

15 May 2026

Philippine Dealing & Exchange Corp.
29th Floor, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

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

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

Gentlemen:

In compliance with the Philippine Dealing & Exchange Corp. ("PDEX") guidelines, please find enclosed a copy of our disclosure to the Securities and Exchange Commission on May 15, 2026.

Very truly yours,


SHAINA ANELLA B. RAMIREZ
Deputy Corporate Information Officer

COVER SHEET

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 S.E.C. Registration Number

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I	N	V	E	S	T	M	E	N	T	S	P	H	I	L	I	P	P	I	N	E	S	
C	O	R	P	O	R	A	T	I	O	N)											

(Company's Full Name)

1	1	F	S	A	N	M	I	G	U	E	L	P	R	O	P	E	R	T	I	E	S
C	E	N	T	R	E	7	S	T	F	R	A	N	C	I	S	S	T				
M	A	N	D	A	L	U	Y	O	N	G	C	I	T	Y							

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

Atty. Mary Rose S. Tan

 Contract Person

(632) 8632-3000

 Company Telephone Number

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

0	5	Annual Meeting
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1 st	Tuesday	Day
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 Secondary License Type, If Applicable

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 Dept. Requiring This Doc.

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 Amended Articles Number/Section

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 Total No. of Stockholders

Total Amount of Borrowings

	Domestic
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	Foreign
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To be Accomplished by SEC Personnel Concerned

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 File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2026
2. Commission identification number CS201310694
3. BIR Tax Identification No. 008-547-087
4. Exact name of issuer as specified in its charter SMC TOLLWAYS CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
METRO MANILA, PHILIPPINES
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code
11th Floor, San Miguel Properties Centre, 1550
7 St. Francis Street, Mandaluyong City
8. Issuer's telephone number, including area code (632) 8632 – 3000
9. Former name, former address and former fiscal year, if changed since last report N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Amount of Debt Outstanding

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

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

Yes [] No []

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

N/A

12. Indicate by check mark whether the registrant:

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

Yes [] No []

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

Yes [] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of SMC Tollways Corporation (“SMC Tollways” or “Parent Company”) and its subsidiaries (collectively, the “Group”) as of and for the period ended March 31, 2026 (with comparative figures as of December 31, 2025 and for the period ended March 31, 2025) and Selected Notes to Consolidated Financial Statements is hereto attached as **Annex “A”**.

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

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

PART II – OTHER INFORMATION


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

NONE

SIGNATURES

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

Issuer: **SMC TOLLWAYS CORPORATION**

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

Date: May 14, 2026

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

Date: May 14, 2026

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)


	Note	March 31, 2026 Unaudited	December 31, 2025 Audited
ASSETS			
Current Assets			
Cash and cash equivalents		P24,607,755	P23,159,616
Restricted cash		6,030,615	6,914,936
Receivables		433,114	463,375
Input value-added tax (VAT)		1,989,711	2,190,545
Other current assets		407,317	216,157
Total Current Assets		33,468,512	32,944,629
Noncurrent Assets			
Service concession rights	5	77,612,947	78,056,505
Due from related parties	4	3,190,182	2,217,800
Goodwill		483,452	483,452
Property and equipment	6	257,616	254,168
Deferred tax assets		25,413	25,837
Other noncurrent assets		660,024	350,588
Total Noncurrent Assets		82,229,634	81,388,350
		P115,698,146	P114,332,979
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities		P4,765,526	P5,020,202
Current portion of:			
Long-term debt - net of debt issue costs		6,176,017	5,005,655
Provision for infrastructure restoration obligation		139,743	139,743
Lease liabilities		5,200	5,017
Dividends payable		160,042	96,025
Income tax payable		879,505	638,880
Total Current Liabilities		12,126,033	10,905,522
Noncurrent Liabilities			
Noncurrent portion of:			
Long-term debt - net of debt issue costs		39,363,244	41,784,228
Provision for infrastructure restoration obligation		232,677	188,628
Retention payable		191,673	121,104
Lease liabilities		8,081	9,414
Defined benefit retirement liabilities – net		49,167	50,598
Deferred tax liabilities – net		337,636	341,941
Total Noncurrent Liabilities		40,182,478	42,495,913
Total Liabilities		P52,308,511	P53,401,435

(Forward)

	March 31, 2026 Unaudited	December 31, 2025 Audited
Equity		
Capital stock	₱6,953,846	₱6,953,846
Retained earnings	63,269,593	61,013,838
Other comprehensive loss	(13,308)	(13,308)
Equity reserves	(13,594,274)	(13,594,274)
Equity attributable to equity holders of the		
Parent Company	56,615,857	54,360,102
Non-controlling interest	6,773,778	6,571,442
Total Equity	63,389,635	60,931,544
	₱115,698,146	₱114,332,979

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

CERTIFIED CORRECT:


CRISALLIE D. GERONIMO
Senior Manager - Comptrollership


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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, except Per Share Data)

	Note	Periods Ended March 31	
		2026 Unaudited	2025 Unaudited
REVENUE			
Revenue from toll operations		P5,545,116	P5,337,252
Toll operation and maintenance fees		120,000	101,250
		5,665,116	5,438,502
COST OF SERVICES		(1,548,549)	(1,498,440)
GROSS PROFIT		4,116,567	3,940,062
OPERATING EXPENSES		(308,477)	(427,544)
CONSTRUCTION REVENUE (COSTS)	5		
Construction revenue		433,265	384,818
Construction costs		(433,265)	(384,818)
		-	-
OTHER INCOME (CHARGES)			
Interest expense and other financing charges		(885,402)	(1,003,787)
Interest income		365,903	332,563
Rental income		19,364	25,722
Others - net		968	4,078
		(499,167)	(641,424)
INCOME BEFORE INCOME TAX		3,308,923	2,871,094
INCOME TAX EXPENSE		685,271	423,567
NET INCOME		2,623,652	2,447,527
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		P2,623,652	P2,447,527
Net income and total comprehensive income attributable to:			
Equity holders of the Parent Company		P2,255,755	P2,114,078
Non-controlling interest		367,897	333,449
		P2,623,652	P2,447,527
Basic and Diluted Earnings Per Share	7	P32.44	P30.40

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

CERTIFIED CORRECT:


CRISALLIE D. GERONIMO
Senior Manager – Comptrollership


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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands, except Number of Shares and Par Value per Share)

	Periods Ended March 31	
	2026	2025
CAPITAL STOCK - ₱100 par value		
Authorized - 80,000,000 shares		
Issued and outstanding - 69,538,459 shares	₱6,953,846	₱6,953,846
RETAINED EARNINGS		
Balance at beginning of period	61,013,838	52,422,714
Net income	2,255,755	2,114,078
Balance at end of period	63,269,593	54,536,792
OTHER COMPREHENSIVE LOSS		
<i>Cumulative net remeasurement losses on net retirement liabilities</i>		
Balance at beginning and end of period	(13,308)	(15,465)
EQUITY RESERVES	(13,594,274)	(13,594,274)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	56,615,857	47,880,899
NON-CONTROLLING INTEREST		
Balance at beginning of period	6,571,442	5,582,066
Net income	367,897	333,449
Cash dividends	(165,561)	(165,561)
Balance at end of period	6,773,778	5,749,954
	₱63,389,635	₱53,630,853

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

CERTIFIED CORRECT:


CRISALLIE D. GERONIMO
 Senior Manager - Comptrollership

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)


		Periods Ended March 31	
	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P3,308,923	P2,871,094
Adjustments for:			
Interest expense and other financing charges		885,402	1,003,787
Depreciation and amortization	6	895,535	886,271
Interest income		(365,903)	(332,563)
Provision for infrastructure restoration obligation		41,355	-
Retirement expense		5,941	7,153
Net foreign exchange loss (gain)		(38)	141
Operating income before working capital changes		4,771,215	4,435,883
Decrease (increase) in:			
Receivables		9,332	47,295
Input VAT		200,834	89,225
Other current assets		(191,159)	(50,201)
Increase (decrease) in accounts payable and other current liabilities		(206,140)	943,102
Net cash generated from operations		4,584,082	5,465,304
Income tax paid		(448,527)	(733,661)
Interest received		386,832	332,563
Contributions to retirement plan		(7,372)	-
Net cash flows provided by operating activities		4,515,015	5,064,206
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Due from related parties		(1,081,321)	-
Service concession rights	5	(433,265)	(384,818)
Property and equipment	6	(20,307)	(76,400)
Increase in other noncurrent assets		(202,272)	(20,283)
Net additions to retention payable		12,422	32,586
Net cash flows used in investing activities		(1,724,743)	(448,915)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Long-term debt		(1,271,000)	(1,369,811)
Interest expense		(852,471)	(998,624)
Dividends to non-controlling interest		(101,544)	(101,544)
Lease liabilities		(1,477)	(893)
Reductions from restricted cash		884,321	3,582,063
Net cash flows provided by (used in) financing activities		(P1,342,171)	P1,111,191

(Forward)

	Note	Periods Ended March 31	
		2026	2025
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		₱38	(₱141)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,448,139	5,726,341
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		23,159,616	17,279,552
CASH AND CASH EQUIVALENTS AT END OF PERIOD		₱24,607,755	₱23,005,893

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

CERTIFIED CORRECT:


CRISALLIE D. GERONIMO
 Senior Manager - Comptrollership

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

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

1. Reporting Entity

General Information

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

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

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

The registered office address of the Parent Company is 11/F San Miguel Properties Centre, 7 St. Francis St., Mandaluyong City.

Retail Bond Issue

The Parent Company has issued public bonds (the Bonds) with aggregate principal amount of ₱35,000.0 million in three (3) tranches. The Bonds were listed at the Philippine Dealing System Holdings Corp. & Subsidiaries (PDS) on December 5, 2024.

2. Material Accounting Policy Information

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*, and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2025.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on May 11, 2026.

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

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

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

Adoption of Amendments to Standards

The Group has adopted the following amendments to PFRS effective January 1, 2026 and accordingly, changed its accounting policies in the following areas:

- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on PFRS 7, *Financial Instruments: Disclosures*, PFRS 18, *Presentation and Disclosure in Financial Statements*, PAS 1, *Presentation of Financial Statements*, PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, PAS 36, *Impairment of Assets* and PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*). The amendments provide illustrative examples demonstrating how entities can apply PFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The examples use climate-related scenarios as practical illustrations, but the underlying principles apply more broadly to all uncertainties.

The illustrative examples are not an integral part of the PFRS Accounting Standards and do not have an effective date or transition requirements. Entities are expected to consider these examples in applying the disclosure requirements of the relevant standards on a timely basis.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments* and PFRS 7). The amendments clarify that a financial liability is derecognized on the settlement date when the related obligation is discharged, cancelled or expires. The amendments also introduce an accounting policy option to derecognize financial liabilities settled through an electronic payment system before the settlement date, if certain specified conditions are met.

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

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

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to five standards, of which the following amendments are relevant to the Group:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in statement of comprehensive income; and

- replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

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

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2026 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

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

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

Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

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

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2026 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

3. Segment Information

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

Business Segments

The Group's main businesses are as follows:

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

Geographical Segments

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

Inter-segment Transactions

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

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

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

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the periods March 31, 2026 and 2025, and as at March 31, 2026 and December 31, 2025:

	March 31, 2026				
	Toll Concession	Toll Operation	Others	Eliminations	Total
REVENUE	₱5,313,140	₱351,976	₱1,195,920	(₱1,195,920)	₱5,665,116
COST OF SERVICES	(1,304,064)	(229,373)	-	(15,112)	(1,548,549)
GROSS PROFIT	4,009,076	122,603	1,195,920	(1,211,032)	4,116,567
OPERATING EXPENSES	(256,560)	(49,821)	(2,096)	-	(308,477)
CONSTRUCTION REVENUE (COSTS)					
Construction revenue	433,265	-	-	-	433,265
Construction costs	(433,265)	-	-	-	(433,265)
	-	-	-	-	-
OTHER INCOME (CHARGES)					
Interest expense and other financing charges	(280,680)	-	(604,722)	-	(885,402)
Interest income	203,285	113	162,505	-	365,903
Rental income	19,364	-	-	-	19,364
Others – net	(395)	1,361	2	-	968
	(58,426)	1,474	(442,215)	-	(499,167)
INCOME BEFORE INCOME TAX	3,694,090	74,256	751,609	(1,211,032)	3,308,923
INCOME TAX EXPENSES	646,064	20,402	22,583	(3,778)	685,271
NET INCOME	3,048,026	53,854	729,026	(1,207,254)	2,623,652

(Forward)

	March 31, 2026				
	Toll Concession	Toll Operation	Others	Eliminations	Total
TOTAL COMPREHENSIVE INCOME	₱3,048,026	₱53,854	₱729,026	(₱1,207,254)	₱2,623,652
SEGMENT ASSETS	₱99,164,456	₱436,006	₱124,735,294	(₱108,637,610)	₱115,698,146
SEGMENT LIABILITIES	₱40,371,859	₱158,824	₱67,561,099	(₱55,783,271)	₱52,308,511

Other Information

Cost of services and operating expenses excluding depreciation and amortization	₱675,984	₱268,298	₱17,209	₱-	₱961,491
Depreciation and amortization	869,528	10,895	-	15,112	895,535
Additions to service concession rights, property and equipment and ROU assets	450,814	2,838	-	-	453,652

	March 31, 2025				
	Toll Concession	Toll Operation	Others	Eliminations	Total
REVENUE	₱5,109,180	₱329,322	₱1,195,920	(₱1,195,920)	₱5,438,502
COST OF SERVICES	(1,217,028)	(266,300)	-	(15,112)	(1,498,440)
GROSS PROFIT	3,892,152	63,022	1,195,920	(1,211,032)	3,940,062
OPERATING EXPENSES	(361,145)	(62,232)	(4,167)	-	(427,544)
CONSTRUCTION REVENUE (COSTS)					
Construction revenue	384,818	-	-	-	384,818
Construction costs	(384,818)	-	-	-	(384,818)
	-	-	-	-	-
OTHER INCOME (CHARGES)					
Interest expense and other financing charges	(982,044)	-	(21,743)	-	(1,003,787)
Interest income	219,572	198	112,793	-	332,563
Rental income	25,722	-	-	-	25,722
Others – net	1,397	2,681	-	-	4,078
	(735,353)	2,879	91,050	-	(641,424)
INCOME BEFORE INCOME TAX	2,795,654	3,669	1,282,803	(1,211,032)	2,871,094
INCOME TAX EXPENSES	401,503	3,284	22,558	(3,778)	423,567
NET INCOME	2,394,151	385	1,260,245	(1,207,254)	2,447,527
TOTAL COMPREHENSIVE INCOME	₱2,394,151	₱385	₱1,260,245	(₱1,207,254)	₱2,447,527

	December 31, 2025				
	Toll Concession	Toll Operation	Others	Eliminations	Total
SEGMENT ASSETS	₱99,410,058	₱476,801	₱123,992,230	(₱109,546,110)	₱114,332,979
SEGMENT LIABILITIES	₱42,304,005	₱254,599	₱67,547,059	(₱56,704,228)	₱53,401,435

Other Information

Cost of services and operating expenses excluding depreciation and amortization	₱701,069	₱319,367	₱19,277	₱-	₱1,039,713
Depreciation and amortization	861,994	9,165	-	15,112	886,271
Additions to service concession rights, property and equipment and ROU assets	434,764	26,454	-	-	461,218

4. Related Party Disclosures

The Parent Company and related parties purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements. Amounts owed by/owed to related parties are collectible/will be settled in cash.

	For the Periods Ended March 31		March 31, 2026	December 30, 2025	Terms and Conditions
	2026	2025			
	Amount of Transactions		Outstanding Balance		
Receivables					
Entities under common control	₱71,638	₱76,410	₱74,299	₱84,792	30 days; noninterest-bearing, unsecured
Due from Related Parties					
Entities under common control	₱972,382	₱-	₱3,190,182	₱2,217,800	Interest bearing ranging from 7.35% to 7.73%, unsecured and collectible in 2045
Interest Receivable					
Entities under common control	₱49,590	₱-	₱108,939	₱59,218	Noninterest-bearing, unsecured and collectible until 2045
ROU Assets					
Entities under common control	₱1,345	₱-	₱13,619	₱14,885	Lease of office and parking spaces
Security Deposits					
Entities under common control	₱-	₱-	₱1,018	₱1,018	Refundable upon termination of lease
Accounts Payable and Other Current Liabilities					
Entities under common control	₱4,811,925	₱4,301,288	₱115,269	₱312,311	5 -30 days; noninterest-bearing, unsecured
Intermediate Parent	156,397	144,939	-	1,016	5 -30 days; noninterest-bearing, unsecured
			₱115,269	₱313,327	
Due to a Related Party					
	₱-	₱-	₱61,844	₱61,844	On demand, noninterest-bearing, unsecured
Lease Liabilities					
Entities under common control	₱1,477	₱-	₱13,281	₱14,431	Lease of office and parking spaces
Fair Value of Plan Assets					
Plan Assets	₱7,372	₱-	₱141,275	₱134,003	Under SMHC Multi-Employer Plan

Receivables

- a. On June 14, 2023, the Group with SMC NAIAX, SMC SLEX, STAR Infrastructure Development Corporation (SIDC), Manila Toll Expressway Systems, Inc. (MATES), STAR Tollway Corporation (STC), SMC TPLEX Corporation (SMC TPLEX) and TPLEX Operations and Maintenance Corporation (TOMCO), entered into a MOA on Inter-operability of Toll Collection System to ensure the inter-operability of toll collection system and traffic operations in

accordance with the TRB guidelines for seamless traffic system and improved quality of service to the motorists throughout the toll roads. Total related cash transactions amounted to ₱28.1 million and ₱31.0 million on March 31, 2025 and 2026, respectively. The Group has toll receivable amounting to ₱45.2 million and ₱40.3 million as at March 31, 2026 and December 31, 2025, respectively.

- b. SMC SKYWAY entered into a lease contract with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the SMC SKYWAY at the South Metro Manila Skyway (SMMS). Total rental income amounted to ₱7.3 million and ₱6.1 million for the periods ended March 31, 2026 and 2025, respectively. The outstanding rental receivable amounted to ₱22.3 million and ₱17.5 million as at March 31, 2026 and December 31, 2025, respectively.
- c. MMSS3 entered into lease contracts with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the Group at the Skyway Stage 3. Total rental income amounted to ₱5.0 million and ₱8.1 million for the periods ended March 31, 2026 and 2025, respectively. The outstanding rental receivable amounted to ₱6.8 million and ₱13.0 million as at March 31, 2026 and December 31, 2025, respectively.
- d. SOMCO agreed with SMC NAIAX to manage, operate and maintain the toll roads and toll road facilities, interchanges, and related facilities of the entire NAIAX. Revenue from toll operation and maintenance amounted to ₱31.2 million for the periods ended March 31, 2026 and 2025. Outstanding receivable amounted to nil and ₱14.0 million as at March 31, 2026 and December 31, 2025, respectively.

Due from Related Parties

The Group entered into loan agreements with related parties to finance upcoming infrastructure projects and other financing requirements. The loans have term of 20 years and bear an annual interest ranging from 7.35% to 7.73% subject to repricing. The loans and interest shall be collectible in full and in cash on maturity date. The loans do not carry any covenants.

In 2026, the Group has extended advances to related parties amounting to ₱972.4 million. Moreover, no collections were made during the period.

In March 31, 2026 and 2025, interest income earned from the loans amounted to ₱49.6 million and nil, respectively. As at March 31, 2026 and December 31, 2025, the aggregate carrying amount of the loan principal and interests amounted to ₱3,299.1 million and ₱2,277.0 million, respectively.

ROU Assets and Lease Liabilities

The Group entered into several lease agreements with entities under common control for its office and parking spaces ranging from one (1) to three (3) years with 3% annual escalation and an option to renew subject to mutually agreeable terms and conditions.

The Group recognized ROU assets and lease liabilities for its lease agreements on its office spaces and parking spaces because management has assessed that the Group is reasonably certain to exercise its option to extend the related lease agreements.

As at March 31, 2026 and December 31, 2025, the balance of ROU Assets amounted to ₱13.6 million and ₱14.9 million, respectively. The balance of lease liabilities as at March 31, 2026 and December 31, 2025, amounted to ₱13.3 million and ₱14.4 million, respectively.

Security Deposits

The Group entered into lease agreements with entities under common control for the lease of office and parking spaces. The lease agreement is for a period of one year and renewable every year thereafter

unless terminated by either party. Security deposits amounting to ₱1.0 million as at March 31, 2026 and December 31, 2025, will be refunded upon termination of the lease agreement.

Accounts Payable and Other Current Liabilities

Entities under Common Control

- a. In relation to the interoperability arrangement between SMC SKYWAY and SLEX, total related transactions pertaining to ETC transactions amounted to ₱2,861.0 million and ₱2,550.3 million on March 31, 2026 and 2025, respectively. The Group has toll payable to SMC SLEX amounting to ₱20.7 million and ₱76.0 million as at March 31, 2026 and December 31, 2025, respectively.
- b. Pursuant to a MOA entered into by SMC SKYWAY and SMC NAIAX, the Group shall collect and remit to SMC NAIAX all toll fees collected from the ETC users of NAIA Expressway. Total related transactions amounted to ₱435.6 million and ₱408.1 million on March 31, 2026 and 2025, respectively. Outstanding payable to SMC NAIAX amounted to ₱6.1 million and ₱14.3 million as at March 31, 2026 and December 31, 2025, respectively, respectively.
- c. Pursuant to a MOA entered into by SMC SKYWAY and SIDC dated August 20, 2018, the Group shall collect and remit to SIDC all toll fees collected from the ETC users of STAR Tollways. Total related transaction amounted to ₱519.1 million and ₱480.7 million on March 31, 2026 and 2025, respectively. Outstanding payable to SIDC amounted to nil and ₱16.5 million as at March 31, 2026 and December 31, 2025, respectively.
- d. The Group entered into a one-year lease agreement, renewable for another year with MATES for the lease of machineries and equipment used for construction and road repairs. Total related transaction amounted to nil on March 31, 2026 and 2025. Outstanding payable to MATES amounted to ₱0.8 million and ₱0.8 million as at March 31, 2026 and December 31, 2025, respectively.
- e. Pursuant to a MOA entered into by SMC SKYWAY and SMC TPLEX, dated February 27, 2019, the Group shall collect and remit to SMC TPLEX all toll fees collected from the ETC users of Tarlac-Pangasinan-La Union Expressway (TPLEX). Total related transaction amounted to ₱730.8 million, and ₱710.9 million on March 31, 2026 and 2025, respectively. Outstanding payable to SMC TPLEX amounted to nil and ₱39.7 million as at March 31, 2025 and December 31, 2025, respectively.
- f. The Group and Intelligent E-Processes Technologies Corp. (IETC) entered into service agreements for non-exclusive and nontransferable license to use the toll collection system, preventive and corrective maintenance of Intelligent Transportation System and RFID management and customer services. IETC charges a monthly fixed fee for the above services rendered. The agreement is renewable on a yearly basis. Total related transaction amounted to ₱78.3 million and ₱84.3 million on March 31, 2025 and 2026, respectively. Outstanding payable to IETC amounted to ₱27.4 million and ₱76.5 million as at March 31, 2026 and December 31, 2025, respectively.
- g. The Group also purchased other goods and services from various related parties. These are settled within the respective related parties' normal settlement period. Total related transactions amounted to ₱187.2 million and ₱67.0 million on March 31, 2026 and 2025, respectively. Outstanding payable for these transactions amounted to ₱60.3 million and ₱88.5 million as at March 31, 2026 and December 31, 2025, respectively.

Intermediate Parent

In 2021, the Group and San Miguel Holdings Corp. (SMHC) entered into a Shared Services Agreement wherein the Group agreed to pay SMHC an annual fee for the Shared Services rendered by SMHC on behalf of the Group. The Group also agreed to reimburse SMHC for all out-of-pocket expenses, incurred by SMHC in the performance of the Shared Services and all costs and expenses incurred by SMHC in rendering any service, at the request of the Group not covered by the Shared Services Agreement.

Management fee charged by SMHC amounted to ₱156.4 million and ₱144.9 million on March 31 2026 and 2025, respectively. Outstanding payable to SMHC amounted to nil and ₱1.0 million as at March 31, 2026 and December 31, 2025, respectively.

Due to a Related Party

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

Fair Value of Plan Assets

The Plan will provide, through a retirement fund, the payment of the benefits to each participating company's regular employees when they are retired, disabled or separated from service, or in the event of death at definite amounts to their beneficiaries.

The Group has contributions to the Plan amounting to ₱7.4 million and nil on March 31, 2026 and 2025, respectively.

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

5. Service Concession Rights

Service concession rights consist of:

		March 31, 2026				
	Note	Stage 1	Stage 2	Stage 3	Skyway Extension	Total
Cost						
Balance at beginning of period		₱18,965,626	₱10,636,339	₱66,789,018	₱10,665,529	₱107,056,512
Additions		21,761	9,450	290,122	111,932	433,265
Balance at end of period		18,987,387	10,645,789	67,079,140	10,777,461	107,489,777
Accumulated Amortization						
Balance at beginning of period		12,846,906	5,043,486	9,322,486	1,787,129	29,000,007
Amortization	6	95,774	86,003	540,914	154,132	876,823
Balance at end of period		12,942,680	5,129,489	9,863,400	1,941,261	29,876,830
Carrying Amount		₱6,044,707	₱5,516,300	₱57,215,740	₱8,836,200	₱ 77,612,947
		December 31, 2025				
		Stage 1	Stage 2	Stage 3	Skyway Extension	Total
Cost						
Balance at beginning of year		₱18,751,948	₱10,589,930	₱64,867,698	₱10,384,719	₱104,594,295
Additions		213,678	46,409	1,921,320	280,810	2,462,217
Balance at end of year		18,965,626	10,636,339	66,789,018	10,665,529	107,056,512
Accumulated Amortization						
Balance at beginning of year		12,463,811	4,699,474	7,181,208	1,165,611	25,510,104
Amortization		383,095	344,012	2,141,278	621,518	3,489,903
Balance at end of year		12,846,906	5,043,486	9,322,486	1,787,129	29,000,007
Carrying Amount		₱6,118,720	₱5,592,853	₱57,466,532	₱8,878,400	₱78,056,505

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

Construction Revenue and Construction Costs

The Group recognized construction revenue and construction costs amounting to ₱433.3 million and ₱384.8 million for the periods ended March 31, 2026 and 2025, respectively, in reference to the stage of completion of the construction.

6. Property and Equipment, and Computer Software

Property and equipment consist of:

	March 31, 2026				
	Transportation Equipment	Machineries and Equipment	Office Equipment, Furniture and Fixtures	Building Improvements	Total
Cost					
Balance at beginning of period	₱338,490	251,598	115,993	25,112	731,193
Additions	-	5,276	1,870	13,161	20,307
Balance at end of period	338,490	₱256,874	₱117,863	₱38,273	₱751,500
Accumulated					
Depreciation					
Balance at beginning of period	223,594	134,121	103,246	16,064	477,025
Depreciation	7,847	6,588	1,781	643	16,859
Balance at end of period	231,441	140,709	105,027	16,707	493,884
Carrying Amount	₱107,049	₱116,165	₱12,836	₱21,566	₱257,616

	December 31, 2025				
	Transportation Equipment	Machineries and Equipment	Office Equipment, Furniture and Fixtures	Building Improvements	Total
Cost					
Balance at beginning of year	₱329,695	₱165,693	₱112,445	₱29,690	₱637,523
Additions	30,381	85,905	4,714	603	121,603
Disposal	(21,586)	-	(1,166)	(5,181)	(27,933)
Balance at end of year	338,490	251,598	115,993	25,112	731,193
Accumulated					
Depreciation					
Balance at beginning of year	210,997	112,711	96,245	13,209	433,162
Depreciation	34,183	21,410	8,168	2,855	66,616
Disposal	(21,586)	-	(1,167)	-	(22,753)
Balance at end of year	223,594	134,121	103,246	16,064	477,025
Carrying Amount	₱114,896	₱117,477	₱12,747	₱9,048	₱254,168

The total cost of fully depreciated property and equipment still in use amounted to ₱331.9 million and ₱307.9 million as at March 31, 2026 and December 31, 2025, respectively.

The Group disposed property and equipment with total cost of ₱27.9 million for the period ended December 31, 2025, which resulted to gain on disposal of ₱2.2 million for the period ended December 31, 2025. Gain or loss on disposal of property and equipment were presented as part of "Others" under "Other income (charges)" of the consolidated statements of comprehensive income.

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

	March 31, 2026	March 31, 2025
Service concession rights	₱876,823	₱870,476
Property and equipment	16,859	14,984
ROU assets	1,345	811
Computer software	508	-
	₱895,535	₱886,271

Depreciation and amortization is allocated as follows:

	March 31, 2026	March 31, 2025
Cost of services	P889,178	P883,054
Operating expenses	6,357	3,217
	P895,535	P886,271

There are no property and equipment that are pledged as security or collateral to the Group's liabilities as at March 31, 2026 and December 31, 2025.

7. Basic and Diluted Earnings per Share

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

	2026	2025
Net income attributable to the holders of the Parent Company	2,255,755	P2,114,078
Divide by weighted average shares outstanding common shares	69,538	69,538
Basic and diluted earnings per share	P32.44	P30.40

The Parent Company has no potentially dilutive common shares for the period ended March 31, 2026, and 2025. Accordingly, the basic and diluted earnings per shares are stated at the same amount.

8. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

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

- Interest Rate Risk
- Credit Risk
- Liquidity Risk

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

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

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

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

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

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

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

Interest Rate Risk

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

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

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

	March 31, 2026		December 31, 2025	
	Change in Basis Points	Effect on Income Before Income Tax	Change in Basis Points	Effect on Income Before Income Tax
Increase	+0.13	(P263,461)	+0.15	(P58,515)
Decrease	-0.13	P263,461	-0.15	58,515

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

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

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

Generally, the credit risk of the Group is attributable to financial assets. The Group enters into contracts only with counterparties who have low credit risk, maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. In addition, for a significant proportion of revenue, advance payment and one-time charge and deposit are received to mitigate credit risk.

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

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

	March 31, 2026					Total
	Neither Past Due nor Impaired		Past due but		Impaired	
	High Grade	Standard Grade	not impaired			
Cash and cash equivalents*	₱24,604,920	₱ -	₱ -	₱ -	₱ -	₱24,604,920
Restricted cash	6,030,615	-	-	-	-	6,030,615
Receivables	-	417,583	15,531	733,649	-	1,166,763
Due from related parties	3,190,182	-	-	-	-	3,190,182
Interest receivable***	108,939	-	-	-	-	108,939
Security deposits**	-	1,018	-	-	-	1,018
Miscellaneous deposits***	-	2,192	-	-	-	2,192
	₱33,934,656	₱420,793	₱15,531	₱733,649		₱35,104,629

*Excluding cash on hand amounting to ₱2.8 million as at March 31, 2026

**Included under "Other current assets" and "Other noncurrent assets" account

***Included under "Other noncurrent assets" account

	December 31, 2025					Total
	Neither Past Due nor Impaired		Past due but		Impaired	
	High Grade	Standard Grade	not impaired			
Cash and cash equivalents*	₱23,157,014	₱-	₱-	₱-	₱-	₱23,157,014
Restricted cash	6,914,936	-	-	-	-	6,914,936
Receivables	-	447,844	15,531	733,649	-	1,197,024
Due from related parties	2,217,800	-	-	-	-	2,217,800
Interest receivable***	59,218	-	-	-	-	59,218
Security deposits**	-	1,018	-	-	-	1,018
Miscellaneous deposits***	-	2,147	-	-	-	2,147
	₱32,348,968	₱451,009	₱15,531	₱733,649		₱33,549,157

*Excluding cash on hand amounting to ₱2.6 million as at December 31, 2025

**Included under "Other current assets" and "Other noncurrent assets" account

***Included under "Other noncurrent assets" account

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

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

For toll receivables, the Group has adopted a lifetime expected loss allowance in estimating ECL to receivables through the use of a provisions matrix using fixed rates of credit loss provisioning based on recent historical collection rates after incorporating forward-looking information. The Group's policy in estimating ECL on other receivables are based on a 12-month basis. Allowance for ECL amounted to ₱733.6 million as at March 31, 2026 and December 31, 2025. Management assessed that the allowance is sufficient to cover the ECL of receivables.

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

For financial assets at amortized cost which mainly comprise of cash and cash equivalents, restricted cash and deposits, it is the Group's policy to measure ECL on these instruments on a 12-month basis. However, where there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

The following are considered in the assessment:

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

Liquidity Risk

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

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

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

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

March 31, 2026	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	₱24,607,755	₱24,607,755	₱24,607,755	-	-	-
Restricted cash	6,030,615	6,030,615	6,030,615	-	-	-
Receivables	433,114	433,114	433,114	-	-	-
Due from related parties	3,190,182	3,190,182	-	-	-	3,190,182
Interest receivable**	108,939	108,939	-	-	-	108,939
Security deposits*	1,018	1,018	450	-	568	-
Miscellaneous deposits**	2,192	2,192	-	2,192	-	-
Financial Liabilities						
Accounts payable and other current liabilities***	4,454,509	4,454,509	4,454,509	-	-	-
Long-term debt****	45,539,261	47,297,870	7,045,381	4,960,061	16,628,094	18,664,334
Retention payable	253,791	253,791	62,118	191,673	-	-
Dividends payable	160,042	160,042	160,042	-	-	-
Lease liabilities	13,281	13,948	5,765	8,183	-	-

*Included under "Other current assets" and "Other noncurrent assets" account

**Included under "Other noncurrent assets" account

***Excluding statutory payables amounting to ₱248.9 million and retention payable amounting to ₱62.1 million.

****Including interest payable to maturity amounting to ₱19,038.4 million.

December 31, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	₱23,159,616	₱23,159,616	₱23,159,616	–	–	–
Restricted cash	6,914,936	6,914,936	6,914,936	–	–	–
Receivables	463,375	463,375	463,375	–	–	–
Due from related parties	2,217,800	2,217,800	–	–	–	2,217,800
Interest receivable**	59,218	59,218	–	–	–	59,218
Security deposits*	1,018	1,018	450	–	568	–
Miscellaneous deposits**	2,147	2,147	–	2,147	–	–
Financial Liabilities						
Accounts payable and other current liabilities***	4,704,189	4,704,189	4,704,189	–	–	–
Long-term debt****	46,789,883	66,822,206	8,606,263	11,252,908	17,099,056	29,863,979
Retention payable	166,782	166,782	45,678	121,104	–	–
Dividends payable	96,025	96,025	96,025	–	–	–
Lease liabilities	14,431	14,079	8,759	3,332	1,988	–

*Included under "Other current assets" and "Other noncurrent assets" account

**Included under "Other noncurrent assets" account

***Excluding statutory payables amounting to ₱270.3 and retention payable amounting to ₱45.7 million.

****Including interest payable to maturity amounting to ₱16,693.0 million.

Capital Management

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

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

The Group monitors capital on the basis of net debt-to-equity ratio, which is calculated as consolidated net debt divided by consolidated equity. Consolidated net debt is defined as consolidated total debt less the aggregate amount (without duplication) of freely available, unencumbered cash and cash equivalents on the consolidated balance sheet of the Group at such time, while consolidated equity is the consolidated total assets minus consolidated total liabilities plus deposit for future subscription as reported in the consolidated financial statements of the Group and excluding all amounts attributable to or generated by the ring-fenced subsidiaries.

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

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

9. Financial Assets and Financial Liabilities

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

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

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

Financial Assets

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

Subsequent to initial recognition, financial assets are not reclassified unless the Group changes the business model for managing financial assets. All affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

The business model refers to how the Group manages the financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Group considers the following information in assessing the objective of the business model in which a financial asset is held at a portfolio level, which reflects the way the business is managed and information is provided to management:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how employees of the business are compensated; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Group considers the contractual terms of the financial asset in assessing whether the contractual cash flows are solely payments of principal and interest. For purposes of this assessment, "Principal" is defined as the fair value of the financial asset on initial recognition, "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. The assessment includes whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The Group considers the following in making the assessment:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

As at March 31, 2026, and December 31, 2025, the Group does not have financial assets measured at FVPL and FVOCI.

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

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

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

As at March 31, 2026, and December 31, 2025, cash and cash equivalents, restricted cash, receivables, due from related parties, security deposits (included under “Other current assets” and “Other noncurrent assets” account), interest receivable and miscellaneous deposits (included under “Other noncurrent assets” account) of the Group are classified under this category.

Financial Liabilities

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

As at March 31, 2026, and December 31, 2025, the Group does not have financial liabilities measured at FVPL.

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

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

As at March 31, 2026, and December 31, 2025, accounts payable and other current liabilities (excluding statutory payables), retention payable, long-term debt, dividends payable, and lease liabilities of the Group are classified under this category.

Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

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

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

Classification of Financial Instrument between Liability and Equity

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

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

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

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

	March 31, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Cash and cash equivalents	₱24,607,755	₱24,607,755	₱23,159,616	₱23,159,616
Restricted cash	6,030,615	6,030,615	6,914,936	6,914,936
Receivables	433,114	433,114	463,375	463,375
Due from related parties	3,190,182	3,190,182	2,217,800	2,217,800
Interest receivable**	108,939	108,939	59,218	59,218
Security deposits*	1,018	1,018	1,018	1,018
Miscellaneous deposits**	2,192	2,192	2,147	2,147
	₱34,373,815	₱34,373,815	₱32,818,110	₱32,818,110

	March 31, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Accounts payable and other current liabilities***	P4,454,509	P4,454,509	P4,704,189	P4,704,189
Long-term debt	45,539,261	47,984,571	46,789,883	50,233,188
Retention payable	253,791	253,791	166,782	166,782
Dividends payable	160,042	160,042	96,025	96,025
Lease liabilities	13,281	12,565	14,431	13,691
	P50,420,884	P52,865,478	P51,771,310	P55,213,875

*Included under "Other current assets" and "Other noncurrent assets" account

**Included under "Other noncurrent assets" account

***Excludes statutory payables and retention payable totaling P311.0 million and P316.0 million as at March, 31, 2026 and December 31, 2025, respectively.

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

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

Security Deposits and Miscellaneous Deposits. Due to the insignificant effect of discounting the sum of future cash flows, the amount of cash given up approximates the fair value of security deposits as at reporting date. The fair value measurement for the security deposits has been categorized as Level 3 (significant unobservable inputs).

Lease Liabilities. The estimated fair value of the Group's lease liabilities were determined as the sum of all remaining rental payments discounted using the prevailing market rate of interest for similar types of obligations. The fair value measurement for lease liabilities have been categorized as Level 3 (significant unobservable input).

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

There are no significant transfers between levels in the fair value hierarchy. The Group does not have financial instruments carried at fair value as at March 31, 2026 and December 31, 2025.

Derecognition of Financial Assets and Financial Liabilities

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

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

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

10. Other Matters

a. Commitments

The outstanding purchase commitments of the Group amounted to ₱4,635.9 million and ₱4,719.4 million as at March 31, 2026 and December 31, 2025, respectively.

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

- b. There were no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.
- c. There were no material changes in estimates of amounts reported in prior financial years.
- d. Certain accounts in prior years have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported financial performance for any period.

Annex "B"

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

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated statements of financial statements of SMC Tollways Corporation ("SMC Tollways" or "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended March 31, 2026 (with comparative figures as at December 31, 2025 and for the period ended March 31, 2025). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at March 31, 2026 and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS) have been omitted.

I. FINANCIAL PERFORMANCE

2026 vs 2025

(Amounts in Thousands)	March 31		Horizontal Analysis		Vertical Analysis	
	2026	2025	Amount	%	2026	2025
REVENUE						
Revenue from toll operations	₱5,545,116	₱5,337,252	₱207,864	4%	98%	98%
Toll operation and maintenance fee	120,000	101,250	18,750	19%	2%	2%
	5,665,116	5,438,502	226,614	4%	100%	100%
COST OF SERVICES	(1,548,549)	(1,498,440)	50,109	3%	(27%)	(28%)
GROSS PROFIT	4,116,567	3,940,062	176,505	4%	73%	72%
OPERATING EXPENSES	(308,477)	(427,544)	(119,067)	(28%)	(5%)	(8%)
CONSTRUCTION REVENUE (COSTS)						
Construction revenue	433,265	384,818	48,447	13%	8%	7%
Construction costs	(433,265)	(384,818)	48,447	13%	(8%)	(7%)
	-	-	-			
OTHER INCOME (CHARGES)						
Interest expense and other financing charges	(885,402)	(1,003,787)	(118,385)	(12%)	(16%)	(18%)
Interest income	365,903	332,563	33,340	10%	6%	6%
Rental income	19,364	25,722	(6,358)	(25%)	0%	0%
Others - net	968	4,078	(3,110)	(76%)	0%	0%
	(499,167)	(641,424)	(142,257)	(22%)	(9%)	(12%)
INCOME BEFORE INCOME TAX	3,308,923	2,871,094	437,829	15%	58%	53%
INCOME TAX EXPENSE	685,271	423,567	261,704	62%	12%	8%
NET INCOME	₱2,623,652	₱2,447,527	₱176,125	7%	46%	45%
Net income attributable to:						
Equity holders of the Parent Company	₱2,255,755	₱2,114,078	₱141,677	7%	40%	39%
Non-controlling interest	367,897	333,449	34,448	10%	6%	6%
	₱2,623,652	₱2,447,527	₱176,125	7%	46%	45%

Consolidated total revenue amounted to ₱5,665.1 million, a 4% increase from ₱5,438.5 million in 2025. Higher revenue was mainly due to higher traffic volume.

For the 1st quarter of 2026, traffic volume increased across all vehicular classes. SMC Skyway Corporation ("SMC SKYWAY") achieved an Average Daily Traffic (ADT) of 286,687, higher by 1% from 284,714 in 2025, while SMC Skyway Stage 3 Corporation ("MMSS3") achieved an ADT of 184,364, higher by 6% from 173,151 in 2025.

Consolidated cost of services posted an increase of ₱50.1 million or 3% mainly due to (a) increase in government fees due to higher revenues of SMC SKYWAY and MMSS3, (b) higher operations and maintenance fees due to increase in operator's fee, and (c) increase in provision for infrastructure restoration obligation due to recognition of forecasted maintenance costs for MMSS3. These were offset by (a) decrease in personnel due to lower manpower headcount from last year, and (b) decrease in contracted services due to recognition of prior years services in 2025.

Consolidated operating expenses recorded a decrease of ₱119.1 million, mainly due to (a) decrease in taxes and licenses due to settlement BIR audit in 2025, (b) decrease in contracted services due to lower chauffeur and janitorial services, (c) decrease in repairs and maintenance due to lower vehicle maintenance costs, and (d) decrease in others due to lower representation and entertainment, supplies, and membership dues and subscriptions.

Consolidated construction revenue and construction costs posted an increase of ₱48.4 million or 13% due to higher costs incurred for MMSS3 Quirino SB On and Off ramp, MMSS3 Section 2A Prime and SKYWAY Widening projects.

For other income and charges, the Group recorded lower interest expense and other financing charges by ₱118.4 million due to lower outstanding balance of the long-term debt. Interest income increased by ₱33.3 million due to higher funds available for placements. Rental income posted a decrease of ₱6.4 million due to lower advertising space rentals.

Income tax expense was higher by ₱261.7 million as result of higher taxable income from operations and cessation of income tax holiday for MMSS3.

Consolidated net income increased by ₱176.1 million or 7% as a result of higher toll revenue.

2025 vs. 2024

(Amounts in Thousands)	March 31		Horizontal Analysis		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
REVENUE						
Revenue from toll operations	₱5,337,252	₱5,084,524	₱252,728	5%	98%	98%
Toll operation and maintenance fee	101,250	101,250	-	0%	2%	2%
	5,438,502	5,185,774	252,728	5%	100%	100%
COST OF SERVICES	(1,498,440)	(1,550,996)	(52,556)	(3%)	(28%)	(30%)
GROSS PROFIT	3,940,062	3,634,778	305,284	8%	72%	70%
OPERATING EXPENSES	(427,544)	(338,941)	88,603	26%	(8%)	7%
CONSTRUCTION REVENUE (COSTS)						
Construction revenue	384,818	129,242	255,576	198%	7%	2%
Construction costs	(384,818)	(129,242)	255,576	198%	(7%)	(2%)
	-	-	-			
OTHER INCOME (CHARGES)						
Interest expense and other financing charges	(1,003,787)	(1,027,078)	(23,291)	(2%)	(18%)	(20%)
Interest income	332,563	274,065	58,498	21%	6%	5%
Rental income	25,722	18,571	7,151	39%	0%	0%
Others - net	4,078	4,830	(752)	(16%)	0%	0%
	(641,424)	(729,612)	(88,188)	(12%)	(12%)	(14%)
INCOME BEFORE INCOME TAX	2,871,094	2,566,225	304,869	12%	53%	49%
INCOME TAX EXPENSE	423,567	390,791	32,776	8%	8%	8%
NET INCOME	₱2,447,527	₱2,175,434	₱272,093	13%	45%	42%
Net income attributable to:						
Equity holders of the Parent Company	₱2,114,078	₱1,872,221	₱241,857	13%	39%	36%
Non-controlling interest	333,449	303,213	30,236	10%	6%	6%
	₱2,447,527	₱2,175,434	₱272,092	13%	45%	42%

Consolidated total revenue amounted to ₱5,438.5 million, a 5% increase from ₱5,185.8 million in March 2024.

For the 1st quarter of 2025, traffic volume increased across all vehicular classes. SMC SKYWAY achieved an ADT of 284,715, higher by 4% from 272,754 in 2024, while MMSS3 achieved an ADT of 173,151, higher by 8% from 160,950 in 2024.

Consolidated cost of services posted a decrease of ₱52.6 million or 3% mainly due to (a) decrease in repairs and maintenance due to lower hardware and software maintenance and lower provision on resurfacing; offset by the (b) increase in depreciation and amortization due to additional amortization of Skyway Extension and the recognition of additional depreciation expense on machinery and equipment acquired during the period, (c) increase in PNCC share due to higher SKYWAY and MMSS3 revenues, and (d) increase in operations and maintenance fee due to higher operations and maintenance fee from last year.

Consolidated operating expenses recorded an increase of ₱88.6 million, mainly due to (a) increase in management fee due to additional allocation, (b) increase in contracted services billed from previous years and (c) increase in others due to higher insurance, supplies, fuel and other expenses. Those were offset by the (a) decrease in repairs and maintenance due to lower transportation maintenance and (b) decrease in personnel costs due to lower manpower from last year.

For other income and charges, the Group recorded lower interest expense and other financing charges by ₱23.3 million due to lower outstanding balance of the long-term debt. Interest income increased by ₱58.5 million due to higher funds available for placements. Rental income also posted an increase of ₱7.2 million due to higher advertising space rentals.

Income tax expense was higher by ₱32.8 million as result of higher taxable income from operations and increased final taxes from interest income.

II. FINANCIAL POSITION

2026 vs 2025

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	March 31, 2026	December 31, 2025	Amount	%	2026	2025
ASSETS						
Current Assets						
Cash and cash equivalents	₱24,607,755	₱23,159,616	₱1,448,139	6%	21%	20%
Restricted cash	6,030,615	6,914,936	(884,321)	(13%)	5%	6%
Receivables	433,114	463,375	(30,261)	(7%)	0%	0%
Input value-added tax (VAT)	1,989,711	2,190,545	(200,834)	(9%)	2%	2%
Other current assets	407,317	216,157	191,160	88%	0%	0%
Total Current Assets	33,468,512	32,944,629	523,883	2%	29%	29%
Noncurrent Assets						
Service concession rights	77,612,947	78,056,505	(443,558)	(1%)	67%	68%
Due from related parties	3,190,182	2,217,800	972,382	44%	3%	2%
Goodwill	483,452	483,452	-	0%	0%	0%
Property and equipment	257,616	254,168	3,448	1%	0%	0%
Deferred tax assets	25,413	25,837	(424)	(2%)	0%	0%
Other noncurrent assets	660,024	350,588	309,436	88%	1%	0%
Total Noncurrent Assets	82,229,634	81,388,350	841,284	1%	71%	71%
	₱115,698,146	₱114,332,979	₱1,365,167	1%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other current liabilities	₱4,765,526	₱5,020,202	(₱254,676)	(5%)	4%	4%
Current portion of:						
Long-term debt - net of debt issue costs	6,176,017	5,005,655	1,170,362	23%	5%	4%
Provision for infrastructure restoration obligation	139,743	139,743	-	0%	0%	0%
Lease liabilities	5,200	5,017	183	4%	0%	0%

(Forward)

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	March 31, 2026	December 31, 2025	Amount	%	2026	2025
Dividends payable	₱160,042	₱96,025	₱64,017	67%	0%	0%
Income tax payable	879,505	638,880	240,625	38%	1%	1%
Total Current Liabilities	12,126,033	10,905,522	1,220,511	11%	10%	10%
Noncurrent Liabilities						
Noncurrent portion of:						
Long-term debt - net of debt issue costs	39,363,244	41,784,228	(2,420,984)	(6%)	34%	37%
Provision for infrastructure restoration obligation	232,677	188,628	44,049	23%	0%	0%
Retention payable	191,673	121,104	70,569	58%	0%	0%
Lease liabilities	8,081	9,414	(1,333)	(14%)	0%	0%
Defined benefit retirement liabilities – net	49,167	50,598	(1,431)	(3%)	0%	0%
Deferred tax liabilities – net	337,636	341,941	(4,305)	(1%)	0%	0%
Total Noncurrent Liabilities	40,182,478	42,495,913	(2,313,435)	(5%)	35%	37%
Total Liabilities	52,308,511	53,401,435	(1,092,924)	(2%)	45%	47%
EQUITY						
Capital stock	6,953,846	6,953,846	-	0%	6%	6%
Retained earnings	63,269,593	61,013,838	2,255,755	4%	55%	53%
Other comprehensive loss	(13,308)	(13,308)	-	0%	0%	0%
Equity reserves	(13,594,274)	(13,594,274)	-	0%	(12%)	(12%)
Equity attributable to equity holders of the						
Parent Company	56,615,857	54,360,102	2,255,755	4%	49%	48%
Non-controlling Interest	6,773,778	6,571,442	202,336	3%	6%	6%
Total Equity	63,389,635	60,931,544	2,458,091	4%	55%	53%
	₱115,698,146	₱114,332,979	₱1,365,167	1%	100%	100%

Consolidated total assets as at March 31, 2026 amounted to ₱115,698.1 million, ₱1,365.2 million higher than December 31, 2025. The increase was primary driven by higher cash and cash equivalent, due from related parties and advances to contractors (included under “Other noncurrent assets” account), partly offset by the decrease in restricted cash, receivables, input VAT, and service concession rights.

Cash and cash equivalents amounted to ₱24,607.8 million, 6% higher than ₱23,159.6 million in 2025 due to higher cash generated from operations as a result of higher traffic in Skyway and MMSS3.

Restricted cash amounted to ₱6,030.6 million, 13% lower from ₱6,914.9 million in 2025 due to lower cash balance required by loan covenants.

Receivables decreased from ₱463.4 million to ₱433.1 million due to improved collection of toll receivables from merchant.

Input VAT posted a decrease of ₱200.8 million or 9% due to higher output VAT from toll revenue claimed against input VAT.

Other current assets increased from ₱216.2 million to ₱407.3 million due to higher prepaid taxes and licenses, and prepaid insurance.

Service concession rights posted a net decrease of ₱443.6 million or 1% due to amortization of service concession rights.

Due from related parties increased from ₱2,217.8 million to ₱3,190.2 million due to additional loans provided to various related parties to finance construction of their respective infrastructures.

Property and equipment posted a net increase of ₱3.4 million or 1% due to acquisition of various fixed assets to be used in business activities.

Other noncurrent assets increased by ₱309.4 million or 88% mainly due to accrual of interests from related parties loan receivables and additional down payments for MMSS3 and SKYWAY projects.

Consolidated total liabilities as at March 31, 2026 amounted to ₱52,308.5 million, ₱1,092.9 million lower than December 31, 2025. The decrease was primary due to lower accounts payable and other current liabilities, and payments of long-term debt.

Accounts payable and other current liabilities decreased by ₱254.7 million or 5% due to payments to third-party payables and release of retention payable.

Dividends payable increased by ₱64.0 million due to additional dividends.

Income tax payable increased by ₱240.6 million or 38% due to higher taxable income and cessation of income tax holiday for MMSS3.

Current and non-current portion of long term-debt - net of debt issue costs, posted a net decrease of ₱1,250.6 million due to principal payments.

Noncurrent portion of provision for infrastructure restoration obligation increased by ₱44.0 million or 23% due to recognition of forecasted maintenance costs for MMSS3.

Noncurrent portion of retention payable increased by ₱70.6 million or 58% is due to on-going construction in MMSS3 and SKYWAY.

Consolidated total equity as at March 31, 2026 amounted to ₱63,389.6 million, higher by ₱2,458.1 million or 4% compared to December 31, 2025. The increase was mainly due to the net income generated for the period.

Issued and outstanding capital stock remains at ₱6,953.8 million. Movement in retained earnings pertains to appropriation of ₱32,071.0 million for the New Decongestion Facilities and net income during the period of ₱2,255.8 million.

2025 vs. 2024

(Amounts in Thousands)			Horizontal Analysis		Vertical Analysis	
	March 31, 2025	December 31, 2024	Amount	%	2025	2024
ASSETS						
Current Assets						
Cash and cash equivalents	₱23,005,893	₱17,279,552	₱5,726,341	33%	20%	16%
Restricted cash	6,302,328	9,884,391	(3,582,063)	(36%)	6%	9%
Trade and other receivables	191,853	239,148	(47,295)	(20%)	0%	0%
Input VAT	2,892,224	2,981,449	(89,225)	(3%)	3%	3%
Other current assets	382,980	332,780	50,200	15%	0%	0%
Total Current Assets	32,775,278	30,717,320	2,057,958	7%	29%	28%
Noncurrent Assets						
Service concession rights	78,598,534	79,084,191	(485,657)	(1%)	70%	71%
Goodwill	483,452	483,452	-	0%	0%	0%
Advances to contractors	388,776	360,009	28,767	8%	0%	0%
Property and equipment	265,777	204,361	61,416	30%	0%	0%
Deferred tax assets	26,110	26,368	(258)	(1%)	0%	0%
ROU assets	1,892	2,702	(810)	(30%)	0%	0%
Other noncurrent assets	27,370	35,854	(8,484)	(24%)	0%	0%
Total Noncurrent Assets	79,791,911	80,196,937	(405,026)	(1%)	71%	72%
	₱112,567,189	₱110,914,257	₱1,652,932	1%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other current liabilities	₱6,264,970	₱5,963,819	₱301,151	5%	6%	5%
Current portion of:						
Long-term debt – net of debt issue costs	5,405,271	5,520,340	(115,069)	(2%)	5%	5%
Provision for resurfacing and maintenance obligation	126,323	126,323	-	0%	0%	0%
Lease liabilities	1,475	2,345	(870)	(37%)	0%	0%
Dividends payable	160,042	96,025	64,017	67%	0%	0%
Due to a related party	71,250	61,844	9,406	15%	0%	0%
Income tax payable	703,938	354,515	349,423	99%	1%	0%
Total Current Liabilities	12,733,269	12,125,211	608,058	5%	11%	11%

(Amounts in Thousands)			Horizontal Analysis		Vertical Analysis	
	March 31, 2025	December 31, 2024	Amount	%	2025	2024
Noncurrent Liabilities						
Noncurrent portion of:						
Long-term debt - net of debt issue costs	₱45,487,308	₱46,739,320	(₱1,252,012)	(3%)	40%	42%
Provision for resurfacing and maintenance obligation	172,585	172,585	-	0%	0%	0%
Retention payable	96,634	78,514	18,120	23%	0%	0%
Net retirement liabilities	80,699	79,780	919	1%	0%	0%
Net deferred tax liabilities	365,841	369,960	(4,119)	(1%)	0%	0%
Total Noncurrent Liabilities	46,203,067	47,440,159	(1,237,092)	(3%)	41%	43%
Total Liabilities	58,936,336	59,565,370	(629,034)	(1%)	52%	54%
EQUITY						
Capital stock	6,953,846	6,953,846	-	0%	6%	6%
Retained earnings	54,536,792	52,422,714	2,114,078	4%	48%	47%
Other comprehensive loss	(15,465)	(15,465)	-	0%	0%	0%
Other equity reserves	(13,594,274)	(13,594,274)	-	0%	(12%)	(12%)
Equity attributable to equity holders of the Parent Company	47,880,899	45,766,821	2,114,078	5%	43%	41%
Non-controlling Interest	5,749,954	5,582,066	167,888	3%	5%	5%
Total Equity	53,630,853	51,348,887	2,281,966	4%	48%	46%
	₱112,567,189	₱110,914,257	₱1,652,932	1%	100%	100%

Consolidated total assets as of March 31, 2025 amounted to ₱112,567.2 million from ₱110,914.3 million in December 31, 2024.

Cash and cash equivalents amounted to ₱23,005.9 million, 33% higher than ₱17,279.6 million in 2024 due to higher cash generated from operations as a result of higher traffic in Skyway and MMSS3.

Restricted cash amounted to ₱6,302.3 million, 36% lower than ₱9,884.4 million in 2024 due to lower cash balance required by loan covenants.

Trade and other receivables decreased from ₱239.1 million to ₱191.9 million mainly due to improved collection of toll receivables from merchants.

Input VAT posted a decrease of ₱89.2 million or 3% due to higher output VAT from toll revenue claimed against input VAT.

Other current assets increased from ₱332.8 million to ₱383.0 million due to higher prepaid taxes and prepaid insurance.

Service concession rights posted a net decrease of ₱485.7 million or 1% due to amortization of service concession rights.

Non-current portion of advances to contractors posted an increase of ₱28.8 million or 8% due to additional down payments for contractors of MMSS3.

Property and equipment posted a net increase of ₱61.4 million or 30% due to acquisition of various fixed assets to be used in operation.

Other noncurrent assets decreased by ₱8.5 million or 24% due to the amortization of miscellaneous prepaid expenses.

Accounts payable and other current liabilities increased by ₱301.2 million or 5% due to increase in the current portion of retention payable and increase in refundable toll replenishments due to a higher prepaid RFID load.

Dividends payable increased by ₱64.0 million due to additional dividends.

Income tax payable increased by ₱349.4 million or 99% due to higher taxable income compared to last year.

Current and non-current portion of long term-debt - net of debt issue cost, posted a net decrease of ₱1,367.1 million due to principal payments.

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

Consolidated total equity as of March 31, 2025 amounted to ₱53,630.9 million, higher by 4% from December 31, 2024 balance of ₱51,348.9 million, mainly due to the net income generated for the period.

III. SOURCES AND USES OF CASH

A brief summary of cash flow movement is shown below.

(Amounts in Thousands)	March 31	
	2026	2025
Net cash provided by operating activities	₱4,515,015	₱5,064,206
Net cash used in investing activities	(1,724,743)	(448,915)
Net cash provided by (used in) financing activities	(1,342,171)	1,111,191

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

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

Net cash used in investing activities includes the following:

(Amounts in Thousands)	March 31	
	2026	2025
Additions to:		
Due from related parties	(₱1,081,321)	₱-
Service concession rights	(433,265)	(384,818)
Property and equipment	(20,307)	(76,400)
Increase in other noncurrent assets	(202,272)	(20,283)
Net additions to retention payable	12,422	32,586

Net cash used in investing activities pertains to additions to due from related parties, capital expenditures for MMSS3 Quirino SB On and Off ramp, MMSS3 Section 2A Prime and SKYWAY Widening projects, and acquisition of property and equipment.

Net cash provided by (used in) financing activities includes the following:

(Amounts in Thousands)	March 31	
	2026	2025
Payments of:		
Long-term debt	(₱1,271,000)	(₱1,369,811)
Interest expense and other financing charges	(852,471)	(998,624)
Dividends to non-controlling interest	(101,544)	(101,544)
Lease liabilities	(1,477)	(893)
Reductions from restricted cash	884,321	3,582,063

The effect of exchange rate changes on cash and cash equivalents amounted to a gain of ₱0.04 million and ₱0.10 million in March 31, 2026 and 2025, respectively.

IV. ADDITIONAL INFORMATION ON UNAPPROPRIATED RETAINED EARNINGS

As at December 31, 2025, the Parent Company's retained earnings is in excess of its paid-in capital stock by ₱28,848.0 million.

On March 9, 2026, the Board of Directors (BOD) approved the appropriation of retained earnings amounting to ₱32,071.0 million to fund the New Decongestion Facilities, expected to be utilized until 2031.

The Group's unappropriated retained earnings include accumulated earnings in subsidiaries, which are not available for declaration as dividends until declared by the respective investees.

V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of the previous year. Please refer to Items I "Financial Performance" and II "Financial Position" for the discussion of certain Key Performance Indicators.

(Amounts in Thousands)

Ratio	Formula	March 31, 2026	December 31, 2025
Current ratio	Total Current Assets	33,468,512	32,944,629
	Divided by: Total Current Liabilities	12,126,033	10,905,522
	Current ratio	2.76	3.02
Acid test ratio	Total Current Assets	33,468,512	32,944,629
	Less: Inventories, current portion of biological assets and prepayments	(310,455)	(143,754)
	Quick assets	33,158,057	32,800,875
	Divided by: Total Current Liabilities	12,126,033	10,905,522
	Acid test ratio	2.73	3.01
Net Debt-to-equity ratio*	Total liabilities	9,984,966	11,419,622
	Divided by: Total equity	31,871,331	30,537,775
	Net debt-to-equity ratio	0.31	0.37
Asset-to-equity ratio	Total assets	115,698,146	114,332,979
	Divided by: Total equity	63,389,635	60,931,544
	Asset-to-equity ratio	1.83	1.88
Solvency ratio	Net income before depreciation and amortization	3,519,187	13,502,475
	Divided by: Total liabilities	52,308,511	53,401,435
	Solvency ratio	0.07	0.25
Profitability			
Return on equity	Net income attributable to equity holders of the Parent Company	2,255,755	8,591,124
	Divided by: Equity attributable to equity holders of the Parent Company	56,615,857	54,360,102
	Return on equity	3.98%	15.80%

Ratio	Formula	March 31, 2026	December 31, 2025
Return on assets	Net income	2,623,652	9,942,867
	Divided by: Total assets	115,698,146	114,332,979
	Return on assets	2.27%	8.70%
Net profit margin	Net income	2,623,652	9,942,867
	Divided by: Total revenue	5,665,116	22,432,247
	Net profit margin	46.31%	44.32%
Interest coverage ratio*	Earnings before interest, taxes depreciation and amortization	11,956,905	10,726,592
	Divided by: Interest expense	2,438,811	2,428,516
	Interest coverage	4.90	4.42
Revenue Growth	(Current period revenue)	5,665,116	22,432,247
	(Divided by: Prior period revenue) -1	5,438,502	21,174,042
	Revenue growth	4.17%	5.94%

*As defined in the debt covenant

VII. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to ₱4,635.9 million as at March 31, 2026.

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

- b. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position, Financial Performance and Cash Flows.
- c. There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.
- d. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amount of the Group's trade payables that have not been paid within the stated trade terms.
- e. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on revenues or income from continuing operation.
- f. There were no known events that will trigger a direct or contingent financial obligation that is material to the Group, including any defaults or acceleration of an obligations. No material contingencies and any events or transactions exist that are material to an understanding of the current period.
- g. There are no significant elements of income or loss that did not arise from continuing operations.

- h. The effects of seasonality or cyclicalities on the operations of the business of the Group are not material.
- i. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), or other relationships created by the Group with unconsolidated entities or other persons during the reporting period.