ISO 14001), Mental Health Policy, and the Supplier Code of Conduct.

The Report provides disclosures on management approaches, targets, and performance across all material topics, demonstrating responsiveness to regulatory requirements, investor expectations, and community needs. In 2025, Maynilad achieved a 97% customer complaint resolution rate across 183,972 customer complaints, and continued to expand sewerage and sanitation coverage to 26.5% and 69% respectively.

Impact

Maynilad creates significant direct and indirect impacts through the provision of safe, potable water and wastewater services to approximately 10.5 million customers across the West Zone concession. Key impact highlights for 2025 include:

- **Water access and quality:** 870.6 million cubic meters of potable water produced; 91.9% of customers with 24/7 water supply; Non-Revenue Water reduced to 34.9%.
- **Climate and environment:** GHG emission intensity maintained at 0.12 tCO_2e/ML; 803.5 MWh renewable energy consumed; 185,995 trees planted; 1,295 ha watershed protected.
- **Community and economic:** PHP 33 million invested in community programs; 92% local supplier sourcing; PHP 36.6 billion in revenue generating economic value for the Philippines.
- **People:** LTIFR of 0.4; 30.4 average training hours per employee; 0 fatalities; 713 new hires.

While Maynilad's disclosures demonstrate meaningful impacts across all four capitals, we note that the Company has not yet recorded an absolute reduction in total GHG emissions in 2025 (114,889 tCO_2 e vs. 100,222 tCO_2 e in 2024), primarily driven by operational expansion. The Company's decarbonization roadmap and renewable energy transition plan should establish time-bound, quantified emission reduction targets to provide stakeholders with greater confidence in its long-term climate commitments.

Conclusion

Subject to the section on limitations above and on the basis of our procedures for this moderate assurance engagement, we conclude that information included in this report is reliable and is presented clearly for stakeholders to make conclusions. The sustainability disclosures are fairly presented in accordance with the stated criteria.

In our opinion, the company has represented its Sustainability Performance in the report in a fair and balanced manner and meets the requirement of **Type-2, Moderate level** of assurance. All material issues of the company's business are adequately reported, and the report gives reliable, accurate and complete information about its sustainability performance for the year. The report adheres to the AA1000 principles of Materiality, Inclusivity, Responsiveness and Impact.

Reliability and Quality of Information

The data sources for the sustainability performance data are based on the reports submitted by the company to the respective regulatory bodies as required. Hence the reliability of data is maintained through regular monitoring and reporting.

Observations and Recommendations

Based on the activities conducted during the assurance as stated in the procedure, the assurance team has the following recommendations:

1. **Establish time-bound, quantified GHG reduction targets:** Maynilad's decarbonization roadmap should include science-based or time-bound absolute emission reduction targets aligned with a credible climate scenario (e.g., 1.5°C pathway). Clear interim milestones would enhance the assurance value of forward-looking climate disclosures.
2. **Expand Scope 3 GHG disclosures:** Current Scope 3 disclosures are limited to business travel. A more comprehensive Scope 3 inventory — particularly covering purchased goods and services, downstream wastewater treatment, and capital goods — would strengthen alignment with IFRS S2 and GHG Protocol requirements.
3. **Formalize a double materiality assessment:** To align with evolving global standards and investor expectations, Maynilad should undertake a formal double materiality assessment that explicitly distinguishes between inside-out (impact materiality) and outside-in (financial materiality) perspectives.
4. **Strengthen Board-level ESG performance oversight disclosures:** While the Corporate Governance and Sustainability Committee's role is described, future reports should more explicitly disclose how the Board reviews and approves specific ESG targets, monitors progress, and links sustainability performance to executive remuneration.
5. **Improve supplier ESG screening coverage:** In 2025, only 64 of 170 new suppliers (38%) were assessed against environmental and social criteria. Maynilad should work towards broader coverage, with a clear policy on the criteria and thresholds that determine screening exemptions.
6. **Address stakeholder engagement gaps:** Participation from media and social enterprise stakeholder groups was limited in the 2025 Stakeholder Engagement Survey. Maynilad should explore targeted engagement methods to ensure more representative stakeholder input in future cycles.

Opinion

Nothing has come to our attention that causes us to believe that:

- **Inclusivity:** Stakeholder engagement processes are not appropriately implemented
- **Materiality:** Material topics are not properly identified
- **Responsiveness:** The organization has not adequately responded to stakeholder concerns
- **Impact:** The organization has not identified and managed its significant impacts

Responsibilities

Reporting Organisation – Maynilad Water Services, Inc.

Maynilad's management is responsible for the preparation, integrity, and fair presentation of the 2025 Integrated Report, including all sustainability disclosures, the collection and presentation of specified GRI performance indicators, the selection of and adherence to the stated reporting criteria, and the identification and prioritization of material topics based on stakeholder views and business impact. Maynilad management is further responsible for maintaining adequate internal controls, data management systems, and records designed to support the integrity of the reporting process.

Assurance Provider – GCSS Inc.

Our responsibility is to express an independent, professional conclusion on Maynilad's adherence to the AA1000 AccountAbility Principles and on the reliability and quality of specified sustainability performance information, based on the procedures performed and evidence gathered. Our statement represents an independent opinion for the benefit of all of Maynilad's stakeholders.

GCSS Inc. maintains independence from Maynilad. We have not been involved in the preparation of any part of the 2025 Integrated Report. Our engagement team possesses the necessary competencies in sustainability assurance, GRI Standards, AA1000 AccountAbility Principles, climate disclosure (TCFD/IFRS S2), and sector-specific sustainability subject matter relevant to the water utility sector.

Dr. Manish Chandekar
Lead Assurer
GCSS Inc.

Arpit Shrivastava
Associate Assurer
GCSS Inc.

Aimee Shah
CSAP
AccountAbility UK

Date: March 24, 2026
Place: Quezon City, Philippines

ESG Data Index

Material Topics and Impact Boundary

Sustainability Pillar	Material Topic	Impact Boundary
Innovation and Business Growth	Business Continuity	Within and outside Maynilad
	Sustained Earnings	Within and outside Maynilad
	Asset Management	Within Maynilad
	Technology, Innovation, and Business Growth	Within and outside Maynilad
	Cybersecurity and Data Privacy	Within and outside Maynilad
Operational Efficiency and Sustainable Solutions	Supply Chain, Materials Management, and Quality Assurance	Within and outside Maynilad
	Quality and Reliability of Water Supply	Within and outside Maynilad
	Water Efficiency and Wastewater Treatment	Within and outside Maynilad
	Waste Management	Within and outside Maynilad
	Energy Management	Within and outside Maynilad
	GHG Emissions	Within and outside Maynilad
	Biodiversity Management	Within and outside Maynilad
	Environmental Compliance	Within and outside Maynilad
Stakeholder Engagement and Partnerships	Customer Experience	Within and outside Maynilad
	Fair and Transparent Practices	Within and outside Maynilad
	Diversity, Equality, and Inclusion	Within Maynilad
	Employee Engagement and Development	Within Maynilad
	Occupational Safety and Health	Within Maynilad
	Community Development	Within and outside Maynilad

Environment

Surface Water Withdrawal

SURFACE WATER WITHDRAWAL, IN ML	2023	2024	2025
Maynilad	1,000,624	988,321	885,139
Philhydro	19,786	21,847	22,320
TOTAL	**1,021,410**	**1,010,168**	**907,459**

Groundwater Withdrawal

GROUNDWATER WITHDRAWAL, IN ML	2023	2024	2025
Maynilad	549	920	314
Philhydro	-	-	-
TOTAL	**549**	**920**	**314**

Third-Party Water Withdrawal

THIRD-PARTY WATER WITHDRAWAL, IN ML	2023	2024	2025
Maynilad	5,562	3,117	2,783
Philhydro	-	-	-
TOTAL	**5,562**	**3,117**	**2,783**

Water Withdrawn From Water Stress Area

Water Withdrawal from Areas with Water Stress (Surface Water Withdrawal), IN ML	2023	2024	2025
Maynilad	897,230	844,339	769,822
Philhydro	12,601	13,946	13,624
TOTAL	**909,831**	**858,285**	**783,446**

Produced Water

PRODUCED WATER, IN ML	2023	2024	2025
Maynilad	944,997	921,443	848,280
Philhydro	19,786	21,847	22,320
TOTAL	**964,783**	**943,290**	**870,600**

Wastewater Treated

WASTEWATER TREATED, IN ML	2023	2024	2025
Maynilad	68,981	75,175	72,533
Philhydro	-	-	-
TOTAL	**68,981**	**75,175**	**72,533**

Wastewater Discharged

MAYNILAD WASTEWATER DISCHARGED, IN ML	2023	2024	2025
Surface Water	32,072	36,993	32,339
Sea Water	36,909	36,087	38,839
TOTAL	**68,981**	**73,080**	**71,178**

Wastewater Recycled

WASTEWATER RECYCLED, IN ML	2023	2024	2025
Maynilad	24,283	28,278	31,344
Philhydro	-	-	-
TOTAL	24,283	28,278	**31,344**

Billed Volume

BILLED VOLUME	2023	2024	2025
Maynilad	538.4	554.5	550.8

Total Average NRW Level

PERCENT (%) TOTAL AVERAGE NRW	2023	2024	2025
Maynilad	42.9%	39.9%	34.9%

Non-Renewable Energy Consumption (Diesel)

NON-RENEWABLE ENERGY (DIESEL) CONSUMPTION IN GJ	2023	2024	2025
Maynilad	44,947	51,752	30,418
Philhydro	668	2,383	11,301
TOTAL	**45,615**	**54,135**	**41,718**

Non-Renewable Energy Consumption (Gasoline)

NON-RENEWABLE ENERGY (GASOLINE) CONSUMPTION IN GJ	2023	2024	2025
Maynilad	23,294	41,822	43,129
Philhydro	35	34	22
TOTAL	**23,329**	**41,855**	**43,152**

Non-Renewable Energy Consumption (Grid Electricity)

NON-RENEWABLE ENERGY (GRID ELECTRICITY) CONSUMPTION IN GJ	2023	2024	2025
Maynilad	512,715	501,958	572,605
Philhydro	43,034	49,315	49,523
TOTAL	**555,750**	**551,273**	**622,129**

Renewable Energy Consumption

MAYNILAD RENEWABLE ENERGY CONSUMPTION IN GJ	2023	2024	2025
Solar	2,760	3,129	2,892
Grid Electricity from RE Sources	95,127	87,080	40,553
TOTAL	**97,887**	**90,209**	**43,446**

GHG Emission

GHG EMISSION (tCO_2e)	2023	2024	2025
Direct Emissions (Scope 1)	22,838	17,289	18,554
Stationary Sources	844	1,915	915
Mobile	3,792	4,371	4,020
Refrigerants	13,144	6,559	8,704
Wastewater Treatment	5,041	4,418	4,893
Biosolids	19	27	22
Indirect Emissions (Scope 2)	85,524	82,914	96,300
Other Indirect Emissions (Scope 3)	15	19	35
TOTAL	**108,377**	**100,222**	**114,899**

Air Emission

AIR EMISSIONS (IN TONS)	2023	2024	2025
Nitrogen Oxides (NOx)	268	284	298
Sulfur Oxides (SOx)	1,995	1,936	2,246
Volatile Organic Compounds (VOCs)	9	11	9
Particulate Matter (PM)	3	4	3
Carbon Monoxide (CO)	40	52	48

Hazardous Waste Generation

MAYNILAD HAZARDOUS WASTE GENERATION, IN MT	2023	2024	2025
Wastes with Cyanide	-	-	0.004
Acid Wastes	5.80	2.47	36.85
Alkali Wastes	13.87	-	0.29
Wastes with Organic Chemicals	9.74	7.52	12.17
Inks/Dyes/Pigments/Paint/ Resins/Latex/Adhesives/Sludge	4.28	1.86	0.92
Waste Organic Solvents	0.55	0.54	0.29
Oil	24.45	9.47	45.82
Containers	3.20	4.93	1.46
Miscellaneous Wastes	12.14	5.49	7.51
TOTAL	**74.03**	**32.28**	**105.31**

Hazardous Waste Directed to Disposal

MAYNILAD HAZARDOUS WASTE DIRECTED TO DISPOSAL, IN MT	2023	2024	2025
Wastes with Cyanide	-	0.02	-
Acid Wastes	8.9	1.21	5.99
Alkali Wastes	3.82	-	-
Wastes with Organic Chemicals	9.12	0.06	11.71
Inks/Dyes/Pigments/Paint/ Resins/Latex/Adhesives/Sludge	7.12	0.67	2.82
Waste Organic Solvents	-	0.08	0.28
Oil	14.14	0.13	34.19
Containers	4.72	0.05	3.09
Miscellaneous Wastes	2.00	10.74	3.24
TOTAL	**49.82**	**12.95**	**61.31**

Non-Hazardous Waste Generation

MAYNILAD NON-HAZARDOUS WASTE GENERATION, IN MT	2023	2024	2025
Recyclables	12.52	17.47	26.40
Residuals	13.21	40.70	16.93
Biodegradable	27.01	30.29	33.56
Others (Biosolids)	239,918.07	69,406.14	353,208.35
TOTAL	**239,970.81**	**69,494.60**	**353,285.24**

Non-Hazardous Waste Directed to Disposal

MAYNILAD NON-HAZARDOUS WASTE DIRECTED TO DISPOSAL, IN MT	2023	2024	2025
Recyclables	12.52	17.47	26.40
Residuals	13.21	40.70	16.93
Biodegradable	27.01	30.29	33.56
Others (Biosolids)	21,344.26	51,358.64	343,150.91
TOTAL	**21,397**	**51,443**	**342,227.80**

Non-Hazardous Waste Diverted from Disposal

MAYNILAD NON-HAZARDOUS WASTE DIVERTED FROM DISPOSAL, IN MT	2023	2024	2025
Recyclables	-	-	-
Residuals	-	-	-
Biodegradable	-	-	-
Others (Biosolids)	218,574	16,262	9,656.28
TOTAL	**218,574**	**16,262**	**9,656.28**

Reforestation

REFORESTATION INITIATIVES	2023	2024	2025
Trees Planted	222,280	237,000	185,995
Hectares Reforested	553	660	451

Social Data

Percentage of Procurement Budget Spent on Local Suppliers

Percentage of Procurement Budget Spent on Local Suppliers	2023	2024	2025
Maynilad	97.0%	95.9%	91.9%

Supplier Data

MAYNILAD SUPPLIER DATA	2023	2024	2025
Number of Accredited Suppliers	598	654	2,290
Newly Accredited Suppliers	94	92	170
Suppliers Assessed with Environmental Criteria	73	92	64
Suppliers Assessed with Social Criteria	73	92	64

Employee Demographics

MAYNILAD EMPLOYEE DATA BY CATEGORY	2023		2024		2025	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Senior Management	45	22	50	26	50	30
Middle Management	278	144	303	155	331	162
Supervisory	230	145	260	154	253	170
Rank and File	1,036	199	1,035	257	1,080	275
Project-based	299	85	368	107	420	147
TOTAL	**1,888**	**595**	**2,106**	**699**	**2,134**	**784**

Employee New Hires

MAYNILAD NEW HIRES DATA BY CATEGORY	2023	2024	2025
Senior Management	2	1	0
Middle Management	13	20	16
Supervisory	19	30	28
Rank and File	304	275	224
Project-based	233	266	445
TOTAL	**571**	**592**	**713**

Employee Turnover

MAYNILAD TURNOVER DATA BY CATEGORY	2023	2024	2025
Senior Management	6	4	4
Middle Management	36	41	19
Supervisory	59	32	30
Rank and File	99	106	112
Project-based	143	174	300
TOTAL	**343**	**357**	**465**

Employee Training

MAYNILAD TRAINING HOURS BY CATEGORY	2023	2024	2025
Senior Management	1,946	3,594	4,129
Middle Management	9,412	19,460	25,033
Supervisory	6,607	11,143	15,379
Rank and File	13,861	27,589	32,948
Project-based	3,078	5,799	11,182
TOTAL	**34,905**	**67,586**	**88,670**

Average Training Hours

AVERAGE TRAINING HOURS	2023	2024	2025
Maynilad	14.1	24.9	30.4

Work-Related Injury

MAYNILAD EMPLOYEE WORK-RELATED INJURIES	2023	2024	2025
Fatalities as a result of Work-Related Injuries	0	0	0
Recordable Work-Related Injuries	0	0	0
Lost-time Work-Related Injuries	0	1	2
Main Types of Work-Related Injuries	-	Caught on Sharp Object	Struck by Moving Object
TOTAL HOURS WORKED	**4,584,824**	**4,584,824**	**4,584,824**

Work-Related Ill Health

MAYNILAD EMPLOYEE WORK-RELATED ILL HEALTH	2023	2024	2025
Fatalities as a result of Work-Related Injuries	0	0	0
Recordable Work-Related Injuries	25	0	0
Lost-time Work-Related Injuries	0	0	0
Main Types of Work-Related Injuries	COVID-related incident	-	-

Customer Satisfaction

MAYNILAD CUSTOMER SATISFACTION	2023	2024	2025
Residential	85%	89%	88%
SMEs	91%	93%	94%
Key Accounts	91%	94%	94%

Economic & Governance Data

Economic Value

MAYNILAD ECONOMIC VALUE	2023	2024	2025
I. Direct Economic Value Generated	**27,561**	**33,927**	**36,957**
Revenue	27,323	33,495	36,645
Interest Income	222	405	307
Dividend Income	16	28	5

MAYNILAD ECONOMIC VALUE	2023	2024	2025
II. Economic Value Distributed	**18,876**	**22,236**	**23,269**
Operating Costs	6.585	6.472	5,994
Employee Wages and Benefits	2,523	2,892	3,280
Payments to Providers of Capital	2,534	2,447	2,243
Dividends Distributed	3,600	5,654	6,400
Payments to Government	3,485	4,737	5,319
Community Investments	149	33	33
III. Economic value retained	**8,685**	**11,692**	**13,688**

Incident of Corruption

MAYNILAD INCIDENTS OF CORRUPTION	2023	2024	2025
Maynilad	0	0	0

Cybersecurity and Data Privacy

INCIDENTS RELATED TO CYBERSECURITY AND DATA PRIVACY	2023	2024	2025
Maynilad	0	0	0

GRI Content Index

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
				About Maynilad				
GRI 2: General Disclosures 2021	2-1 Organizational details	3, 6-9				Yes		
	2-2 Entities included in the organization's sustainability Reporting	3				Yes		
	2-3 Reporting period, frequency and contact point	3				Yes		
	2-6 Activities, value chain and other business relationships	6-9, 12-13				Yes		
	2-5 External assurance	3						
	2-22 Statement on sustainable development strategy	12, 19-21				Yes		
	2-23 Policy commitments	14-15						
	2-25 Processes to remediate negative impacts	12				Yes		
	2-28 Membership associations	18				Yes		
				Governance and Leadership				
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	29, 32-33		S1.27(a)(i-iv)	S2.6 (a)(i-iv)	Yes		
	2-10 Nomination and selection of the highest governance body	29				Yes		
	2-11 Chair of the highest governance body	32-33				Yes		
	2-12 Role of the highest governance body in overseeing the management of impacts	40-41		S1.27(b)(i-ii)	S2.6 (b)(i-ii)	Yes		
	2-13 Delegation of responsibility for managing impacts	40-41				Yes		
	2-14 Role of the highest governance body in sustainability reporting	40-41				Yes		

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	29-34				Yes		
	2-18 Evaluation of the performance of the highest governance body	29				Yes		
	2-19 Remuneration policies					No	Maynilad maintains confidentiality regarding remuneration policies and refrains from publicly reporting this information.	
	2-20 Process to determine remuneration					No	At present, Maynilad does not publicly disclose detailed information on Board remuneration, in line with its internal policies on confidentiality. The Board assesses the performance of the organization as a whole, including those of its senior executives, and ensures that a performance appraisal system for the entire organization is in place.	
	2-21 Annual total compensation ratio					No	Maynilad maintains confidentiality regarding its annual total compensation ratio to safeguard employee privacy and avoid potential conflicts or disparities among team members.	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	32-34				Yes		
Business Model and Strategy								
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	12, 46-49				Yes		
	2-29 Approach to stakeholder engagement	51-52				Yes		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50				Yes		
	3-2 List of material topics	48-49				Yes		
	3-3 Management of material topics	46-49				Yes		
Risk and Opportunities								
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	58-59, 61-62	IF-WU-450a.4, IF-WU-440a.3	S1.29(a-b) S1.30(a-c) S1.33(a)	S2.9(a-b)	Yes		
Business Continuity								
GRI 3: Material Topics 2021	3-3 Management of material topics	64-65				Yes		
Sustained Earnings								
GRI 3: Material Topics 2021	3-3 Management of material topics	46-49		S1.34(a)	S2.15(a)	Yes		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	70				Yes		
	201-4 Financial assistance received from government	71				Yes		
GRI 207: Tax 2019	207-1 Approach to tax	71				Yes		
	207-2 Tax governance, control, and risk management	71				Yes		
	207-3 Stakeholder engagement and management of concerns related to tax	71				Yes		
	207-4 Country-by-country reporting					No	Not applicable as Maynilad only operates in the Philippines.	
GRI 415: Public Policy 2016	415-1 Political contributions	71						

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
Asset Management								
GRI 3: Material Topics 2021	3-3 Management of material topics	72-73	IF-WU-000.E			Yes		
Technology, Innovation, and Business Growth								
GRI 3: Material Topics 2021	3-3 Management of material topics	74				Yes		
Cybersecurity and Data Privacy								
GRI 3: Material Topics 2021	3-3 Management of material topics	75				Yes		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	75				Yes		
Supply Chain, Materials Management, and Quality Assurance								
GRI 3: Material Topics 2021	3-3 Management of material topics	76-77				Yes		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	76-77				Yes		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	76-77				Yes		
	308-2 Negative environmental impacts in the supply chain and actions taken	76-77				Yes		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	76-77				Yes		
	414-2 Negative social impacts in the supply chain and actions taken	76-77				Yes		

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
Quality and Reliability of Water Supply								
GRI 3: Material Topics 2021	2-4 Restatement of Information	80	IF-WU-250a.2 IF-WU-440a.1 IF-WU-440a.3 IF-WU-000.B			Yes		In 2025, 56,678 residential customers were temporarily disconnected for non-payment, with 9,352 (16.5%) reconnected within 30 days. Maynilad recorded 6,303 unplanned service disruptions, affecting an average of 4,671 households per day. Customer reconnection is dependent on customer capacity to resolve account issues, with multiple ways provided for resettlement. External factors affecting water affordability include regulatory tariff adjustments and increases in water treatment costs. Changes in energy prices, treatment chemicals, raw water quality, and stricter environmental regulations may increase operational costs and impact water tariffs/
	3-3 Management of material topics	78-80				Yes		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	79-80				Yes		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	79-81				Yes		
	303-3 Water withdrawal	79-80				Yes		
	303-5 Water consumption					No	Not applicable as Maynilad is a water utility company and does not consume the water it produces.	
Water Efficiency and Wastewater Treatment								
GRI 3: Material Topics 2021	3-3 Management of material topics	80-84	IF-WU-140a.1 IF-WU-140a.2 IF-WU-140b.2 IF-WU-440a.2 IF-WU-450a.1 IF-WU-450a.2 IF-WU-000.D IF-WU-000.E			Yes		
GRI 301: Materials 2016	301-2 Recycled input materials used	84				Yes		
	301-3 Reclaimed products and their packaging materials					No	Not applicable as Maynilad does not use packaging for its products.	
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	80-84				Yes		
	303-4 Water discharge	82-84				Yes		

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
Waste Management								
GRI 3: Material Topics 2021	2-4 Restatement of Information	86				Yes		
	3-3 Management of material topics	85-86				Yes		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	85-86				Yes		
	306-2 Management of significant waste-related impacts	85-86				Yes		
	306-3 Waste generated	86				Yes		
	306-4 Waste diverted from disposal	86				Yes		
	306-5 Waste directed to disposal	86				Yes		
Energy Management								
GRI 3: Material Topics 2021	3-3 Management of material topics	87-89	IF-WU-130a.1			Yes		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	87-88				Yes		
	302-2 Energy consumption outside of the organization					No	Not applicable.	
	302-3 Energy intensity	88-89				Yes		
	302-4 Reduction of energy consumption	87-88				Yes		
	302-5 Reductions in energy requirements of products and services	87-88				Yes		
GHG Emissions								
GRI 3: Material Topics 2021	3-3 Management of material topics	89-91		S1.33(b)	S2.14(c), S2.29(a)	Yes		
GRI 305: Emission 2016	305-1 Direct (Scope 1) GHG emissions	89-90			S2.29(a)	Yes		
	305-2 Energy indirect (Scope 2) GHG emissions	89-90				Yes		
	305-3 Other indirect (Scope 3) GHG emissions	89-90				Yes		
	305-4 GHG emissions intensity	89-90				Yes		
	305-5 Reduction of GHG emissions			S1.33(b) S1.51 (a-g)	S2.14(c), S2.33(a-h), S2.36(a)	No		
	305-6 Emissions of ozone-depleting substances (ODS)					No	Not applicable.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	91				Yes		
Biodiversity Management								
GRI 3: Material Topics 2021	3-3 Management of material topics	92-93				Yes		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	92				Yes		
	304-2 Significant impacts of activities, products and services on biodiversity	93				Yes		
	304-3 Habitats protected or restored	93				Yes		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	93				Yes		

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
Environmental Compliance								
GRI 3: Material Topics 2021	3-3 Management of material topics	94	IF-WU-140b.1 IF-WU-250a.1			Yes		
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	94				Yes		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	94				Yes		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	94				Yes		
Customer Experience								
GRI 3: Material Topics 2021	3-3 Management of material topics	95-98	IF-WU-240a.1 IF-WU-450a.3 IF-WU-000.A IF-WU-000.C IF-WU-240a.3 IF-WU-240a.4			Yes		In 2025, 56,678 residential customers were temporarily disconnected for non-payment, with 9,352 (16.5%) reconnected within 30 days. Maynilad recorded 6,303 unplanned service disruptions, affecting an average of 4,671 households per day. Customer reconnection is dependent on customer capacity to resolve account issues, with multiple ways provided for resettlement. External factors affecting water affordability include regulatory tariff adjustments and increases in water treatment costs. Changes in energy prices, treatment chemicals, raw water quality, and stricter environmental regulations may increase operational costs and impact water tariffs.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling					No	Not applicable.	
	417-2 Incidents of non-compliance concerning product and service information and labeling					Yes		No recorded incidents.
	417-3 Incidents of non-compliance concerning marketing communications					Yes		No recorded incidents.

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
Fair and Transparent Practices								
GRI 3: Material Topics 2021	3-3 Management of material topics	98-100				Yes		
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	99-100				Yes		
	2-16 Communication of critical concerns	99-100				Yes		
	2-23 Policy commitments	14-15, 99-100				Yes		
	2-24 Embedding policy commitments	99-100		S1.44(a)(i),(b-c)	S2.25(a)(i),(b-c)	Yes		
	2-26 Mechanisms for seeking advice and raising concerns	99-100				Yes		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	98-100				Yes		
	205-2 Communication and training about anti-corruption policies and procedures	98-100				Yes		
	205-3 Confirmed incidents of corruption and actions taken					Yes		There were no confirmed incidents of corruption or bribery during the year, and no directors, employees, or business partners were dismissed, disciplined, or had contracts terminated due to corruption-related violations.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	98-100				Yes		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	98-100				Yes		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	98-100				Yes		

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
Diversity, Equality, and Inclusion								
GRI 3: Material Topics 2021	3-3 Management of material topics	100-104				Yes		
GRI 2: General Disclosures 2021	2-7 Employees	100-103				Yes		
	2-8 Workers who are not employees	100-103				Yes		
	2-21 Annual total compensation ratio					No	Maynilad maintains confidentiality regarding employee wage and refrains from publicly reporting this information.	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage					No	Maynilad maintains confidentiality regarding employee wage and refrains from publicly reporting this information.	
	202-2 Proportion of senior management hired from the local community	100-103				Yes		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	32-34, 100-103				Yes		
	405-2 Ratio of basic salary and remuneration of women to men	104				Yes		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	100-104				Yes		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	104				Yes		
Employee Engagement and Development								
GRI 3: Material Topics 2021	3-3 Management of material topics	104-114				Yes		
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	114				Yes		
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	105				Yes		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	108-109				Yes		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	108-111				Yes		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	105-106				Yes		
	401-3 Parental leave	106-107				Yes		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	111-113				Yes		
	404-2 Programs for upgrading employee skills and transition assistance programs	111-113				Yes		
	404-3 Percentage of employees receiving regular performance and career development reviews	108				Yes		
GRI 407: Freedom of Association and Collective	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	114				Yes		
Occupational Safety and Health								
GRI 3: Material Topics 2021	3-3 Management of material topics	115-118				Yes		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	115-118				Yes		
	403-2 Hazard identification, risk assessment, and incident investigation	117				Yes		

GRI Standard	GRI Disclosure	Location	SASB	IFRS S1	IFRS S2	Data Present (Yes/No)	Explanation / Reason for omission	Remarks
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	115-118				Yes		
	403-4 Worker participation, consultation, and communication on occupational health and safety	115-118				Yes		
	403-5 Worker training on occupational health and safety	116, 118				Yes		
	403-6 Promotion of worker health	118				Yes		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	115-118				Yes		
	403-8 Workers covered by an occupational health and safety management system	115-118				Yes		
	403-9 Work-related injuries	117-118				Yes		
	403-10 Work-related ill health	118				Yes		
Community Development								
GRI 3: Material Topics 2021	3-3 Management of material topics	119-125				Yes		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	119-125				Yes		
	203-2 Significant indirect economic impacts	119-125				Yes		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	117				Yes		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	119-125				Yes		
	413-2 Operations with significant actual and potential negative impacts on local communities	119-125				Yes		
Outlook and Annexes								
GRI 2: General Disclosures 2021	2-5 External assurance	129-135				Yes		

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