C O V E R   S H E E T

for

SEC FORM 20-IS

SEC Registration Number

A 1 9 9 7 0 1 4 5 1

C O M P A N Y   N A M E

NLEX CORPORATION (A SUBSIDIARY OF METRO PACIFIC TOLLWAYS CORPORATION)

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

NLEX COMPOUND, BALINTAWAK, CALOOCAN CITY, METRO MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
20-IS		

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
nlexsec@mptc.com.ph	**8-580-8900**	**+639989620895**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
16	**Any Day in May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Maria Theresa O. Wells	**towells@nlex.com.ph**	**8-580-8900**	**–**

CONTACT PERSON's ADDRESS

NLEX Compound, Balintawak, Caloocan City, Metro Manila

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [√] Preliminary Information Statement

   [ ] Definitive Information Statement

2. Name of Registrant as specified in its charter: **NLEX Corporation**

3. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **A1997-01451**

5. BIR Tax Identification Code: **004-984-946-000**

6. **NLEX Compound, Balintawak, Caloocan City** — **1400**
   Address of principal office — Postal Code

7. Registrant's telephone number, including area code: **+632-8-580-8900**

8. Date, time and place of the meeting of security holders

   Date: **October 28, 2026**
   Time: **2:00 P.M.**
   Place: **The meeting will be conducted via videoconferencing through Microsoft Teams.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **October 7, 2025**

10. In case of Proxy Solicitations: **NOT APPLICABLE**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to Corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Series B Bonds Due 2028	**₱2,000,000,000.00**

12. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes _ No √

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
    NOT APPLICABLE

A. General Information

Item 1. Date, time and place of meeting of security holders

The annual meeting of the stockholders (the "**Meeting**") of NLEX Corporation ("**NLEX Corp**" or the "**Company**") will be held on Monday, October 28, 2026, at 2:00 p.m. The Meeting will be conducted via videoconferencing through Microsoft Teams. The Chairman of the Meeting will call, preside over and conduct the online Meeting from within Metro Manila. The procedures for participation and voting through remote communication are set out in Annex A attached to the Notice.

The mailing address of the Company is at NLEX Compound, Balintawak, Caloocan City.

This Information Statement shall be sent to the stockholders as soon as practicable after the approval hereof by the Securities and Exchange Commission (the "**Commission**" or the "**SEC**"), but not later than October 7, 2026.

A copy of this Information Statement may also be accessed by interested parties, after approval hereof by the SEC but not later than October 7, 2026, at the Company website: https://www.nlex.com.ph/.

Item 2. Dissenters' Right of Appraisal

There are no matters or proposed actions included in the Agenda of the Meeting that may give rise to a possible exercise by stockholders of their appraisal rights.

Item 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

None of the current officers or directors of NLEX Corp, and/or nominees for election as director of NLEX Corp, or any associate of any of the foregoing persons has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the Meeting, other than in the election to NLEX Corp's Board of Directors (the "**Board**" or the "**Board of Directors**").

None of the directors of the Company has informed the Company in writing that he or she intends to oppose any action to be taken by the Company at the Meeting.

B. Control and Compensation Information

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of August 31, 2026

The Company has an authorized capital stock of ₱4,000,000,000.00 comprised of 40,000,000 common shares with par value of ₱100.00 per common share.

As of August 31, 2026, the Company has 18,786,000 issued and outstanding common shares entitled to vote at the Meeting. Each stockholder shall be entitled to one (1) vote for each share of stock such stockholders hold as of the established record date.

Out of the 18,786,000 common shares, 100% or 18,786,000 common shares are owned by Filipino stockholders. There are no foreign stockholders.

As of August 31, 2026, the Company has 16 stockholders, 12 of whom are individuals with one share each. The following table sets out the shareholdings of the Company's stockholders of record and the approximate percentages of their respective shareholdings to NLEX Corp's total outstanding common stocks:

Name of Stockholder	Class of Securities	Number of Shares	% of Outstanding Shares
Metro Pacific Tollways Corporation	Common	13,772,972	73.32%
BDO Unibank, Inc.	Common	2,276,469	12.12%
MPT North, Inc. (formerly Egis Investment Partners Philippines, Inc.)	Common	1,977,726	10.53%
Globalfund Holdings, Inc.	Common	758,821	4.04%
Manuel V. Pangilinan	Common	1	0.00%
Jose Ma. K. Lim	Common	1	0.00%
Ricardo M. Pilares III	Common	1	0.00%
June Cheryl A. Cabal-Revilla	Common	1	0.00%
Gilbert Gabriel F. Santa Maria	Common	1	0.00%
Marisa V. Conde	Common	1	0.00%
Luis S. Reñon	Common	1	0.00%
Jose T. Sio	Common	1	0.00%
Frederic C. DyBuncio	Common	1	0.00%
Arlyn Sicangco-Villanueva	Common	1	0.00%
Lisset Laus-Velasco	Common	1	0.00%
Emmanuel G. Herbosa	Common	1	0.00%
TOTAL		**18,786,000**	**100%**

The following table shows the record and beneficial owners of at least 5% of the Company's shares as of August 31, 2026:

Title of class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Outstanding Shares
Common	Metro Pacific Tollways Corporation[1] 5th floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Barangay Ugong, 1604 Pasig City	Same as record owner	Filipino	13,772,972	73.32%
Common	BDO Unibank, Inc.[2] BDO Corporate Center, 7899 Makati Avenue, Makati City	Same as record owner	Filipino	2,276,469	12.12%
Common	MPT North, Inc. (Egis Investment Partners Philippines, Inc.)[3] 5th Floor Rockwell Business Center, Tower 1, Ortigas Avenue, Brgy, Ugong, Pasig City	Same as record owner	Filipino	1,977,726	10.53%

[1] Metro Pacific Tollways Corporation ("**MPTC**") is the intermediate parent company of NLEX Corporation. The shares held by MPTC, being a corporate shareholder, shall be voted or dispensed of, by the persons who shall be duly authorized by MPTC for the purpose. The natural persons authorized to exercise the right to vote the shares of NLEX Corporation shall be determined upon submission by the stockholder of its proxy form to NLEX Corporation, within the period indicated in the Notice of the Stockholders' Meeting.
[2] The shares held by BDO Unibank, Inc. ("**BDO**"), being a corporate shareholder, shall be voted or dispensed with, by the persons who shall be duly authorized by BDO for the purpose. The natural persons authorized to exercise the right to vote the shares of NLEX Corporation shall be determined upon submission by the stockholder of its proxy form to NLEX Corporation, within the period indicated in the Notice of the Stockholders' Meeting.
[3] The shares held by MPT North, Inc. ("**MPTN**"), being a corporate shareholder, shall be voted or dispensed of, by the persons who shall be duly authorized by MPTN for the purpose. The natural persons authorized to exercise the right to vote the shares of NLEX Corporation shall be determined upon submission by the stockholder of its proxy form to NLEX Corporation, within the period indicated in the Notice of the Stockholders' Meeting.

Security Ownership of Management

The following table sets forth the number of shares owned of record and/or beneficially owned by the directors and executive officers of the Company, and the percentage of shareholdings of the said directors and executive officers, as of August 31, 2026. The Company's current directors and executive officers hold a total of twelve (12) shares of the Company.

Title of Class	Name of Directors/Officers	Position	Amount and Nature of Ownership	Citizenship	% of Outstanding Shares
Common	Manuel V. Pangilinan	Chairman	1 share (of record)	Filipino	0.00%
Common	Jose Ma K. Lim	N.A.	1 share (of record)	Filipino	0.00%
Common	Ricardo M. Pilares III	N.A.	1 share (of record)	Filipino	0.00%
Common	June Cheryl A. Cabal-Revilla	N.A.	1 share (of record)	Filipino	0.00%
Common	Gilbert Gabriel E. Santa Maria	N.A.	1 share (of record)	Filipino	0.00%
Common	Marisa V. Conde	Treasurer	1 share (of record)	Filipino	0.00%
Common	Luis S. Reñon	President and General Manager	1 share (of record)	Filipino	0.00%
Common	Jose T. Sio	N.A.	1 share (of record)	Filipino	0.00%
Common	Frederic C. DyBuncio	N.A.	1 share (of record)	Filipino	0.00%
Common	Arlyn Sicangco-Villanueva	N.A.	1 share (of record)	Filipino	0.00%
Common	Lisset Laus-Velasco	N.A.	1 share (of record)	Filipino	0.00%
Common	Emmanuel G. Herbosa	N.A.	1 share (of record)	Filipino	0.00%
	Maria Theresa O. Wells	Chief Risk Officer, Chief Finance Officer and SVP for Finance	*None.*	Filipino	N/A
	Ma. Corazon Joy S. Orig	Compliance Officer and VP for Legal Services	*None.*	Filipino	N/A
	Enrico C. Rullan	Chief Audit Officer and VP for Audit	*None.*	Filipino	N/A
	Maria Anthonette V. Allones	SVP for Human Resources and Administration	*None.*	Filipino	N/A
	Alex Erlito S. Fider	Corporate Secretary	*None.*	Filipino	N/A

None of the members of NLEX Corp's Board of Directors and Management owns 2.0% or more of the outstanding capital stock of NLEX Corp.

Voting Trust Owners of 5% or more of the Company's Shares

NLEX Corp is not aware of any person holding more than 5% of common shares under a voting trust or similar agreement.

(a) Changes in Control

The Company is not aware of any arrangements which may result in a change of control of the Company.

(b) Record Date

All stockholders of record as of October 7, 2026 shall be entitled to vote in the Meeting.

(c) Election of Directors and Cumulative Voting Rights

A stockholder may vote such number of shares registered in his name in favor of as many persons as there are directors to be elected. He may also combine said shares and give one candidate as many votes as the number of directors to be elected, or distribute the shares on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by the stockholder shall not exceed the total number of shares owned by him as shown in the stock and transfer book of NLEX Corp, multiplied by the number of directors to be elected.

Stockholders may vote at all meetings in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. The proxy must be presented to the Corporate Secretary for inspection, validation, and record before the time set for the Meeting.

NO DISCRETIONARY AUTHORITY TO CUMULATE VOTES IS SOLICITED.

(d) NO PROXY SOLICITATION IS BEING MADE.

Item 5. Directors and Executive Officers

(a) (i) Directors and Officers

1. Directors

The following table sets forth the names, ages, citizenship, periods of service, and a brief description of the business experience for the last five (5) years of each of the incumbent directors/independent directors of the Company:

MANUEL V. PANGILINAN Director Chairman of the Board Chairman – Compensation and Remuneration Committee	Mr. Pangilinan, 80, Filipino, graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981.

	Mr. Pangilinan served as Managing Director of First Pacific since its founding in 1981 until 1999. He was appointed Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk in Indonesia. In the Philippines, Mr. Pangilinan was once again appointed as President and CEO of PLDT, Inc and Smart Communications, Inc in January 2024. He also became the President and CEO of Manila Electric Company (Meralco) effective June 1, 2023. He is the Chairman, President and CEO of Metro Pacific Investments Corporation; PLDT Communications and Energy Ventures, Inc., Chairman of Global Business Power Corporation (GBP) - wholly owned by MERALCO PowerGen Corporation (MGen), Terra Solar Philippines, Inc. (TSPI) - wholly owned subsidiary of SP New Energy Corporation (SPNEC), which develops the Philippines' largest solar facility. Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health – the largest group of private hospitals and other healthcare facilities with 23 hospitals such as Makati Medical Center, Cardinal Santos Medical Center, et al; Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV 5), and the Vice Chairman of Roxas Holdings, Inc. In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School. In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDTSmart Foundation Inc., One Meralco Foundation Inc., Metro Pacific Foundation Inc, and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S.–Philippine Society. In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc. and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.
JOSE MA. K. LIM Director Chairman – Executive Committee and Nomination Committee Member - Compensation and Remuneration Committee and Audit Committee	Mr. Jose Ma. K. Lim, 74, Filipino, is an Executive Adviser and Board Member of Metro Pacific Investments Corporation (MPIC) and has served as the Company's President and CEO for 15 years until his retirement in December 2021. As an Executive Adviser, he continues to provide expert advice to the Company and also serves as Director in several MPIC subsidiaries and affiliates. Mr. Lim has been with the MPIC Group for 26 years, holding various executive positions through the years. Prior to joining the Group, he built himself a solid reputation in foreign banking institutions as Vice President of the Equitable Banking Corporation and Director for Investment Banking of the First National Bank of Boston. Mr. Lim is a founding member of the Shareholders Association of the Philippines and an active member in various business organizations in the country. Mr. Lim has received various recognitions as Best CEO from global institutions such Finance Asia, Institutional Investor and Corporate

	Governance Asia to name a few. He was also accorded the Triple A award from Asian Institute of Management for his excellent performance in his field of profession. Mr. Jose Ma. K. Lim earned his Bachelor of Arts degree in Philosophy from Ateneo de Manila University and his Master of Business Administration degree from the Asian Institute of Management.
RICARDO M. PILARES III Director	Atty. Pilares, 45, Filipino, graduated Valedictorian from the Ateneo Law School in 2006 and passed the Philippine Bar examinations in 2007 with the second highest ranking. He also received the Best Thesis Award from the Ateneo Law School for his thesis entitled "Benevolent Neutrality Theory: Retesting and Redefining the Boundaries of the Free Exercise Clause." After graduating from law school, Mr. Pilares worked in a law firm where he handled corporate work and special projects. Prior to joining MPIC in 2010, Mr. Pilares worked in another law firm where he handled litigation and special projects, particularly energy and infrastructure projects. Mr. Pilares was appointed as MPIC's Vice President for Legal in 2018. As the Company's Chief Legal Officer, Mr. Pilares took the lead legal role in various projects of MPIC, including PPP Projects as well as major M&A projects. His role in MPIC continued to expand as he was appointed as Compliance Officer on 2016, Corporate Governance Officer and Corporate Secretary both on 2021. As Corporate Governance Officer, MPIC gained three golden arrow recognition in 2022 from one golden arrow recognition in 2018 awarded by the Institute of Corporate Directors in its ASEAN Corporate Governance Scorecard Golden Arrow Awards. Mr. Pilares also acts as legal counsel and corporate secretary of MPIC's various subsidiaries and affiliates. Atty. Pilares is also a member of the faculty of Ateneo Law School, teaching Statutory Construction and Conflict of Laws. In 2019, he published his first legal textbook entitled, "Statutory Construction: Concepts and Cases."
JUNE CHERYL CABAL-REVILLA Director	Ms. June Cheryl Cabal-Revilla, 53, Filipino, is an Executive Director and the Chief Finance, Risk and Sustainability Officer of Metro Pacific Investments Corporation (MPIC). She is concurrently a director of all MPIC subsidiaries – Meralco, Maynilad, Metro Pacific Tollways Corporation, Metro Pacific Hospitals Holdings Inc, Light Rail Manila Corporation, LandCo Pacific Corporation, among others. She is also the President and Chief Executive Officer (CEO) of mWell, MPIC's digital healthcare arm. Ms. Revilla has held various executive leadership positions at the PLDT Group, the Philippines' largest fully integrated telco company. She was the former Senior Vice President and Group Controller, and Chief Sustainability Officer (CSO) of the PLDT Group and the Chief Financial Officer (CFO) of Smart, PLDT-Smart Foundation, Philippine Disaster Resilience Foundation (PDRF) and in a number of subsidiaries and affiliates of PLDT, Smart & ePLDT. She is an appointed member of the Financial Reporting and Sustainability Standards Council (FSRSC) of the Philippines, the accounting and sustainability standards-setters in the country, since 2010 for FRSC. She is the founding chair of Gabay Guro, the Philippines' biggest and longest-running education advocacy program for teachers. Prior to joining PLDT as an executive trainee in the Finance Group in 2000, she was a senior associate in the Business Audit and Advisory Group of SGV & Co. Ms. Revilla received her Bachelor of Science Degree in Accountancy from De La Salle University (DLSU) and Master's Degree in Business Management Major in Finance from the Asian Institute of

	Management (AIM). In 2020, she was conferred the AIM Triple A Award, the highest honor bestowed upon deserving alumni. She is currently a trustee of both AIM and DLSU. Ms. Revilla finished her executive program in the Stanford Graduate School of Business in 2018. In 2022, she also took the Swedish Institute Management Program and the Innovative Dynamic Education and Action for Sustainability (IDEAS Asia Pacific), a transformational leadership program of the MIT Management Sloan School. Ms. Revilla was presented with the Accountancy Centenary Award of Excellence (One of the 100 Notable CPAs) in 2023 by the Philippine Board of Accountancy. In addition, she has also received several Best CFO, Best CSO and Top CEO awards by reputable institutions from Singapore, Hong Kong, Malaysia and the Philippines. She was an awardee of the Ten Outstanding Young Men (TOYM) in 2013 and the incumbent President of TOYM Foundation. In 2023, she was conferred as the Most Influential Filipina Woman in the World at the Filipina Leadership Global Summit in Prague, Czech Republic.
GILBERT GABRIEL F. SANTA MARIA Director	Mr. Santa Maria, 60, Filipino, is the President and Chief Executive Officer of Metro Pacific Tollways Corporation. He was previously the President and Chief Operating Officer of Philippine Airlines Inc. from 2019 to 2022. Prior to this, he served as the Chief Operating Officer of IBEX Limited from 2015 to 2018, the Chief Operating Officer and Chief Finance Officer of ID BackOffice, Inc. from 2011 to 2015, the Senior Vice President for Corporate Business Development as well as Country Head of Steam Global Services, Inc. from 2009 to 2010, Senior Vice President for Corporate Development and Philippine Operations of eTelecare Global Solutions, Inc. from 2004 to 2009, Chief Operating Officer of Similan.com Pte. Ltd. from 2000 to 2001, Associate Director of Argosy Capital Grpup, Inc. from 1998 to 2000, General Manager of Pepsi Cola Products Philippines, Inc. and PepsiCo, Inc. from 1995 to 1998, and Senior Associate at Booz Allen Hamilton, Inc. Mr. Santa Maria graduated with a degree in Bachelor of Science in Electrical Engineering from the University of the Philippines and obtained his Masters of Business Administration in Operation and Finance and his Masters in Public and Private Management from Yale School of Management.
MARISA V. CONDE Director Treasurer	Ms. Conde, 55, Filipino, is a senior finance executive and Certified Public Accountant (Philippines and U.S.) with extensive leadership experience in comptrollership, treasury, audit, taxation, and corporate finance. She is the Interim Group Chief Financial Officer of Metro Pacific Tollways Corporation (MPTC) and Vice President for Technical Finance at Metro Pacific Investments Corporation (MPIC). Previously, she served as Group Controller and Data Privacy Officer at MPIC, while also acting as CFO/Treasurer for MPIC subsidiaries, including Metropac Water Investments Corp, Metro Pacific Health Tech (mWell), METPower Venture Partners, and Surallah Biogas Ventures. Prior to joining MPTC and MPIC, her career background spans finance leadership roles in Philippine corporations, such as PLDT Inc., Smart Communications, Inc., and Cignal TV, as well as international practice at Deloitte & Touche LLP and Ernst & Young LLP in the U.S., following early training at SGV/Ernst & Young Philippines. Ms. Conde earned a Master's in Business Management from the Asian Institute of Management (AIM) as a full-time SGV scholar, and a Bachelor of Science in Business Administration with a major in Accounting from the Pamantasan ng Lungsod ng Maynila. For further education, she completed the Accounting for Sustainability program at the Accounting for Sustainability (A4S) Academy. Ms. Conde is recognized for disciplined financial stewardship, strong governance, sound knowledge of the

	business and collaborative leadership—anchored by a strategic, innovation-driven mindset.
LUIS S. REÑON Director President and General Manager Member – Nomination Committee, Executive Committee and Corporate Governance & Risk Committee	Mr. Reñon, 56, Filipino, was the Senior Vice President of PLDT Group's Internal Audit and joined PLDT in July 2018. Prior thereto, he was the Emerging Markets Chief Finance Officer of Pfizer Inc., and handled teams across the Philippines, Thailand, Malaysia, Indonesia, Vietnam, and Pakistan. Mr. Reñon started his professional career in the Audit and Business Advisory Division of Ernst & Young Manila and Singapore, where he worked for six years. He then moved to Novartis Asia Pacific in Singapore as Regional Auditor and Team Leader, managing APAC auditors in conducting business reviews and compliance tests of operations in Asia Pacific and Europe. Mr. Reñon, moved back to the Philippines in 2000 where he became the Head of Finance, Administration and Operations of Novartis' Animal Health Business Unit. He pursued a rewarding career in Wyeth Philippines and Pfizer, Inc., where he took on various roles with increasing responsibilities in Strategic Planning and Business Finance as Pfizer's Country CFO in 2011 during the Pfizer-Wyeth integration and as Emerging Markets CFO in 2014. Mr. Reñon is a Certified Public Accountant. He completed his Bachelor's degree in Commerce, major in Accounting at Araullo University, and his Master's degree in Business Administration at the Ateneo de Manila University, where he garnered the Gold Medalist Award. He attended the Management Development Program of the Asian Institute of Management in 2005 and the Financial Excellence Program of Harvard Business School, USA in 2002.
JOSE T. SIO Director Member – Audit Committee Alternate of Mr. DyBuncio – Executive Committee and Corporate Governance & Risk Committee	Mr. Jose T. Sio, 86, Filipino, has served as Director of NLEX Corp since 2010 and is a member of the Company's Executive and Audit Committee. He is concurrently the Chairman Emeritus of the Board of Directors of SM Investments Corporation and a member of the Board of Directors of the following companies listed in the Philippine Stock Exchange (PSE): (i) China Banking Corporation; (ii) Atlas Consolidated Mining and Development Corporation; and (iii) Far Eastern University (as Independent Trustee). He is also Adviser to the Board of Directors of PSE-listed BDO Unibank, Inc. Mr. Sio also serves as Director of the following companies not listed in the PSE: (i) Ortigas Land Corporation; (ii) Carmen Copper Corporation; and (iii) First Asia Realty Development Corporation. He is Chairman, President and Trustee of SM Foundation, Inc. Mr. Sio was a Senior Partner of SyCip Gorres Velayo & Co. (SGV). He was voted as CFO of the Year in 2009 by the Financial Executives of the Philippines (FINEX). He was also awarded as Best CFO (Philippines) in various years by Hong Kong-based business publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset. In June 2022, he received Parangal San Mateo, the highest honor that can be conferred upon an accounting professional by the Philippine Institute of Certified Public Accountants (PICPA). In March 2023, he was honored by the Professional Regulatory Board of Accountancy with the Accountancy Centenary Award of Excellence. Mr. Sio is a Certified Public Accountant and holds a Bachelor of Science degree in Commerce, major in Accounting, from the University of San Agustin. He obtained his Master's degree in Business Administration from New York University, U.S.A.
FREDERIC C. DYBUNCIO Director	Mr. Frederic C. DyBuncio, 66, Filipino, has served as Director of the Company since February 2014. He serves as President and Chief

Member – Executive Committee and Corporate Governance & Risk Committee Alternate of Mr. Sio – Audit Committee	Executive Officer of SM Investments Corporation. He is the Chairman of the Board of Atlas Consolidated Mining and Development Corporation. Concurrently, he is the Chairman, President and Chief Executive Officer of 2GO Group, Inc. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. During his stint in the banking industry, he was assigned to various executive positions where he gained substantial professional experience in the areas of credit, relationship management and origination, investment banking, capital markets, and general management. He has worked and lived in several major cities including New York, Seoul, Bangkok, Hong Kong and Manila. Mr. DyBuncio graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management and finished a Master's Degree in Business Administration program at Asian Institute of Management.
ARLYN SICANGCO-VILLANUEVA Independent Director Chairman – Audit Committee Member – Corporate Governance & Risk Committee, Compensation and Remuneration Committee	Dr. Arlyn Sicangco-Villanueva, 70, Filipino, has served as an Independent Director of the Company since February 2014 and is the Chairman of the Audit Committee of NLEX Corporation. She is also a member of the Compensation and Remuneration Committee of NLEX Corporation. She is a Certified Public Accountant and is currently the Managing Partner of Sicangco Menor Villanueva & Co., CPAs. She likewise sits as a member of the Board of Trustees of the City College of Angeles since November 2023. She was a member of the Professional Regulatory Commission's Board of Accountancy from 2016 to 2022. Dr. Villanueva is a fellow of the Institute of Corporate Directors since 2014. She obtained her Accounting degree from Holy Angel University in 1977. She obtained her Master's degree in Business Management from the Ateneo Graduate School of Business in 1982 and her Doctorate Degree in Business Administration from the De La Salle Graduate School of Business in 2003, graduating "With Distinction". In 2011, she completed the Advance Management Program at the Harvard Business School (HBS AMP181); and in 2014, completed the one-year course on Challenges of Leadership at the INSEAD Business School at its Fontainebleau, France campus.
LISSET LAUS-VELASCO Independent Director Chairman – Corporate Governance & Risk Committee Member – Nomination Committee and Audit Committee	Ms. Lisset Laus-Velasco, 52, Filipino, has served as an Independent Director since 2019. She is the Chairman and Chief Executive Officer of Laus Group of Companies and the Director of Corporate Guarantee and Insurance Company, Inc. She was also the past President of Entrepreneurs Organization Philippines and Area Director I for EO Southeast Asia. Currently, Ms. Velasco serves as a Trustee of the Philippine Business for Social Progress ("PBSP") and is the Corporate Secretary of Philippine Automotive Dealers Association. She was recently named as one of the ASEAN Women Entrepreneurs in 2023 as well as the 2022 Woman Entrepreneur of the Year Philippines by Ernst & Young. She is also an Honoree and the only woman recipient of the 2021 Salute to Dealer award given by Ford Motor Company globally and the only representative in the International Markets Group. Ms. Velasco graduated from Dela Salle University - College of Saint Benilde with a degree in Bachelor of Arts Major in Human Resource Management. She obtained her Master's degree in Business Management in Asian Institute of Management.
EMMANUEL G. HERBOSA Independent Director Member – Audit Committee and Corporate Governance & Risk Committee	Mr. Emmanuel G. Herbosa, 73, Filipino, currently serves as the Chairman of the Board of Philippine Veterans Bank since June 1, 2025. He previously served as the President and Chief Executive Officer of the Development Bank of the Philippines (DBP) from March 2019 to January 2023. Prior to joining DBP, he also served as the President and CEO of

	the Philippine Export-Import Credit Agency, Executive Vice President of the Bank of Commerce, and Senior Vice President of Bank of the Philippine Islands. Mr. Herbosa graduated from Dela Salle University with a degree in Bachelor of Science in Industrial Management Engineering in 1975. He earned his Master's degree in Business Administration from Wharton School of the University of Pennsylvania in 1979.

All the incumbent members of the Board of Directors of NLEX Corp have been nominated for re-election at the Meeting.

Independent Directors of the Board

The Company's Board of Directors shall have at least three (3) independent directors or such a number as to constitute at least one-third of the members of the Board, whichever is higher.

Currently, the NLEX Board has nine (9) regular directors and three (3) independent directors.

Each independent director shall have at least one (1) share of the stock of the Company in his or her name, must be a college graduate and possess integrity, probity, and assiduousness. They are persons who, apart from their fees as directors of the Company, are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

An independent director must be a person who:

(i) Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;

(ii) Is not, and has not been in the two years immediately preceding the election, a director of the Company; a director, officer, employee of the Company's Subsidiaries, associates, affiliates, or related companies; or a director, officer, employee of the Company's substantial stockholders and its related companies;

(iii) Has not been appointed in the Company, its Subsidiaries, associates, affiliates, or related companies[4] as Chairperson Emeritus, ex-officio directors/officers or members of any advisory board, or otherwise appointed in any capacity to assist the Board in the performance of its duties and responsibilities within two years immediately preceding his election;

(iv) Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its Subsidiaries, associates, affiliates or related companies;

(v) Is not a relative of a director, officer or substantial stockholder of the Company or any of its related companies or any of its substantial stockholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;

[4] "Related companies" refer to (i) the Company's holding/parent company, (ii) the Company's Subsidiaries, and (iii) the Subsidiaries of the Company's holding/parent company.

(vi) Is not acting as a nominee or representative of any director of the Company or any of its related companies;

(vii) Is not a securities broker-dealer of listed companies and registered issuers of securities;

(viii) Is not retained, either in his personal capacity or through a firm, as a professional advisor, auditor, consultant, agent, or counsel of the Company, any of its related companies or substantial stockholder, or is otherwise independent of Management and free from any business or other relationship within the two years immediately preceding the date of his election;

(ix) Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial stockholder, in any transaction with the Company or any of its related companies or substantial stockholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two years immediately preceding the date of his election;

(x) Is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial stockholders; and

(xi) Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

An independent director must not possess any of the disqualifications enumerated under Section II (D) of SEC Memorandum Circular No. 16, Series of 2002.

Procedure for Nomination and Election of Independent Directors

The Company has substantially incorporated the requirements on the nomination and election of independent directors as set forth in SRC Rule 38, as amended, in its Manual on Corporate Governance which was approved and adopted by the Board on February 3, 2014 and amended on July 31, 2014, on July 14, 2020, and on May 2, 2022 (the "NLEX Corp. Manual on Corporate Governance").

The Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, including independent directors, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The Nomination Committee shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, including independent directors, in accordance with the following qualifications and disqualifications and without prejudice to the provisions of any shareholders' agreement to which the Company is a party.

<u>Qualifications of Directors</u>

In addition to the qualifications for membership in the Board provided for in the Revised Corporation Code, Securities Regulation Code and other relevant laws, the Board requires for additional qualifications of Directors which include, among others, the following:

1. He or she shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;

2. Membership in good standing in relevant industry, business or professional organization;

3. He or she shall have proven to possess integrity and probity; and

4. He or she shall be assiduous.

Disqualification of Directors

1. Permanent Disqualification

   The following are the grounds for the permanent disqualification of a director:

   a) Any person convicted by final judgment or order by a competent judicial or administrative body or any crime that (i) involves the purchase of sale of securities, as defined in the Securities Regulation Code; (ii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house, or as an affiliated person of any of them;

   b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission, Bangko Sentral ng Pilipinas ("BSP") or any court or administrative body of competent jurisdiction from:

      (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;

      (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company or as an affiliated person of any of them; or

      (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities;

   c) The person is currently the subject of an order of the Commission, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

d) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, or other fraudulent acts;

e) Any person who has been adjudged by final judgment or order of the Commission, BSP, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of any provision of the Revised Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rules, regulation or order administered by the Commission or BSP;

f) Any person judicially declared as insolvent;

g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations, or misconduct enumerated in sub-paragraphs (a) to (f) above;

h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Revised Corporation Code committed within five (5) years prior to the date of his election or appointment; and

i) Any person engaged in any business, which competes with, or is antagonistic to that of, the Company or any of its Subsidiaries[5] or affiliates. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

   (i) If he is an officer, manager or controlling person of, or the owner (either of record or beneficial) of 20% or more of any outstanding class of shares of any corporation (other than the one in which this Company owns at least 30% of the capital stock) engaged in business which the Board, by at least two-thirds vote, determines to be competitive or antagonistic to that of the Company or any of its Subsidiaries or affiliates;

   (ii) If he is an officer, manager or controlling person of, or the owner (either of record or beneficial) of 20% or more of any outstanding class of shares of, any Corporation or entity engaged in any line of business of the Company or of any of its Subsidiaries or affiliates, when in the judgment of the Board, by at least two-

[5] Subsidiaries refer to corporations at least 51% of whose outstanding capital stock is owned or held by the Company.

thirds vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or

(iii) The Board, in the exercise of its judgment in good faith, determines by at least two-thirds vote that he is the nominee of any person in (i) or (ii) above.

In determining whether or not a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships.

2. <u>Temporary Disqualification</u>

The NLEX Corp Manual on Corporate Governance provides for the temporary disqualification of a director for any of the following reasons:

a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing rules and regulations. This disqualification shall be in effect as long as his refusal persists;

b) Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election;

c) Dismissal, termination or removal for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity which gave rise to his dismissal, termination or removal;

d) Being under preventive suspension by the Company;

e) If the beneficial equity ownership of an independent director in the Company or its Subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; and

f) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

The Nomination Committee shall consider the following guidelines in the determination of the ceiling of the number of directorships in other corporations which may be held by members of the Board, including independent directors:

- The nature of the business of the Company;

- Age of the director;
- Number of directorships/active memberships and officers in other corporations or organizations of such director; and
- Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

Each of Dr. Arlyn Sicangco-Villanueva, Ms. Lisset Laus-Velasco, and Mr. Emmanuel G. Herbosa is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their respective exercise of independent judgment in carrying out the responsibilities of an independent director of the Company.

Board Committees

The following are the members of the committees of the Company's Board of Directors as of the date hereof:

Executive Committee

Name	Position
Jose Ma. K. Lim	Chairperson
Luis S. Reñon	Member
Frederic C. DyBuncio	Member
Jose T. Sio	Alternate Member (alternate of Mr. Frederic C. DyBuncio)
(vacant)	Member

Audit Committee

Name	Position
Arlyn Sicangco-Villanueva	Chairperson
Lisset Laus-Velasco	Member
Jose T. Sio	Member
Jose Ma. K. Lim	Member
Frederic C. DyBuncio	Alternate Member (alternate of Mr. Jose T. Sio)
Emmanuel G. Herbosa	Member

Compensation and Remuneration Committee

Name	Position
Manuel V. Pangilinan	Chairperson
Jose Ma. K. Lim	Member
Arlyn Sicangco-Villanueva	Member

Nomination Committee

Name	Position
Jose Ma. K. Lim	Chairperson
Luis S. Reñon	Member
Lisset Laus-Velasco	Member
Maria Anthonette V. Allones	Non-Voting Member

Corporate Governance and Risk Committee

Name	Position
Lisset Laus-Velasco	Chairperson
Luis S. Reñon	Member
Frederic C. DyBuncio	Member
Jose T. Sio	Alternate Member (alternate of Mr. Frederic C. DyBuncio)
Arlyn Sicangco-Villanueva	Member
Emmanuel G. Herbosa	Member

During the Meeting, the Company's stockholders will elect the members of the Board for the year 2026 to 2027. The nominees for election as directors are:

(i) Manuel V. Pangilinan
(ii) Jose Ma. K. Lim
(iii) June Cheryl Cabal-Revilla
(iv) Luis S. Reñon
(v) Ricardo M. Pilares III
(vi) Gilbert Gabriel S. Santa Maria
(vii) Marisa V. Conde
(viii) Jose T. Sio
(ix) Frederic C. Dybuncio
(x) Arlyn Sicangco-Villanueva (independent director)
(xi) Lisset Laus-Velasco (independent director)
(xii) Emmanuel G. Herbosa (independent director)

Dr. Sicangco-Villanueva, Ms. Laus-Velasco and Mr. Herbosa have been nominated for election as independent directors of the Company by Mr. Jose T. Sio.

Since the previous annual stockholders' meeting, Dr. Sicangco-Villanueva has served as independent director of the Company for a cumulative term of twelve (12) years. Under NLEX Corp Manual on Corporate Governance (in relation to SEC Circular No. 24, series of 2019), an independent director who has served for a cumulative term of nine (9) years may be re-elected as independent director provided that the Board of the Company provides meritorious justification for the re-election and seek the approval of the Company's stockholders of the proposed re-election of such independent director during a stockholders' meeting. Accordingly, the stockholders of the Company may re-elect an independent director who has served for more than nine (9) years.

In a meeting of the Board of the Company held on March 6, 2026, the Board endorsed the re-election of Dr. Sicangco-Villanueva as independent director of the Company for 2026 to 2027 on the following meritorious grounds:

(a) she possesses a wealth of experience and expertise and the external network necessary for the Company to continue to navigate challenges as it recovers from the impact of the COVID-19 pandemic;

(b) she has consistently provided invaluable contributions and inputs to the Board and the Company;

(c) the length of time that she has sat on the Board has not and will not impair her ability to act independently and objectively;

(d) she remains independent, being a respected and recognized leader in her own right; and

(e) her presence will continue to strengthen the independence of the Board and broaden the Board's perspective given her experience.

In view of the foregoing and having possessed the qualifications and none of the disqualifications of an independent director, Dr. Sicangco-Villanueva, Ms. Laus-Velasco and Mr. Herbosa were nominated in accordance with the guidelines for the nomination and election of independent directors pursuant to the Securities Regulation Code. None of the nominees have a relationship with Mr. Sio.

The Certificates of Independent Director of Dr. Arlyn Sicangco-Villanueva, Ms. Lisset Laus-Velasco and Mr. Emmanuel G. Herbosa are attached as Annex C.

2. Executive/Corporate Officers

The name, age, citizenship, position, and a brief description of the business experience for the last five (5) years of each of the executive officers and all other officers of NLEX Corp. as of August 31, 2026 are as follows:

MANUEL V. PANGILINAN Director Chairman of the Board Chairman – Compensation and Remuneration Committee	Mr. Pangilinan, 80, Filipino, graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981. Mr. Pangilinan served as Managing Director of First Pacific since its founding in 1981 until 1999. He was appointed Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk in Indonesia. In the Philippines, Mr. Pangilinan was once again appointed as President and CEO of PLDT, Inc and Smart Communications, Inc in January 2024. He also became the President and CEO of Manila Electric Company (Meralco) effective June 1, 2023. He is the Chairman, President and CEO of Metro Pacific Investments Corporation; PLDT Communications and Energy Ventures, Inc., Chairman of Global Business Power Corporation (GBP) - wholly owned by MERALCO PowerGen Corporation (MGen), Terra Solar Philippines, Inc. (TSPI) - wholly owned subsidiary of SP New Energy Corporation (SPNEC), which develops the Philippines' largest solar facility. Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health – the largest group of private hospitals and other healthcare facilities with 23 hospitals such as Makati Medical Center, Cardinal Santos Medical

	Center, et al; Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV 5), and the Vice Chairman of Roxas Holdings, Inc. In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School. In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT Smart Foundation Inc., One Meralco Foundation Inc., Metro Pacific Foundation Inc, and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S.–Philippine Society. In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc. and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.
MARISA V. CONDE Director Treasurer	Ms. Conde, 55, Filipino, is a senior finance executive and Certified Public Accountant (Philippines and U.S.) with extensive leadership experience in comptrollership, treasury, audit, taxation, and corporate finance. She is the Interim Group Chief Financial Officer of Metro Pacific Tollways Corporation (MPTC) and Vice President for Technical Finance at Metro Pacific Investments Corporation (MPIC). Previously, she served as Group Controller and Data Privacy Officer at MPIC, while also acting as CFO/Treasurer for MPIC subsidiaries, including Metropac Water Investments Corp, Metro Pacific Health Tech (mWell), METPower Venture Partners, and Surallah Biogas Ventures. Prior to joining MPTC and MPIC, her career background spans finance leadership roles in Philippine corporations, such as PLDT Inc., Smart Communications, Inc., and Cignal TV, as well as international practice at Deloitte & Touche LLP and Ernst & Young LLP in the U.S., following early training at SGV/Ernst & Young Philippines. Ms. Conde earned a Master's in Business Management from the Asian Institute of Management (AIM) as a full-time SGV scholar, and a Bachelor of Science in Business Administration with a major in Accounting from the Pamantasan ng Lungsod ng Maynila. For further education, she completed the Accounting for Sustainability program at the Accounting for Sustainability (A4S) Academy. Ms. Conde is recognized for disciplined financial stewardship, strong governance, sound knowledge of the business and collaborative leadership—anchored by a strategic, innovation-driven mindset.
LUIS S. REÑON Director President and General Manager Member – Nomination Committee, Executive Committee and Corporate Governance & Risk Committee	Mr. Reñon, 56, Filipino, was the Senior Vice President of PLDT Group's Internal Audit and joined PLDT in July 2018. Prior thereto, he was the Emerging Markets Chief Finance Officer of Pfizer Inc. and handled teams across the Philippines, Thailand, Malaysia, Indonesia, Vietnam, and Pakistan. Mr. Reñon, started his professional career in the Audit and Business Advisory Division of Ernst & Young Manila and Singapore, where he worked for six years. He then moved to Novartis Asia Pacific in Singapore as Regional Auditor and Team Leader, managing APAC auditors in

	conducting business reviews and compliance tests of operations in Asia Pacific and Europe. He, moved back to the Philippines in 2000 where he became the Head of Finance, Administration and Operations of Novartis' Animal Health Business Unit. He pursued a rewarding career in Wyeth Philippines and Pfizer, Inc., where he took on various roles with increasing responsibilities in Strategic Planning and Business Finance as Pfizer's Country CFO in 2011 during the Pfizer-Wyeth integration and as Emerging Markets CFO in 2014. Mr. Reñon is a Certified Public Accountant. He completed his Bachelor's degree in Commerce, major in Accounting at Araullo University, and his Master's degree in Business Administration at the Ateneo de Manila University, where he garnered the Gold Medalist Award. He attended the Management Development Program of the Asian Institute of Management in 2005 and the Financial Excellence Program of Harvard Business School, USA in 2002.
MARIA THERESA O. WELLS Chief Finance Officer, Chief Risk Officer and Senior Vice President for Finance	Ms. Maria Theresa O. Wells, 58, Filipino, was appointed as the Chief Finance Officer of NLEX Corp in January 2016. Prior to this, she has been the Vice President for Treasury & Comptrollership of the Company since December 2005. Ms. Wells has more than 20 years of experience in various fields of financial management, ranging from project finance, liability management, comptrollership and supply chain management. Prior to joining NLEX Corp, she was assistant to the Chief Finance Officer of a publicly listed holding company where she handled various finance-related assignments, including full-time secondment to project companies and acquisitions. Prior to taking her post-graduate degree, she started her career with the management consultancy services division of SGV & Co. Ms. Wells received her Master's in Business Management degree from the Asian Institute of Management in 1995 and her undergraduate degree from the University of the Philippines at Los Banos in 1987.
MA. CORAZON JOY S. ORIG Compliance Officer and Vice President for Legal Services	Atty. Ma. Corazon Joy S. Orig, 52, Filipino, is the Vice President for Legal Services and Compliance Officer of NLEX Corporation. Atty. Orig obtained her Juris Doctor and undergraduate degree from the University of the Philippines. Prior to joining the Company in 2004, she was Legal Manager for a bank and a Legal Associate of Castillo Laman Tan Pantaleon and San Jose Law Offices. Her legal practice covered banking and corporate law, labor and immigration law, and litigation. After 14 years with the Company, Atty. Orig was appointed as the Legal Services Division Head of MPCALA Holdings, Inc., Cavite Infrastructure Corporation, and Metro Pacific Tollways South Management Corporation, where she handled various legal and regulatory issues and requirements of the Cavite Laguna Expressway and the Manila-Cavite Toll Expressway Projects, from 2018 to 2023.
ENRICO C. RULLAN Chief Audit Officer and Vice President	Mr. Enrico C. Rullan, 42, Filipino, was appointed as the Chief Audit Officer of NLEX Corp in August 2021. He has more than 15 years of experience in various assurance engagements, including audit, review, security offering, and financial accounting advisory. Prior to working with NLEX, he was a Senior Director in the Banking and Capital Markets Group of SGV & Co. He handled audits of banks and other financial institutions. He also assisted clients in their capital market transactions, such as public and private offerings of equity and debt securities. He was a resource person in US Generally Accepted Accounting Principles (GAAP) matters and has handled audits of US-SEC registered entities

	that are subject to Section 404 of the Sarbanes-Oxley Act of 2002 and Public Accounting Oversight Board requirements. He was also a member of the Accounting Standards Group and served as a resource person for complex accounting transactions. As part of SGV's secondment program, he worked at the EY Global IFRS Desk in London for two years and EY SG Capital Markets Centre in Singapore for a year. He graduated with a Bachelor of Science in Accountancy from Wesleyan University-Philippines. He is a Certified Public Accountant and a Certified Internal Auditor.
MARIA ANTHONETTE V. ALLONES Senior Vice President for Human Resources and Administration	Atty. Maria Anthonette Velasco-Allones, 57, Filipino, is the Chief Human Resources Officer of MPTC. She has 30 years of professional experience in organization development and strategic human resource management, having led several public sector reorganizations and change management. She has extensive practice in organizational restructuring and staffing, compensation administration, employee engagement, lifelong learning and talent development. She is a certified Transition Quotient Coach. Atty. Velasco-Allones holds a Master in Public Management from the joint program of the Lee Kuan Yew School of Public Policy-National University of Singapore and Kennedy School of Government-Harvard University. She also completed her Masters in National Security and Administration from the National Defense College of the Philippines. She is a Political Science graduate from the University of the Philippines where she also obtained her Bachelor of Laws and Juris Doctor degrees. She also completed the Certificate Program on Strategic HR Transformation and Organizational Development from Pennsylvania State University. She holds the distinction as the only Ten Outstanding Young Men (TOYM) Awardee for Human Resource Development.
ALEX ERLITO S. FIDER Corporate Secretary	Atty. Alex Erlito S. Fider, 73, Filipino, has been the Corporate Secretary of NLEX Corp since 2008. He serves as the Corporate Secretary of MPTC, Smart Communications, Inc., Maynilad Water Services, Inc., Voyager Innovations Inc., Maya Bank, and as Director of Roxas Holdings, Inc. Atty. Fider is special counsel of Picazo Buyco Tan Fider Santos & Dee Law Offices. He was admitted to the Philippine Bar in 1985 and has been in the practice of law since 1985. His legal experience spans over 38 years of involvement in corporate transactions and projects that involved legal counseling on Philippine law, including legal advice on the appropriate transaction structure, crafting of documents and legal diligence audit, and as lead counsel in corporate acquisitions and investments, joint ventures, privatizations, corporate finance, divestments, and restructuring. Atty. Fider is a fellow of the Institute of Corporate Directors and a member of Financial Executives Institute of the Philippines. Atty. Fider obtained his Bachelor of Arts degree in Economics and Bachelor of Laws from the University of the Philippines and attended a course on Strategic Business Economics.

3. Term of Office of a Director

Under the Amended By-Laws of NLEX Corp, each director elected by the stockholders shall hold office for one year from the date of his or her election as such and until his or her successor is duly elected and qualified.

4. **Significant Employees**

While all employees are expected to make a significant contribution to the Company, there is no employee, nor an executive officer, who is expected to make a significant contribution to the business of the Company on his or her own.

5. **Family Relationships**

None of the directors/independent directors and executive officers of the Company or persons nominated to such positions has any family relationships up to the fourth civil degree either by consanguinity or affinity.

6. **Involvement of Directors and Officers in Certain Legal Proceedings**

The Company is not aware, and none of the directors/independent directors and executive officers or persons nominated for election to such positions has informed the Company, of any of the following events that occurred during the past five years:

(a) any bankruptcy petition filed by or against any business of which a director/independent director or executive officer or person nominated to become a director/independent director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;

(b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any director/independent director or executive officer or person nominated to become a director/independent director or executive officer;

(c) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director/independent director or executive officer or person nominated to become a director/independent director or executive officer in any type of business, securities, commodities or banking activities; and

(d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any director/independent director or executive officer or person nominated to become a director/independent director or executive officer, has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

7. **Certain Relationships and Related Transactions**

The Company, in the ordinary course of business, has entered into transactions with stockholders, affiliates, and other related parties principally consisting of advances and reimbursement of expenses, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sale and purchase of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

A detailed discussion on related party transactions is presented under Note 16 (Related Party Disclosure) to the accompanying financial statements as of December 31, 2025 and under Note 13 of the unaudited interim financial statements as of June 30, 2026 (which is attached hereto as Annex B).

8. Parent Company

NLEX Corp's parent company is Metro Pacific Tollways Corporation ("**MPTC**") As of August 31, 2026, MPTC is the owner of record of 73.32% of the total issued and outstanding capital stock of NLEX Corp.

(a) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned, or otherwise declined to stand for re-election to the Board since the last annual meeting of the Company's stockholders because of disagreement with NLEX Corp, on matters relating to its operations, policies, and practices.

(b) Appraisal of the Board of Directors

In February 2023, the Company adopted a Board, Board Committees, and Selected Officers' Assessment Policy (the "Assessment Policy"). The Assessment Policy aims to ensure that individual directors and the Board work efficiently and effectively in achieving their functions. Further, it seeks to establish a procedure for conducting periodical evaluation of its own performance and of its committees, individual directors, and selected officers.

The performance assessment shall be conducted every 1st quarter of the following year and will be implemented through the accomplishment by the directors of the following assessment instruments:

(i) board self-assessment;
(ii) board assessment of committees;
(iii) evaluation of the President and Chief Executive Officer's performance; and
(iv) evaluation of Chief Audit Executive's performance.

The first performance assessment was undertaken by the Board of Directors on August 8, 2023 and covered the period from January 1, 2022 to December 31, 2022, with the results thereof being presented to the members of the Corporate Governance Committee in its meeting held on November 13, 2023.

Item 6. Compensation of Directors and Executive Officers

Article III Section 8 of the Company's By-Laws provides that the remuneration of the Directors shall be determined by, and be subject to the approval of, the stockholders.

The directors each receive per diems amounting to ₱20,000.00 for their attendance to board meetings and ₱20,000.00 for their attendance to committee meetings. There are no other arrangements for compensation either by way of payments for committee participation or consulting contracts.

Compensation

The following table below sets forth the total annual compensation (salary and other variable pay) paid in 2024 to 2026 to: (i) the President and General Manager and the four (4) most highly compensated officers of NLEX Corp as a group, and (ii) all other executive officers, and other officers, as a group.

Name of Officer and Principal Position	Year	Salary (₱ millions)	Bonus (₱ millions)**	Other Annual Compensation (₱ millions)
President and General Manager and four highest-compensated executive officers 1. President and General Manager* 2. Chief Finance Officer[6] 3. Head of Operations Management[7] 4. Head Communication and Stakeholder Management[8] 5. Deputy Chief Operating Officer[9]	2026 2025 2024	40.9 39.8 64.1	16.4 11.9 23.5	2.7 2.2 5.5
All other executive officers and managers as a group (excluding the President and General Manager and four highest-compensated executive officers)	2026 2025 2024	207.4 197.7 204.0	81.7 66.4 74.0	17.7 15.5 18.8

**The current President and General Manager, Luis S. Reñon, has been seconded from an MVP Group company and has received compensation from another company for the period of 2025. The former President and General Manager, Jose Luigi L. Bautista, who retired effective December 20, 2024, received compensation from the Company for the period 2023 up to 2024.*
*** Bonus includes 13th month pay, 14th month pay and performance bonus*

The executive officers are covered by standard employment contracts and employees' retirement plan and can be terminated upon appropriate notice. There are no other special arrangements pursuant to which any director was compensated. There is no compensatory plan or arrangement for the termination, resignation, or retirement of a member of the Board.

Long-Term Incentive Plan

NLEX Corp's long-term incentive plan, or LTIP, is a cash plan that is intended to provide meaningful and contingent financial incentive compensation for eligible executives, officers and advisors of MPTC and its subsidiaries (the "**MPTC Group**"), who are consistent performers and contributors to the achievement of the long-term strategic plans and objectives, as well as the functional strategy and goals of the MPTC Group. The LTIP is administered by the Executive Compensation Committee ("**ECC**") and the Board of Directors which has the authority to determine: (a) eligibility and

[6] *For the years 2024 to 2025, the position of Chief Finance Officer was held by Ms. Maria Theresa O. Wells.*
[7] *For the years 2024 to 2025, the position of Head of Operations Management was held by Mr. Denn Charly G. Espanola.*
[8] *For the years 2024 to 2025, the position of Head of Communication and Stakeholder Management was held by Ms. Donna Kristine F. Marcelo.*
[9] *For the years 2024 to 2025, the position of Deputy Chief Operating Officer was held by Mr. Francis Gerard E. Aberilla.*

identity of participants; (b) the award attributable to each participant based on the participant's annual base compensation and taking into account such participant's seniority, responsibility level, performance potential, tenure with the MPTC Group, job difficulty and such other measures as the Committee deems appropriate; (c) the level of achievement of the performance objectives; and (d) the actual award payable to each participant based on the level of achievement of the performance objectives. The LTIP payable of the Company will be based on profit targets for the covered performance cycle.

Item 7. Independent Public Accountants

The auditing firm of SyCip Gorres Velayo & Co. ("**SGV**") has been NLEX Corp's Independent Accountant for the last 23 years. Mr. Richie Jackson T. Padilla is NLEX Corp's audit partner for 2026.

Based on representations of SGV, SGV complies with Paragraph (3)(b)(ix) of Part I of the Revised Securities Regulation Code Rule 68 on the long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and the Philippine Regulatory Commission and such other standards as may be adopted by the Commission.

The Company also maintains an Audit Committee. The members of the Audit Committee are the following:

Audit Committee	**Position**
Arlyn Sicangco-Villanueva	Chairperson
Jose Ma. K. Lim	Member
Jose T. Sio	Member
Frederic C. Dybuncio	Alternate Member (alternate of Mr. Jose T. Sio)
Lisset Laus-Velasco	Member
Emmanuel G. Herbosa	Member

The aggregate fees billed by SGV & Co. in 2025 are shown below (with comparative figures for 2024 and 2023):

	(Amount in Pesos)		
	2025	**2024**	**2023**
Audit and Audit Related Fees	₱7.1 Million	₱8.6 Million	₱8.2 Million

NLEX Corp has no disagreements with its independent auditors on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

NLEX Corp's Audit Committee has an existing policy to review and to pre-approve the audit and non-audit services rendered by NLEX Corp's independent auditors. It does not allow NLEX Corp to engage the independent auditors for certain non-audit services expressly prohibited by SEC regulations to be performed by an independent auditor for its audit clients. This is to ensure that the independent auditors maintain the highest level of independence from NLEX Corp, both in fact and appearance.

The Audit Committee has reviewed the nature of non-audit services rendered by SGV & Co. and the corresponding fees and concluded that these are not significant to impair the independence of the auditors.

SGV & Co. representatives are not expected to be present during the Meeting. However, should representatives of SGV & Co. attend, they shall have an opportunity to make a statement and respond thereafter to appropriate questions that may arise during the stockholders' meeting.

Item 8. Compensation Plans

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

Items 9. Authorization or Issuance of Securities Other than for Exchange

NOT APPLICABLE. No action is to be taken during the Meeting with respect to authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities

No action is to be taken during the Meeting with respect to the issuance or authorization for issuance of one class of securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The audited financial statements and supplementary schedules as of December 31, 2025, the Company's Management Report in compliance with SRC Rule 20.4, and the unaudited interim financial statements as of June 30, 2026 are attached hereto as Annex B.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any transaction involving (i) merger or consolidation of NLEX Corp into or with any other person or of any other person into or with NLEX Corp, (ii) acquisition by NLEX Corp or any of its security holders of securities of another person, (iii) acquisition by NLEX Corp of any other going business or of the asset thereof, (iv) sale or other transfer of all or any substantial part of the assets of NLEX Corp, or (v) liquidation or dissolution of NLEX Corp.

Item 13. Acquisition or Disposition of Property

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any acquisition or disposition of any property.

Item 14. Restatement of Accounts

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any restatement of any asset, capital, or surplus account of NLEX Corp.

Item 15. Action with Respect to Reports

The following are to be submitted for approval during the Meeting:

(1) Approval of the Minutes of the 2025 Annual Meeting of Stockholders held on May 30, 2025

A summary of the minutes discussed and matters approved by the stockholders during the 2025 Annual Meeting of Stockholders held on May 30, 2025 is provided below:

(a) Approval of the minutes of the 2024 Annual Meeting of Stockholders
(b) Approval of the President's Report for 2024
(c) Approval of the Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2024
(c) Ratification of the acts, resolutions, and proceedings of the Board and Management of the Company for the year 2024 and 2025
(d) Election of the Board of Directors for the year 2025

The stockholders elected the following directors:

Manuel V. Pangilinan
Jose Ma. K. Lim
Luis S. Reñon
June Cheryl A. Cabal-Revilla
Ricardo M. Pilares III
Jose T. Sio
Frederic C. DyBuncio
Arlyn Sicangco-Villanueva (as Independent Director)
Lisset Laus-Velasco (as Independent Director)
Emmanuel G. Herbosa (as Independent Director)

(e) Appointment of SyCip Gorres Velayo & Co as external auditor of the Company for the year 2025

A copy of the draft Minutes of this Annual Meeting of Stockholders held on May 30, 2025 has been distributed to all Stockholders of the Company.

<u>Requirements under Section 49 of the Revised Corporation Code of the Philippines</u>

	REQUIREMENT	DISCLOSURE
1	A description of the voting and vote tabulation procedures used in the previous meeting	The Company's stockholder voting mechanism is provided under the Company's By-laws and SEC Form 20-IS. During the annual stockholders meeting held on May 30, 2025, only stockholders of record as of May 8, 2025 were entitled to notice and vote at the said meeting. The holders of the common shares of stock of the Company voted on matters scheduled to be taken up during the meeting with each share being entitled to cast 1 vote. The Corporate Secretary counted and validated the votes in accordance with the Revised Corporation Code.

	REQUIREMENT	DISCLOSURE
2	A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given	The stockholders were given the opportunity to ask questions during the meeting and the Company answered the same.
3	The matters discussed and resolutions reached	Please refer to Item 15 (1).
4	A record of the voting results for each agenda item	(a) Approval of the minutes of the 2024 Annual Meeting of Stockholders – unanimously approved (b) Approval of the President's Report for 2024 – unanimously approved (c) Approval of the Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2024 – unanimously approved (d) Ratification of the acts, resolutions, and proceedings of the Board and Management of the Company for the year 2024 and 2025 – at least a majority of the outstanding capital stock of the Company approved (e) Election of the Board of Directors for the year 2025 – unanimously approved (f) Appointment of SyCip Gorres Velayo & Co as external auditor of the Company for the year 2025 – unanimously approved
5	A list of director or trustees, officers and stockholders or members who attended the meeting	Stockholders holding 18,785,999 shares were present or represented during the 2025 annual stockholders' meeting held on May 30, 2025. The corporate stockholders and their corresponding proxies who attended the meeting were as follows: Metro Pacific Tollways Corporation *represented by Jose Ma. K. Lim* BDO Unibank, Inc. *represented by Jose T. Sio* MPT North, Inc. (formerly Egis Investment Partners Philippines, Inc.) *represented by Jose Ma. K. Lim* Globalfund Holdings, Inc. *represented by Frederic C. DyBuncio* The directors and officers who attended the meeting were as follows:

	REQUIREMENT	DISCLOSURE
		Manuel V. Pangilinan – Director/Chairman Jose Ma. K. Lim – Director Luis S. Reñon – Director June Cheryl A. Cabal-Revilla – Director Ricardo M. Pilares III – Director Frederic C. DyBuncio – Director Jose T. Sio – Director Arlyn Sicangco Villanueva – Independent Director Lisset Laus-Velasco – Independent Director Emmanuel G. Herbosa – Independent Director Alex Erlito S. Fider – Corporate Secretary

(2) Approval of the Minutes of the Special Meeting of Stockholders held on October 21, 2025

A summary of the minutes discussed and matters approved by the stockholders during the Special Meeting of Stockholders held on October 21, 2025 is provided below:

(a) Election of members to fill two vacant seats in the Board of Directors for the year 2025

The stockholders elected the following directors:

Gilbert Gabriel F. Santa Maria
Marisa V. Conde

A copy of the draft Minutes of this Special Meeting of Stockholders held on October 21, 2025 has been distributed to all Stockholders of the Company.

Requirements under Section 49 of the Revised Corporation Code of the Philippines

	REQUIREMENT	DISCLOSURE
1	A description of the voting and vote tabulation procedures used in the previous meeting	The Company's stockholder voting mechanism is provided under the Company's By-laws and SEC Form 20-IS. During the special stockholders meeting held on October 21, 2025, only stockholders of record as of September 30, 2025 were entitled to notice and vote at the said meeting. The holders of the common shares of stock of the Company voted on matters scheduled to be taken up during the meeting with each share being entitled to cast 1 vote. The Corporate Secretary counted and validated the votes in accordance with the Revised Corporation Code.
2	A description of the opportunity given to stockholders or	The stockholders were given the opportunity to ask questions during the meeting and the Company answered the same.

	REQUIREMENT	DISCLOSURE
	members to ask questions and a record of the questions asked and answers given	
3	The matters discussed and resolutions reached	Please refer to Item 15 (2).
4	A record of the voting results for each agenda item	Election of members to fill two vacant seats in the Board of Directors for the year 2025 – unanimously approved
5	A list of director or trustees, officers and stockholders or members who attended the meeting	Stockholders holding 18,786,000 shares were present or represented during the special stockholders' meeting held on October 21, 2025. The corporate stockholders and their corresponding proxies who attended the meeting were as follows: Metro Pacific Tollways Corporation *represented by Jose Ma. K. Lim* BDO Unibank, Inc. *represented by Jose T. Sio* MPT North, Inc. (formerly Egis Investment Partners Philippines, Inc.) *represented by Jose Ma. K. Lim* Globalfund Holdings, Inc. *represented by Frederic C. DyBuncio* The directors and officers who attended the meeting were as follows: Manuel V. Pangilinan – Director/Chairman Jose Ma. K. Lim – Director Luis S. Reñon – Director June Cheryl A. Cabal-Revilla – Director Ricardo M. Pilares III – Director Frederic C. DyBuncio – Director Jose T. Sio – Director Arlyn Sicangco Villanueva – Independent Director Lisset Laus-Velasco – Independent Director Emmanuel G. Herbosa – Independent Director Alex Erlito S. Fider – Corporate Secretary

(3) Approval of the President's Report for the year 2025

(4) Approval of the Annual Report and Audited Financial Statements for the fiscal year ended December 31, 2025

Item 16. Matters not required to be submitted

NOT APPLICABLE. There are no matters or actions to be taken up in the Meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, Bylaws or Other Documents

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any amendment of charter, bylaws or other documents of NLEX Corp.

Item 18. Other Proposed Action

The following are other proposed actions to be submitted for approval during the Meeting:

(1) Ratification of all the acts and proceedings of the Board of Directors, the committees of the Board of Directors, and Management from the date of the last annual stockholders' meeting held on May 30, 2025 until the annual stockholders' meeting on October 28, 2026 which are covered by resolutions duly passed and approved by the Board of Directors and/or its committees, such as:

- Approval of matters and acts which have been covered by disclosures to the SEC and PDEX;
- Treasury matters, including borrowings, opening of accounts and bank transactions; and
- Housekeeping matters, including the appointment of signatories and amendments thereof

(2) Election of members of the Board of Directors for the year 2026

(3) Appointment of Sycip Gorres Velayo & Co. as external auditor of NLEX Corp for the year 2026

Item 19. Voting Procedures

(a) Manner of Voting

In all items for approval each share of stock entitles its registered owner to one (1) vote.

On March 6, 2026, the Board of Directors of the Company approved and authorized voting through remote communication during the Meeting, in accordance with Sections 23 and 57 of the Revised Corporation Code. The detailed instructions for voting through remote communication are set forth in Annex A of the Notice.

Unless required by law or demanded by a stockholder present or represented at the Meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

(b) Voting Requirements

For the election of members of the Board, nominees who receive the highest number of votes shall be declared elected pursuant to Section 23 of the Revised Corporation Code.

For other matters submitted to the stockholders for approval, a vote by a majority of the shares present or represented during the Meeting shall be necessary to approve the proposed action.

(c) The Method by which the Votes will be Counted

The method of counting the votes shall be in accordance with the general provisions of the Revised Corporation Code. The Corporate Secretary of the Company, Atty. Alex Erlito S. Fider, will be responsible for counting/validating the votes.

This Information Statement in SEC Form 20-IS is given free of charge to the Company's stockholders prior to the Special Stockholders' Meeting of the Company.

This Information Statement is also posted at the Company's website: www.nlex.com.ph

NLEX Corporation
NLEX Compound, Balintawak, Caloocan City

Attention: Mr. Luis S. Reñon

President and General Manager

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on September 14, 2026.

By:

Maria Theresa O. Wells
Chief Finance Officer

ANNEX "A"

NOTICE OF THE 2026 ANNUAL MEETING OF STOCKHOLDERS
OF
NLEX CORPORATION

TO ALL STOCKHOLDERS:

Please take notice that the annual meeting of the stockholders of NLEX CORPORATION (the "**Corporation**") will be held on **28 October 2026, Friday, at 2:00 p.m., through videoconferencing via the Microsoft Teams application**. The meeting ID and password will be sent to the successful registrants through electronic mail.

The Agenda of the meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Reading and Approval of the Minutes of the Previous Stockholders' Meeting held on 30 May 2025
4. Presentation and Approval of the President's Report for the year 2025
5. Approval of the Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2025
6. Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management from 30 May 2025 to 27 October 2026
7. Election of the Members of the Board of Directors for the year 2026[1]
8. Appointment of External Auditor for the year 2026
9. Adjournment

Only stockholders of record as of the close of business hours on 7 October 2026 are entitled to participate at this meeting.

On 6 March 2026, the Board of Directors of the Corporation approved and authorized participation and voting through remote communication during the annual meeting of the stockholders of the Corporation in accordance with the relevant rules and regulations of the Securities and Exchange Commission. The procedures for registration to participate and vote at the meeting are set forth in Annex A of this Notice. Stockholders intending to participate by remote communication should so notify the Corporation by email to the Office of the Corporate Secretary through esfider@picazolaw.com, ltcalpo@picazolaw.com, kddee@picazolaw.com, and gsdecastro@picazolaw.com on or before 5:00 p.m. on 26 October 2026.

For those who will be unable to attend the meeting and will be sending a proxy or for those attending on behalf of the corporate stockholders, kindly submit to the Office of the Corporate Secretary (not later than 5:00 p.m. on 26 October 2026 and to the address indicated below) a proxy in favor of a representative, in the form attached hereto:

[1] The nominees for election of the members of the Board of Directors for the year 2026 includes Dr. Arlyn Sicangco-Villanueva, who has served as independent director for twelve (12) years.

MA. LOURDES CALPO ENDOZO
Assistant Corporate Secretary
Office of the Corporate Secretary, NLEX Corporation
Penthouse, Liberty Center – Picazo Law, 104 H.V. dela Costa Street, Salcedo Village, Makati City.

Please be advised that the Corporate Secretary will record the proceedings of the meeting in compliance with prevailing regulations. For any questions or concerns, you may reach the Office of the Corporate Secretary through email at esfider@picazolaw.com, ltcalpo@picazolaw.com, kddee@picazolaw.com, and gsdecastro@pciazolaw.com.

Alex Erlito S. Fider
Corporate Secretary

CONFIRMATION OF ATTENDANCE

☐ Will be able to attend.

☐ Will not be able to attend

____
(Signature over Printed Name of Stockholder)

<u>**PROXY**</u>

The undersigned stockholder of **NLEX CORPORATION** (the "**Corporation**") hereby constitutes and appoints _________________________, as proxy to represent the undersigned stockholder and to vote a total of _________________________________ **(**______________**)** shares registered in the name of the undersigned stockholder in the books of the Corporation at the meeting of the stockholders of the Corporation to be held on <u>**28 October 2026**</u> and any adjournment thereof.

The proxy is authorized to vote on all matters which may properly be taken in the meeting and other matters indicated in the agenda of the said meeting.

This proxy shall be valid only for the meeting stated above, unless earlier withdrawn by the undersigned stockholders by written notice filed with the Corporate Secretary of the Corporation.

SIGNED THIS PROXY this ________ day of _____________________ 2026.

____
(Signature over Printed Name of Stockholder)

Annex "A"

**2026 ANNUAL MEETING OF STOCKHOLDERS
OF
NLEX CORPORATION**

REQUIREMENTS AND PROCEDURES FOR PARTICIPATION AND VOTING BY REMOTE COMMUNICATION

I. REGISTRATION

To participate via remote communication, stockholders of the Corporation are requested to register and confirm their attendance to the Office of the Corporate Secretary through email at esfider@picazolaw.com, ltcalpo@picazolaw.com, kddee@picazolaw.com, and gsdecastro@pciazolaw.com on or before 5:00 p.m. on 26 October 2026. In the event that the stockholder is unable to attend the meeting and will be sending a proxy or for those attending on behalf of the corporate stockholders, the email should be accompanied by a proxy in favor of the stockholder's representative.

All successfully registered stockholders of the Corporation will receive an electronic invitation via email containing the meeting ID and password. We advise all stockholders to log on to the meeting link at least 10 minutes before the meeting starts, to avoid any technical difficulty.

II. PARTICIPATION VIA REMOTE COMMUNICATION

Each stockholder/representative shall be responsible for his or her own internet connectivity during the meeting.

Only stockholders who have registered in accordance with these procedures and actually participate during the meeting will be included in the determination of the existence of a quorum and for voting purposes.

Stockholders participating via remote communication may raise questions and/or comments during the meeting and shall be able to vote during the meeting. Voting shall be done by a show of hands, unless otherwise required by law in which case voting shall be done via ballot. In the event that voting will be done via ballot, stockholders participating by remote communication must cast and send their vote to the Corporate Secretary through email at esfider@picazolaw.com (with a copy to ltcalpo@picazolaw.com, kddee@picazolaw.com, and gsdecastro@pciazolaw.com) for validation and tabulation.

ANNEX "B"

C O V E R S H E E T

for

SEC FORM 17-A

SEC Registration Number

A	1	9	9	7	0	1	4	5	1	

C O M P A N Y N A M E

NLEX CORPORATION (A SUBSIDIARY OF METRO PACIFIC TOLLWAYS CORPORATION)

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

NLEX COMPOUND, BALINTAWAK, CALOOCAN CITY, METRO MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	MSRD	

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
nlexsec@mptc.com.ph	(02) 8580-8900	0998-962-0895

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
16	Any Day in May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Theresa O. Wells	towells@nlex.com.ph	(02) 8580-8900	0998-962-0895

CONTACT PERSON's ADDRESS

NLEX Compound, Balintawak, Caloocan City, Metro Manila

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

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

SEC FORM 17-A

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

1. For the fiscal year ended: **December 31, 2025**

2. SEC Identification Number: **A1997-01451** 3. BIR Tax Identification No. : **004-984-946-000**

4. Exact name of issuer as specified in its charter:

 NLEX Corporation

5. **Metro Manila, Philippines** 6. [ ] (SEC Use Only)

 Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

7. **NLEX Compound, Balintawak, Caloocan City** **1400**
 Address of principal office Postal Code

8. **+632-8-580-8900**
 Issuer's telephone number, including area code

9. **N/A**
 Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Series B Bonds Due 2028	**Php2,000,000,000.00**

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

 Yes [ ] No [✓]

 If yes, state the name of such stock exchange and the classes of securities listed therein:
 N/A

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

 Yes [✓] No [ ]

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

 Yes [✓] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant: **N/A**

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Company Overview

NLEX Corporation ("NLEX Corp" or "Company") was incorporated under the laws of the Republic of the Philippines on February 4, 1997. NLEX Corp is engaged in the development, design, construction, financing, operation, and maintenance of toll roads. It was organized for the primary purpose of constructing, financing, operating and maintaining toll road projects. As of the date of this report, NLEX Corp holds the concession for the North Luzon Expressway ("NLEX") Project and the NLEX Connector Road Project, as well as the right to manage, operate and maintain the Subic-Clark-Tarlac Expressway ("SCTEX").

NLEX Corp previously operated the NLEX and the SCTEX through Tollways Management Corporation ("TMC"), which served as its operations and maintenance service provider under an Operations and Management Agreement. TMC was incorporated under the laws of the Republic of the Philippines and was registered with the SEC on August 2, 2000, primarily to engage in and carry on the operations and maintenance of tollways, its facilities, interchanges and related works, or otherwise engage in the operation and maintenance of roads, highways, bridges, buildings, and structures of all kinds.

On October 19, 2016, the Board of Directors of TMC and NLEX Corp approved the merger between the two companies, with NLEX Corp as the surviving corporation (the "Merger"). The Merger became effective on December 14, 2018, which was 15 days after approval by the SEC on November 29, 2018.

The NLEX Project

The NLEX currently spans approximately 105 kilometers ("km") or 598 lane-kms, and services an average of 355,561 vehicles per day as of end-2025. The NLEX is the main infrastructure backbone that connects Metro Manila to central and northern Luzon. NLEX Corp has operated the NLEX since February 2005 after completing the rehabilitation of the toll road under Phase I of the NLEX Concession.

In October 2008, the Toll Regulatory Board ("TRB") approved the extension of the concession period to December 31, 2037 in view of NLEX Corp's implementation of the 2.7-km NLEX-Mindanao Avenue Link, or Segment 8.1 of the NLEX Project, which is the first segment under Phase II of the NLEX Concession.

On June 5, 2010, Segment 8.1 was opened to the public, allowing motorists to have alternative access to NLEX from Mindanao Avenue in Quezon City, bypassing the Balintawak Toll Plaza.

On March 19, 2015, the 2.4-km Karuhatan Interchange, or Segment 9 of the NLEX Project, was opened to the public. Segment 9 connects NLEX, from Mindanao Avenue to the MacArthur Highway in Valenzuela City. It provides motorists with a third alternative access point to and from NLEX.

On April 28, 2014, NLEX Corp started the construction of Segment 10 of the NLEX Project under a target cost contract with Leighton Contractors Asia Ltd ("LCAL"). Segment 10 is an all-elevated 5.6-km expressway from MacArthur Highway in Valenzuela to C-3 Road in Caloocan City. On February 28, 2019, the Company formally opened Segment 10.

On April 2017, the TRB granted NLEX Corp a notice to proceed with respect to the R-10 Section of Segment 10 that will provide a direct link to the Manila Port area by way of an elevated ramp spanning 2.6 km along C-3 Road to R-10. On June 15, 2020, the Company formally opened the R-10 Section of Segment 10.

On February 19, 2021, the Company formally opened the new and expanded section of NLEX Segment 7 or SFEX following completion of the SFEX Capacity Expansion Project, which involved increasing the carriageway capacity of the existing SFEX between Brgy. Tipo and the Subic Bay Metropolitan Area.

On December 10, 2024, NLEX Corp officially open the Candaba 3rd Viaduct. The project is a five-kilometer-long viaduct built between two existing bridges connecting the towns of Pulilan, Bulacan, and Apalit, Pampanga. The Zone 1, or the Pulilan section, opened to the public in August 2024, while the Zone 2 portion in Apalit became operational in October 2024. This would enable greater mobility for motorists and businesses, boosting socio-economic growth.

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

SCTEX

The SCTEX is a 94-km or 362 lane-kms, stretching from Subic-Tipo until La Paz, Tarlac, connecting the special economic zones in Subic and Clark, Olongapo City, to Tarlac City. It was completed by the Bases Conversion and Development Authority ("BCDA") in 2008 using Official Development Assistance financing from the Japan Bank of International Cooperation.

In October 2009, the BCDA conducted a competitive bidding for the selection of a private sector partner for the management, operation, and maintenance of SCTEX. NLEX Corp participated in the selection process and was eventually awarded the SCTEX Concession in June 2010. After an extended period of commercial negotiations and regulatory approvals, NLEX Corp took over the SCTEX toll facilities on October 27, 2015.

In 2016, the SCTEX toll operations were fully integrated with NLEX's toll operations. NLEX Corp re-configured the major toll barriers between NLEX and SCTEX and installed the new NLEX toll collection system in all SCTEX toll plazas to make travel between both expressways seamless. In 2025, the average daily vehicle entries in SCTEX reached 81,528.

NLEX Connector Road Project

The NLEX Connector Road Project involves the design, financing, construction, operation, and maintenance of an 8-km elevated toll expressway over the right-of-way of the Philippine National Railways. The alignment starts at the junction of Segment 10 at C-3 Road/5th Avenue in Caloocan City and ends at the Polytechnic University of the Philippines in Sta. Mesa, Manila.

The project was approved by the National Economic and Development Authority ("NEDA") Board under the Build-Operate-Transfer ("BOT") Law and its Implementing Rules and Regulations ("IRR"). On September 19, 2016, Metro Pacific Tollways North Corporation ("MPT North") (formerly Metro Pacific Tollways Development Corporation) and its subsidiary, NLEX Corp formally received the Notice of Award from the DPWH as the winning proponent for the Connector Road Project.

On November 23, 2016, NLEX Corp and Department of Public Works and Highways ("DPWH") signed the Connector Road Concession Agreement.

Currently, the DPWH has turned over 100% of the ROW for the España section (“Section 1”) and 99.9% for the Sta. Mesa section (“Section 2”).

On March 29, 2023, the first 5.15-kilometer Section 1 of the NLEX Connector Road Project has been completed and opened to the public.

On October 28, 2023, NLEX Corp opened the Commercially Operable Portion of the NLEX-SLEX Connector Road Section 2. The Commercially Operable Portion is a 1.84-km portion of Section 2, starting from the end of Connector Road Section 1 at España Blvd., up to the Magsaysay Interchange via Magsaysay On- and Off-Ramps.

Presently, the construction of the connection between NLEX Connector Road and Metro Manila Skyway Segment 3 (“MMSS3") is ongoing.

Competitive Strengths

The Company’s principal strengths are the following:

- Proven track record in toll road development and management.
- Robust concessions over high-growth service areas.
- Stable traffic base.
- Dominant shareholders in the field of infrastructure development.
- Experienced management team.

Business Strategy

The Company’s strategy is anchored on its mission, vision, and purpose statements.

<u>Mission</u>
We bring progress to communities through sustainable infrastructure and innovative mobility solutions.

<u>Vision</u>
We are the leader in providing safe and convenient mobility experience to all travelers.

<u>Purpose</u>
We are committed to nation-building and bringing good life to people.

Item 2. Properties Description and Location of Principal Properties

NLEX Corp's principal properties are the buildings and facilities along the NLEX that were constructed for purposes of performing the management, operations, and maintenance obligations of the Company under the NLEX Supplemental Toll Operation Agreement ("STOA").

The corporate headquarters of the Company is located at the NLEX Compound, Balintawak, Caloocan City where the Operations Management Center ("OMC") is also located. The OMC is where the main hub of automated operations, namely the central toll computer system ("CTCS") and the traffic control room ("TCR"), are installed.

The main maintenance and traffic management center is the Sta. Rita District Building located at Sta. Rita, Guiguinto, Bulacan. NLEX Corp also has a field office along Subic-Tipo Road for the management of NLEX Segment 7 ("SFEX").

Other key facilities for operations located around the toll plazas along the NLEX include: the toll supervision buildings located beside major toll plazas, the mini buildings beside smaller toll plazas, customer service centers mainly for motorists' assistance and Easytrip account reloading facilities.

Technical shelter buildings are stand-alone small structures along the stretch of the NLEX which contain electrical and telecommunications equipment.

Location	NLEX Corp Property
NLEX Compound, Balintawak, Caloocan City	Main Office Buildings: 1. Head Office - Integrity Building 2. Head Office - Customer Focus Building 3. Head Office – Excellence Building 4. NLEX One Life Building / Gym 1 Security Admin Office, 3 Guard Houses, 1 Pump Station, 1 Genset Room, 1 Driver's Lounge, 1 Pump House, 1 Electrical Service Center, 1 Point of Sale, 1 Easytrip Convan, 1 EV Charging Station
Sta. Rita, Guiguinto, Bulacan	Sta. Rita Operations District Building, 1 Mech/Elec Garage, 1 Central Warehouse, 1 ODB One Life GYM, 1 Bulk Storage, 1 Chemical Storage, 1 Service Provider Temfacil, 1 Pump House, 1 Guard House, 1 EMS Staff Office, 1 Electrical Service Center, 1 Covered Court, 2 Electrical Rooms, 1 TMS CR, 1 Visitors Waiting Area, 1 EV Charging Station
Toll Plaza Locations	
1. Balintawak (Barrier), Caloocan City	24 Payment Lanes + 1 Toll Supervisory Building, 1 EMS Staff Office, 1 AOVP Station, 1 Pantry/Employee Lounge
2. Mindanao Avenue, Valenzuela City	4 Payment Lanes, 1 Customer Service Center, 1 Mini Building, 1 Electrical Service Center, 1 Pump House, 1 Guard House

3. Karuhatan, Valenzuela City	6 Payment Lanes, 1 Mini Building, 1 Electrical Service Center, 1 Pump House, 1 Guard House, 1 Patrol Crew Site Toilet, 1 Traffic Outpost
4. Karuhatan, Valenzuela City	4 Payment lanes, 2 Mini Buildings
5. Paso de Blas, Valenzuela City	7 Payment Lanes, 1 Toll Supervisory Building, 1 Customer Service Center, 1 Mini Building, 1 Electrical Service Center, 2 Pump Houses, 1 Guard House, 1 Pump Station + Sump Pit, 1 Electrical/Genset Room, 1 Traffic Outpost
6. Lingunan, Valenzuela City	1 Payment Lane
7. Lawang Bato, Valenzuela City	1 Temporary Payment Lane
8. Meycauayan, Bulacan	8 Payment Lanes, 1 Toll Supervisory Building, 1 Customer Service Center, 1 Mini Building, 1 Electrical Service Center, 2 Pump Houses, 1 Guard House, 1 Traffic Outpost
9. Marilao, Bulacan	6 Payment Lanes, 2 Mini Buildings, 1 Customer Service Center, 2 Electrical Service Center, 1 Document Storage Room, 1 Guard House, 2 Pump Houses, Weigh Bridge
10. Ciudad De Victoria, Bocaue, Bulacan	9 Payment Lanes + 3 Entry Lanes, 1 Patrol Crew Site Toilet, 2 Mini Building
11. Bocaue, Bulacan	7 Payment Lanes + 1 Spare Lane, 3 Entry lanes, 2 Mini Buildings, 1 Electrical Service Center, 1 Pump House, 1 Traffic Outpost, 1 ATDM CR
12. Bocaue (Barrier), Bulacan	23 Payment Lanes + 3 Spare Lanes, 1 Toll Supervisory Building, 1 Electrical Service Center, 1 Pump House, 1 Guard House, 1 AOVP Stations, 1 Patrol Crew Site Toilet, 1 Traffic Outpost
13. Bocaue (Barrier Expansion), Bulacan	8 Payment Lanes
14. Tambubong, Bocaue, Bulacan	3 Payment Lanes, 4 Entry lanes, 1 Mini Building
15. Balagtas, Bulacan	6 Payment Lanes, 3 Entry Lanes, 1 Toll Supervision Building, 1 Electrical Service Center, 1 Pump House, 1 Guard House, 1 Point of Sale
16. Tabang, Bulacan	6 Payment Lanes + 2 Spare Lane, 4 Entry Lanes, 1 Toll Supervision Building, 1 Electrical Service Center, 1 Pump House, 1 Guard House, 1 Point of Sale
17. Santa Rita, Bulacan	5 Payment Lanes + 4 Spare Lanes, 5 Entry Lanes, 1 Toll Supervision Building, 1 Mini Building, 2 Electrical Service Center, 1 Pump House, 1 Guard House, 1 EMS Staff Office, 1 Point of Sale
18. Pulilan, Bulacan	6 Payment Lanes, 4 Entry Lanes, 1 Toll Supervision Building, 1 Mini Building, 1 Electrical Service Center, 1 Pump House, 1 Impounding Facility, 1 Guard House, 1 Rest Room Entry
19. San Simon, Pampanga	7 Payment Lanes, 4 Entry Lanes + 1 Spare Lane, 1 Toll Supervision Building, 1 Mini Building, 1

	Electrical Service Center, 1 Pump House, 1 Guard House, 1 Rest Room, 1 Point of Sale
20. San Fernando, Pampanga	12 Payment Lanes + 9 Entry Lanes, 1 Toll Supervision Building, 1 Mini Building, 2 Electrical Service Centers, 1 Pump House, 1 Guard House, 1 Rest Room, 1 EMS/Aero Med Office
21. Sindalan/Mexico, Pampanga	3 Payment Lanes + 2 Entry Lanes, 1 Mini Building, 1 Electrical Service Center, 1 Pump House, 1 Storage Facility, 1 Guard House, 1 Impounding Area
22. Angeles City, Pampanga	7 Payment Lanes + 3 Entry Lanes, 1 Mini Building, 1 Electrical Service Center, 1 Pump House
23. Dau, Pampanga	4 Payment Lanes + 4 Entry Lanes, 1 Mini Building, 2 Electrical Service Centers, 1 Toll Supervision Building, 2 Pump Houses, 3 Rest Rooms, 1 Guard House
24. Subic Freeport Expressway, Hermosa, Bataan	4 Entry Lanes, 1 Standard Field Office, 2 Mini Building (Entry and Exit), 1 Electrical Service Center, 1 Staff House, 4 Guard Houses
25. Sta. Ines, Pampanga	3 Payment Lanes + 3 Entry Lanes, 1 Mini Building, 1 Electrical Service Center, 1 Toll Supervision Building,1 Pump House
26. Connector Road España Toll Barrier	8 Payment Lanes, 1 Mini Building, 1 Electrical Room
Technical Shelter Buildings (Various locations)	23 Technical Shelter Buildings

NLEX Corp also owns 188 units of transportation equipment, mainly service vehicles used for day-to-day operations.

In SCTEX, BCDA retains the ownership of the properties, buildings, and facilities which the Company manages and operates pursuant to the SCTEX Business Agreement.

There are no mortgages, liens, or encumbrance over the properties described above, other than liens arising by operation of law. These are all maintained in good working conditions and will be handed over to the Government with no consideration at the end of the concession period for the NLEX Project.

NLEX Corp does not own the parcels of land over which the NLEX has been built, as these are owned by the Government. The entire NLEX roadway, including interchanges, entry/exit ramps, service roads, bridges, pedestrian and vehicular overpasses, farm crossings, and viaducts are properties of public dominion and are owned by the Government. The NLEX roadway is maintained in good working conditions through periodic resurfacing of the pavement. The NLEX bridges, the biggest of which is the Candaba viaduct, are likewise regularly maintained to keep it structurally sound. These will also be handed over to the Government at no consideration at the end of the concession period for the NLEX Project.

Properties to be Acquired

While there are no definite plans to acquire properties within the next 12 months, NLEX Corp continues to evaluate its business opportunities and may, from time to time, acquire additional properties to support future expansion projects.

Item 3. Legal Proceedings

The following legal proceedings shall not materially and adversely affect NLEX Corp's ability to conduct its business in the ordinary course.

A. Petitions for Periodic Toll Rate Adjustments

As of April 8, 2026, NLEX Corp has filed the following petitions for periodic toll rate adjustments with the TRB:

I. <u>NLEX</u>

<table>
<tr><th>Date of Filing</th><th>Nature of Petition</th><th>Status</th></tr>
<tr><td>June 19, 2012
(Original)

June 28, 2012
(Amended)

September 27, 2012
(Supplemented)</td><td>Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2013</td><td rowspan="2">On February 15, 2019, NLEX Corp received the Consolidated Resolution dated October 2018 issued by the TRB, which approved and allowed NLEX Corp to implement the toll rate adjustments on a staggered basis: 2019 (1st tranche), 2020 (2nd tranche), 2021 (3rd tranche), and 2023 (4th tranche).

The following are the Notices to Start Collection issued by the TRB:
1st tranche – March 20, 2019
2nd tranche – October 9, 2020
3rd tranche – May 6, 2021
4th tranche – February 7, 2023.</td></tr>
<tr><td>September 30, 2014</td><td>Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2015</td></tr>
<tr><td>September 30, 2016</td><td>Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2017</td><td>On January 6, 2022, NLEX Corp received a Resolution dated July 14, 2021 issued by the TRB, which approved and allowed NLEX Corp to implement the toll rate adjustments on a date not earlier than January 1, 2022.

On March 22, 2022, the TRB issued a Notice to Start Collection.

On May 12, 2022, NLEX Corp implemented the periodic toll rate adjustment.</td></tr>
<tr><td>September 28, 2018</td><td>Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2019</td><td>On April 17, 2023, NLEX Corp received a Consolidated Resolution dated February 16, 2023 issued by the TRB, which approved and allowed NLEX Corp to implement the</td></tr>
</table>

Date of Filing	Nature of Petition	Status
September 30, 2020	Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2021	provisional toll rate adjustments on a staggered basis on two (2) equal tranches: 2023 (1st tranche) and 2024 (2nd tranche), to be implemented on a date not earlier than April 1, 2023. On May 25, 2023, the TRB issued a Notice to Start Collection of the first tranche effective immediately. On June 15, 2023, NLEX Corp implemented the first tranche of the periodic toll rate adjustments. On May 14, 2024, the TRB issued a Notice to Start Collection of the second tranche. On June 4, 2024, NLEX Corp implemented the second and last tranche of the periodic toll rate adjustments.
September 23, 2022	Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2023	On January 8, 2025, NLEX Corp received an Order dated January 6, 2025 issued by the TRB, which approved and allowed NLEX Corp to implement the toll rate for the NLEX Open and Closed Systems on staggered basis, in two (2) tranches, equally distributed in years 2025 and 2026. On January 31, 2025, the TRB issued a Notice to Start Collection for the 1st tranche. On March 2, 2025, NLEX Corp implemented the first tranche of the periodic toll rate adjustments. On September 2, 2025, the TRB issued a Notice to Start Collection for the second and last tranche which shall take effect ten (10) days after coordination with TRB on implementation date. On January 20, 2026, NLEX Corp implemented the second and last tranche of the periodic toll rate adjustments.

Date of Filing	Nature of Petition	Status
September 30, 2024	Periodic toll rate adjustment for adjustment of toll rates for the NLEX, effective January 1, 2025	On January 26, 2026, the TRB issued an Order directing NLEX Corp to publish the provisional adjusted Authorized Toll Rates matrix in a newspaper of general circulation at least once a week for three (3) consecutive weeks and to post a surety bond equivalent to the projected one (1) year revenue collection of the first incremental toll rate adjustment. On February 13, 2026, and March 3, 2026, NLEX Corp filed its Manifestations of Compliance with the said Order. On March 3, 2026, the TRB issued a Notice to Start Collection of the first tranche of the periodic toll rate adjustments effective immediately.

II. SCTEX

September 30, 2020	Periodic toll rate adjustment for adjustment of toll rates for the SCTEX, effective January 1, 2021	On July 5, 2023, NLEX Corp received the Consolidated Resolution dated April 24, 2023 issued by the TRB, which approved and allowed NLEX Corp to implement the provisional toll rate adjustments on a staggered basis: 2023 (1st tranche), 2024 (2nd tranche), and 2025 (3rd tranche). The 1st tranche to be implemented not earlier than July 1, 2023. On August 15, 2023, the TRB issued a Notice to Start Collection for the 1st tranche. On October 2, 2024, the TRB issued a Notice to Start Collection of the second tranche. On October 17, 2023, NLEX Corp implemented the first tranche of the periodic toll rate adjustments. On October 2, 2024, the TRB issued a Notice to Start Collection of the second tranche.
September 30, 2022	Periodic toll rate adjustment for adjustment of toll rates for the SCTEX, effective January 1, 2023	

		On November 19, 2024, NLEX Corp implemented the second tranche of the periodic toll rate adjustment. On August 18, 2025, the TRB issued a Notice to Start Collection of the third tranche. On September 9, 2025, NLEX Corp implemented the third and final tranche of the periodic toll rate adjustments.
September 28, 2023	Periodic toll rate adjustment for adjustment of toll rates for the SCTEX, effective January 1, 2024	On July 28, 2025, the TRB issued an Order directing NLEX Corp to publish the provisional adjusted Authorized Toll Rates matrix in a newspaper of general circulation at least once a week for three (3) consecutive weeks and to post a surety bond equivalent to the projected one (1) year revenue collection of the first incremental toll rate adjustment. On August 14 and 27, 2025, NLEX Corp filed its Manifestations of Compliance with the said Order. On September 2, 2025, the TRB issued a Notice to Start Collection which shall take effect ten (10) days after coordination with TRB on implementation date.
September 30, 2024	Periodic toll rate adjustment for adjustment of toll rates for the SCTEX, effective January 1, 2025	
September 29, 2025	Periodic toll rate adjustment for adjustment of toll rates for the SCTEX, effective January 1, 2026	On November 26, 2025, the TRB issued an Order directing NLEX Corp to publish in full the contents of the Petition, along with the applicable toll fee matrix in accordance with existing laws, rules and regulations. On December 2, 2025, NLEX Corp filed its Manifestation of Compliance with the said Order. NLEX Corp has yet to receive regulatory approval for this Petition.

B. Petitions for Initial Toll Rate

I. <u>NLEX-SLEX Connector Road</u>

Date of Filing	Nature of Petition	Status
March 9, 2023	Petition for the Implementation of the Fractional Initial Base Toll for Section 1 of the NLEX-SLEX Connector Road Project, effective April 15, 2023	On July 3, 2023, NLEX Corp received the TRB Notice to Start Collection for the provisional Fractional Opening Base Toll Rate for Section 1 of the NLEX-SLEX Connector Road Project which shall take effect immediately. On July 20, 2023, the TRB issued an Order directing NLEX Corp to publish in full the contents of the Connector Section 1 Petition, along with the applicable toll fee matrix, in a newspaper of general circulation at least once a week for three (3) consecutive weeks, within fifteen (15) days from receipt of the Order. NLEX Corp published on July 25, August 1 & 8, 2023, respectively. On August 8, 2023, NLEX Corp implemented the provisional Fractional Initial Toll for Section 1 of the NLEX-SLEX Connector Road Project.
November 6, 2023	Supplemental Petition for the Implementation of the Updated Fractional Initial Base Toll for Section 1 and the Commercially Operable Portion Section 2 of the NLEX-SLEX Connector Road Project, effective December 11, 2023	On July 9, 2024, NLEX Corp received an Order dated July 9, 2024 issued by the TRB, which approved and allowed NLEX Corp to implement the Updated Fractional Opening Base Toll for Sections 1 and 2. On July 26, 2024, the TRB issued a Notice to Start Collection of the updated fractional initial base toll rate. On October 21, 2024, NLEX Corp Implemented the Updated Fractional Initial Base Toll Rate adjustment.

C. Other Matters

I. Garlitos, Jr. v. Bases Conversion and Development Authority, NLEX Corp and the Executive Secretary, SC (G.R. No. 217001)

This refers to the Petition for Prohibition and Mandamus with Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction filed by the Petitioner against the BCDA, NLEX, and the Executive Secretary, praying that (1) a writ of preliminary mandatory and prohibitory injunction be issued enjoining the BCDA, NLEX, and the Executive Secretary from proceeding with the SCTEX operation and maintenance project ("SCTEX Project") and compelling the BCDA to rebid the SCTEX Project, and (2) an order be issued (i) annulling the bidding procedure, direct negotiations, and the Price Challenge conducted by the BCDA, and the Concession Agreement, Business and Operating Agreement, and all subsequent amendments and modifications thereto and (ii) compelling the BCDA to rebid the SCTEX Project.

Petitioner claims that the Concession Agreement and Business Agreement executed between the BCDA and NLEX for the SCTEX Project is void for being grossly disadvantageous to the government, and for going beyond the 2009 Bidding Terms of Reference. He also claims that the procedure observed for the selection of NLEX as private partner for the project violates the prevailing rules on competitive public bidding.

On September 16, 2015, NLEX filed its Comment requesting the court to deny the Petition for Prohibition and Mandamus dated March 13, 2015. The grounds for the request were:

(a) The Petitioner failed to show clear legal basis to prevent the award of the SCTEX Project;
(b) The Petitioner did not prove any right that was being violated;
(c) The Petitioner did not demonstrate any urgency for issuing a temporary restraining order, and the request was moot since the SCTEX Project has already been awarded to NLEX; and
(d) The Petitioner did not claim that there were no other ordinary, speedy, and adequate remedies available.

As of date, the Supreme Court has yet to resolve the Motion for Reconsideration dated June 13, 2022 filed by the Petitioner.

II. Safeway Customs Brokerage, Inc. vs. North Luzon Expressway Corporation
Civil Case No. R-MNL-25-04198-CV

On October 13, 2024, the trailer truck of Safeway Customs Brokerage, Inc. ("Safeway") hit the Northbound Toll Booth of NLEX Corporation in Paso De Blas, Valenzuela City. A criminal complaint for reckless imprudence resulting in damage to property was filed against the driver of the trailer truck. As a result, the PNP instructed NLEX Corp. to store the trailer truck and its contents while the criminal case filed against the driver is pending.

On August 12, 2025, NLEX Corp. received Complaint filed by Replevin seeking the return of the trailer truck and its contents and payment of damages in the total amount of ₱1.954 million. In response, NLEX Corp. filed on September 11, 2025 its Answer with counterclaims arguing that the truck was stored by virtue of official instructions from the PNP and was in custodia legis in view of the pending case. NLEX Corp. further demanded damages in the total amount of ₱7.889 million against Safeway.
On October 8, 2025, NLEX Corp. filed the Pre-Trial Brief. During the Pre-Trial Conference and Court-Annexed Mediation on January 23, 2026, Safeway offered a settlement amount of

₱1.5 million. However, based on the Finance Team's recommendation, NLEX could not accept any amount lower than ₱4.8 million, which represents the cost of the damaged properties, facilities, and equipment. As no agreement was reached, mediation concluded on January 30, 2026 without settlement, and the case will proceed to trial.

On February 27, 2026, the pre-marking of evidence was attended by counsels for both parties and Safeway's authorized representative, Mr. William Godino, during which the hearings for the presentation of the Plaintiff's evidence were scheduled for April 17 and May 15, 2026.

III. NLEX Corporation vs. Ariel Garcia Ocampo, and AIR 2100 Incorporated
Civil Case No. C-26694

On September 1, 2025, NLEX Corp. filed a Complaint against Mr. Ariel Garcia Ocampo and AIR 2100 Incorporated (the "defendants"), the owners and operators of the trailer truck involved in the June 18, 2025 Marilao Overpass Bridge hit incident resulting in the fatality of one motorist, and damage to property. In the complaint NLEX Corp. prayed for damages in the total amount of ₱23.855 million against said defendants.

On November 7, 2025, NLEX Corp. filed a Manifestation and Motion for Leave to Serve Summons through Electronic Mail and Publication. In the meantime, on December 4, 2025, the trial court directed NLEX Corporation to amend its Complaint dated August 26, 2025 to reflect the correct address of defendant Ocampo. In compliance with said directive, NLEX Corp. filed the Amended Complaint on December 16, 2025. The case is pending and NLEX Corp. is awaiting for the trial court's order or resolution in NLEX Corp.'s Manifestation and Motion for Leave to Serve Summons through Electronic Mail and Publication or any developments as to the defendants' receipt of the Summons from the trial court.

On January 16, 2026, NLEX Corp. received the RTC Branch 127 Order dated January 12, 2026 and Summons dated January 13, 2026 which noted NLEX Corp.'s compliance through the filing of an Amended Complaint. The Court directed the issuance of summons to defendants Ariel Garcia Ocampo and Air 2100 Incorporated (AIR21) at their respective addresses and authorized NLEX Corp. to cause the service of summons within twenty (20) days from receipt of the Order and to file a return of summons within ten (10) days from service.

NLEX Corp., through its counsel, filed a Compliance on January 21, 2026 identifying the authorized representatives to serve the summons. Subsequently, NLEX, through counsel, filed an Ex-Parte Compliance and an Ex-Parte Motion for Leave to Serve Summons through Electronic Mail and Publication on February 16, 2026.

On March 4, 2026, Sarangaya Law Offices filed an Entry/Notice of Appearance with Motion for Extension of Time to File Answer on behalf of AIR2100, requesting an additional thirty (30) days from March 4, 2026, or until April 3, 2026, to file its Answer which was subsequently granted by the court.

NLEX Corp. received an Order dated March 10, 2026 noting the Ex-Parte Compliance dated February 16, 2026 along with the returns of summons upon defendants filed by NLEX Corp. The Court granted the Motion for Leave to Serve Summons through Electronic Mail and Publication dated February 16, 2026 filed by NLEX Corp. and directed NLEX Corp. to cause service through publication once a week for three consecutive weeks. Thus, NLEX Corp. has caused the service of summons through publication with the first and second publication made on April 2 and 9, 2026. The third publication is scheduled on April 16, 2026.

IV. Real Property Tax Issues

In July 2008 and April 2013, NLEX Corp filed Petitions for Review under Section 226 of the Local Government Code with the Local Board of Assessment Appeals (LBAA) of the Province of Bulacan seeking to declare as null and void tax declarations issued by the Provincial Assessor of the Province of Bulacan. The said tax declarations were issued in the name of NLEX Corp as owner/administrator/beneficial user of the NLEX and categorized the NLEX as a commercial property subject to real property tax. NLEX Corp argues that NLEX is property of the public dominion and exempt from RPT. As at April 8, 2026, the cases are pending.

In September 2013, NLEX Corp received notices of realty tax delinquencies for the years 2006 to 2012 and 2013 issued by the Provincial Treasurer of Bulacan stating that if NLEX Corp fails to pay or remit the alleged delinquent taxes, the remedies provided for under the law for the collection of delinquent taxes shall be applied to enforce collection.

On September 27, 2013, the Bureau of Local Government Finance of the Department of Finance wrote a letter to the Province of Bulacan advising it to hold in abeyance any further course of action pertaining to the alleged real property tax delinquency. In January 2017, the Provincial Treasurer of Bulacan issued a notice of realty tax delinquencies of ₱459.0 million for the years 2006 to 2017 stating that it could apply the remedies provided under the law for the collection of delinquent taxes. The matter is pending as of April 8, 2026.

In December 2023 and January 2024, NLEX Corp received notices of tax assessment with tax declarations for the year 2023 and 2024 issued by the Municipal Assessor Office of the Municipality of Guiguinto, Bulacan for the properties located in Municipality of Guiguinto, Bulacan. On January 31, 2024, NLEX Corp filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. On February 12, 2024, the Respondents filed its Opposition to NLEX Corp's Petition. The LBAA rules provides for the suppletory application of the Rules of Court. Thus, NLEX Corp need not to file a reply as Respondent's allegations are deemed controverted. The case is pending as at April 8, 2026.

In November 2025, NLEX Corp received assessments and tax declarations covering roads located in the Municipality of Marilao, Province of Bulacan. On the same date, NLEX Corp also received a copy of the assessments and tax declarations covering certain properties described as light posts or streetlight or the Road Lights, located in several municipalities (i.e. Pulilan, Plaridel, Guiguinto. Balagtas, Bocaue, and Marilao) in the Province of Bulacan, which indicated NLEX Corp as the supposed owner thereof. On January 27, 2026, NLEX Corp filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. The case is pending with LBAA as at April 8, 2026.

V. Local Business Tax Issues

In March 2019, TMC filed an application for cessation of its business operations in Caloocan City pursuant to its merger with NLEX Corp. In April 2019, NLEX Corp received an assessment for alleged deficiency local business taxes for taxable year 2018 in the total amount of ₱13.4 million. In June 2019, NLEX Corp filed its protest on the assessment. Due to the inaction of the Office of the City Treasurer, in September 2019, NLEX Corp filed a complaint for annulment of the assessment with the Regional Trial Court of Caloocan City with a claim for refund in the amount of ₱5.4 million, representing excess LBT paid for taxable year 2018. The parties submitted their respective memoranda. On June 7, 2023, the Regional Trial Court of Caloocan City issued a decision dismissing the NLEX Corp complaint and ruled in favor of the City of Caloocan. On August 2, 2023, NLEX Corp filed a motion for reconsideration while the City of Caloocan filed its opposition to NLEX Corp's motion for reconsideration on September 5, 2023. On September 11, 2023, NLEX Corp filed a motion to admit with reply with the Regional Trial Court of Caloocan City. On October 31, 2023, the Regional Trial Court of Caloocan City denied the NLEX's Motion for Reconsideration. Hence, on December 07, 2023, NLEX Corp filed a Petition for Review with the Court of Tax Appeals (CTA). On March 19, 2024, the CTA issued a Resolution directing the parties to file their respective Memoranda within thirty (30) days from notice. Therefore, NLEX Corp filed its Memorandum on April 18, 2024. On October 8, 2025, CTA issued a Decision granting NLEX's Petition and cancelling the assessment against TMC in the amount of ₱13.4 million. On October 8, 2025, the City of Caloocan filed a Motion for Reconsideration. On November 20, 2025, the CTA Third Division issued a Resolution declaring that the Motion for Reconsideration was deemed not filed due to the City of Caloocan's failure to comply with the e-filing rules. Consequently, the City of Caloocan filed a Second Motion for Reconsideration on November 27, 2025. On February 5, 2026, the CTA Third Division issued a Resolution directing NLEX to file its Comment to the City of Caloocan's Motion for Reconsideration dated November 27, 2025. Hence, on March 9, 2026, NLEX filed its Comment. As of April 8, 2026, the case is pending with the CTA.

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

Valenzuela's Motion for Reconsideration on January 6, 2025. On January 9, 2025, external counsel received the City of Valenzuela's Motion for Reconsideration for the CTA Case No. 296. Hence, NLEX filed its comment on January 19, 2025. On March 27, 2025, the CTA issued a resolution denying the City of Valenzuela's Motion for Reconsideration in CTA Case No. 297 for lack of merit. On May 22, 2025, the City of Valenzuela filed a Petition for Review with the CTA En Banc in relation to the CTA Division's decision and resolution in CTA Case No. 297, docketed as CTA En Banc Case No. 3156. On July 4, 2025, the City of Valenzuela also filed its Petition for Review with the CTA En Banc in relation to the CTA Division's decision and resolution in CTA Case No. 296, docketed as CTA EB Case No. 3183. NLEX Corp filed its Comment to CGV's Petition for Review for CTA En Banc Case No. 3183 on October 8, 2025. On October 21, 2025, the CTA En Banc issued a Resolution dated October 10, 2025 for CTA En Banc Case No. 3156 directing the City of Valenzuela to amend the caption of its Petition to reflect the City of Valenzuela as the petitioners and NLEX Corp as respondents. Thus, on October 27, 2025, the City of Valenzuela filed a Compliance with attached Amended Petition for Review for the CTA En Banc Case No. 3156. On December 26, 2025 the CTA En Banc issued a Resolution admitting the Amended Petition for Review filed by the City of Valenzuela for CTA EB No. 3156 (AC No. 297) and ordering NLEX Corp to file within five (5) days or until January 12, 2026, a comment to the Petition for Review. Thus, NLEX Corp filed its Comment on January 12, 2026. On March 11, 2026, CTA En Banc issued a Resolution dated March 11, 2026 acknowledging NLEX's Comment to the Petition for Review and submitting the case for Decision. To date, both cases remain pending with the CTA En Banc as of April 8, 2026.

In November 2019, the City Treasurer of Valenzuela issued to NLEX Corp an assessment for alleged deficiency LBT for the years 2013 to 2019 in the amount of ₱9.9 million. The assessment pertains to the imposition of LBT on the VAT component of NLEX Corp's gross receipts for the said years. In November 2019, NLEX Corp timely filed its protest to the assessment. The City Treasurer of Valenzuela failed to act on the protest filed by NLEX Corp within the period provided in the Local Government Code. Hence, in February 2020, NLEX Corp filed a complaint for the annulment of the assessment with the Regional Trial Court of Valenzuela City. The Regional Trial Court issued a decision cancelling and setting aside the deficiency assessment. The City of Valenzuela filed a motion for reconsideration, but the trial court issued a resolution denying the motion for reconsideration. In April 2023, the City of Valenzuela filed a petition for review with the CTA, while NLEX Corp filed its comment to the City of Valenzuela's petition on August 24, 2023. On September 12, 2023, the CTA issued a resolution ordering NLEX Corp to file a memorandum. On October 12, 2023, NLEX Corp filed a memorandum. On November 23, 2023, the City of Valenzuela filed its Memorandum with the CTA. On January 25, 2024, the CTA issued a Resolution stating that the case is submitted for decision as both parties have filed their respective Memorandum. On November 25, 2024, the CTA issued a decision denying the City of Valenzuela's petition for lack of merit. The Decision dated November 25, 2022, and the Resolution dated February 23, 2023 both rendered by the TRC-Branch 283, Valenzuela City, Civil Case No. 27-V-20, are affirmed. NLEX Corp received on January 3, 2025, the copy of the City of Valenzuela's Motion for Reconsideration. NLEX Corp filed its comments to the City of Valenzuela's Motion for Reconsideration on January 13, 2025. On March 27, 2025, the CTA issued a resolution denying the City of Valenzuela's Motion for Reconsideration. Hence, on May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc. On August 13, 2025, the CTA En Banc issued a Notice, requiring petitioners to transmit via electronic mail, a pdf copy of their petition filed on May 22, 2025, within twenty-four (24) hours from notice. On October 14, 2025, the CTA En Banc issued a Notice of Resolution, acknowledging the electronic transmittal of the City of Valenzuela's Petition and directing NLEX Corp to file its Comment, within ten (10) days from notice. Accordingly, NLEX Corp filed its Comment on October 27, 2025. As of April 8, 2026, the case is pending with the CTA.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

NLEX Corp has an authorized capital stock of ₱4,000,000,000.00 comprised of 40,000,000 common shares with a par value of ₱100 per common share. As of the date of this report, 18,786,000 common shares of NLEX Corp's authorized capital stock have been issued and are outstanding. The common shares of NLEX Corp are not traded in any market, nor are they subject to outstanding warrants to purchase, or securities convertible into common shares of NLEX Corp.

Holders

As of April 8, 2026, NLEX Corp has 16 stockholders, 12 of whom are individuals with one (1) share each. The following sets out the shareholdings of the 16 stockholders and the approximate percentages of their respective shareholdings to NLEX Corp's total outstanding common stocks:

Name of Stockholder	Class of Securities	Number of Shares	% of Outstanding Shares
Metro Pacific Tollways Corporation	Common	13,772,972	73.32%
BDO Unibank, Inc.	Common	2,276,469	12.12%
MPT North, Inc.	Common	1,977,726	10.53%
Globalfund Holdings, Inc.	Common	758,821	4.04%
Manuel V. Pangilinan	Common	1	0.00%
Jose Ma. K. Lim	Common	1	0.00%
June Cheryl A. Cabal-Revilla	Common	1	0.00%
Ricardo M. Pilares III	Common	1	0.00%
Gilbert Gabriel F. Santa Maria	Common	1	0.00%
Marisa V. Conde	Common	1	0.00%
Luis S. Reñon	Common	1	0.00%
Jose T. Sio	Common	1	0.00%
Frederic C. DyBuncio	Common	1	0.00%
Arlyn Sicangco – Villanueva	Common	1	0.00%
Lisset Laus-Velasco	Common	1	0.00%
Emmanuel G. Herbosa	Common	1	0.00%
TOTAL		**18,786,000**	**100%**

Dividend Policy

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders based on outstanding stock held by them. The approval of the board of directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of the stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose. Dividends may be declared at the discretion of the board of directors and will depend upon the future results of operations and general financial condition, capital requirements, legal, regulatory, and contractual restrictions, loan obligations and other factors the Board of Directors may deem relevant.

Historical Dividends

The Company's Board of Directors has approved the declaration and payment of the following dividends to the shareholders in the past three years, as follows:

2026

Date of Approval	Date of Record	Type of Dividend	Amount (₱)	Dividend per Share (₱)
March 6, 2026	March 21, 2026	Cash	₱4,991,820,683	₱265.72

2025

Date of Approval	Date of Record	Type of Dividend	Amount (₱)	Dividend per Share (₱)
March 19, 2025	March 29, 2025	Cash	₱2,531,960,000	₱134.78
June 20, 2025	June 30, 2025	Cash	₱5,006,734,670	₱266.51

2024

Date of Approval	Date of Record	Type of Dividend	Amount (₱)	Dividend per Share (₱)
April 16, 2024	April 21, 2024	Cash	₱1,054,000,000	₱56.11
August 13, 2024	August 29, 2024	Cash	₱3,916,312,988	₱208.47
December 18, 2024	December 27, 2024	Cash	₱2,000,000,000	₱106.46

2023

Date of Approval	Date of Record	Type of Dividend	Amount (₱)	Dividend per Share (₱)
March 6, 2023	March 21, 2023	Cash	₱1,400,000,000	₱74.52
July 26, 2023	August 1, 2023	Cash	₱3,500,000,000	₱186.31
December 15, 2023	December 29, 2023	Cash	₱2,800,000,000	₱149.05

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

Other than the promissory notes issued in connection with NLEX Corp's loan agreements, NLEX Corp has not sold unregistered or exempt securities, nor has it issued securities constituting an exempt transaction within the past three (3) years.

Item 6. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and the related notes as of December 31, 2025, December 31, 2024 and December 31, 2023 and for the years ended December 31, 2025, December 31, 2024 and December 31, 2023 included elsewhere in this report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

Financial Highlights and Key Performance Indicators:

Statement of Income Data

In ₱, Millions	**For the year 2025 (Audited)**	For the year 2024 (Audited)	Increase (Decrease)	
			Amount	%
Operating revenues	**₱29,905**	₱25,525	₱4,380	17
Cost of services	**(10,081)**	(8,429)	(1,652)	20
General and administrative expenses	**(1,401)**	(1,472)	71	(5)
Interest expense and other finance costs – net of interest income of ₱71 million in 2025 and ₱129 million in 2024	**(1,792)**	(1,218)	(574)	47
Foreign exchange loss - net	**12**	–	12	–
Other income	**768**	269	499	186
Provision for income tax	**(3,128)**	(2,604)	(524)	20
Net income	**₱14,284**	₱12,071	₱2,212	18
Net income margin	**48%**	47%		

Statement of Financial Position

In ₱, Millions	**Dec 2025 (Audited)**	Dec 2024 (Audited)	Increase (Decrease)	
			Amount	%
Cash and cash equivalents	**₱3,499**	₱2,791	₱708	25
Total assets	**97,119**	93,526	3,593	4
Total liabilities	**57,215**	60,337	(3,122)	(5)
Total equity	**39,904**	33,189	6,715	20

Business Overview

NLEX Corp holds the concession to operate and maintain the NLEX and the SCTEX. The Company also holds the concession to construct, operate and maintain the NLEX Connector Road ("Connector Road"). The Company generates revenues mainly from toll fees collected from motorists who use the NLEX, SCTEX, and the partially completed section of the Connector Road Project in travelling from Metro Manila going to the Central and Northern Luzon regions and vice versa.

The NLEX currently spans approximately 105 kilometers or 598 lane-kms and provided passage to an average of 355,561 vehicles per day in 2025. The NLEX is the main infrastructure backbone that connects Metro Manila to Central and Northern Luzon.

Phase 1 of the NLEX concession was completed in February 2005, while Phase II, a purely "greenfield" expressway, is being constructed progressively and certain segments will be opened to commercial traffic as these are completed. Completed projects under Phase II include Segment 8.1, Segment 9 and Segment 10.

On February 28, 2019, the Company inaugurated and opened NLEX Segment 10. On June 15, 2020, the Company officially opened the R10 Section of Segment 10, further extending Segment 10 to Radial Road 10 in Manila. In 2021, the Company opened the newly widened NLEX Segment 7 or the SFEX.

Since October 27, 2015, NLEX Corp also holds the concession for the management, operation and maintenance of the SCTEX as private-sector partner of BCDA. The SCTEX is a 94-km expressway which spans from Subic-Tipo in Olongapo, Zambales to La Paz, Tarlac.

The average daily traffic for NLEX in 2025 reached 355,561 daily entries, while for SCTEX average daily traffic was at 81,528 vehicle entries. Traffic figures for 2025 were higher than 2024 figures by 1% and 3%, respectively, due to the sustained recovery in travel demand and implementation of toll rate adjustments during the year. In addition, NLEX Connector traffic reached 21,382 daily entries in 2025, up by 69% since partial commercial operations of Section 1 started on August 8, 2023.

This resulted in consolidated total revenues of ₱29,905 million, 17% or ₱4,380 million higher than 2024 figures. Net income for 2025 amounted to ₱14,284 million, 18% higher than 2024 figures due to higher traffic volume, increased cost efficiencies and impact of toll rate adjustments implemented during the year. In addition, the Company generates non-toll revenues from utilities and toll service facilities.

Results of Operations

The tables in the following page show the consolidated revenues, expenses, other income, income before income tax, and net income of NLEX Corp for the years ended December 31, 2025 and December 31, 2024.

December 31, 2025 Compared to December 31, 2024

Revenues

The following table shows the breakdown of revenues for the years ended December 31, 2025 and 2024 by revenue source:

In ₱, Millions	**For the year 2025 (Audited)**		For the year 2024 (Audited)		Higher (Lower)	
	Amount	**%**	Amount	%	Amount	%
Toll fees - net	**₱29,755**	**99**	₱25,316	99	₱4,439	18
Income from toll service facilities	**141**	**1**	150	1	(9)	(6)
Income from utility facilities	**9**	**–**	59	–	(50)	(85)
Total revenues	**₱29,905**	**100**	₱25,525	100	₱4,380	17

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

As of December 31, 2025, toll revenues reached ₱29,755 million, ₱4,439 million or 18% higher compared to the prior year due to higher traffic figures and implementation of overdue toll rate adjustments.

The Company's toll revenues were comprised of 77% from NLEX, 18% from SCTEX and 5% Connector.

The Company also generated revenues from toll services facilities in 2025 amounting to ₱141 million, slightly below by ₱9 million or 6% versus the ₱150 million recorded in 2024.

Cost of Services

The Company's cost of services consists mainly of concession fees to BCDA and PNCC, repairs and maintenance of roads and tollways, amortization of service concession assets and salaries and employee benefits which altogether account for around 75% of the total cost of toll operations.

Cost of services increased to ₱10,081 million, ₱1,652 million or 20% higher than prior year figures. The increase was primarily driven by higher concession and PNCC fees which were charged as a fixed percentage of toll revenues, as well as increased pavement repairs and maintenance costs for roads and tollways. Additionally, outside services and personnel costs arose, along with higher amortization of concession assets due to increased traffic volume.

The table below shows the details of the costs of services for the years ended December 31, 2025 and 2024.

In ₱, Millions	**For the year 2025 (Audited)**		For the year 2024 (Audited)		Higher (Lower)	
	Amount	**%**	Amount	%	Amount	%
Concession fees	**₱2,737**	**27**	₱2,307	27	₱430	19
Amortization of SCA	**1,837**	**18**	1,642	19	195	12
Outside services	**1,490**	**15**	1,210	14	280	23
(Forward)						

In ₱, Millions	For the year 2025 (Audited)		For the year 2024 (Audited)		Higher (Lower)	
	Amount	**%**	Amount	%	Amount	%
PNCC fee	**₱1,350**	**13**	₱1,177	14	₱173	15
Salaries and employee benefits	**1,036**	**10**	864	10	172	20
Repairs and maintenance of roads and tollways	**710**	**7**	516	6	194	38
Provision for heavy maintenance	**249**	**2**	65	1	184	283
Insurance	**164**	**2**	150	2	14	9
Light & Water	**137**	**1**	132	2	5	4
Depreciation of property and equipment	**79**	**1**	52	1	27	52
Professional Fee	**51**	**1**	45	–	6	13
Fuel & oil	**51**	**1**	48	1	3	6
Advertising & promotions	**30**	**1**	51	1	(21)	(41)
Taxes and Licenses	**28**	**–**	15	–	13	87
Toll collection and medical services	**23**	**–**	22	–	1	5
Amortization of other intangible assets	**15**	**–**	3	–	12	400
Provisions	**15**	**-**	9	-	6	67
TRB Fee	**6**	**–**	60	1	(54)	(90)
Others	**74**	**1**	62	1	12	19
Total cost of services	**₱10,082**	**100**	₱8,430	100	₱1,652	20

General and Administrative Expenses

The following table shows the breakdown of general and administrative expenses for the years ended December 31, 2025 and December 31, 2024:

In ₱, Millions	For the year 2025 (Audited)		For the year 2024 (Audited)		Higher (Lower)	
	Amount	**%**	Amount	%	Amount	%
Salaries and employee benefits	**₱586**	**42**	₱764	52	(₱178)	(23)
Taxes and licenses	**252**	**18**	153	10	99	65
Professional fees	**202**	**14**	170	12	32	19
Advertising and marketing expenses	**72**	**5**	92	6	(20)	(23)
Outside services	**57**	**4**	112	8	(55)	(49)
Depreciation of property and equipment	**33**	**2**	33	2	–	–
Representation and travel	**33**	**2**	29	2	4	14
Repairs and maintenance	**30**	**2**	4	–	26	650
Management fees	**27**	**2**	31	2	(4)	(13)
Office supplies	**23**	**2**	18	2	5	28
Training and development costs	**8**	**1**	17	1	(9)	(53)
Rentals	**6**	**–**	4	–	2	50
Provision for estimated credit losses	**2**	**–**	25	2	(23)	(92)
Communication, light and water	**2**	**–**	2	–	–	–
Directors' Fees	**1**	**–**	2	–	(1)	(50)
Others	**67**	**6**	16	1	51	319
Total G&A expense	**₱1,401**	**100**	₱1,472	100	(₱71)	(5)

General and administrative expenses in 2025 amounted to ₱1,401 million, ₱71 million or 5% lower than last year. This was due to lower personnel costs, outside services and advertising and marketing expenses partly offset by higher taxes and licenses and professional fees.

Interest and Financing Costs

Interest expense and other finance costs (net of interest income) amounted to ₱1,792 million, ₱574 million or 47% higher than 2024 figures. Interest expense on loans amounting to ₱1,738 million was ₱501 million or 41% higher than the last year's figures mainly due to the additional loan availments during the year. In addition, interest income for 2025 reached ₱71 million, 45% or ₱58 million lower than 2024 figures.

In addition, borrowing costs associated with existing expansion projects have been capitalized. Total borrowing costs capitalized amounted to ₱1,142 million and ₱1,596 million for the years ended December 31, 2025 and 2024, respectively.

The table below shows the breakdown of interest expense and other finance costs for the years ended December 31, 2025 and 2024:

In ₱, Millions	**For the year 2025 (Audited)**		For the year 2024 (Audited)		Higher (Lower)	
	Amount	**%**	Amount	%	Amount	%
Interest Expense on:						
Bank loans	**(₱1,738)**	**94**	(₱1,237)	92	₱501	41
Provision for heavy maintenance	**(43)**	**2**	(42)	3	1	2
Finance Cost:						
Amortization of DIC	**(40)**	**2**	(50)	4	(10)	(20)
Lenders' fee	**(42)**	**2**	(18)	1	24	133
Total Interest & Financing Costs	**(1,863)**	**100**	(1,347)	100	516	38
Interest Income:						
Cash and cash equivalents	**71**	**100**	129	100	(58)	(45)
Others	**–**	**–**	–	–		
Total Interest Income	**71**	**100**	129	100	(58)	(45)
Net Interest Expense	**(₱1,792)**		(₱1,218)		₱574	47

Net Income

Net income ended at ₱14,283 million, with ₱2,212 million or 18% increase from last year's results driven by higher toll revenues and controlled costs.

December 31, 2024 Compared to December 31, 2023

Revenues

The following table shows the breakdown of revenues for the years ended December 31, 2024 and 2023 by revenue source:

In ₱, Millions	For the year 2024 (Audited)		For the year 2023 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Toll fees - net	₱25,316	99	₱21,498	99	₱3,818	18
Income from toll service facilities	150	1	111	1	39	35
Income from utility facilities	59	–	7	–	52	743
Total revenues	₱25,525	100	₱21,616	100	₱3,909	18

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

As of December 31, 2024, toll revenues reached ₱25,316 million, ₱3,818 million or 18% higher compared to the prior year due to higher traffic figures and implementation of overdue toll rate adjustments.

The Company's toll revenues were comprised of 78% from NLEX, 18% from SCTEX and 4% Connector.

The Company also generated higher revenues from toll services facilities in 2024 amounting to ₱150 million, higher by ₱39 million or 35% versus the ₱111 million recorded in 2023.

Cost of Services

The Company's cost of services consists mainly of concession fees to BCDA and PNCC, repairs and maintenance of roads and tollways, amortization of service concession assets and salaries and employee benefits which altogether account for around 76% of the total cost of toll operations.

Cost of services increased to ₱8,429 million, ₱901 million or 12% higher than 2023 figures. The increase in costs was largely due to higher concession and PNCC fees which were charged as a fixed percentage of toll revenues, higher pavement repairs and maintenance costs of roads and tollways and higher amortization of concession assets due to the higher traffic.

The table below shows the details of the costs of services for the years ended December 31, 2024 and 2023.

In ₱, Millions	For the year 2024 (Audited)		For the year 2023 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Concession fees	₱2,307	27	₱1,946	26	₱361	19
Amortization of SCA	1,642	19	1,350	18	292	22
Outside services	1,210	14	1,066	14	144	14
PNCC fee	1,177	14	1,026	14	151	15

(Forward)

In ₱, Millions	For the year 2024 (Audited)		For the year 2023 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Salaries and employee benefits	₱864	10	₱860	11	₱4	–
Repairs and maintenance of roads and tollways	516	6	442	6	74	17
Insurance	150	2	142	2	8	6
Light & Water	132	2	128	2	4	3
Provision for heavy maintenance	64	1	98	1	(34)	(35)
TRB Fee	60	1	55	1	5	9
Depreciation of property and equipment	52	1	65	1	(13)	(20)
Advertising & promotions	52	1	57	1	(5)	(9)
Fuel & oil	48	1	103	1	(55)	(53)
Professional Fee	44	1	31	0	13	42
Toll collection and medical services	22	–	18	–	4	22
Taxes and Licenses	15	–	15	–	0	–
Provisions	9	–	55	1	(46)	(84)
Amortization of other intangible assets	3	–	9	–	(6)	(67)
Others	62	1	61	1	1	2
Total cost of services	₱8,429	100	₱7,527	100	₱901	12

<u>General and Administrative Expenses</u>

The following table shows the breakdown of general and administrative expenses for the years ended December 31, 2024 and December 31, 2023:

In ₱, Millions	For the year 2024 (Audited)		For the year 2023 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Salaries and employee benefits	₱760	52	₱401	34	₱359	90
Professional fees	170	12	148	13	22	15
Taxes and licenses	153	10	136	12	18	13
Outside services	112	8	90	8	22	24
Advertising and marketing expenses	92	6	138	12	(46)	(33)
Depreciation of property and equipment	33	2	34	3	(1)	(3)
Management fees	31	2	31	3	–	–
Representation and travel	29	2	35	3	(6)	(17)
Provision for estimated credit losses	25	2	35	3	(10)	(29)
Office supplies	18	1	13	1	5	38
Training and development costs	17	1	11	1	6	55
Provisions	5	–	55	5	(50)	(91)
Rentals	4	–	3	–	1	33
Repairs and maintenance	4	–	2	–	2	100
Communication, light and water	2	–	2	–	–	–
Directors' Fees	2	–	2	–	–	–
Others	15	1	35	3	(20)	186
Total G&A expense	₱1,472	100	₱1,171	100	₱301	26

General and administrative expenses in 2024 amounted to ₱1,472 million, ₱301 million or 26% higher than 2023 figures. This was due to the increase in personnel costs, professional fees, outside services and taxes and licenses partly offset by lower advertising and marketing expenses, provisions, and representations.

Interest and Financing Costs

Interest expense and other finance costs (net of interest income) amounted to ₱1,218 million, ₱250 million or 26% higher than 2023 figures. Interest expense on loans amounting to ₱1,237 million was ₱196 million or 19% higher than the last year's figures mainly due to the additional loan availments during the year. In addition, interest income for 2024 reached ₱129 million, 6% or ₱8 million lower than 2023 figures.

In addition, borrowing costs associated with existing expansion projects have been capitalized. Total borrowing costs capitalized amounted to ₱1,648 million and ₱1,511 million for the years ended December 31, 2024 and 2023, respectively.

The table below shows the breakdown of interest expense and other finance costs for the years ended December 31, 2024 and 2023:

In ₱, Millions	For the year 2024 (Audited)		For the year 2023 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Interest Expense on:						
Bank loans	(₱1,237)	92	(₱1,041)	94	₱196	19
Provision for heavy maintenance	(42)	3	(30)	3	12	40
Finance Cost:						
Amortization of DIC	(50)	4	(18)	2	32	178
Lenders' fee	(18)	1	(16)	1	2	13
Total Interest & Financing Costs	(1,347)	100	(1,105)	100	242	22
Interest Income:						
Cash and cash equivalents	129	100	136	99	(7)	(5)
Others	0	0	1	1	(1)	(100)
Total Interest Income	129	100	137	100	(8)	(6)
Net Interest Expense	(₱1,218)		(₱968)		₱250	26

Net Income

Net income ended at ₱12,071 million, with ₱2,058 million or 21% increase from last year's results driven by higher toll revenues and controlled costs.

December 31, 2023 Compared to December 31, 2022

Revenues

The following table shows the breakdown of revenues for the years ended December 31, 2023 and 2022 by revenue source:

In ₱, Millions	For the year 2023 (Audited)		For the year 2022 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Toll fees - net	₱21,498	99	₱18,072	100	₱3,426	19
Income from toll service facilities	111	1	85	-	26	31
Income from utility facilities	7	-	21	-	(14)	(67)
Total revenues	₱21,616	100	₱18,178	100	₱3,438	19

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

As of December 31, 2023, toll revenues reached ₱21,498 million, ₱3,426 million or 19% higher compared to the prior year due to higher traffic figures and implementation of overdue toll rate adjustments.

The Company's toll revenues were comprised of 81% from NLEX and 18% from SCTEX. In addition, NLEX Connector started to contribute to the Company's toll revenues starting August 8, 2023.

The Company also generated higher revenues from toll services facilities in 2023 amounting to ₱111 million, higher by ₱26 million or 31% versus the ₱85 million recorded in 2022.

Cost of Services

The Company's cost of services consists mainly of concession fees to BCDA and PNCC, repairs and maintenance of roads and tollways, amortization of service concession assets and salaries and employee benefits which altogether account for around 69% of the total cost of toll operations.

Cost of services increased to ₱7,527 million, ₱856 million or 13% higher than 2022 figures. The increase in costs was largely due to higher concession and PNCC fees which were charged as a fixed percentage of toll revenues, higher pavement repairs and maintenance costs of roads and tollways and higher amortization of concession assets due to the higher traffic and toll rate adjustments implemented in 2023.

The table below shows the details of the costs of services for the years ended December 31, 2023 and 2022.

In ₱, Millions	For the year 2023 (Audited)		For the year 2022 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Concession fees	₱1,946	26	₱1,629	24	₱317	19
Amortization of SCA	1,350	18	1,219	18	131	11
Outside services	1,066	14	1,127	17	(61)	(5)
PNCC fee	1,026	14	872	13	154	18
(Forward)						

In ₱, Millions	For the year 2023 (Audited)		For the year 2022 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Salaries and employee benefits	₱860	11	₱721	11	₱139	19
Repairs and maintenance of roads and tollways	442	6	277	4	165	60
Insurance	142	2	136	2	6	4
Light & Water	128	2	114	2	14	12
Fuel & oil	103	1	113	2	(10)	(9)
Provision for heavy maintenance	98	1	219	3	(121)	(55)
Depreciation of property and equipment	65	1	67	1	(2)	(3)
Advertising & promotions	57	1	28	1	29	104
TRB Fee	55	1	46	1	9	20
Provisions	55	1	14	-	41	293
Professional Fee	31	-	18	1	13	72
Toll collection and medical services	18	-	15	1	3	20
Taxes and Licenses	15	-	12	-	3	25
Amortization of other intangible assets	9	-	9	-	-	-
Others	61	1	35	1	26	74
Total cost of services	₱7,527	100	₱6,671	100	₱856	13

General and Administrative Expenses

The following table shows the breakdown of general and administrative expenses for the years ended December 31, 2023 and December 31, 2022:

In ₱, Millions	For the year 2023 (Audited)		For the year 2022 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Salaries and employee benefits	₱401	34	₱395	41	₱6	2
Professional fees	148	13	199	21	(51)	(26)
Advertising and marketing expenses	138	12	68	7	70	104
Taxes and licenses	136	12	95	10	41	42
Outside services	90	8	45	5	45	100
Provisions	55	5	23	2	32	139
Representation and travel	35	3	16	2	19	119
Provision for estimated credit losses	35	3	5	1	30	600
Depreciation of property and equipment	34	3	35	4	(1)	(3)
Management fees	31	3	10	1	21	210
Office supplies	13	1	9	1	4	44
Training and development costs	11	1	10	1	1	10
Rentals	3	-	3	-	-	-
Communication, light and water	2	-	3	-	(1)	(33)
Repairs and maintenance	2	-	36	4	(34)	(94)
Directors' Fees	2	-	3	-	(1)	(33)
Others	35	3	5	-	30	775
Total G&A expense	₱1,171	100	₱960	100	₱211	22

General and administrative expenses in 2023 amounted to ₱1,171 million, ₱211 million or 22% higher than 2022 figures. This was due to the increase in advertising and marketing expenses, outside services, taxes and licenses, provisions, and management fees offset by lower professional fees and repairs and maintenance.

Interest and Financing Costs

Interest expense and other finance costs (net of interest income) amounted to ₱968 million, ₱94 million or 9% lower than 2022 figures. Interest expense on loans amounting to ₱1,041 million was at par with last year's figures mainly due to the refinancing of matured loans. In addition, interest income for 2023 reached ₱137 million, 128% or ₱78 million higher than 2022 figures.

In addition, borrowing costs associated with existing expansion projects have been capitalized. Total borrowing costs capitalized amounted to ₱1,510.8 million and ₱1,004.5 million for the years ended December 31, 2023 and 2022, respectively.

The table below shows the breakdown of interest expense and other finance costs for the years ended December 31, 2023 and 2022:

In ₱, Millions	For the year 2023 (Audited)		For the year 2022 (Audited)		Higher (Lower)	
	Amount	%	Amount	%	Amount	%
Interest Expense on:						
Bank loans	(₱1,041)	94	(₱1,040)	93	(₱1)	-
Provision for heavy maintenance	(30)	3	(61)	5	(31)	(51)
Finance Cost:						
Amortization of DIC	(18)	2	(16)	1	(2)	13
Lenders' fee	(16)	1	(4)	-	(12)	300
Total Interest & Financing Costs	(1,105)	100	(1,121)	100	(16)	(1)
Interest Income:						
Cash and cash equivalents	136	99	58	98	78	134
Others	1	1	1	2	-	-
Total Interest Income	137	100	59	100	78	128
Net Interest Expense	(₱968)		(₱1,062)		(₱94)	(9)

Net Income

Net income ended at ₱10,013 million, with ₱2,009 million or 25% increase from last year's results driven by higher toll revenues and controlled costs.

Balance Sheet

December 31, 2025 Compared to December 31, 2024

The table below shows the balance sheet highlights as of December 31, 2025 and December 31, 2024.

In ₱, Millions	**Dec 2025 (Audited)**	Dec 2024 (Audited)	Increase (Decrease)	
			Amount	%
Cash and cash equivalents	**₱3,499**	₱2,791	₱708	25
Total assets	**97,119**	93,526	3,593	4
Total liabilities	**57,215**	60,337	(3,122)	(5)
Total equity	**39,904**	33,189	6,715	20

Assets

As of December 31, 2025, the balance of total assets amounted to ₱97,119 million, higher by ₱3,593 million or 4% versus last year.

Cash and cash equivalents as of December 31, 2025 stood at ₱3,499 million, higher by ₱708 million or 25% versus ₱2,791 million in December 31, 2024. The ending cash balance for 2025 was higher than last year mainly due to the Company's liquidity management strategy aimed at lowering the cost of debt.

Service concession assets increased to ₱82,727 million, higher by ₱2,693 million or 3% versus last year's figures due to the completion of Candaba 3rd viaduct and ongoing construction works for NLEX Connector Road – Section 2, Segment 8.2 Section 1A and Multi-Lane and Free Flow (MLFF) Project, advance reading projects, automatic license plate recognition equipment and construction of tunnel, new bridges and roadworks development during the year.

Liabilities and Stockholder's Equity

Total liabilities mostly comprise of accounts payable, long-term debt and other payables.

Accounts payable declined to ₱5,257 million from ₱5,997 million last year, 12% or ₱740 million lower due to the settlement of costs associated with on-going projects completed in 2025.

Total long-term debt reached ₱45,332 million as of December 31, 2025, higher by ₱951 million or 2% compared to the ₱44,381 million balance as of December 31, 2024 due to additional loan drawdowns. In addition, the Company obtained short-term loans in 2025 amounting to ₱1,850 million for bridge-financing as long-term interest rates remained on the high side at yearend.

As of December 31, 2025, retained earnings amounted to ₱28,246 million, 31% or ₱6,745 million higher compared to the ₱21,501 million as of December 31, 2024.

Key Financial Indicators

The following table shows the relevant financial ratios for NLEX Corp:

		December 2025	December 2024
Current ratio	Total Current Assets / Total Current Liabilities	0.68	0.34
Debt-to-equity (DE) ratio	Interest Bearing Liabilities / Stockholders' Equity	1.14	1.34
Net profit margin	Net income / Revenues	48%	47%
Return on assets	Net income / Average Total Assets	15%	13%
Return on stockholders' equity	Net income / Average Stockholders' Equity	39%	39%

As of December 31, 2025, current ratio improved to 0.68 times compared to 2024, due to the Company's efficient liquidity management strategy aimed at lowering cost of debt. Moreover, the Company has adequate sources of liquidity including cash flows from operations and available credit lines. As of year-end, the Company has fully drawn the funds from a committed term loan facility and ₱17,541 million available in short-term credit lines for working capital requirements.

Debt-to-Equity ratio slightly improved to 1.14 as at December 31, 2025, primarily due to bond and loan repayments as well as higher net income during the period.

Net profit margin slightly increased to 48% due to higher revenues in 2025.

Return on assets and return on equity remained strong at 15% and 39%, respectively, attributable to higher net income as a proportion of asset and stockholder's equity.

December 31, 2024 Compared to December 31, 2023

The table below shows the balance sheet highlights as of December 31, 2024 and December 31, 2023.

In ₱, Millions	Dec 2024 (Audited)	Dec 2023 (Audited)	Increase (Decrease)	
			Amount	%
Cash and cash equivalents	₱2,791	₱4,048	₱ (1,257)	(31%)
Total assets	93,526	86,712	6,814	8%
Total liabilities	60,337	58,570	1,767	3%
Total equity	₱33,189	₱28,142	₱5,047	18%

Assets

As of December 31, 2024, the balance of total assets amounted to ₱93,526 million, higher by ₱6,814 million or 8% versus last year.

Cash and cash equivalents as of December 31, 2024 stood at ₱2,791 million, lower by ₱1,257 million or 31% versus ₱4,048 million in December 31, 2023. The ending cash balance for 2024 was slightly lower than last year mainly due to the Company's liquidity management strategy aimed at lowering the cost of debt.

Service concession assets increased to ₱80,034 million, higher by ₱7,055 million or 10% versus last year's figures due to the completion of NLEX Connector Road – Section 1 and ongoing construction works for NLEX Connector Road – Section 2, Candaba 3rd viaduct, various toll plaza expansions, and bridge retrofitting works implemented during the year.

Liabilities and Stockholder's Equity

Total liabilities mostly comprise of accounts payable, long-term debt and other payables.

Accounts payable increased to ₱5,997 million from ₱4,814 million last year, 25% or ₱1,183 million higher due to the on-going construction of the NLEX Connector Road Project and the enhancement of fixed operating equipment on various toll plazas.

Total long-term debt reached ₱44,381 million as of December 31, 2024, slightly higher by ₱ 1,852 million or 4% compared to the ₱42,529 million balance as of December 31, 2023. In addition, the Company obtained short-term loans in 2024 amounting to ₱4,500 million for bridge-financing as long-term interest rates remained on the high side at yearend.

As of December 31, 2024, retained earnings amounted to ₱21,501 million, 31% or ₱5,101 million higher compared to the ₱16,400 million as of December 31, 2023.

Key Financial Indicators

The following table shows the relevant financial ratios for NLEX Corp:

		December 2024	December 2023
Current ratio	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	0.34	0.35
Debt-to-equity (DE) ratio	$\frac{\text{Interest Bearing Liabilities}}{\text{Stockholders' Equity}}$	1.34	1.51
Net profit margin	$\frac{\text{Net income}}{\text{Revenues}}$	47%	46%
Return on assets	$\frac{\text{Net income}}{\text{Average Total Assets}}$	13%	12%
Return on stockholders' equity	$\frac{\text{Net income}}{\text{Average Stockholders' Equity}}$	39%	37%

As of December 31, 2024, current ratio is at 0.34 times which is almost at par with 2023, due to the Company's liquidity management strategy aimed at lowering cost of debt. As of year-end, the Company still had ₱9,000 million available undrawn funds from a committed term loan facility and ₱17,610 million available in short-term credit lines for working capital requirements.

Debt-to-Equity ratio slightly improved to 1.34x as at December 31, 2024, due to higher net income during the period.

Net profit margin slightly increased to 47% due to higher revenues in 2024.

Return on assets and return on equity increased to 13% and 39%, respectively, due to higher net income as a proportion of asset and stockholder's equity.

December 31, 2023 Compared to December 31, 2022

The table below shows the balance sheet highlights as of December 31, 2023 and December 31, 2022.

In ₱, Millions	Dec 2023 (Audited)	Dec 2022 (Audited)	Increase (Decrease)	
			Amount	%
Cash and cash equivalents	₱4,048	₱5,404	(₱1,356)	(25)
Total assets	86,712	78,133	8,579	11
Total liabilities	58,570	52,293	6,277	12
Total equity	₱28,142	₱25,840	₱2,302	9

Assets

As of December 31, 2023, the balance of total assets amounted to ₱86,712 million, higher by ₱8,579 million or 11% versus last year.

Cash and cash equivalents as of December 31, 2023 stood at ₱4,048 million, lower by ₱1,356 million or 25% versus ₱5,404 million in December 31, 2022. The ending cash balance for 2023 was slightly lower than last year mainly due to the Company's liquidity management strategy aimed at lowering the cost of debt.

Service concession assets increased to ₱72,978 million, higher by ₱10,296 million or 16% versus last year's figures due to the completion of NLEX Connector Road – Section 1 and ongoing construction works for NLEX Connector Road – Section 2, various toll plaza expansions, and bridge retrofitting works implemented during the year.

Liabilities and Stockholder's Equity

Total liabilities mostly comprise of accounts payable, long-term debt and other payables.

Accounts payable increased to ₱4,813 million from ₱4,437 million last year, 9% or ₱376 million higher due to the on-going construction of the NLEX Connector Road Project and the enhancement of fixed operating equipment on various toll plazas.

Total long-term debt reached ₱42,528 million as of December 31, 2023, slightly higher by ₱ 986 million or 2% compared to the ₱41,541 million balance as of December 31, 2022. In addition, the Company obtained short-term loans in 2023 amounting to ₱3,000 million for bridge-financing as long-term interest rates remained on the high side at yearend.

As of December 31, 2023, retained earnings amounted to ₱16,400 million, 16% or ₱2,313 million higher compared to the ₱14,087 million as of December 31, 2022.

Key Financial Indicators

The following table shows the relevant financial ratios for NLEX Corp:

		December 2023	December 2022
Current ratio	Total Current Assets / Total Current Liabilities	0.35	0.73
Debt-to-equity (DE) ratio	Interest Bearing Liabilities / Stockholders' Equity	1.51	1.61
Net profit margin	Net income / Revenues	46%	44%
Return on assets	Net income / Average Total Assets	12%	11%
Return on stockholders' equity	Net income / Average Stockholders' Equity	37%	34%

As of December 31, 2023, current ratio decreased to 0.35 times from 0.73 times as of December 31, 2022, due to the Company's liquidity management strategy aimed at lowering cost of debt. As of year-end, the Company still had ₱8,000 million available from a committed term loan facility and ₱14.326 million available in short-term credit lines for working capital requirements.

Debt-to-Equity ratio was lower at 1.51x as of December 31, 2023, due to payments of long-term debts during in 2023.

Net profit margin increased to 46% due to higher revenues in 2023.

Return on assets and return on equity increased to 12% and 37%, respectively, due to higher net income as a proportion of asset and stockholder's equity.

Cash Flows

December 31, 2025 Compared to December 31, 2024

The following table shows the company's cash flows for the year ended December 31, 2025 and 2024:

In ₱, millions	**December 2025 *(Audited)***	December 2024 *(Audited)*
Cash, beginning balance	**₱2,791**	₱4,048
Net cash provided by operating activities	**16,854**	15,028
Net cash used in investing activities	**(3,892)**	(8,022)
Net cash used in financing activities	**(12,270)**	(8,262)
Effect of exchange rate changes	**16**	(1)
Net increase (decrease) in cash	**692**	(1,257)
Cash, ending balance	**₱3,499**	₱2,791

As of December 31, 2025, cash and cash equivalents stood at ₱3,499 million, higher by ₱708 million or 25% than in 2024 mainly due to the Company's liquidity management strategy aimed at lowering the cost of debt.

Cash Flows from Operating Activities
The cash flows from operating activities amounted to ₱16,854 million, higher by ₱1,826 million or 12% versus last year's figures mainly due to higher toll revenues collected during the year

offset by operating costs, concession fees, payment for income taxes and trade payables, among others.

Cash Flows from Investing Activities
The cash flows used in investing activities are primarily related to the ongoing construction of the NLEX Connector Road, Segment 8.2 Section 1A and MLFF Projects. As of December 31, 2025, additions to service concession assets amounted to ₱3,868 million.

Cash Flows from Financing Activities
Net cash flows used in financing activities as of December 31, 2025 includes payment of cash dividends amounting to ₱9,539 million, interest on loans and debt issuance costs worth ₱1,616 million, and principal repayments of ₱8,043 million for its long-term debt and ₱3,850 million for its short term loans. This was offset by cash inflows from short-term and long-term loan availments amounting to ₱10,850 million. As a result, net cash used in financing activities amounted to ₱12,270 million.

December 31, 2024 Compared to December 31, 2023

The following table shows the company's cash flows for the year ended December 31, 2024 and 2023:

In ₱, millions	December 2024 *(Audited)*	December 2023 *(Audited)*
Cash, beginning balance	₱4,048	₱5,404
Net cash provided by operating activities	15,028	12,620
Net cash by used in investing activities	(8,022)	(10,660)
Net cash flows from (used in) financing activities	(8,262)	(3,314)
Effect of exchange rate changes	(1)	(1)
Net increase (decrease) in cash	(1,257)	(1,355)
Cash, ending balance	₱2,791	₱4,048

As of December 31, 2024, cash and cash equivalents stood at ₱2,791 million, lower by ₱1,257 million or 31% than in 2023 mainly due to the Company's liquidity management strategy aimed at lowering the cost of debt.

Cash Flows from Operating Activities
The cash flows from operating activities amounted to ₱15,028 million, higher by ₱2,408 million or 19% versus last year's figures mainly due to higher toll revenues collected during the year offset by operating costs, concession fees, payment for income taxes and trade payables, among others.

Cash Flows from Investing Activities
The cash flows used in investing activities are primarily related to the ongoing construction of the NLEX Connector Road and Candaba 3rd Viaduct Projects. As of December 31, 2024, additions to service concession assets amounted to ₱8,164 million.

Cash Flows from Financing Activities
Net cash flows used in financing activities as of December 31, 2024 includes payment of cash dividends amounting to ₱7,770 million, interest on loans and debt issuance costs worth ₱1,258 million, and principal repayments of ₱7,143 million for its long-term debt and ₱5,500 million for its short term loans. This was offset by cash inflows from short-term and long-term loan availments amounting to ₱13,500 million. As a result, net cash used in financing activities amounted to ₱8,262 million.

December 31, 2023 Compared to December 31, 2022

The following table shows the company's cash flows for the year ended December 31, 2023 and 2022:

In ₱, millions	December 2023 *(Audited)*	December 2022 *(Audited)*
Cash, beginning balance	₱5,404	₱3,855
Net cash provided by operating activities	12,620	9,246
Net cash by used in investing activities	(10,660)	(8,173)
Net cash flows from (used in) financing activities	(3,314)	475
Effect of exchange rate changes	(1)	1
Net increase (decrease) in cash	(1,355)	1,548
Cash, ending balance	₱4,048	₱5,404

As of December 31, 2023, cash and cash equivalents stood at ₱4,048 million, lower by ₱1,356 million or 25% than in 2022 mainly due to the Company's liquidity management strategy aimed at lowering the cost of debt.

Cash Flows from Operating Activities

The cash flows from operating activities amounted to ₱12,620 million, higher by ₱3,374 million or 36% versus last year's figures mainly due to higher toll revenues collected during the year offset by operating costs, concession fees, payment for income taxes and trade payables, among others.

Cash Flows from Investing Activities

The cash flows used in investing activities are primarily related to the ongoing construction of the NLEX Connector Road and Candaba 3rd Viaduct Projects. As of December 31, 2023, additions to service concession assets amounted to ₱11,198 million.

Cash Flows from Financing Activities

Net cash flows used in financing activities as of December 31, 2023 includes payment of cash dividends amounting to ₱6,200 million, interest on loans and debt issuance costs worth ₱1,029 million, and principal repayment of ₱4,043 million. This was offset by cash inflows from short-term and long-term loan availment amounting to ₱8,000 million. As a result, net cash used in financing activities amounted to ₱3,314 million.

Other Financial Information

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

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

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

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

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

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

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

On February 27, 2025, NLEX awarded to China Road and Bridge Corporation the contract for the construction of NLEX-C5 Northlink Segment 8.2 Section 1A Project. The overall project cost of this elevated road from Mindanao Ave. to Quirino Highway is ₱2,200 million.

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

a. Tariff Increase – the uncertainty in the approval of the tariff increase from regulatory authorities in the expressway can hamper the growth in net revenues of the Company moving forward.

b. Higher Fuel Prices – vehicle operating costs normally go higher with the increase in fuel prices, thereby decreasing the demand for travel. Uncertainties in the movement of crude prices in the world market would affect the expected traffic volume growth in NLEX, SCTEX, and Connector.

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

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

Item 7. Financial Statements

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

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

SyCip Gorres Velayo & Co. ("SGV & Co." or the "Auditor"), independent auditors, audited the consolidated financial statements of NLEX Corp as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, all included in this Report. SGV & Co. has no shareholdings in NLEX Corp, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of NLEX Corp, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The named independent auditor has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of NLEX Corp.

The aggregate fees billed by SGV & Co. in 2025 are shown below (with comparative figures for 2024):

	For the year 2025	For the year 2024
Total Audit Fees	**₱7,057,000**	₱8,606,000
Non-audit services fee		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Non-audit Fees	**–**	–
Total Audit and Non-audit Fees	**₱7,057,000**	₱8,606,000

NLEX Corp has no disagreements with its independent auditors on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures.

NLEX Corp's Audit Committee has an existing policy to review and to approve the audit and non-audit services before NLEX Corp's independent auditors renders the same. It does not allow NLEX Corp to engage the independent auditors for certain non-audit services expressly prohibited by SEC regulations to be performed by an independent auditor for its audit clients. This is to ensure that the independent auditors maintain the highest level of independence from NLEX Corp, both in fact and appearance.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors

The Board is principally responsible for the Company's overall direction and governance. The Company's Articles of Incorporation provide for thirteen (13) members of the Board, who shall be elected by the stockholders. Each director holds office for one (1) year and until their successors are elected and qualified in accordance with the By-Laws.

As of April 8, 2026, the following are the members of the Board of Directors of the Company:

Name	Age	Citizenship	Year Position was Assumed
Manuel V. Pangilinan	79	Filipino	2008
Jose Ma. K. Lim	73	Filipino	2008
Luis S. Reñon	56	Filipino	2024
June Cheryl Cabal-Revilla	52	Filipino	2024
Atty. Ricardo M. Pilares III	44	Filipino	2024
Gilbert Gabriel F. Santa Maria	59	Filipino	2025
Marisa V. Conde	55	Filipino	2025
Jose T. Sio	86	Filipino	2010
Frederic C. DyBuncio	66	Filipino	2014
Arlyn Sicangco-Villanueva	69	Filipino	2014
Lisset Laus-Velasco	52	Filipino	2019
Emmanuel G. Herbosa	72	Filipino	2024

The following is a brief description of the business experience of each of director for at least the past five (5) years:

Manuel V. Pangilinan

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981.

Mr. Pangilinan served as Managing Director of First Pacific since its founding in 1981 until 1999. He was appointed Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk in Indonesia. In the Philippines, Mr. Pangilinan was once again appointed as President and CEO of PLDT, Inc. and Smart Communications, Inc. in January 2024. He also became the President and CEO of Manila Electric Company (Meralco) effective June 1, 2023. He is the Chairman, President and CEO of Metro Pacific Investments Corporation; PLDT Communications and Energy Ventures, Inc., Chairman of Global Business Power Corporation (GBP) - wholly owned by MERALCO PowerGen Corporation (MGen), Terra Solar Philippines, Inc. (TSPI) - wholly owned subsidiary of SP New Energy Corporation (SPNEC), which develops the Philippines' largest solar facility. Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health – the largest group of private hospitals and other healthcare facilities with 23 hospitals such as Makati Medical Center, Cardinal Santos Medical Center, et al; Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV 5), and the Vice Chairman of Roxas Holdings, Inc.

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.

In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDTSmart Foundation Inc., One Meralco Foundation Inc., Metro Pacific Foundation Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S.– Philippine Society.

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

Jose Ma. K. Lim

Mr. Jose Ma. K. Lim is an Executive Adviser and Board Member of Metro Pacific Investments Corporation (MPIC) and has served as the Company's President and CEO for 15 years until his retirement in December 2021. As an Executive Adviser, he continues to provide expert advice to the Company and also serves as Director in several MPIC subsidiaries and affiliates.

He has been with the MPIC Group for 27 years, holding various executive positions through the years. Prior to joining the Group, he built himself a solid reputation in foreign banking institutions as Vice President of the Equitable Banking Corporation and Director for Investment Banking of the First National Bank of Boston.

He is a founding member of the Shareholders Association of the Philippines and an active member in various business organizations in the country.

He has received various recognitions as Best CEO from global institutions such as Finance Asia, Institutional Investor and Corporate Governance Asia to name a few. He was also accorded the Triple A award from Asian Institute of Management for his excellent performance in his field of profession.

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

Luis S. Reñon

Mr. Reñon joined Metro Pacific Tollways Corporation in 2024. He previously served as the Senior Vice President for Internal Audit at PLDT, a role he held from July 2018. Prior thereto, he was the Emerging Markets Chief Finance Officer of Pfizer Inc., handling teams across the Philippines, Thailand, Malaysia, Indonesia, Vietnam, and Pakistan.

He started his professional career in the Audit and Business Advisory Division of Ernst & Young Manila and Singapore for six years. He then moved to Novartis Asia Pacific in Singapore as Regional Auditor and Team Leader, managing APAC auditors in conducting business review and compliance test of operations in Asia Pacific and Europe. He moved back to the Philippines in 2000 where he became the Head of Finance, Administration and Operations of Novartis' Animal Health Business Unit. He pursued a rewarding career in Wyeth Philippines and Pfizer, Inc., where he took on various roles with increasing responsibilities in Strategic Planning and Business Finance, as Pfizer's Country CFO in 2011 during the Pfizer-Wyeth integration and as Emerging Markets CFO in 2014.

Mr. Reñon is a Certified Public Accountant. He completed his Bachelor's degree in Commerce, major in Accounting at Araullo University, and his Master's degree in Business Administration at the Ateneo de Manila University, where he garnered the Gold Medalist Award. He attended the Management Development Program of the Asian Institute of Management in 2005 and the Financial Excellence Program of Harvard Business School in the USA.

June Cheryl Cabal-Revilla

Ms. June Cheryl Cabal-Revilla is an Executive Director and the Chief Finance, Risk and Sustainability Officer of Metro Pacific Investments Corporation (MPIC). She is concurrently a director of all MPIC subsidiaries – Meralco, Maynilad, Metro Pacific Tollways Corporation, Metro Pacific Hospitals Holdings Inc, Light Rail Manila Corporation, Landco Pacific Corporation, among others. She is also the President and Chief Executive Officer (CEO) of mWell, MPIC's digital healthcare arm.

Prior to joining MPIC, she held various executive leadership positions at the PLDT Group. She was the former Senior Vice President and Group Controller, and Chief Sustainability Officer (CSO) of the PLDT Group and the Chief Financial Officer (CFO) of Smart, PLDT-Smart Foundation, Philippine Disaster Resilience Foundation (PDRF) and in a number of subsidiaries and affiliates of PLDT, Smart & ePLDT.

Ms. Cabal-Revilla is an appointed member of the Financial Reporting and Sustainability Standards Council (FSRSC) of the Philippines, the accounting and sustainability standards-setters in the country, since 2010 for FRSC. She is the founding chair of Gabay Guro, the Philippines' biggest and longest-running education advocacy program for teachers.

Prior to joining PLDT as an executive trainee in the Finance Group in 2000, she was a senior associate in the Business Audit and Advisory Group of SGV & Co.

Ms. Cabal-Revilla received her Bachelor of Science Degree in Accountancy from De La Salle University (DLSU) and Master's Degree in Business Management Major in Finance from the Asian Institute of Management (AIM). In 2020, she was conferred the AIM Triple A Award, the highest honor bestowed upon deserving alumni. In 2025, she has received the De La Salle Alumni Association La Sallian Achievement Award in the field of Financial Management. She is currently a trustee of both AIM and DLSU. She also finished her executive program in the Stanford Graduate School of Business in 2018. In 2022, she also took the Swedish Institute Management Program and the Innovative Dynamic Education and Action for Sustainability (IDEAS Asia Pacific), a transformational leadership program of the MIT Management Sloan School.

Ms. Cabal-Revilla was presented with the Accountancy Centenary Award of Excellence (One of the 100 Notable CPAs) in 2023 by the Philippine Board of Accountancy. Chaye has received several Best CFO, Best CSO and Top CEO awards by reputable institutions from Singapore, Hong Kong, Malaysia and the Philippines. She was an awardee of the Ten Outstanding Young Men (TOYM) in 2013 and the incumbent President of TOYM Foundation. In 2023, she was conferred the Most Influential Filipina Woman in the World at the Filipina Leadership Global Summit in Prague, Czech Republic.

Ricardo M. Pilares III

Atty. Pilares graduated Valedictorian from the Ateneo Law School in 2006 and passed the Philippine Bar examinations in 2007 with the second highest ranking. He also received the Best Thesis Award from the Ateneo Law School for his thesis entitled “Benevolent Neutrality Theory: Retesting and Redefining the Boundaries of the Free Exercise Clause.” After graduating from law school, Mr. Pilares worked in a law firm where he handled corporate work and special projects. Prior to joining MPIC in 2010, Mr. Pilares worked in another law firm where he handled litigation and special projects, particularly energy and infrastructure projects. Mr. Pilares was appointed as MPIC’s Vice President for Legal on 2018. As the Company’s Chief Legal Officer, Mr. Pilares took the lead legal role in various projects of MPIC, including PPP Projects as well as major M&A projects. His role in MPIC continued to expand as he was appointed as Compliance Officer in 2016, Corporate Governance Officer and Corporate Secretary both on 2021.

As Corporate Governance Officer, MPIC gained three golden arrow recognition in 2022 from one golden arrow recognition in 2018 awarded by the Institute of Corporate Directors in its ASEAN Corporate Governance Scorecard Golden Arrow Awards. Mr. Pilares also acts as legal counsel and corporate secretary of MPIC’s various subsidiaries and affiliates.

Atty. Pilares is also a member of the faculty of Ateneo Law School, teaching Statutory Construction and Conflict of Laws. In 2019, he published his first legal textbook entitled, “Statutory Construction: Concepts and Cases.”

Gilbert Gabriel F. Santa Maria

Gilbert Santa Maria has over three decades of executive management experience in senior leadership roles at companies around the world. He is currently the President and CEO of Metro Pacific Tollways Corporation. Prior to MPTC, he advised the Chairman of a specialty chemical business operating in ASEAN and India, as well as the founders of fast-growing technology and services companies in the US. He continues to advise or has previously advised other businesses, such as a large engineering and construction company operating in ASEAN and the Middle East. Furthermore, he is a principal or shareholder in various ventures largely focused on sustainability and technology, a member of the Board of Directors of the publicly listed House of Investments, Inc., and an Independent Director of the publicly listed Chelsea Logistics and Infrastructure Holdings Corp. He is also a member of the Yale School of Management Alumni Advisory Board and a trustee of the University of the Philippines Engineering Research & Development Foundation.

Mr. Santa Maria served as President and COO of the flag carrier Philippine Airlines from 2019 to 2022. He led the restructuring that ensured the current profitability of the 84-year-old flag carrier through the exceptional management of liquidity under catastrophic circumstances, enabling the airline to fulfill global repatriation and cargo missions in support of the national COVID-19 response while assuring its survival. He spearheaded the development and execution of a recovery plan centered on an unprecedented pre-arranged US Chapter 11 filing in the Federal Court of the Southern District of New York. He completed this process in a record four months, securing over 90% creditor support, no unsecured creditor committee, maintaining the full support of unions and employees, and achieving a 100% vote for the plan of reorganization. This achievement was recognized as the "Asia Pacific Deal of the Year" for 2021 by both Airline Economics and Air Finance Journal, announced in the spring of 2022.

Mr. Santa Maria was a key contributor to the success of the Philippine BPO industry beginning in the early 2000s. He was COO of US-based Ibex until the spring of 2018 and, prior to that, was an Operations Executive at Ayala Corporation's LiveIt Investments. In that capacity, he served as COO, CFO, and a board member for LiveIt's investee companies, including US-based IQ BackOffice, UK-based Integreon, and US-based Stream (now part of Concentrix). He also held corporate development, M&A, and various operating roles for Stream and the US-based startup eTelecare Global Solutions before it merged with Stream in 2009.

Mr. Santa Maria also served as COO for the Singapore-based tech startup Similan.com, was the first Executive Director of the Manila-based private equity firm Argosy Partners, and was one of the youngest General Managers of Pepsi-Cola Products Philippines' Manila operations. Previously, he was a management consultant at Booz Allen & Hamilton in New York and began his career as a management trainee at Unilever (previously Philippine Refining Company) in Manila. Born and raised in Mindanao, he earned a Master's degree in Public and Private Management from the Yale University School of Management and holds a Bachelor in Science in Electrical Engineering from the University of the Philippines.

Marisa V. Conde

Ms. Conde is a senior finance executive and Certified Public Accountant (Philippines and U.S.) with extensive leadership experience in comptrollership, treasury, audit, taxation, and corporate finance. She is the Interim Group Chief Financial Officer of Metro Pacific Tollways Corporation (MPTC) and Vice President for Technical Finance at Metro Pacific Investments Corporation (MPIC). Previously, she served as Group Controller and Data Privacy Officer at MPIC, while also acting as CFO/Treasurer for MPIC subsidiaries, including Metropac Water Investments Corp, Metro Pacific Health Tech (mWell), METPower Venture Partners, and Surallah Biogas Ventures.

Prior to joining MPTC and MPIC, her career background spans finance leadership roles in Philippine corporations, such as PLDT Inc., Smart Communications, Inc., and Cignal TV, as well as international practice at Deloitte & Touche LLP and Ernst & Young LLP in the U.S., following early training at SGV/Ernst & Young Philippines.

Ms. Conde earned a Master's in Business Management from the Asian Institute of Management (AIM) as a full-time SGV scholar, and a Bachelor of Science in Business Administration with a major in Accounting from the Pamantasan ng Lungsod ng Maynila. For further education, she completed the Accounting for Sustainability program at the Accounting for Sustainability (A4S) Academy. Ms. Conde is recognized for disciplined financial stewardship, strong governance, sound knowledge of the business and collaborative leadership—anchored by a strategic, innovation-driven mindset.

Jose T. Sio

Mr. Jose T. Sio has served as Director of NLEX Corp since 2010 and is a member of the Company's Executive and Audit Committees. He is concurrently the Chairman Emeritus of the Board of Directors of SM Investments Corporation and a member of the Board of Directors of the following companies listed in the Philippine Stock Exchange (PSE): (i) China Banking Corporation; (ii) Atlas Consolidated Mining and Development Corporation; and (iii) Far Eastern University (as Independent Trustee). He is Adviser to the Board of Directors of PSE-listed BDO Unibank, Inc. Mr. Sio also serves as Director of the following companies not listed in the PSE: (i) Ortigas Land Corporation; (ii) Carmen Copper Corporation; and (iii) First Asia Realty Development Corporation. He is Chairman, President and Trustee of SM Foundation, Inc.

Mr. Sio was a Senior Partner of SyCip Gorres Velayo & Co. (SGV). He was voted as CFO of the Year in 2009 by the Financial Executives of the Philippines (FINEX). He was also awarded as Best CFO (Philippines) in various years by Hong Kong-based business publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset. In June 2022, he received Parangal San Mateo, the highest honor that can be conferred upon an accounting professional by the Philippine Institute of Certified Public Accountants (PICPA). In March 2023, he was honored by the Professional Regulatory Board of Accountancy with the Accountancy Centenary Award of Excellence. In November 2025, Mr. Sio was named an Honorary Life Member by the Philippine Institute of Certified Public Accountants (PICPA).

Mr. Sio is a Certified Public Accountant and holds a Bachelor of Science degree in Commerce, major in Accounting, from the University of San Agustin. He obtained his Master's degree in Business Administration from New York University, U.S.A.

Frederic C. DyBuncio

Mr. Frederic C. DyBuncio has served as Director of the Company since February 2014. He serves as President and Chief Executive Officer of SM Investments Corporation. He is the Chairman of the Board of Atlas Consolidated Mining and Development Corporation. Concurrently, he is the Chairman, President and Chief Executive Officer of 2GO Group, Inc. Prior to holding the post, he was a career banker who spent over 20 years with JP Morgan Chase and its predecessor institutions. During his stint in the banking industry, he was assigned to various executive positions where he gained substantial professional experience in the areas of credit, relationship management and origination, investment banking, capital markets, and general management. He has worked and lived in several major cities including New York, Seoul, Bangkok, Hong Kong and Manila.

Mr. DyBuncio graduated from Ateneo de Manila University with a Bachelor of Science degree in Business Management and finished a Master’s Degree in Business Management program at Asian Institute of Management.

Arlyn Sicangco-Villanueva

Dr. Arlyn Sicangco-Villanueva has served as an Independent Director of the Company since February 2014 and is the Chairman of the Audit Committee of NLEX Corporation. She is also a member of the Compensation and Remuneration Committee of NLEX Corporation. She is a Certified Public Accountant and is currently the Managing Partner of Sicangco Menor Villanueva & Co., CPAs. She was a member of the Board of Trustees of the City College of Angeles from November 2023 to January 2026. She was a member of the Professional Regulatory Commission’s Board of Accountancy from 2016 to 2022.

Dr. Villanueva is a fellow of the Institute of Corporate Directors since 2014. She obtained her Accounting degree from Holy Angel University in 1977. She obtained her Master’s degree in Business Management from the Ateneo Graduate School of Business in 1982 and her Doctorate Degree in Business Administration from the De La Salle Graduate School of Business in 2003, graduating “With Distinction”. In 2011, she completed the Advance Management Program at the Harvard Business School (HBS AMP181); and in 2014, completed the one-year course on Challenges of Leadership at the INSEAD Business School at its Fontainebleau, France campus.

Lisset Laus-Velasco

Ms. Lisset Laus-Velasco has served as an Independent Director since 2019. She is the Chairman and Chief Executive Officer of Laus Group of Companies and the Director of Corporate Guarantee and Insurance Company, Inc. She was also the past President of Entrepreneurs Organization Philippines and Area Director I for EO Southeast Asia. Currently, Ms. Velasco serves as a Trustee of the Philippine Business for Social Progress ("PBSP") and is the Corporate Secretary of Philippine Automotive Dealers Association.

Over the past six years, Ms. Velasco has been recognized by prestigious leadership and entrepreneurship organizations. She was recently conferred the 2026 GawadHuSSAY Scholastican Excellence Award in Professional Practice by St. Scholastica's Pampanga. Her accolades in 2024 include being named the Most Outstanding Kapampangan (MOKA) for Business and an Inquirer Women of Power recipient. In 2023, she was honored in Jakarta, Indonesia, as one of the ten leading female entrepreneurs from the Philippines by the ASEAN Women Entrepreneurs Network. This followed her 2022 recognition as the Ernst & Young Women Entrepreneur of the Year Philippines. Furthermore, she remains the only woman to receive the 2021 Ford Motor Company Salute to Dealer award globally, serving as the sole representative for the International Markets Group.

Ms. Velasco graduated from Dela Salle University - College of Saint Benilde with a degree in Bachelor of Arts Major in Human Resource Management. She obtained her Master's degree in Business Management in Asian Institute of Management.

Emmanuel G. Herbosa

Mr. Herbosa was elected as an Independent Director of the Company on April 1, 2024.

Mr. Herbosa has served as the President and CEO of the Development Bank of the Philippines (DBP) from March 2019 to January 2023. Prior to joining DBP, he also served as the President and CEO of the Philippine Export-Import Credit Agency, Executive Vice President of the Bank of Commerce, and Senior Vice President of Bank of the Philippine Islands.

Mr. Herbosa graduated from Dela Salle University with a degree in Bachelor of Science in Industrial Management Engineering in 1975. He earned his Master's degree in Business Administration from Wharton School of the University of Pennsylvania in 1979.

Independent Directors of the Board

As of the date of this report, the Company's Board of Directors has three independent directors.

The independent directors shall have at least one (1) share of the stock of the Company in their respective names, are college graduates and possess integrity, probity and assiduousness. They are persons who, apart from their shareholdings in the Company and fees received as directors of the Company, are independent of management and the controlling stockholders and are free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

The independent directors of the Company do not possess any of the disqualifications enumerated under the Revised Manual of Corporate Governance of the Company.

EXECUTIVE / CORPORATE OFFICERS

The name, age, citizenship and position of the executive officers and other key officers of NLEX Corp as of April 8, 2026 are as follows:

Name	Age	Citizenship	Position	Year Position was Assumed
Manuel V. Pangilinan*	79	Filipino	Chairman of the Board	2008
Luis S. Reñon*	56	Filipino	President and General Manager	2025
Marisa V. Conde*	55	Filipino	Treasurer	2025
Maria Theresa O. Wells	58	Filipino	Chief Finance Officer and Senior Vice President for Finance	2016
Ma. Corazon Joy S. Orig	51	Filipino	Compliance Officer and Vice President for Legal Services	2023
Enrico C. Rullan	41	Filipino	Chief Audit Officer and Vice President	2021
Maria Anthonette V. Allones	56	Filipino	Senior Vice President – Human Resources and Administration	2025
Alex Erlito S. Fider	72	Filipino	Corporate Secretary	2008

* *Member of the Board*

Maria Theresa O. Wells

Ms. Maria Theresa O. Wells was appointed as the Chief Finance Officer of NLEX Corp in January 2016. Prior to this, she has been the Vice President for Treasury & Comptrollership of the Company since December 2005. She has more than 20 years of experience in various fields of financial management, ranging from project finance, liability management, comptrollership and supply chain management. Prior to joining NLEX Corp, she was assistant to the Chief Finance Officer of a publicly-listed holding company where she handled various finance-related assignments, including full-time secondment to project companies and acquisitions. Prior to taking her post-graduate degree, she started her career with the management consultancy services division of SGV & Co. Ms. Wells received her Master's in Business Management degree from the Asian Institute of Management in 1995 and her undergraduate degree from the University of the Philippines at Los Baños in 1987.

Maria Anthonette V. Allones

Atty. Tonette Velasco-Allones is the Chief Human Resources Officer of MPTC. She has 30 years of professional experience in organization development and strategic human resource management, having led several public sector reorganizations and change management. She has extensive practice in organizational restructuring and staffing, compensation administration, employee engagement, lifelong learning and talent development. She is a certified Transition Quotient Coach.

Atty. Velasco-Allones holds a Master in Public Management from the joint program of the Lee Kuan Yew School of Public Policy-National University of Singapore and Kennedy School of Government-Harvard University. She also completed her Masters in National Security and

Administration from the National Defense College of the Philippines. She is a Political Science graduate from the University of the Philippines where she also obtained her Bachelor of Laws and Juris Doctor degrees. She also completed the Certificate Program on Strategic HR Transformation and Organizational Development from Pennsylvania State University. She holds the distinction as the only Ten Outstanding Young Men (TOYM) Awardee for Human Resource Development.

Ma. Corazon Joy S. Orig

Atty. Ma. Corazon Joy Somera Orig is the Vice President for Legal Services and Compliance Officer of NLEX Corporation. Atty. Orig obtained her Juris Doctor and undergraduate degree from the University of the Philippines. Prior to joining the Company in 2004, she was Legal Manager for a bank and a Legal Associate of Castillo Laman Tan Pantaleon and San Jose Law Offices. Her legal practice covered banking and corporate law, labor and immigration law, and litigation. After 14 years with the Company, Atty. Orig was appointed as the Legal Services Division Head of MPCALA Holdings, Inc., Cavite Infrastructure Corporation, and Metro Pacific Tollways South Management Corporation, where she handled various legal and regulatory issues and requirements of the Cavite Laguna Expressway and the Manila-Cavite Toll Expressway Projects, from 2018 to 2023.

Enrico C. Rullan

Mr. Enrico C. Rullan is the Chief Audit Officer of NLEX Corp, a position he has held since August 2021. He leads the Internal Audit function and is responsible for strengthening governance, risk management, and internal controls across the organization. He provides independent assurance to senior management and the Audit Committee, supporting the company's strategic objectives and operational excellence.

Mr. Rullan has over 20 years of professional experience in audit, risk, and financial advisory. Prior to joining NLEX, he was a Senior Director in the Banking and Capital Markets Group of SGV & Co., where he led audit engagements for banks and financial institutions. His experience includes audits of large and listed entities, capital market transactions, and advisory on complex accounting and regulatory matters.

He also has international experience through SGV's secondment program, having worked at the EY Global IFRS Desk in London and the EY Singapore Capital Markets Centre, where he supported global clients on financial reporting and capital markets activities.

Mr. Rullan completed his Executive Master in Business Administration at the Asian Institute of Management and the Strategic Business Economics Program at the University of Asia and the Pacific. He holds a Bachelor of Science in Accountancy from Wesleyan University-Philippines. He is a Certified Public Accountant and a Certified Internal Auditor.

Alex Erlito S. Fider

Atty. Alex Erlito S. Fider is the Corporate Secretary of NLEX Corp. since 2008. He serves as the Director and Corporate Secretary of MPTC, and as Corporate Secretary of several of MPTC's subsidiaries, including MPT North, Inc., MPCALA Holdings, Inc., and Cebu Cordova Link Expressway Corporation. He also serves as Corporate Secretary of Smart Communications, Inc., Maynilad Water Services, Inc., Voyager Innovations, Inc. and Maya Bank, Inc., and as Director of Roxas Holdings, Inc., Mediaquest Holdings, Inc., Cignal TV, Inc. and BusinessWorld Publishing Corporation.

Atty. Fider is a special counsel and one of the founding partners of Picazo Buyco Tan Fider Santos & Dee Law Offices. His legal career spans over three decades of active involvement in corporate transactions and projects that involved legal counseling on Philippine law, including legal advice on the appropriate transaction structure, crafting of documents and legal diligence audit, and as lead counsel in corporate acquisitions and investments, joint ventures, privatizations, corporate finance, divestments and restructuring. He has been consistently recognized by the Asian Business Law Journal as one of the top 100 Philippine lawyers for several years and is ranked among the leading lawyers in the Philippines in the fields of mergers and acquisitions and corporate finance.

Atty. Fider is a fellow of the Institute of Corporate Directors and a member of Financial Executives Institute of the Philippines. He also serves on the Board of Trustees of non-profit organizations such as the Metropolitan Manila Cathedral Basilica Foundation and Alagang Kapatid Foundation.

Atty. Fider obtained his degrees in Economics and Law from the University of the Philippines. He was awarded the Dean's Medal for Academic Excellence by both the UP School of Economics and the UP College of Law, where he graduated fourth in the Class of 1984. He was admitted to the Philippine Bar in 1985 and has completed specialized courses on Strategic Business Economics and Corporate Governance in the Philippines and Australia, respectively.

Significant Employees

While all employees are expected to make a significant contribution to the Company, there is no employee, nor an executive officer, who is expected to make a significant contribution to the business of the Company on his or her own.

Family Relationships

None of the directors/independent directors and executive officers of the Company or persons nominated to such positions has any family relationships up to the fourth civil degree either by consanguinity or affinity.

Involvement of Directors and Officers in Certain Legal Proceedings

The Company is not aware, and none of the directors/independent directors and executive officers or persons nominated for election to such positions has informed the Company, of any of the following events that occurred during the past five years:

(a) any bankruptcy petition filed by or against any business of which a director/independent director or executive officer or person nominated to become a director/independent director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;

(b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any director/independent director or executive officer or person nominated to become a director/independent director or executive officer;

(c) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director/independent director or executive officer or person nominated to become a director/independent director or executive officer in any type of business, securities, commodities or banking activities; and

(d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any director/independent director or executive officer or person nominated to become a director/independent director or executive officer, has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Item 10. Executive Compensation

Compensation of Directors

Article III, Section 8 of NLEX Corp's By-Laws provides that the remuneration of the Directors shall be determined by, and be subject to the approval of, the shareholders.

The Directors each receive per diems amounting to ₱20,000.00 for their attendance to board meetings and ₱20,000.00 for their attendance to committee meetings. There are no other arrangements for compensation either by way of payments for committee participation or consulting contracts. The Directors do not have employment contracts except for Executive Directors.

Compensation

The following table below sets forth the total annual compensation (salary and other variable pay) paid in 2023 to 2025 to: (i) the President and General Manager and the four (4) most highly compensated officers of NLEX Corp as a group, and (ii) all other executive officers, and other officers, as a group.

Name*	Position	Year	Salary (₱ millions)	Bonus (₱ millions)**
1. Maria. Theresa O. Wells 2. Denn Charly Espanola 3. Donna Kristine F. Marcelo 4. Francis Gerard E. Aberilla 5. Fernando M. Autor	SVP VP VP VP VP			
President and General Manager and four highest-compensated executive officers		2025 2024 2023	51.5 77.6 72.6	8.9 23.5 24.1
All other executive officers and managers as a group (excluding the President and General Manager and four highest-compensated executive officers)		2025 2024 2023	286.4 266.6 246.5	49.2 74.0 77.1

**The current President and General Manager, Luis S. Reñon, has been seconded from an MVP Group company and has received compensation from another company for the period 2025. The former President and General Manager, Jose Luigi L. Bautista, who retired effective December 20, 2024, received compensation from the Company for the period 2023 up to 2024.*
***Bonus includes 13th month pay, 14th month pay, and performance bonus.*

The executive officers are covered by standard employment contracts and employees' retirement plan and can be terminated upon appropriate notice. There are no other special arrangements pursuant to which any director was compensated. There is no compensatory plan or arrangement for the termination, resignation, or retirement of a member of the Board.

Long-Term Incentive Plan

NLEX Corp's long-term incentive plan, or LTIP, is a cash plan that is intended to provide meaningful and contingent financial incentive compensation for eligible executives, officers and advisors of MPTC and its subsidiaries (the "MPTC Group"), who are consistent performers and contributors to the achievement of the long-term strategic plans and objectives, as well as the functional strategy and goals of the MPTC Group. The LTIP is administered by the Executive Compensation Committee ("ECC") and the Board of Directors which has the authority to determine: (a) eligibility and identity of participants; (b) the award attributable to each participant based on the participant's annual base compensation and taking into account such participant's seniority, responsibility level, performance potential, tenure with the MPTC Group, job difficulty and such other measures as the Committee deems appropriate; (c) the level of achievement of the performance objectives; and (d) the actual award payable to each participant based on the level of achievement of the performance objectives. The LTIP payable of the Company will be based on profit targets for the covered performance cycle.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Records and Beneficial Owners of more than 5% as of April 8, 2026:

Title of class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Out-standing
Common	Metro Pacific Tollways Corporation 5th floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Barangay Ugong, 1604 Pasig City, Philippines	Same as record owner	Filipino	13,772,972	73.32%
Common	BDO Unibank, Inc. BDO Corporate Center, 7899 Makati Avenue, Makati City	Same as record owner	Filipino	2,276,469	12.12%
Common	MPT North, Inc. (formerly Egis Investment Partners Philippines Inc.), 5th Floor, Rockwell Business Center Tower 1, Ortigas Avenue, Brgy. Ugong, Pasig City	Same as record owner	Filipino	1,977,726	10.53%

(b) Security Ownership of Directors and Management as of April 8, 2026:

Title of Class	Name of Shareholder	Amount and Nature of Ownership	Citizenship	% of Outstanding
Common	Manuel V. Pangilinan	1 share (of record)	Filipino	0.00%
Common	Jose Ma K. Lim	1 share (of record)	Filipino	0.00%
Common	Ricardo M. Pilares III	1 share (of record)	Filipino	0.00%
Common	June Cheryl A. Cabal-Revilla	1 share (of record)	Filipino	0.00%
Common	Gilbert Gabriel F. Santa Maria	1 share (of record)	Filipino	0.00%
Common	Marisa V. Conde	1 share (of record)	Filipino	0.00%
Common	Luis S. Reñon	1 share (of record	Filipino	0.00%
Common	Jose T. Sio	1 share (of record	Filipino	0.00%
Common	Frederic C. DyBuncio	1 share (of record)	French	0.00%
Common	Arlyn Sicangco-Villanueva	1 share (of record)	Filipino	0.00%
Common	Lisset Laus-Velasco	1 share (of record)	Filipino	0.00%
Common	Emmanuel G. Herbosa	1 share (of record)	Filipino	0.00%

None of the members of the NLEX Corp's Board of Directors and Management owns 2.0% or more of the outstanding capital stock of NLEX Corp.

(c) Voting Trust Holders of 5% or more

NLEX Corp is not aware of any person holding more than 5% of common shares under a voting trust or similar agreement.

(d) Changes in Control

No change in control in the Company has occurred since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

NLEX Corp, in the ordinary course of business, has entered into transactions with stockholders, affiliates, and other related parties principally consisting of advances and reimbursement of expenses, construction contracts, and development, management, underwriting, marketing, leasing and administrative service agreements. Sale and purchase of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

Except for the transactions discussed in Note 18 (Related Party Disclosure) to the accompanying financial statements, there were no other material related party transactions during the last three financial years, nor are there any material transactions currently proposed between NLEX Corp and any: (i) director or executive officer, direct or indirect owner of 10% or more of the outstanding shares in NLEX Corp; (ii) close family member of such director, executive officer or owner; (iii) associates of NLEX Corp; (iv) enterprises controlling, controlled by or under common control with NLEX Corp or (v) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any director, executive officer or owner of 10% or more of the outstanding shares in NLEX Corp or any close family member of such director, executive officer or owner.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company recognizes the importance of corporate governance in building and sustaining its long-term growth and profitability as well as enhancing stakeholders' interests in the Company. The Company believes that the practice of corporate governance beyond mere compliance with rules and legislation, through a process of developing the proper competencies in order to establish an ethical corporate culture of principled business within the framework of its core values of accountability, integrity, fairness, and transparency. As strong advocates of accountability, transparency, and integrity in all aspects of the business, the Board of Directors, management, officers, and employees of NLEX Corp commit themselves to the principles and best practices of governance in the attainment of its corporate goals.

Policies

The basic mechanisms for corporate governance are principally contained in NLEX Corp's Articles of Incorporation and By-Laws. These constitutive documents lay down, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board and officers of NLEX Corp.

The NLEX Corp's Corporate Governance Manual ("Governance Manual") is based on the Corporate Governance Manual of its parent company, the MPTC which was adopted and approved by the MPTC Board of Directors on February 3, 2014. On July 2, 2019, the NLEX Corp formally adopted the MPTC Corporate Governance Manual which supplements and complements its Articles of Incorporation and By-Laws by institutionalizing the principles of good governance that the Board of Directors and management believe to be a necessary component of sound business management. It was adopted pursuant to the various administrative issuances of the SEC which sought to codify rules and principles of Corporate Governance beginning with the Code of Corporate Governance, or the Philippine SEC Governance Code, that was promulgated by the SEC, under SEC Memorandum Circular No. 2, Series of 2002, dated April 5, 2002, which was amended by SEC Memorandum Circular No. 6, Series of 2009 dated June 22, 2009, SEC Memorandum Circular No. 9, Series of 2014 dated May 6, 2014, and SEC Memorandum Circular No. 19, Series of 2016 dated November 22, 2016. It was updated in 2020 in line with SEC Memorandum Circular No. 24 Series of 2019 dated December 19, 2019 and was further updated on May 2, 2022, when NLEX Corp adopted its Revised Corporate Governance Manual (the "Revised Corporate Governance Manual").

In compliance with the current Philippine SEC Governance Code and consistent with the relevant provisions of the Securities Regulation Code and the Revised Corporation Code of the Philippines, the Revised Corporate Governance Manual covers the following key areas:

1. The qualifications and grounds for disqualification for directorship;

2. The requirement that at least three (3) Independent Directors or such number as to constitute 1/3 of the members of the Board of Directors and the standards/criteria for the determination of independent directors;

3. The duties and responsibilities of the Board of Directors and the individual directors;

4. The requirement on board diversity and limitation on multiple board seats;

5. The adoption of principles on enterprise risk management, related party transactions, and significant influence;

6. The Board committees, specifically, the nomination committee, audit and risk committee, corporate governance committee, and compensation and remuneration committee, the composition and the principal duties and responsibilities of such committees and grounds for permanent and temporary disqualification;

7. The active role of the chairman in board meetings in ensuring compliance with the corporate governance principles;

8. Self-assessment of the Board of Directors and assessment of Management by the Board of Directors;

9. The role of NLEX Corp's president/chief executive officer in ensuring that NLEX Corp's organizational and procedural controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts;

10. The duties and responsibilities of the corporate secretary/assistant corporate secretary in terms of the support services that they need to provide the Board in upholding sound corporate governance;

11. The duties and responsibilities of the head of the internal audit organization that would provide the board of directors, management and shareholders with reasonable assurance that the key organizational and procedural controls are appropriate, adequate, effective and reasonably complied with;

12. The functions of the independent auditors that would reasonably ensure an environment of sound corporate governance as reflected in the financial records and reports; the requirement that non-audit work of the independent auditors should not conflict with their function as independent auditors; the requirement to rotate, at least once every five years, the independent auditors or the lead partner assigned to handle the independent audit of the financial statements;

13. The commitment to respect and promote shareholders' rights such as voting right, pre-emptive right, inspection right, dividend right, appraisal right, and right to receive information about the background, business experience, compensation and shareholdings of the directors and officers and their transactions with us;

14. The requirement to appoint a compliance officer and the active duties and responsibilities of such compliance officer including the establishment of an evaluation system to determine and measure compliance with the provisions of the Governance Manual; and

15. The penalties for violations of the Governance Manual.

NLEX Corp also has a Code of Commitment ("Code"). The Code defines the behavior that is acceptable or not acceptable within the organization. It details the offenses versus the Company's or the person's property, the schedule of penalties for each offense according to its gravity, and the grievance process, and defines the roles of the different people involved in disciplinary action. The Code covers all Directors, employees, consultants, product and service providers, and anyone who acts in the name of NLEX Corp.

NLEX Corp also adopted the MPTC Code of Business Conduct and Ethics which sets forth the Company's business principles and values that guide and govern all business relationships of the Company, its directors, officers, and employees, including their decisions and actions when performing their respective duties and responsibilities. The spirit of the said Code means that all actions of the Company, must, at all times, be consistent with the principles of accountability, integrity, fairness, and transparency.

Apart from the Revised Corporate Governance Manual and the Code of Business Conduct and Ethics, NLEX Corp also adopted on July 2, 2019 the various Corporate Governance Policies of the MPTC, its parent company, as follows:

1. Conflict of Interest Policy
2. Related Party Transactions Policy
3. Policy on Gifts, Entertainment, and Sponsored Travel
4. Policy on Gift Giving Activities
5. Insider Trading Policy; and
6. Policy on Handling of Employee Whistleblowing

In a meeting of its Board of Directors on March 4, 2024, NLEX Corp adopted the following MPTC policies:

1. Anti-Corruption and Anti-Bribery Policy; and
2. Policy on the Respect for and Protection of the Rights of the People.

Board of Directors

Key Roles

The Board of Directors is the highest authority in matters of governance. The Board establishes the vision, mission, and strategic direction of NLEX Corp, monitors over-all corporate performance, and protects the long-term interests of the various stakeholders by ensuring transparency, accountability, and fairness. The Board exercises an oversight role over the risk management function while ensuring the adequacy of internal control mechanisms, reliability of financial reporting and compliance with applicable laws and regulations. In addition, certain matters are reserved specifically for the Board's disposition, including the approval of corporate operating and capital budgets, major acquisitions and disposals of assets, major investments and changes in authority and approval limits.

Composition

The Board consists of thirteen (13) seats. They bring together immense value in terms of experience in running and directing various businesses and organizations. This expertise is applied in good measure to the pursuit of NLEX Corp's continued growth and profitability. Such a commitment requires, as well, a keen observance of corporate governance principles and policies adopted to ensure the objective and effective performance of its oversight functions over management.

The Board currently has three (3) independent directors with no material relationship with NLEX Corp. They are Dr. Arlyn Sicangco-Villanueva, Ms. Lisset Laus-Velasco, and Mr. Emmanuel G. Herbosa. These directors are independent of management, and free from any relationship with NLEX Corp that may interfere with their judgment.

At present, twelve (12) of the thirteen (13) seats of the Board are occupied. Eleven (11) out of the thirteen seats (13) seats of the Board are occupied by either Non-Executive Directors or Independent Directors and thus, Non-Executive Directors and Independent Directors compromise a majority of the Board.

To further enhance Board independence, NLEX Corp maintains the practice of keeping the posts of Chairman of the Board and the President and General Manager separate. Each position has been given distinct and separate duties and responsibilities pursuant to the provisions of NLEX Corp's By-Laws and Governance Manual.

Selection of Directors

The Board itself is responsible for screening its own members and in recommending them for nomination by the Nomination Committee. The Chairman and the President and General Manager have direct input in the screening process while the final set of the nominees for directors is determined by the Nomination Committee. Directors are elected during the annual stockholders' meeting; however, in case of vacancies (due to causes other than removal by the stockholders or by expiration of term) in the Board between annual stockholders' meetings, the Board if still constituting quorum, may elect directors who shall serve for the remaining portion of the term of the previous directors until their successors are elected and duly qualified.

Mix of Directors

Consistent with the policy on diversity, there is a mix of executive, non-executive, and independent directors on the Board. Senior management executives of NLEX Corp (other than the Chairman, and the President and General Manager) attend Board meetings on a regular basis even though they are not members of the Board. On matters of corporate governance, while the Board assumes decisions will be made by the Directors, inputs on any policy formulation and discussion from Directors who are employees are welcome and expected unless the issue involves an actual conflict of interest with such Directors.

Criteria for Independence for Independent Directors

The Board assesses the independence of each director and of each individual nominated for election to the Board as an independent director. As part of this analysis, the Board must review and conclude whether each nominee for independent director satisfies the requirements of the rules of the SEC, the By-Laws and the Governance Manual. Independent directors (i) are not directors or officers or substantial stockholders of NLEX Corp or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of NLEX Corp, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of NLEX Corp, or any of its related companies or any of its substantial shareholders; (iv) not a securities broker-dealer of listed companies and registered issuers of securities; (v) have not been employed in any executive capacity by NLEX Corp, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (vi) are not retained as professional advisers by NLEX Corp, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vii) have not engaged and do not engage in any transaction with NLEX Corp or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial, (viii)not affiliated with any non-profit organization that receives significant funding from NLEX Corp or any of its related companies or substantial shareholders, and (viii) do not own more than 2% of the shares of NLEX Corp and/or its related companies or any of its substantial shareholders.

Board Performance

The Board regularly meets to review the performance of NLEX Corp and approve any pertinent plans, budgets, and financial statements, set guidelines for management and discuss any various matters requiring Board attention and approval. Any member of the Board may ask management to give special reports and analysis on certain issues.

The regular meetings of the Board are normally held at least six (6) times a year, in addition to the special meetings of the Board and the annual organizational board meeting. Eleven (11) board meetings were held in 2025. The attendance of the individual Directors at these meetings is duly recorded, as follows:

	Regular and Special Meetings	
	Present	**Absent**
Manuel V. Pangilinan	6	5
Jose Ma. K. Lim	11	-
June Cheryl Cabal-Revilla	11	-
Atty. Ricardo M. Pilares III	11	-
Gilbert Gabriel F. Santa Maria*	3	-
Marisa V. Conde*	3	-
Luis S. Reñon	11	-
Jose T. Sio	11	-
Frederic C. DyBuncio	11	-
Dr. Arlyn Sicangco-Villanueva	11	-
Lisset Laus-Velasco	11	-

	Regular and Special Meetings	
	Present	**Absent**
Emmanuel G. Herbosa	11	-

**Elected as Director on 21 October 2025.*

Prior to the Board meetings, all of the Directors are provided with board materials which include reports on NLEX Corp's strategic, operational and financial performance and other regulatory matters. The Board is also supported by the Corporate Secretary who, among other functions, oversees the flow of information to the Board prior to the meetings and who serves as adviser to the Directors relevant issues presented to the Board. The members of the Board also have access to management should they need to clarify matters concerning items submitted for their consideration.

Board Committees

The Board of Directors is authorized under the Company's By-Laws to create committees, as it may deem necessary. In addition to the executive committee, there are four (4) other standing Board committees, namely, (1) the audit committee, (2) the corporate governance and risk committee, (3) the nomination committee, and (4) the compensation and remuneration committees.

<u>A. Audit Committee</u>

In October 2020, the Audit and Risk Committee was renamed into the Audit Committee while the risk function was moved to the Corporate Governance Committee which was renamed as the Governance and Risk Committee.

NLEX Corp's Audit Committee is composed of four (4) voting members, all of whom are members of the Board of Directors, preferably with accounting and finance backgrounds, and one (1) of whom must be an independent director and another with audit experience. The Audit Committee is chaired by an independent director.

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibility for: (i) NLEX Corp's accounting and financial reporting principles and policies and internal audit controls and procedures; (ii) the integrity of NLEX Corp's financial statements and the independent audit thereof; (iii) NLEX Corp's compliance with legal and regulatory requirements; (iv) the performance of the internal audit organization and the external auditors, and (v) the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. To carry its direct responsibility for the appointment, setting of compensation, retention and removal of the external auditors, the Audit Committee has the following duties and powers:

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.

- Check all financial reports for compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements.

- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management. This function shall include the regular receipt from management of information on risk exposures and risk management activities.

- Perform direct interface functions with the internal and external auditors. To ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel in the performance of their respective audit functions.

- Review of the annual audit plan to ensure its conformity with the objectives of NLEX Corp. The plan includes the audit scope, resources and budget necessary to implement it.

- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

- Organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal.

- Monitor and evaluate the adequacy and effectiveness of NLEX Corp's internal control system, including financial reporting control and information technology security.

- Review the reports submitted by the internal and external auditors.

- Review the quarterly, half-year and annual financial statements before its submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Major judgment areas
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements

- Coordinate, monitor and facilitate compliance with laws, rules and regulations.

- Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform:
  - A definitive timetable within which the accounting system of NLEX Corp will be 100% Philippine Accounting Standard (PAS) compliant.
  - An accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task.

- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout NLEX Corp through a step-by-step procedures and policies handbook that will be used by the entire company.

- Coordinate, monitor and facilitate compliance with laws, rules and regulations.

- Evaluate and determine non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to NLEX Corp's overall consultancy expenses to disallow any non-audit work that will conflict with external auditor's duties and poses a threat to his independence. Non-audit works, if allowed, are disclosed in NLEX Corp's annual report.

- Establish and identify reporting line of the Chief Audit Executive to properly enable him or her to fulfil his or her duties and responsibilities. The Chief Audit Executive shall functionally report directly to the Audit Committee.

- To ensure that the performance of the work of Chief Audit Executive is free from interference by outside parties.

The Audit Committee also has the authority to retain or obtain advice from special counsel or other experts or consultants in the discharge of their responsibilities without the need for Board approval.

Internal Audit

To ensure independence, the Chief Audit Executive, head of the internal audit organization, reports functionally to the Audit Committee and administratively to a member of senior management. He is accountable to management and the Audit Committee in the discharge of his duties and is required to:

1. Provide annually an assessment on the adequacy and effectiveness of NLEX Corp's processes for controlling the corporation's activities and managing its risks;
2. Report significant issues related to the processes of controlling NLEX Corp's activities, including potential improvements to those processes, and provide information concerning such issues;
3. Periodically provide information on the status and results of the annual audit plan and the sufficiency of NLEX Corp's internal audit organization's resources; and
4. Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, and external audit).

The internal audit organization has a charter that has been approved by the Audit Committee. It seeks to comply with the Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors in the discharge of its scope of work and responsibilities.

Audit Committee Report

The Audit Committee meets at least once every year and invites non-members, including the President and General Manager, Chief Finance Officer, independent and internal auditors, and other key persons involved in company governance, to attend meetings where necessary.

During these meetings:

- The committee reviews the financial statements and all related disclosures and reports certified by the Chief Finance Officer and released to the public and/or submitted to the Philippine SEC for compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. The committee, after its review of the annual audited financial statements and interim quarterly unaudited financial statements of NLEX Corp endorses these to the Board for approval.

- The committee meets with the internal and independent auditors, and discusses the results of their audits, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal controls and compliance issues.

- The committee reviews the performance and recommends the appointment, retention or discharge of the independent auditors, including the fixing of their remuneration, to the full Board. On an annual basis, the committee also assesses the independent auditor's qualifications, skills, resources, effectiveness and independence. The committee also reviews and approves the proportion of audit and non-audit work both in relation to their significance to the auditor and in relation to NLEX Corp's total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the independent auditor.

- The committee reviews the plans, activities, staffing and organizational structure and assesses the effectiveness of the internal audit function, including conformance with international standards.

- The committee provides oversight of the financial reporting and operational risks, specifically on financial statements, internal controls, legal or regulatory compliance, corporate governance, risk management and fraud risks. The committee also reviews the results of management's annual risk assessment exercise.

- The committee assists the Board in ensuring that there is an effective and integrated risk management process in place. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.

To ensure compliance with regulatory requirements and assess the appropriateness of the existing charter for enabling good corporate governance, the committee also reviews and assesses the adequacy of its charter annually, seeking Board approval for any amendments.

B. Corporate Governance and Risk Committee

The Corporate Governance and Risk Committee is primarily tasked to assist the Board in the performance of its corporate governance responsibilities The Governance and Risk Committee is currently composed of five directors, two of whom are Independent Directors.

The chairperson is an Independent Director. The Governance and Risk Committee has the following duties and responsibilities:

- Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity of operations and business strategy, as well as its business and regulatory environments;

- Oversee the periodic performance evaluation of the Board and the Board Committees as well as the executive management, and conduct an annual evaluation of the said performance;

  Ensure that the results of the Board evaluation are discussed, and that concrete plans are developed and implemented to address the identified areas for improvement;

- Recommend the continuing education/training programs for directors, assignment of tasks/projects to Board Committees, succession plan or the members of the Board and senior officers, and remuneration packages for corporate and individual performance;

- Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;

- Propose and plan relevant trainings for the members of the Board;

- Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;

- Oversee the implementation of the enterprise risk management plan in line with the MPTC Group Enterprise Risk Management (ERM) framework. The Governance and Risk Committee conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

- Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Governance and Risk Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;

- Advise the Board on its risk appetite levels and risk tolerance limits;

- Review at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;

- Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;

- Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and

- Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

C. Nomination Committee

The Nomination Committee is composed of three (3) voting members, all of whom are regular members of the Board of Directors and one (1) of whom must be independent, and one (1) non-voting member in the person of the Human Resource Director/Manager.

The principal functions and responsibilities of the Nomination Committee are to:

- review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval;

- assess the effectiveness of the Board's processes and procedures in the election or replacement of directors; and

- pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications set forth in the Company's Manual on Corporate Governance.

D. Compensation and Remuneration Committee

The Compensation and Remuneration Committee is composed of three (3) voting members, all of whom are regular members of the Board of Directors and one (1) of whom must be independent.

The principal functions and responsibilities of the Compensation and Remuneration Committee are to:

- establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of Directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with NLEX Corp's culture, strategy and control environment;

- designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run NLEX Corp successfully;

- establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers;

- develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;

- disallow any director to decide his or her own remuneration;

- provide in NLEX Corp's annual reports, information and proxy statements a clear, concise and understandable disclosure of all fixed and variable compensation paid, directly or indirectly, to its executive officers, directors and management officers for the previous fiscal year and the ensuing year; and

review the existing Human Resources Development Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

As of April 8, 2026, the members of each Board committee are as follows:

	Audit Committee	**Nomination Committee**	**Compensation and Remuneration Committee**	**Corporate Governance and Risk Committee**
Chairman	Arlyn Sicangco-Villanueva (Ind.)	Jose Ma. K. Lim	Manuel V. Pangilinan	Lisset Laus-Velasco (Ind.)
Members	Lisset Laus-Velasco (Ind.) Jose T. Sio Jose Ma. K. Lim Emmanuel G. Herbosa (Ind.)	Luis S. Reñon Lisset Laus-Velasco (Ind.)	Jose Ma. K. Lim Arlyn Sicangco-Villanueva (Ind.)	Luis S. Reñon Frederic C. DyBuncio Arlyn Sicangco-Villanueva (Ind.) Emmanuel G. Herbosa (Ind.)
Non-voting Member		Maria Anthonette V. Allones		

Compliance Officer

NLEX Corp has appointed a Compliance Officer in the person of Atty. Ma. Corazon Joy S. Orig who is tasked to ensure the Company's observance of corporate governance best practices and provide recommendations to the Board for continuous improvement towards full compliance and adoption of global best practices.

Deviations from the Company's Manual of Corporate Governance

As of April 8, 2026, the Company is in the process of fully implementing the provisions of its Manual on Corporate Governance.

PART V - EXHIBITS AND SCHEDULES

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

Exhibits

The Company's Audited Financial Statements for the period ended December 31, 2025, 2024 and 2023 are attached herewith as Exhibit A.

Reports on SEC Form 17-C

The following are the filed SEC 17-C for the past twelve months:

Disclosure	Date
1. Results of May 30, 2025 Annual General Meeting ("AGM")	5/30/2025
2. Results of June 20, 2025 Special Board Meeting *(Declaration of Cash Dividends)*	6/20/2025
3. Press Release on NLEX Statement regarding the temporary toll relief from Balintawak to Meycauayan during Marilao Bridge repair	6/21/2025
4. Election of Mr. Luis S. Reñon as the President and General Manager of the NLEX Corporation and scheduling of the Special Stockholders' Meeting	9/1/2025
5. Press Release on NLEX Statement regarding the collection of the final tranche of periodic toll rate adjustments for SCTEX	9/6/2025
6. Result of October 21, 2025 Special Stockholders' Meeting	10/21/2025
7. Results of March 6, 2026 Regular Board Meeting *(Declaration of Cash Dividends and Scheduling of Annual Stockholders' Meeting)*	3/6/2026
8. Implementation of the Kaagapay sa Biyahe (KaBiyahe) toll rebate program within NLEX	3/20/2026
9. Extension of the Kaagapay sa Biyahe (KaBiyahe) toll rebate program to SCTEX	3/21/2026

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on APR 14 2026.

By:

Luis S. Reñon
President and General Manager

Maria Theresa O. Wells
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this APR 14 2026 affiant(s) exhibiting to me his/their Competent Evidence of Identity, as follows:

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUE	PLACE OF ISSUE
Luis S. Reñon	Passport No. P1140605B	21 March 2019	DFA Manila
Maria Theresa O. Wells	Passport No. P8579456A	3 September 2018	DFA NCR South

Notary Public
VIVIEN ROSE C. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85310
PTR No. 10766609/Makati City/01-02-2026
IBP No. 536187/Quezon City/12-23-2025
MCLE No. VIII-0026215/April 7, 2025

Doc No. 169;
Page No. 35;
Book No. V;
Series of 2025.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on APR 14 2026.

By:

Alex Erlito S. Fider
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 14 2026 affiant(s) exhibiting to me his Competent Evidence of Identity, as follows:

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUE	PLACE OF ISSUE
Alex Erlito S. Fider	Passport No. P56548874A	17 January 2018	DFA, Manila

Notary Public
VIVIEN ROSE C. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
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MCLE No. VIII-0026215/April 7, 2025

Doc No. 172;
Page No. 36;
Book No. V;
Series of 2026.

NLEX CORPORATION
A METRO PACIFIC TOLLWAY COMPANY

April 8, 2026

BUREAU OF INTERNAL REVENUE
BIR National Office Bldg.,
Agham Road, Diliman,
Quezon City, Philippines

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **NLEX Corporation** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2025.** Management is likewise responsible for all the information contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value-added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2025** and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

LUIS S. REÑON
President and General Manager

MARIA THERESA O. WELLS
Chief Finance Officer

SUBCRIBED AND SWORN TO before me, a Notary Public for and in the MAKATI CITY, this APR 14 2026, affiants being personally known to me and assigned this instrument in my presence and avowed under penalty of law to the whole truth of contents thereof.

Name	Government Issued ID No.	Date/Place Issued
Luis S. Reñon	Passport No. P1140605B	21 March 2019/ DFA Manila
Maria Theresa O. Wells	Passport No. P8579456A	3 September 2018/ DFA NCR South

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 170 ;
Page No. 35 ;
Book No. V ;
Series of 2026.

VIVIEN ROSE C. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V Dela Costa Street, Makati City
Roll of Attorney's No. 85310
PTR No. 10766609/Makati City/01-02-2026
IBP No. 536187/Quezon City/12-23-2025
MCLE No. VIII-0026215/April 7, 2025

NLEX
CORPORATION
A METRO PACIFIC TOLLWAY COMPANY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **NLEX Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2025 and 2024,** in accordance with the Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SGV and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

MANUEL V. PANGILINAN
Chairman of the Board

LUIS S. REÑON
President and General Manager

MARIA THERESA O. WELLS
Chief Finance Officer

Signed this 8th day of April 2026.

SUBCRIBED AND SWORN TO before me, a Notary Public for and in the MAKATI CITY, this APR 14 2026, affiants being personally known to me and assigned this instrument in my presence and avowed under penalty of law to the whole truth of contents thereof.

Name	Government Issued ID No.	Date/Place Issued
Manuel V. Pangilinan	Passport No. P9969361A	18 December 2018/ DFA NCR East
Luis S. Reñon	Passport No. P1140605B	21 March 2019/ DFA Manila
Maria Theresa O. Wells	Passport No. P8579456A	3 September 2018/ DFA NCR South

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

VIVIEN ROSE C. DE GUZMAN
Appointment No. M-318
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85310
PTR No. 10766609/Makati City/01-02-2026
IBP No. 536187/Quezon City/12-23-2025
MCLE No. VIII-0026215/April 7, 2025

Doc. No. 171;
Page No. 36;
Book No. V;
Series of 2026.

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	1	9	9	7	0	1	4	5	1	

C O M P A N Y N A M E

NLEX CORPORATION (A Subsidiary of Metro Pacific Tollways Corporation)

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

NLEX Compound, Balintawak, Caloocan City, Metro Manila

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

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
nlexsec@mptc.com.ph	(02) 8580-8900	0998-962-0895

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
16	Any Day in May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Theresa O. Wells	towells@nlex.com.ph	(02) 8580-8900	0998-962-0895

CONTACT PERSON's ADDRESS

NLEX Compound, Balintawak, Caloocan City, Metro Manila

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

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

SGV
Building a better working world

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

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

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
NLEX Corporation
NLEX Compound, Balintawak, Caloocan City, Metro Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NLEX Corporation (a subsidiary of Metro Pacific Tollways Corporation) (the Company), which comprise the statement of financial position as at December 31, 2025 and 2024, and the statements income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the financial statements, including a material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

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

Recoverability of goodwill and service concession assets not yet available for use

Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Company is required to perform annual impairment tests on its goodwill and service concession assets not yet available for use. The annual impairment test is significant to our audit because: (a) the balances of goodwill and service concession assets are material to the financial statements; and (b) the determination of the recoverable amount of the cash-generating units (CGUs) to which the goodwill is attributed, and as it relates to the service concession assets, involves significant management judgment and assumptions which are subject to higher level of estimation uncertainty, specifically on revenue growth, gross margin and discount rate.

Refer to Notes 4 and 6 to the financial statements for the details of goodwill and Notes 3, 4 and 9 to the financial statements for the details of service concession assets not yet available for use.

Audit response

We obtained an understanding of the Company's impairment testing process and the related controls. We also involved our internal specialist in evaluating the methodologies and the assumptions used by management, which include the revenue growth, gross margins and discount rates. We compared the revenue growth and gross margins against the historical data of the CGUs and evaluated management's plans to support these assumptions. We also compared the Company's key assumptions for revenue growth such as expected traffic volume against historical data and toll rates against the toll rate adjustment provided in the toll operation agreement. We tested the parameters used in the determination of the discount rates against market data. We compared the forecast period to the remaining concession period of the relevant CGU. Furthermore, we evaluated the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in determining the recoverable amount of the related CGUs.

Amortization of service concession assets using the units-of-production method

The Company amortizes the service concession assets using the units-of-production (UOP) method. The amortization is based on the ratio of the actual traffic volume to the total expected traffic volume of the underlying toll expressways over the remaining concession periods under the concession agreements. The Company's UOP amortization is a key audit matter as the UOP method involves significant management judgment in the use of assumptions which are subject to higher level of estimation uncertainty, particularly in determining the total expected traffic volume over the remaining concession periods.

Refer to Notes 3, 4 and 9 to the financial statements for the related discussions on service concession assets.

Audit response

We obtained an understanding of management's processes and controls in the estimation of traffic volume. We evaluated the competence, capabilities and objectivity of management's specialists who are involved in the estimation of expected traffic volumes considering their qualification, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the estimation of the expected traffic volume. Furthermore, we compared the actual traffic volume during the year against the data generated from the toll collection system and the prior year's estimate of the expected traffic volume for this year. We recalculated the amortization expense of the service concession assets for the year ended December 31, 2025 based on the ratio of the actual traffic volume to the total expected traffic volume of the underlying toll expressways over the remaining concession period.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 33 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of NLEX Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Richie Jackson T. Padilla.

SYCIP GORRES VELAYO & CO.

Richie Jackson T. Padilla
Partner
CPA Certificate No. 125656
Tax Identification No. 267-165-440
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 125656-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-152-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765104, January 2, 2026, Makati City

April 8, 2026

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 28 and 29)	**₱3,499,024,861**	₱2,791,466,651
Financial assets at fair value through profit or loss (FVTPL) (Notes 12, 28 and 29)	**13,169,724**	12,612,146
Receivables (Notes 8, 16, 28 and 29)	**2,803,004,718**	3,003,488,084
Inventories:		
At net realizable value	**66,406,694**	63,470,361
At cost	**8,423,894**	12,093,597
Other current assets (Note 13)	**936,419,846**	539,469,937
Total Current Assets	**7,326,449,737**	6,422,600,776
Noncurrent Assets		
Service concession assets (Note 9)	**82,726,677,155**	80,033,972,919
Property and equipment (Note 10)	**385,109,946**	356,903,092
Goodwill (Note 6)	**6,213,799,383**	6,213,799,383
Other intangible assets (Note 11)	**121,156,921**	103,638,982
Other noncurrent assets (Notes 13 and 27)	**346,168,490**	395,315,311
Total Noncurrent Assets	**89,792,911,895**	87,103,629,687
	₱97,119,361,632	₱93,526,230,463

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14, 16, 28 and 29)	**₱5,256,501,009**	₱5,996,859,129
Dividends payable (Notes 16, 19, 28 and 31)	**–**	2,000,000,000
Short-term loans payable (Notes 17 and 28)	**–**	1,999,095,890
Income tax payable	**874,621,977**	677,951,629
Current portion of provisions (Note 15)	**478,370,265**	361,979,885
Current portion of long-term debt (Notes 17, 28 and 29)	**4,237,113,096**	7,763,207,523
Total Current Liabilities	**10,846,606,347**	18,799,094,056
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 17, 28 and 29)	**41,094,975,507**	36,617,675,553
Service concession fees payable (Notes 18, 28 and 29)	**4,077,011,803**	3,905,451,622
Provisions - net of current portion (Note 15)	**560,058,952**	538,636,549
Deferred tax liabilities - net (Note 26)	**229,252,518**	199,390,190
Long-term incentive plan payable (Note 23)	**271,557,744**	171,492,995
Pension liability (Note 23)	**135,794,457**	105,134,095
Total Noncurrent Liabilities	**46,368,650,981**	41,537,781,004
Total Liabilities	**₱57,215,257,328**	₱60,336,875,060

(Forward)

	December 31	
	2025	2024
Equity		
Capital stock (Note 19)	**₱1,878,600,000**	₱1,878,600,000
Additional paid-in capital	**9,965,880,147**	9,965,880,147
Retained earnings	**28,246,255,471**	21,501,299,636
Other comprehensive loss (Note 19)	**(186,631,314)**	(156,424,380)
Total Equity	**39,904,104,304**	33,189,355,403
	₱97,119,361,632	₱93,526,230,463

See accompanying Notes to Financial Statements.

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

STATEMENTS OF INCOME

	Years Ended December 31		
	2025	2024	2023
OPERATING REVENUES			
Toll fees (net of discounts amounting to ₱384,693,004 in 2025, ₱345,349,542 in 2024, ₱383,192,964 in 2023)	**₱29,754,939,077**	₱25,316,123,944	₱21,498,021,364
Sale of magnetic cards	**893**	1,473	6,384
Net toll revenues	**29,754,939,970**	25,316,125,417	21,498,027,748
Non-toll revenues (Note 20)	**149,625,153**	208,889,121	117,822,617
Total revenues	**29,904,565,123**	25,525,014,538	21,615,850,365
COST OF SERVICES (Note 21)	**(10,080,618,514)**	(8,429,418,495)	(7,527,351,886)
GROSS PROFIT	**19,823,946,609**	17,095,596,043	14,088,498,479
CONSTRUCTION REVENUES (Notes 4 and 9)	**3,215,594,337**	6,831,851,715	9,978,033,878
CONSTRUCTION COSTS (Notes 4 and 9)	**(3,215,594,337)**	(6,831,851,715)	(9,978,033,878)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 22)	**(1,401,147,023)**	(1,472,057,903)	(1,170,882,919)
INTEREST EXPENSE AND OTHER FINANCE COSTS (Note 25)	**(1,863,004,731)**	(1,347,496,679)	(1,104,525,205)
INTEREST INCOME (Note 24)	**71,267,442**	129,344,523	136,899,104
FOREIGN EXCHANGE GAIN - Net	**12,231,486**	399,757	1,456,994
OTHER INCOME - Net (Notes 10, 12 and 16)	**768,299,273**	269,435,132	240,000,825
INCOME BEFORE INCOME TAX	**17,411,593,056**	14,675,220,873	12,191,447,278
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 26)			
Current	**3,092,749,587**	2,616,134,876	2,196,317,557
Deferred	**35,192,964**	(12,173,842)	(17,632,304)
	3,127,942,551	2,603,961,034	2,178,685,253
NET INCOME	**₱14,283,650,505**	₱12,071,259,839	₱10,012,762,025

See accompanying Notes to Financial Statements.

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
NET INCOME	**₱14,283,650,505**	₱12,071,259,839	₱10,012,762,025
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:			
Remeasurement loss on defined benefit retirement plan (Notes 19 and 23)	**(35,537,570)**	(63,498,359)	(12,272,041)
Income tax effect (Notes 19 and 26)	**5,330,636**	9,524,754	1,840,806
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(30,206,934)**	(53,973,605)	(10,431,235)
TOTAL COMPREHENSIVE INCOME	**₱14,253,443,571**	₱12,017,286,234	₱10,002,330,790

See accompanying Notes to Financial Statements.

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Retained Earnings (Note 19)	Other Comprehensive Loss (Note 19)	Total Equity
At January 1, 2025	**₱1,878,600,000**	**₱9,965,880,147**	**₱21,501,299,636**	**(₱156,424,380)**	**₱33,189,355,403**
Cash dividends (Note 19)	**–**	**–**	**(7,538,694,670)**	**–**	**(7,538,694,670)**
Net income	**–**	**–**	**14,283,650,505**	**–**	**14,283,650,505**
Other comprehensive loss (Note 19)	**–**	**–**	**–**	**(30,206,934)**	**(30,206,934)**
Total comprehensive income (loss) for the year	**–**	**–**	**14,283,650,505**	**(30,206,934)**	**14,253,443,571**
At December 31, 2025	**₱1,878,600,000**	**₱9,965,880,147**	**₱28,246,255,471**	**(₱186,631,314)**	**₱39,904,104,304**
At January 1, 2024	₱1,878,600,000	₱9,965,880,147	₱16,400,352,785	(₱102,450,775)	₱28,142,382,157
Cash dividends (Note 19)	–	–	(6,970,312,988)	–	(6,970,312,988)
Net income	–	–	12,071,259,839	–	12,071,259,839
Other comprehensive loss (Note 19)	–	–	–	(53,973,605)	(53,973,605)
Total comprehensive income (loss) for the year	–	–	12,071,259,839	(53,973,605)	12,017,286,234
At December 31, 2024	₱1,878,600,000	₱9,965,880,147	₱21,501,299,636	(₱156,424,380)	₱33,189,355,403
At January 1, 2023	₱1,878,600,000	₱9,965,880,147	₱14,087,590,760	(₱92,019,540)	₱25,840,051,367
Cash dividends (Note 19)	–	–	(7,700,000,000)	–	(7,700,000,000)
Net income	–	–	10,012,762,025	–	10,012,762,025
Other comprehensive loss (Note 19)	–	–	–	(10,431,235)	(10,431,235)
Total comprehensive income (loss) for the year	–	–	10,012,762,025	(10,431,235)	10,002,330,790
At December 31, 2023	₱1,878,600,000	₱9,965,880,147	₱16,400,352,785	(₱102,450,775)	₱28,142,382,157

See accompanying Notes to Financial Statements.

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱17,411,593,056**	₱14,675,220,873	₱12,191,447,278
Adjustments for:			
Amortization of service concession assets (Notes 9 and 21)	**1,836,503,713**	1,641,573,779	1,350,184,971
Interest expense and other finance costs (Note 25)	**1,863,004,731**	1,347,496,679	1,104,525,205
Interest income (Note 24)	**(71,267,442)**	(129,344,523)	(136,899,104)
Depreciation of property and equipment (Notes 10, 21 and 22)	**112,074,965**	85,323,503	99,030,882
Net movements in:			
Provisions	**94,516,400**	50,941,996	126,544,279
Pension costs	**(4,877,208)**	(14,891,365)	(45,214,342)
Provision for estimated credit losses (Notes 8 and 22)	**2,102,967**	25,200,000	34,910,120
Amortization of intangible assets (Notes 11, 21 and 22)	**15,187,603**	3,138,702	9,471,042
Gain on disposals of property and equipment (Note 10)	**(922,837)**	–	(6,097,178)
Unrealized foreign exchange loss (gain) - net	**(15,511,709)**	777,430	1,405,493
Unrealized gain on financial assets at FVTPL (Note 12)	**(557,578)**	(323,518)	(91,637)
Operating income before working capital changes	**21,241,846,661**	17,685,113,556	14,729,217,009
Decrease (increase) in:			
Receivables	**199,740,636**	(1,124,029,022)	(17,429,683)
Other current assets	**(396,949,909)**	(75,271,443)	(119,662,340)
Inventories	**733,370**	3,117,955	(8,003,891)
Increase (decrease) in:			
Accounts payable and other current liabilities	**(1,394,842,378)**	948,092,926	80,362,351
Long-term incentive plan payable	**100,064,749**	122,720,835	3,185,398
Cash generated from operations	**19,750,593,129**	17,559,744,807	14,667,668,844
Income tax paid	**(2,896,079,239)**	(2,531,431,773)	(2,100,159,161)
Net cash flows from operating activities	**16,854,513,890**	15,028,313,034	12,567,509,683
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Service concession assets (Notes 9 and 31)	**(3,868,268,470)**	(8,164,610,161)	(11,198,998,040)
Property and equipment (Notes 10 and 31)	**(120,696,473)**	(93,312,138)	(85,075,783)
Other intangible assets (Notes 11 and 31)	**(23,336,907)**	(36,053,474)	(51,878,962)
Financial assets at FVTPL (Note 12)	**–**	(10,000,000)	–
Decrease in other noncurrent assets	**49,146,821**	152,255,424	583,916,483
Interest received	**69,907,205**	129,425,675	136,343,691
Proceeds from sale of property and equipment (Notes 10 and 31)	**922,837**	–	7,710,823
Net cash flows used in investing activities	**(3,892,324,987)**	(8,022,294,674)	(10,607,981,788)

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES (Note 31)			
Proceeds from availment of:			
Long-term debt (Note 17)	**₱9,000,000,000**	₱9,000,000,000	₱5,000,000,000
Short-term loans (Note 17)	**1,850,000,000**	4,500,000,000	3,000,000,000
Payments of:			
Dividends (Note 19)	**(9,538,694,670)**	(7,770,312,988)	(6,200,000,000)
Long-term debt (Note 17)	**(8,043,000,000)**	(7,143,000,000)	(4,043,000,000)
Short-term debt (Note 17)	**(3,850,000,000)**	(5,500,000,000)	–
Interest expense and other finance costs	**(1,615,741,910)**	(1,258,566,255)	(1,029,599,695)
Debt issue costs - long-term (Note 17)	**(67,500,000)**	(69,928,000)	(39,578,868)
Debt issue costs - short-term (Note 17)	**(5,205,822)**	(20,229,452)	(1,869,863)
Net cash used in financing activities	**(12,270,142,402)**	(8,262,036,695)	(3,314,048,426)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**692,046,501**	(1,256,018,335)	(1,354,520,531)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**15,511,709**	(777,430)	(1,405,493)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 7)	**2,791,466,651**	4,048,262,416	5,404,188,440
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱3,499,024,861**	₱2,791,466,651	₱4,048,262,416

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

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

As sole holder of the voting Class A Preferred Shares, MPHI's combined voting interest as a result of all its shareholdings is estimated at 58.34% of the total outstanding shares of MPIC as at December 31, 2025 and 2024. MPHI is a Philippine corporation whose major stockholders are Enterprise Investment Holdings, Inc. (EIH) (60.0%), Intalink B.V. (26.7%) and First Pacific International Limited (FPIL) (13.3%). First Pacific Company Limited (FPC), a company incorporated in Bermuda and listed in the Hong Kong Stock Exchange, through its subsidiaries Intalink B.V. and FPIL, holds 40.0% equity interest in EIH. FPC's equity interest in EIH is deemed as investment financing under Hong Kong Generally Accepted Accounting Principles. Thus, FPC is required to account for the results and assets and liabilities of EIH and its subsidiaries as part of FPC group of companies in Hong Kong.

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

The financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issuance by the Company's BOD on April 8, 2026, after the review by and recommendation of the Company's Audit Committee.

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

The MNEP consists of three phases as follows:

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

The construction of Phase I was substantially completed in January 2005. On January 27, 2005, the TRB issued the Toll Operation Permit (TOP) for the operation and maintenance of Phase I, consisting of Segments 1, 2, 3 and Segment 7, in favor of the Company. The Company commenced its tollway operations on February 10, 2005.

On Phase II, Segment 8.1, a 2.7 km-road designed to link Mindanao Avenue to the NLEX, officially commenced tollway operations on June 5, 2010. Segment 9, a 2.4 km-road connecting NLEX to McArthur Highway, officially commenced tollway operations on March 19, 2015. Segment 10, a 5.76 km four-lane, elevated expressway starting from the terminus of Segment 9 in Valenzuela City and connecting to Circumferential Road 3 (C-3 Road) in Caloocan City, and which is to run above the railway of the Philippine National Railways (PNR), started construction in May 2014 and was completed on February 28, 2019. It was officially opened to the public on March 1, 2019. Groundbreaking for Section 1A of Segment 8.1 was held March 4, 2025, with construction beginning thereafter. The remaining portion of Phase II is under pre-construction works, while Phase III of the MNEP has not yet been started as of April 8, 2026.

Subic-Clark-Tarlac Expressway (SCTEX). On May 22, 2015, NLEX Corp. (formerly MNTC) entered into a STOA with the TRB and the Bases Conversion and Development Authority (BCDA) for the operation and maintenance of the SCTEX, a 93.77-kilometers four-lane divided highway, traversing the provinces of Bataan, Pampanga and Tarlac. Pursuant to the Toll Operation Certificate (TOC) received from the TRB, the Company commenced the management, operation, and maintenance of the SCTEX on October 27, 2015.

NLEX-South Luzon Expressway (SLEX) Connector Road Project (NLEX-SLEX Connector Road). On November 23, 2016, NLEX Corp. was awarded the concession for the design, financing, construction, operation, and maintenance of the NLEX-SLEX Connector Road. The NLEX-SLEX Connector Road is an 8-km, four-lane elevated toll expressway constructed above the existing right of way of the PNR. It begins at NLEX Segment 10 at C-3 Road Caloocan City and is intended to connect to the SLEX through the Metro Manila Skyway Stage 3 Project (MMSS3) in Manila. As at April 8, 2026, construction of Section 1 of the NLEX-SLEX Connector Road is 100% complete, with toll collection beginning on August 8, 2023. A portion of Section 2, up to Ramon Magsaysay Boulevard in Manila, was completed last October 28, 2023, with toll collection beginning on October 15, 2024. Full completion of the project is dependent on the delivery of remaining works, as approved by the DPWH, on the NLEX-SLEX Connector Road structure.

2. Summary of Material Accounting Policy Information

Basis of Preparation
The financial statements, which are prepared for submission to the SEC and Bureau of Internal Revenue (BIR), have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) which are measured at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Financial Reporting and Sustainability Reporting Standards Council.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new amendments did not have an impact on the financial statements of the Company.

- Amendments to PAS 21, *Lack of exchangeability*
  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

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

Financial Instruments
Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of the instrument.

Recognition, Measurement, Derecognition, and Impairment of Financial Instruments
Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as financial assets measured at amortized cost, FVTPL and FVOCI. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, inclusive of directly attributable transaction costs (referred to herein as "debt issue costs").

The Company has no financial assets at FVOCI and financial liabilities at FVTPL as at December 31, 2025 and 2024.

Subsequent Measurement. For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets at FVTPL

  Financial assets at FVTPL comprise of quoted financial instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI.

  As at December 31, 2025 and 2024, this category includes investments in unit investment trust funds (UITF) (see Notes 12, 28 and 29).

- Financial Assets at Amortized Cost

  This category includes financial assets: (a) which are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (b) which contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  As at December 31, 2025 and 2024, this category includes cash and cash equivalents and receivables (excluding advances to officers and employees) (see Notes 7, 8, 28 and 29).

- Financial Liabilities at Amortized Cost

  After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method.

  Debt issue costs are amortized over the life of the debt instrument using the EIR method. Debt issue costs are netted against the related loans and borrowings allocated correspondingly between the current and noncurrent portion.

  Gains and losses are recognized in the statement of income when the liabilities are derecognized, as well as through the amortization process.

  As at December 31, 2025 and 2024, this category includes accounts payable and other current liabilities, dividends payable, short-term loans payable, long-term debt and service concession fees payable (see Notes 14, 16, 17, 18, 19, 28 and 29).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets. An entity shall derecognize a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset expire; or

- The Company transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where:

  a. The Company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

  b. The Company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and

c. The Company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

When the Company transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. The transfer of risks and rewards is evaluated by comparing the Company's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The Company has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer. The Company has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets. The Company's accounting for impairment losses for financial assets uses a forward-looking expected credit loss (ECL) approach. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Company expects to receive.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other current receivables, the Company applies the general approach and calculates ECL based on the 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instruments since initial recognition.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Company has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

Based on the Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Company considers two or more economic scenarios and the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Company considers macro-economic factors such as gross domestic product growth rates, unemployment rate and inflation rates in its analysis.

Fair Value Measurement
The Company measures certain financial assets at FVTPL.

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

• Disclosures for valuation methods, significant estimates and assumptions	Notes 4, 12 and 28
• Quantitative disclosures of fair value measurement hierarchy	Note 29
• Financial instruments (including those carried at amortized cost)	Notes 12 and 29

Inventories
Inventories, which consist of magnetic cards and spare parts, are valued at the lower of cost and net realizable value (NRV). Cost includes purchase cost and import duties and is determined primarily on a weighted average method. For magnetic cards, NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV for spare parts is the current replacement cost. Other inventories consisting of office and other supplies are valued at cost.

Advances to Contractors and Consultants
Advances to contractors and consultants represent the advance payments for mobilization of the contractors and consultants. These are stated at costs less any impairment in value. These are progressively reduced upon receipt of the equivalent amount of services rendered by the contractors and consultants.

Service Concession Arrangements
The Company accounts for its concession arrangements in accordance with Philippine Interpretation IFRIC 12, *Service Concession Arrangements*, under the intangible asset model as it receives the right (license) to charge users of public service.

Other Current Assets
Other current assets include deposits which pertain to advance payments to contractors and suppliers, prepaid expenses which are paid in advance and recorded as asset before these are utilized, input VAT, and creditable withholding taxes, which will be applied in the following year against corporate income tax or be claimed for refund with the tax authorities. Prepaid expenses are amortized over time and recognized as expense as the benefit is derived from the asset.

Revenue and Cost Recognition. The Company recognizes and measures construction revenue in accordance with PFRS 15 for the services it performs. When the Company provides construction or upgrade services, the consideration received or receivable by the Company is recognized at its fair value. The revenue and cost from these services are recognized based on the percentage of completion measured principally on the basis of estimated completion of a physical proportion of the contract works, and by reference to the actual costs incurred to date over the estimated total cost of the project. Since the Company subcontracts the works to outside contractors, the construction revenue is equal to the construction cost.

Contractual Obligations. The Company recognizes its contractual obligations, (i) to maintain the toll roads to a specified level of serviceability or (ii) to restore the toll roads to a specified condition before it is handed over to the grantor at end of the concession term, in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, as the obligations arise which is as a consequence of the use of the toll roads and therefore it is proportional to the number of vehicles using the toll roads and increasing in measurable annual increments.

Service Concession Assets. The service concession assets (or the rights to charge users of the public service) are recognized initially at cost. The cost of the service concession assets consists of the construction or upgrade costs, including related borrowing costs; upfront fees payments on the concession agreements; and future fixed fee considerations in exchange for the license or right. The fixed fees are recognized at present value using the discount rate at the inception date with a corresponding liability recognized. Interest on the unwinding of discount of the liability is recognized as a borrowing cost that is capitalized as part of the service concession asset during construction of the infrastructure asset and as an expense in the period incurred starting from the commercial operations of the said infrastructure asset. Following initial recognition, the service concession assets are carried at cost less accumulated amortization and any impairment losses.

Subsequent costs and expenditures related to the toll road infrastructure arising from the Company's commitments to the concession agreements, or that increase future revenues are recognized as additions to the service concession assets and are stated at cost. Repairs and maintenance and other expenses that are routinary in nature are expensed and recognized in the statement of income as incurred.

The amortization will commence once the service concession asset will be available for use and will be based on the expected pattern of consumption of future economic benefits embodied in the service concession assets.

The service concession assets are amortized using the unit-of-production (UOP) method. The annual amortization of the service concession assets is calculated by applying the ratio of actual traffic volume of the underlying toll expressways compared to the total expected traffic volume of the underlying toll expressways over the respective remaining concession periods to the net carrying value of the assets. The expected traffic volume is estimated by management with reference to the traffic projection reports.

The amortization expense is recognized under the "Cost of services" account in the statement of income.

The concession fees paid in consideration for the concession which vary in relation to future activity (i.e., based on toll revenues) are treated as executory and are expensed as incurred.

The service concession asset will be derecognized upon turnover to the Grantor. There will be no gain or loss upon derecognition as the service concession assets which are expected to be fully amortized by then will be handed over to the Grantor with no consideration.

Contract Assets. Contract assets, classified as part of service concession assets, refer to on-going construction and upgrade services on concession arrangements under the scope of Philippine Interpretation of IFRIC 12.

Deferred Project Costs. Costs directly attributable to the acquisition of a service concession asset are recorded as deferred project costs (under "Other noncurrent assets") until commencement of the concession term, whereupon the costs are transferred to the "Service concession assets" account.

<u>Property and Equipment</u>
Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The cost of property and equipment consists of its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes the cost of replacing the part of such property and equipment when the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally recognized as expense in the period such costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of the property and equipment.

Depreciation commences once the property and equipment are available for use and is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Building and building improvements	5-25 years
Leasehold improvements	5 years or lease term, whichever is shorter
Transportation equipment	5 years
Office equipment and others	3-5 years

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

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

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Other Intangible Assets (Software Cost)
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Goodwill
Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment

still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Impairment of Nonfinancial Assets (Other than Goodwill)
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognized in the statement of income in those expense categories consistent with the function of the impaired asset.

For assets other than goodwill and service concession not yet available for use, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Service concession asset not yet in available for use is tested for impairment annually at the CGU level and when circumstances indicate that the carrying value may be impaired.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is

recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Equity
Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Retained earnings represent the accumulated earnings net of dividends declared, adjusted for the effects of changes in accounting policies as may be required by PFRS Accounting Standards' transitional provisions.

Other comprehensive income or loss includes items of income and expense, including recycling to profit or loss, that are not recognized in the statement of income as required or permitted by other PFRS Accounting Standards.

Revenue from Contracts with Customers
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements.

The following specific criteria must also be met before revenue is recognized:

- Revenue from toll fees is recognized upon the sale of toll tickets and passage on the toll roads. The Company recognizes toll revenues over time since the customer simultaneously receives and consumes the benefits, provided by NLEX Corp.'s performance of its obligation to operate and maintain toll roads, during the time of passage on the toll roads which occur on the same day.

- Construction revenue and construction costs are recognized and measured in accordance with PFRS 15 for the services it performs. When the Company provides construction or upgrade services, the consideration received or receivable by the Company is recognized at its fair value. The revenue and cost from these services are recognized based on the percentage of completion measured principally on the basis of estimated completion of a physical proportion of the contract works, and by reference to the actual costs incurred to date over the estimated total cost of the project. Since the Company subcontracted the works to outside contractors, the construction revenue is equal to the construction cost.

- Income from utility facility contracts and toll service facilities (TSF), included in "Non-toll revenues" account in the statement of income, are recognized in accordance with the terms of agreement.

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

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. If the revenue recognized which is determined based on average period of listing is lower than the amount collected as of date arising from the contract with the customer, a contract liability is recognized for the difference.

Cost and Expenses Recognition
Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Cost of services, general and administrative expenses and interest expense and other finance costs are recognized in the statement of income in the period these are incurred.

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

Borrowing Costs
Borrowing costs are capitalized as part of service concession assets if they are directly attributable to the acquisition and construction of the assets. Capitalization of borrowing costs commences when the activities to prepare for the construction of the assets are in progress and expenditures and borrowing costs are being incurred, until the assets are ready for their intended use.

Borrowing costs include interest charges, amortization of debt issue costs and other costs incurred in connection with the borrowing of funds, including exchange differences arising from foreign currency borrowings used to finance the assets, to the extent that they are regarded as adjustments to interest cost.

All other borrowing costs are expensed in the period they are incurred.

Retirement Costs
Defined Benefit Plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Defined Contribution Plan. The Company has a funded, contributory defined contribution plan covering all of its regular and full-time employees. The Company's obligation for each period is determined by the amounts to be contributed for that period. Consequently, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss to the Company. Moreover, the obligations are measured on an undiscounted basis, except where they do not fall due wholly within twelve months after the end of the period in which the employees render the related service.

Termination Benefits. Termination benefits are employee benefits payable as a result of the Company's decision to terminate an employee's employment before the normal retirement date, or when an employee accepts an offer of voluntary redundancy. Termination benefits are recognized as an expense in profit or loss when the Company can no longer withdraw the offer of those benefits or when a restructuring involving such payments is recognized, whichever occurs earlier. Amounts expected to be settled within twelve months are measured applying the requirements for short-term benefits. Otherwise, the Company shall apply the requirements for other long-term benefits.

Employee Leave Entitlements
Employee entitlements to annual leave are recognized as a liability when earned by the employees and are calculated annually by a qualified independent actuary. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized under "Current portion of provisions" account in the statement of financial position for services rendered by employees up to the end of the reporting period. The liability for entitlements expected to be settled beyond one year after the end of reporting date are recognized under

"Provisions - net of current portion" account in the statement of financial position and measured at the present value of the benefits as at the end of reporting date.

Long-term Employee Benefits
MPTC has a long-term incentive plan (LTIP) which grants cash incentives to eligible key executives of MPTC and its subsidiaries, including the Company. Liability under the LTIP is determined using the projected unit credit method. Employee benefit costs include current service costs, interest cost, actuarial gains and loss and past service costs. Past service costs and actuarial gains and losses are recognized immediately.

The liability under LTIP comprise the present value of the defined benefit obligation (using discount rate based on government bonds) vested at the reporting date.

Taxes
Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statement of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with its investment in a subsidiary, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with its investment in a subsidiary, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of income is recognized outside the statement of income. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events), if any, are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Service Concession Arrangements

STOA for the Manila-North Expressway

By virtue of Presidential Decree (PD) No. 1113 issued on March 31, 1977 as amended by PD No. 1894 issued on December 22, 1983, PNCC was granted the franchise for the construction, operation and maintenance of toll facilities in the NLEX, SLEX and Metro Manila Expressway. PNCC executed a Toll Operation Agreement (TOA) with the Government of the Republic of the Philippines (ROP), by and through the TRB.

Pursuant to the Joint Venture Agreement (JVA) entered into by PNCC and MPTNC (then First Philippine Infrastructure Development Corporation or FPIDC) on August 29, 1995, PNCC assigned its rights, interests and privileges under its franchise to construct, operate and maintain toll facilities in the NLEX in favor of NLEX Corp., including the design, funding and rehabilitation of the NLEX, and installation of the appropriate collection system therein. MPTNC in turn assigned all its rights, interests and privileges to Segment 7, as defined in the Memorandum of Agreement (MOA) dated March 6, 1995, to NLEX Corp., which assumed all the rights and obligations as a necessary and integral part of the MNEP. The assignment of PNCC's usufructuary rights, interests and privileges under its franchise, to the extent of the portion pertaining to the NLEX, was approved by the then President of the ROP. On October 10, 1995, the Department of Justice issued Opinion No. 102, Series of 1995, noting the authority of the TRB to grant authority to operate a toll facility and to issue the necessary TOC. On November 24, 1995, in a letter by the then Secretary of Justice to the then Secretary of Public Works and Highways, the Secretary of Justice reiterated and affirmed the authority of the TRB to grant authority to operate a toll facility and to issue the necessary TOC in favor of PNCC and its joint venture partner for the proper and orderly construction, operation and maintenance of the NLEX as a toll road during the concession period.

In April 1998, the ROP (Grantor), acting by and through the TRB, PNCC (Franchisee) and NLEX Corp. (Concessionaire) executed the STOA for the Manila-North Expressway, whereby the ROP granted NLEX Corp. the rights, obligations and privileges including the authority to finance, design, construct, operate and maintain the project roads as toll roads (the "Concession") commencing upon the date the STOA comes into effect until December 31, 2030 or 30 years after the issuance of the TOP for the last completed phase, whichever is earlier, unless further extended pursuant to the STOA.

The PNCC franchise expired on May 1, 2007. Pursuant to the STOA, the TRB issued the necessary TOC for the NLEX in order to allow the continuation of the Concession. As further discussed in Note 27, NLEX Corp. pays a certain amount to PNCC.

Also, under the STOA, NLEX Corp. shall pay for the Grantor's project overhead expenses based on certain percentages of total construction costs or of periodic maintenance works on the project roads (see Note 21).

Upon expiry of the concession period, NLEX Corp. shall hand-over the project roads to the Grantor without cost, free from any and all liens and encumbrances and fully operational and in good working condition, including any and all existing land required, works, toll road facilities and equipment found therein directly related to and in connection with the operation of the toll road facilities.

In October 2008, in consideration of the construction of Segment 8.1, TRB approved NLEX Corp.'s proposal to extend the concession period for Phase I and Segment 8.1 of the MNEP until December 31, 2037.

From 2007 to 2010, NLEX Corp. obtained TRB's approval for certain amendments to the STOA for the MNEP which includes (a) the integration of Segment 10 into Phase II (approved in July 2007); (b) amendment of adjustment formula for the Authorized Toll Rate (ATR) by removing the foreign exchange factor (approved in June 2008); (c) adoption of an integrated operations period for Phase I and Segment 8.1 and extension of the concession period until December 31, 2037 (approved in October 2008); (d) modification of alignments of Phase II Segments 9 and 10 (approved in February 2010); and the following approvals in relation to Phase II Segments 9 and 10, and the R-10 Section projects: (i) adoption of the 2008 TRB approved ATR formula ("ATRF") for five (5) years following the completion of Segment 9; (ii) continuation of the implementation of the ATRF for ten (10) years from commercial operation of Segment 10; (iii) approval of the additional ₱6.00 (exclusive of value-added tax or VAT) adjustment to the Open System toll rate upon completion of Segment 10; (iv) continuation of the implementation of the ATRF until 2034; and (v) approval of the additional ₱2.00 (exclusive of value-added tax or VAT) adjustment to the Open System toll rate upon completion of C-3 R-10 Exit Ramp Project.

<u>Agreements covering the SCTEX</u>

On February 26, 2015, NLEX Corp. and the BCDA entered into the Business Agreement (BA) covering the assignment by BCDA to NLEX Corp. of its rights, interest and obligations under the TOA relating to the management, operation and maintenance of the SCTEX (which shall include the exclusive right to possess and use the SCTEX toll road and facilities and the right to collect toll). BCDA shall retain all rights, interests and obligations under the TOA relating to the design, construction and financing of the SCTEX. Nevertheless, NLEX Corp. and BCDA hereby acknowledge that BCDA has, as of date of the BA, designed, financed and constructed the SCTEX as an operable toll road in accordance with the TOA.

BCDA is a government instrumentality vested with corporate powers created by virtue of Republic Act (RA) No. 7227. Pursuant to Section 4 (b) of RA No. 7227, BCDA undertook the design, construction, operation and maintenance of the SCTEX, a major road project to serve as the backbone of a new economic growth in Central Luzon, pursuant to a TOA entered into between BCDA and the ROP, acting through the TRB, on June 13, 2007. In 2008, TRB has issued in favor of BCDA a TOP authorizing the commercial operations of and the collection of tolls in SCTEX.

The term of the BA shall be from October 27, 2015 (effective date), until October 30, 2043, and may be extended subject to mutual agreement of NLEX Corp. and BCDA and the relevant laws, rules and regulations and required government approvals. At the end of the contract term or upon termination of the BA, the SCTEX, as well as the as-built plans, specifications and operation/repair/maintenance manuals relating to the same shall be turned over to BCDA or its successor-in-interest conformably with law, and in all cases in accordance with and subject to the terms and conditions of the STOA. The STOA, which was a supplement to and revision to the TOA, was entered into, by and among the ROP, acting through the TRB, BCDA and NLEX Corp. on May 22, 2015, in order to fully allow NLEX Corp. to exercise its rights and interests under the BA.

In consideration for the assignment by BCDA to NLEX Corp. of its rights to and interests in SCTEX, NLEX Corp. paid BCDA an upfront cash of ₱3,500 million (inclusive of VAT) upon the effectivity of the BA (the Upfront Payment). NLEX Corp. also pays BCDA monthly fees equivalent to 50% of the Audited Gross Toll Revenues of SCTEX from effective date to October 30, 2043. The Company recorded concession fees of ₱2,736.6 million, ₱2,307.3 million and ₱1,946.0 million in 2025, 2024 and 2023, respectively, which is included under “Cost of services” account in the statements of income (see Note 21).

NLEX Corp. also commits to undertake at its own cost the maintenance works/special/major emergency works, other additional works, enhancements and/or improvement works contained in the Maintenance Plans submitted by NLEX Corp. to BCDA from time to time.

On October 22, 2015, NLEX Corp. received the TOC from the TRB for the operation and maintenance of the SCTEX. NLEX Corp. officially took over the SCTEX toll facilities and officially commenced the management, operation and maintenance of SCTEX on October 27, 2015.

<u>NLEX-SLEX Connector Road Concession Agreement</u>
In July 2016, after a competitive and comparative public bidding process or Swiss Challenge, NLEX Corp. was declared as the winning proponent to undertake the NLEX-SLEX Connector Road in accordance with Section 10.1 of the Revised Build-Operate-Transfer (BOT) Law and its Revised Implementing Rules and Regulations of 2012.

On November 23, 2016, NLEX Corp. and Department of Public Works and Highways (DPWH) signed the Concession Agreement for the NLEX-SLEX Connector Road. Under the concession agreement, the ROP, acting through the DPWH, granted NLEX Corp. the rights and obligations to finance, design, construct, operate and maintain the NLEX-SLEX Connector Road, including the right to collect toll fees over the concession period as well as commercial revenues and fees from non-toll user related facilities, subject to the right of DPWH to receive revenue share of 5% of commercial revenues from toll user and non-toll user related facilities. The concession period shall commence on the commencement date (being the date of issuance of the Notice to Proceed (NTP) by the DPWH to begin the construction of the NLEX-SLEX Connector Road) and shall end on its thirty-seventh (37th) anniversary, unless otherwise extended or terminated in accordance with the Concession Agreement. The concession period includes both the construction period and the operation period and in no event be extended beyond the fiftieth (50th) anniversary of the operation period.

In consideration for granting the basic right of way for the NLEX-SLEX Connector Road, NLEX Corp. shall pay DPWH periodic payments of ₱243.2 million annually which will commence on the first anniversary of the construction completion deadline, as extended, until the expiry of the concession period and will be subject to an agreed escalation every two years based on the prevailing Consumer Price Index (CPI) for the two-year period immediately preceding the adjustment or escalation.

During the concession period, NLEX Corp. shall pay for the project overhead expenses to be incurred by the DPWH or the TRB in the process of monitoring, inspecting, evaluating and checking the progress and quality of the activities and works undertaken by NLEX Corp. NLEX Corp.'s liability for the payment of the project overhead expenses due to TRB shall not exceed ₱50.0 million and the liability for the payment of the project overhead expenses due the DPWH shall not exceed ₱200.0 million; provided, that these limits may be increased in case of inflation, or in case of additional work due to a concessionaire variation that will result in an extension of the construction period or concession period, upon mutual agreement of the parties in the concession agreement.

Legal title to the NLEX-SLEX Connector Road, including all assets and other improvements constructed therein and all additional and/or enhancement works contributed by NLEX Corp. during the concession period, shall remain with NLEX Corp. until the termination date. At the end of the concession period or upon the termination of the concession agreement, the NLEX-SLEX Connector Road, including all rights, title and interest in the aforesaid assets, shall be turned over to DPWH or to its successor-in-interest conformably with law, and in all cases in accordance with and subject to the terms and conditions of the Concession Agreement. NLEX Corp. shall be prohibited from transferring, alienating, selling, or otherwise disposing of the NLEX-SLEX Connector Road.

Pursuant to the Concession Agreement, NLEX Corp. shall preserve the asset so it can be handed back to DPWH in a manner that complies with the pavement performance standards specified in the concession agreement and that all the building and equipment necessary to operate the expressway remain functional and in good condition that is equivalent to prudent industry practice. NLEX Corp. must also manage the maintenance of the assets so that there is a residual asset life that complies with the residual life standards stated in the concession agreement at the end of the concession period. The construction of NLEX-SLEX Connector Road is 97%, 96% and 93% complete as of April 8, 2026, December 31, 2025, and December 31, 2024, respectively. Full completion of the project is dependent on the delivery of remaining works, as approved by the DPWH, on the NLEX-SLEX Connector Road structure.

4. Significant Accounting Judgment, Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect certain reported amounts and disclosures.

In preparing the financial statements, management has made its best judgment and estimates of certain amounts, giving due consideration to materiality. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates, and such estimates will be adjusted accordingly.

The following represents a summary of these significant judgment and estimates and the related impact and associated risks in the financial statements.

Judgments

In the process of applying the Company's accounting policies, management has made a judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Service Concession Arrangements. Philippine Interpretation IFRIC 12, outlines an approach to account for contractual arrangements arising from entities providing public services. Arrangements within the scope of Philippine Interpretation IFRIC 12 are those public-to-private service concession arrangements in which: (a) the grantor controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price; and (b) the grantor controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise. Infrastructure assets within scope are those constructed or acquired for the purpose of the service concession arrangement or existing infrastructure to which the operator is given access by the grantor for the purpose of the service concession arrangement.

Philippine Interpretation IFRIC 12 also provides that the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and/or an intangible asset.

The Company has made a judgment that the STOA for the Manila-North Expressway, the agreements covering the SCTEX and NLEX-SLEX Connector Road concession agreement are within the scope of Philippine Interpretation IFRIC 12 and qualify under the intangible asset model, wherein the service concession assets are recognized as intangible assets in accordance with PAS 38, *Intangible Assets*.

The Company also recognizes construction revenues and costs in accordance with PFRS 15. It measures contract revenue at the fair value of the consideration received or receivable. Given that NLEX Corp. has subcontracted the construction to outside contractors, the construction revenue recognized is equal to the construction costs. Construction revenue and costs recognized in the statements of income amounted to ₱3,215.6 million, ₱6,831.9 million and ₱9,978.0 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 9).

The Company also recognizes its contractual obligations to restore the toll roads to a specified level of serviceability. The Company recognizes a provision following PAS 37, as the obligation arises which is a consequence of the use of the toll roads and therefore it is proportional to the number of vehicles using the toll roads and increasing in measurable annual increments. Provision for heavy maintenance amounted to ₱882.5 million and ₱749.9 million as at December 31, 2025 and 2024, respectively (see Note 15).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Allowance for Estimated Credit Losses. Allowance for estimated credit losses is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the Company's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment that may affect collectability. The Company applies the Simplified Approach for trade receivables and General Approach for other receivables, designed to identify potential charges to the allowance and is performed on a continuous basis throughout the period. Provisions for ECL amounted to ₱2.1 million, ₱25.2 million and ₱34.9 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Notes 8 and 22). The Company have written-off provisions for ECL amounting to ₱56.1 million and nil in 2025 and 2024, respectively.

Receivables (excluding advances to officers and employees), net of allowance for estimated credit losses, amounted to ₱2,756.6 million and ₱2,946.5 million as at December 31, 2025 and 2024, respectively. Allowance for estimated credit losses amounted to ₱52.1 million and ₱106.2 million as at December 31, 2025 and 2024, respectively (see Note 8).

Amortization of Service Concession Assets. The service concession assets are amortized using the UOP method. The amortization is based on the ratio of the actual traffic volume to the total expected traffic volume of the underlying toll expressways over the remaining concession periods under the concession agreements. Adjustments may need to be made to the carrying amounts of service concession assets should there be a material difference between the total expected traffic volume and the actual results. The Company's management has reviewed the total expected traffic volume and made appropriate adjustments to the assumptions of the expected traffic volume based on latest traffic estimations using historical traffic and socio-economic data. The management of the Company considers that these are calculated by reference to the best estimates of the total expected traffic volumes of the underlying toll expressways.

For the years ended December 31, 2025, 2024 and 2023, the Company reported amortization of service concession assets amounting to ₱1,836.5 million, ₱1,641.6 million and ₱1,350.2 million, respectively (see Notes 9 and 21). The carrying values of the service concession assets as at December 31, 2025 and 2024 amounted to ₱82,726.7 million and ₱80,034.0 million, respectively (see Note 9).

Impairment of Goodwill and Service Concession Assets Not Yet Available for Use. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the concession period and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used. The key assumptions used to determine the recoverable amount are disclosed and further explained in Notes 6 and 9.

There was no impairment loss recognized in the statements of income for the years ended December 31, 2025, 2024 and 2023. The carrying amount of goodwill amounted to ₱6,213.8 million as at December 31, 2025 and 2024 (see Note 6). The carrying values of the Company's service concession assets not yet available for use amounted to ₱30,037.4 million and ₱28,067.4 million as at December 31, 2025 and 2024, respectively (see Note 9).

Contingencies. The Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the Company's financial statements (see Note 30).

5. Operating Segment Information

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

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

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

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

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

The revenues, net income, assets, liabilities, and other information of the Company's operations as at and for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Net toll revenues	**₱29,754,939,077**	₱25,316,123,944	₱21,498,021,364
Other income	**917,367,740**	478,002,209	357,738,188
Total revenues	**30,672,306,817**	25,794,126,153	21,855,759,552
Operating and maintenance costs	**(7,754,597,167)**	(6,668,493,802)	(5,903,951,929)
Operating expenses	**(1,288,123,288)**	(1,442,595,654)	(1,004,627,641)
EBITDA	**21,629,586,362**	17,683,036,697	14,947,179,982
Financing costs	**(1,791,179,711)**	(1,217,828,638)	(967,534,464)
Core income before depreciation, amortization and provisions	**19,838,406,651**	16,465,208,059	13,979,645,518
Depreciation, amortization and provisions*	**(5,340,608,078)**	(4,398,466,012)	(3,735,491,951)
Core income	**14,497,798,573**	12,066,742,047	10,244,153,567
Nonrecurring items	**(214,148,068)**	4,517,792	(231,391,542)
Net income	**₱14,283,650,505**	₱12,071,259,839	₱10,012,762,025

	2025	2024	2023
EBITDA margin for the year	**73%**	70%	70%
Core income margin for the year	**49%**	48%	48%
Net income margin for the year	**48%**	48%	47%
Total assets	**₱97,119,361,632**	₱93,526,230,463	₱86,712,171,437
Total liabilities	**57,215,257,328**	60,336,875,060	58,569,789,280
Total equity	**39,904,104,304**	33,189,355,403	28,142,382,157
Other disclosures:			
Capital expenditure (consists of additions to service concession assets, property and equipment, and other intangible assets)	**₱4,702,195,310**	₱8,773,481,540	₱11,868,720,756

** Includes provision for current and deferred taxes.*

The following table shows the reconciliation of EBITDA to net income for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
EBITDA	**₱21,629,586,362**	₱17,683,036,697	₱14,947,179,982
Amortization of service concession assets (see Note 21)	**(1,836,503,713)**	(1,641,573,779)	(1,350,184,971)
Interest expense and other finance costs (see Note 25)	**(1,863,004,731)**	(1,347,496,679)	(1,104,525,205)
Provision for heavy maintenance (see Notes 15 and 21)	**(248,899,246)**	(64,468,994)	(98,119,803)
Depreciation of property and equipment (see Notes 10, 21 and 22)	**(112,074,965)**	(85,323,503)	(99,030,882)
Interest income (see Note 24)	**71,267,442**	129,344,523	136,899,104
Amortization of other intangible assets (see Notes 12, 21 and 22)	**(15,187,603)**	(3,138,702)	(9,471,042)
Unrealized gain on investments (see Note 12)	**557,578**	323,518	91,637
Nonrecurring items:			
Other employee benefits	**(146,777,115)**	–	–
Foreign exchange gain - net	**12,231,486**	399,757	1,456,994
Provisions	**(4,587,179)**	(5,925,953)	(8,254,736)
Other income (charges) - net	**(75,015,260)**	10,043,988	(224,593,800)
Income before income tax	**17,411,593,056**	14,675,220,873	12,191,447,278
Provision for (benefit from) income tax (see Note 26):			
Current	**3,092,749,587**	2,616,134,876	2,196,317,557
Deferred	**35,192,964**	(12,173,842)	(17,632,304)
	3,127,942,551	2,603,961,034	2,178,685,253
Net income	**₱14,283,650,505**	₱12,071,259,839	₱10,012,762,025

The following table shows the reconciliation of the core income to the net income for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
Core income for the year	**₱14,497,798,573**	₱12,066,742,047	₱10,244,153,567
Nonrecurring items:			
Other employee benefits	**(146,777,115)**	–	–
Foreign exchange gain - net	**12,231,486**	399,757	1,456,994
Provisions	**(4,587,179)**	(5,925,953)	(8,254,736)
Other income (charges) - net	**(75,015,260)**	10,043,988	(224,593,800)
	(214,148,068)	4,517,792	(231,391,542)
Net income	**₱14,283,650,505**	₱12,071,259,839	₱10,012,762,025

6. **Merger between NLEX Corp. and Tollways Management Corporation (TMC)**

TMC, a company registered in the Philippines, was primarily engaged in the operations and maintenance of tollways, its facilities, interchanges and related works, or otherwise engage in the operation and maintenance of roads, highways, bridges, buildings and structures of all kinds.

Under an Operation and Maintenance Agreement with NLEX Corp., TMC provided services to NLEX Corp. as the operator of Phase I of the North Luzon Expressway (NLEX) consisting of Segments 1, 2, 3 and 7, Phase II of NLEX consisting of Segments 8.1 and 9, Plaridel Bypass Interchange, Bocaue North Bound Interchange, and SCTEX for a total consideration based on a minimum fixed annual amount with a variable component.

On October 19, 2016 and November 17, 2016, the Company's BOD and at least two-thirds of the stockholders, respectively, approved and confirmed the proposed merger between NLEX Corp. and TMC, with NLEX Corp. as the surviving corporation (the Merger).

On April 17, 2017, NLEX Corp. and TMC executed the Plan and Articles of Merger which shall take effect 15 days from and after the approval by the SEC of the Plan and Articles of Merger and the issuance by the SEC of the Certificate of Filing of the Articles of Merger (Effective Merger Date). Upon the Effective Merger date, NLEX Corp.'s corporate existence shall continue and NLEX Corp. shall be deemed to have: (a) acquired all respective rights, businesses, assets and other properties of TMC as of the Effective Merger Date, and (b) assumed all the debts and liabilities of TMC to the extent not fully discharged as of the Effective Merger Date.

On November 29, 2018, the SEC approved the certificate of filing of the Articles and Plan of Merger between NLEX Corp. (surviving corporation) and TMC (absorbed corporation). The Merger is effective on December 14, 2018.

The Merger between NLEX Corp. and TMC was accounted for using the acquisition method since the transaction has substance from the perspective of NLEX Corp. The Merger has substance based on the following: (i) there is a business purpose, (ii) the transaction involves third parties, (iii) the transaction was conducted at fair value, and (iv) NLEX Corp. and TMC have existing activities prior to the Merger.

NLEX Corp. issued 2.70 shares of stock for each stockholder of TMC, equivalent to a total of 1,026,000 common shares of stock. The total value of equity shares issued by NLEX Corp. amounted to ₱6,318.8 million, based on the independent valuation of third-party financial advisor engaged by the Company. The fair value of identifiable net assets acquired amounted to ₱105.0 million.

The goodwill resulting from the Merger between NLEX Corp. and TMC amounted to ₱6,213.8 million.

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

The pre-tax discount rates of 14.1% and 14.2% applied to cash flow projections reflects the weighted average cost of capital as at December 31, 2025 and 2024, respectively. In the assessment of the recoverable amounts, the VIUs were calculated based on cash flow and gross margin projections as per the most recent financial budgets and forecasts, which represent management's reasonable and best estimates of the ranges of economic conditions that will exist over the forecast period. The average forecast period used in the computations is 12 years in 2025 and 13 years in 2024. The forecasted period is more than 5 years as management can reliably estimate the cash flows for their entire concession period. The cash flows during the projection periods are derived using estimated average growth rates of traffic volume and toll fees. The average growth rate of traffic volume used in 2025 and 2024 is at 11.8% and 9.2%, respectively, for NLEX open system, and 10.4% and 7.6%, respectively, for NLEX closed system. On the other hand, toll fee growth used in 2025 and 2024 is at 4.4% and 3.9%, respectively, for NLEX open system, and 3.9% and 6.0%, respectively, for NLEX closed system.

Based on the impairment test, management did not identify any impairment loss on goodwill. Management also believes that no reasonably possible change in any of the key assumptions used would cause the carrying value of goodwill to materially exceed its recoverable amount.

7. Other Assets

Details of other current assets follow:

	2025	2024
Advances to suppliers (see Note 16)	**₱665,799,484**	₱296,683,862
Deferred input VAT - current	**126,907,167**	155,582,352
Prepayments	**103,811,934**	86,059,791
Creditable withholding tax	**66,600,855**	27,843,526
Input VAT	**14,758,174**	14,758,174
	977,877,614	580,927,705
Less:		
Allowance for unclaimable input VAT	**(14,758,174)**	(14,758,174)
Allowance for non-recoverability of advances to suppliers	**(26,699,594)**	(26,699,594)
	₱936,419,846	₱539,469,937

Deferred input VAT represents VAT paid to suppliers that can be claimed as credit against the Company's future output VAT liabilities without prescription.

Prepayments include prepaid insurance covering the service concession assets of the Company, permits and registration fees, and payments for hardware and software maintenance. These are expected to be consumed within the next operating cycle of the Company.

Creditable withholding tax pertains to the excess tax credits to be claimed against income tax.

Input VAT pertains to VAT imposed on purchase of goods and services. These are expected to be offset against output VAT arising from the Company's revenue subject to VAT in the future. Input VAT realizable after the next twelve months is presented as deferred input VAT under noncurrent assets.

Details of other noncurrent assets follow:

	2025	2024
Deferred input VAT - noncurrent	**₱203,312,117**	₱268,188,843
Deferred project cost	**101,614,796**	101,614,796
Others	**41,241,577**	25,511,672
	₱346,168,490	₱395,315,311

Deferred project costs are costs directly attributable to the acquisition of a service concession asset until commencement of the concession term, whereupon the costs are transferred to the "Service concession assets" account.

8. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	**₱1,850,823,520**	₱1,707,445,025
Short-term deposits as cash equivalents	**1,648,201,341**	1,084,021,626
	₱3,499,024,861	₱2,791,466,651

Cash in banks earn interest at the prevailing bank deposit rates. Short-term deposits as cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Interest earned from cash and cash equivalents amounted to ₱71.3 million, ₱129.3 million and ₱135.9 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 24).

9. Receivables

This account consists of:

	2025	2024
Trade receivables:		
Related parties (see Note 16)	**₱847,180,387**	₱1,132,432,601
Third parties	**4,148,771**	9,308,518
Advances to DPWH	**1,098,726,022**	1,086,751,163
Non-trade receivables:		
Related parties (see Note 16)	**598,244,038**	605,022,491
Third parties	**119,233,349**	97,657,655
Receivable from motorists	**118,889,278**	100,527,059
Advances to officers and employees	**46,387,387**	57,033,199
Due from related parties (see Note 16)	**11,915,894**	11,915,894
Interest receivables	**10,379,176**	9,018,939
	2,855,104,302	3,109,667,519
Less allowance for estimated credit losses	**(52,099,584)**	(106,179,435)
	₱2,803,004,718	₱3,003,488,084

Advances to DPWH is pursuant to the Reimbursement Agreement entered into by the Company with DPWH in 2013 where DPWH requested these advances in order to fast track the acquisition of right-of-way (ROW) for the construction of Segments 9 and 10, portions of Phase II of MNEP. The balance also includes direct advances to certain Segment 9 landowners as consideration for the grant of immediate ROW possession to NLEX Corp. ahead of the expropriation proceedings. Under a Deed of Assignment with Special Power of Attorney agreement, these landowners agreed to assign their receivables from DPWH to NLEX Corp. in consideration for the direct advances received from NLEX Corp. These advances to DPWH are non-interest bearing.

In its letters dated March 9, 2021 and July 1, 2021, the DPWH initially requested funding support from NLEX Corp. to address challenges in the availability of Government funding for ROW acquisition for the Connector Road Project. The DPWH proposed to offset the funding support against Periodic Payments due the Government under Clause 7.3.1.1 of the Concession Agreement (Periodic Payments). NLEX Corp.'s obligation to pay Periodic Payments to the Government will commence on the first anniversary of the construction completion deadline. In line with the offsetting arrangement, DPWH has requested subsequent amounts of funding support in its letter dated February 14, 2022 and subsequent letters to NLEX Corp. during the year, mainly to cover court deposits required for expropriation of affected properties. The total amount of funding support authorized by the BOD under the offsetting arrangement for the Connector Road Project is ₱968.5 million.

On May 28, 2025, NLEX Corp. received a letter from TRB and DPWH requesting NLEX Corp. to advance funding for the ROW acquisition for the Segment 8.2 1A project, following the identification of a funding gap based on the DPWH report dated May 2, 2025. To expedite the acquisition process, NLEX Corp. extended direct advances to the affected property owners. The recovery of these advances remains subject to further discussion with TRB.

As of December 31, 2025 and 2024, the amount of ROW advances amounted to ₱1,098.7 million and ₱1,086.8 million, respectively.

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

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

Receivable from motorists are property and accidental damage caused to NLEX Corp.'s properties from day-to-day operations that are collectible within a year.

Advances to officers and employees are normally liquidated within the following month.

The terms and conditions of related party receivables are discussed in Note 16.

Interest receivables are collectible within three to six months.

Movements in the allowance for estimated credit losses as at December 31, 2025 and 2024 are as follows:

	2025		
	Trade Receivables	**Receivable from Motorists**	**Total**
Balance at beginning of year	**₱60,371,165**	**₱45,808,270**	**₱106,179,435**
Provision for estimated credit losses (see Note 22)	**2,102,967**	**–**	**2,102,967**
Write-off	**(56,182,818)**	**–**	**(56,182,818)**
Balance at end of year	**₱6,291,314**	**₱45,808,270**	**₱52,099,584**

	2024		
	Trade Receivables	Receivable from Motorists	Total
Balance at beginning of year	₱35,171,165	₱45,808,270	₱80,979,435
Provision for estimated credit losses (see Note 22)	25,200,000	–	25,200,000
Balance at end of year	₱60,371,165	₱45,808,270	₱106,179,435

10. **Service Concession Assets**

The movements in this account follow:

	MNEP	SCTEX	NLEX-SLEX Connector Road	Total
Cost:				
At January 1, 2024	₱56,426,837,042	₱5,500,460,270	₱25,047,724,362	₱86,975,021,674
Additions	5,537,721,497	139,551,954	2,954,644,207	8,631,917,658
Reclassifications	(376,230,093)	376,230,093	65,023,560	65,023,560
At December 31, 2024	61,588,328,446	6,016,242,317	28,067,392,129	95,671,962,892
Additions	2,455,651,039	103,569,574	1,969,987,336	4,529,207,949
At December 31, 2025	**₱64,043,979,485**	**₱6,119,811,891**	**₱30,037,379,465**	**₱100,201,170,841**
Accumulated amortization:				
At January 1, 2024	₱13,361,979,754	₱634,436,440	₱–	₱13,996,416,194
Amortization (see Note 21)	1,559,539,204	82,034,575	–	1,641,573,779
Reclassifications	(5,394,236)	5,394,236	–	–
At December 31, 2024	14,916,124,722	721,865,251	–	15,637,989,973
Amortization (see Note 21)	1,761,513,150	74,990,563	–	1,836,503,713
At December 31, 2025	**₱16,677,637,872**	**₱796,855,814**	**₱–**	**₱17,474,493,686**
Net book value:				
At December 31, 2025	**₱47,366,341,613**	**₱5,322,956,077**	**₱30,037,379,465**	**₱82,726,677,155**
At December 31, 2024	46,672,203,724	5,294,377,066	28,067,392,129	80,033,972,919

MNEP

The additions amounted to ₱2,455.7 million and ₱5,537.7 million for the years ended December 31, 2025 and 2024, respectively. Out of the total amount, ₱2,263.8 million and ₱4,858.8 million pertain primarily to the construction costs for the Multi-Lane and Free Flow (MLFF) Project, on-going construction of Segment 8.2 Section 1A, R10 exit ramp, bridge retrofitting, new toll plazas, enhancement of existing toll plazas in certain areas of Phase 1, RFID advance reading project, automatic license plate recognition equipment and construction of tunnel, new bridges and roadworks development in 2025 and 2024, respectively. The Company capitalized borrowing costs, net of investment income, amounting to ₱191.8 million in 2025 and ₱678.9 million in 2024.

The reclassification amounting to ₱376.2 million in 2024 pertains to the share of SCTEX concession in the cost of interconnection on the Toll Collection System (TCS) to harmonize the NLEX-SCTEX toll operations. This amount was previously included in the balance of MNEP.

The additions to service concession assets of MNEP that remain unpaid and is included under "Accounts payable and other current liabilities" in the statements of financial position amounted to ₱349.9 million and ₱146.0 million as at December 31, 2025 and 2024, respectively (see Note 31).

The interest rates used to determine the amount of borrowing costs eligible for capitalization ranges from 6.41% to 7.50% in 2025 and 5.35% % to 6.90 % in 2024.

The concession term for fully operational Phase I and Segments 8.1, 9 and 10 of Phase II of the MNEP is until December 31, 2037. As at December 31, 2025 and 2024, the remaining concession term is 12 years and 13 years, respectively.

SCTEX
As discussed in Note 2, NLEX Corp. took over from BCDA the management, operation and maintenance of the SCTEX on October 27, 2015. The additions for the years ended December 31, 2025 and 2024 amounting to ₱103.6 million and ₱139.6 million, respectively, pertain to capitalized constructions costs for the installation of fixed operating equipment to SCTEX Bamban Toll Plaza Project and SCTEX Toll Plaza Expansion, River bridge slope protection project in the Pasig-Potrero Bridge, ramp widening, RFID advance reading project and construction of toll booths and other technical upgrades.

The additions to service concession assets of SCTEX that remain unpaid and included under "Accounts payable and other current liabilities" in the statements of financial position amounted to nil as at December 31, 2025 and 2024 (see Note 31).

The concession term for SCTEX is until October 30, 2043. As at December 31, 2025 and 2024, the remaining concession term is 18 years and 19 years, respectively.

NLEX-SLEX Connector Road
As discussed in Note 3, NLEX Corp. and DPWH signed the Concession Agreement for the NLEX-SLEX Connector Road on November 23, 2016. The additions for the years ended December 31, 2025 and 2024 amounting to ₱1,970.0 million and ₱2,954.6 million, respectively, pertain to construction costs in 2025 and 2024 amounting to ₱848.2 million and ₱1,833.4 million, respectively, and borrowing costs capitalized, net of investment income, in 2025 and 2024 amounting to ₱950.2 million and ₱917.3 million, respectively and accretion of service concession fees in 2025 and 2024 amounting to ₱171.6 million and ₱203.9 million, respectively (see Notes 18, 24 and 25).

In 2023, the Company reclassified land valued at ₱65.0 million from service concession asset to property and equipment pending finalization of legal documents for eventual turnover to Philippine National Railways (PNR) in connection with the construction of NLEX-SLEX Connector Road. In 2024, the turnover of the land to PNR was completed and the cost of ₱65.0 million was recorded as part of the project cost (see Note 10).

The additions to service concession assets related to NLEX-SLEX Connector Road that remain unpaid and included under "Accounts payable and other current liabilities" in the statements of financial position amounted to ₱112.0 million and ₱82.3 million as at December 31, 2025 and 2024, respectively (see Note 31).

The borrowing rates used to determine the amount of borrowing costs eligible for capitalization ranges from 4.21% to 6.98% in 2025 and 4.21% to 6.7% in 2024.

The concession term for NLEX-SLEX Connector Road is until December 13, 2058. As at December 31, 2025 and 2024, the remaining concession term is 33 years and 34 years, respectively.

For the purposes of impairment testing related to an intangible asset (service concession asset) not yet available for use under the requirements of PAS 36, *Impairment of Assets*, the Company has performed the analysis by comparing the recoverable amount and the carrying amount of the service concession assets as at reporting date.

The total carrying amount of NLEX-SLEX Connector Road which is not yet available for use amounted to ₱30,037.4 million and ₱28,067.4 million as at December 31, 2025 and 2024, respectively.

The recoverable amount of NLEX-SLEX Connector Road has been determined based on a value in use computation using the cash flow and gross margin projections from most recent financial forecast of NLEX Corp. For the impairment testing conducted, average traffic volume growth rates were 5.0% and 6.5% for December 31, 2025 and 2024, respectively, while average toll fee growth rates were 4.7% and 5.7%, respectively. The pre-tax discount rates applied were 14.1% and 14.2% for December 31, 2025 and 2024, respectively, which were based on the weighted average cost of capital with estimated premium of 3.0% over cost of equity. The average forecast periods used in the computation were 33 years and 34 years for 2025 and 2024, respectively. The forecast period is greater than 5 years as management can reliably estimate the cash flow for the entire duration of the concession periods.

Based on the impairment testing, management did not identify an impairment loss for these service concession assets. Management also believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the service concession asset not yet available for use to materially exceed its respective recoverable amount.

Contract Assets
Service concession assets with ongoing construction specifically the NLEX-SLEX Connector Road are considered as contract assets under PFRS 15 amounting to ₱20,694.8 million and ₱19,846.6 million as at December 31, 2025 and 2024, respectively.

Advances to Contractors
There were no advances to contractors related to the construction of the projects as at December 31, 2025 and 2024, respectively.

11. Property and Equipment

The movements in this account follow:

	Land	Building, Building Improvements and Leasehold Improvements	Transportation Equipment	Office Equipment and Others	Total
Cost:					
At January 1, 2024	₱65,023,560	₱246,518,838	₱242,059,386	₱646,999,773	₱1,200,601,557
Additions	–	19,489,479	40,649,217	44,509,212	104,647,908
Reclassifications	(65,023,560)	(1,560,216)	–	–	(66,583,776)
At December 31, 2024	–	264,448,101	282,708,603	691,508,985	1,238,665,689
Additions	–	37,826,102	47,732,482	54,723,235	140,281,819
Disposals	–	–	(4,718,765)	(8,353,974)	(13,072,739)
At December 31, 2025	**₱–**	**₱302,274,203**	**₱325,722,320**	**₱737,878,246**	**₱1,365,874,769**
Accumulated depreciation:					
At January 1, 2024	₱–	₱129,107,180	₱152,103,593	₱515,228,321	₱796,439,094
Depreciation (see Notes 21 and 22)	–	16,473,291	31,510,202	37,340,010	85,323,503
At December 31, 2024	–	145,580,471	183,613,795	552,568,331	881,762,597
Depreciation (see Notes 21 and 22)	–	16,613,827	34,234,639	61,226,499	112,074,965
Disposals	–	–	(4,718,765)	(8,353,974)	(13,072,739)
At December 31, 2025	**₱–**	**₱162,194,298**	**₱213,129,669**	**₱605,440,856**	**₱980,764,823**
Net book value:					
At December 31, 2025	**₱–**	**₱140,079,905**	**₱112,592,651**	**₱132,437,390**	**₱385,109,946**
At December 31, 2024	–	118,867,630	99,094,808	138,940,654	356,903,092

Additions to property and equipment on account in 2025 and 2024 amounted to ₱19.6 million and ₱11.3 million, respectively (see Note 31).

In 2023, land valued at ₱65.0 million was reclassified to Property and Equipment but was finally recorded to NLEX-SLEX Connector Road in 2024 (see Note 9).

The disposals made in 2025 mostly pertain to employees' assigned laptop and car plan due for replacement and office equipment. Proceeds from the sale of property and equipment amounted to ₱0.9 million, nil and ₱7.7 million in 2025, 2024 and 2023, respectively. There were no outstanding receivable from the sale of property and equipment as at December 31, 2025 and 2024, respectively. Gain on disposal amounted to ₱0.9 million, nil, and ₱6.1 million in 2025, 2024, and 2023, respectively.

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

12. Other Intangible Assets

Other intangible assets pertain to computer software relating to the Company's accounting, reporting and asset management systems with estimated useful life of 5 years.

The movements in this account follow:

	2025	2024
Cost:		
Balance at beginning of year	**₱245,263,588**	₱208,347,614
Additions	**32,705,542**	36,915,974
Balance at end of year	**277,969,130**	245,263,588
Accumulated amortization:		
Balance at beginning of year	**141,624,606**	138,485,904
Amortization (see Notes 21 and 22)	**15,187,603**	3,138,702
Balance at end of year	**156,812,209**	141,624,606
Net book value	**₱121,156,921**	₱103,638,982

Additions to intangible assets on account in 2025 and 2024 amounted to ₱9.4 million and ₱0.9 million, respectively (see Note 31).

13. Financial Assets at FVTPL

Details of this account are shown below:

	2025	2024
Fair value	**₱13,169,724**	₱12,612,146
Principal amount	**11,921,954**	11,921,954

The movements in this account follow:

	2025	2024
Balance at beginning of year	**₱12,612,146**	₱2,288,628
Additions	–	10,000,000
Changes in fair value taken to profit or loss	**557,578**	323,518
Balance at end of year	**₱13,169,724**	12,612,146

The fair value is based on the quoted market price of the financial instruments and directly observable inputs that are significant to fair value measurement as at December 31, 2025 and 2024.

14. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses:		
Third parties	**₱2,191,490,840**	₱2,370,679,788
Related parties (see Note 16)	**720,395,999**	545,715,212
Trade payables:		
Third parties	**180,018,232**	1,065,416,506
Related parties (see Note 16)	**277,864,576**	193,464,493
Retention payable:		
Third parties	**441,150,891**	657,715,463
Related parties (see Note 16)	**136,617,656**	101,601,918
Output VAT - net	**683,807,858**	535,142,713
Interest payable	**268,762,022**	105,104,661
Non-trade payables:		
Third parties	**47,265,778**	42,168,584
Related parties (see Note 16)	**52,870,317**	49,243,695
Withholding taxes payable	**102,797,148**	181,708,129
Deferred output VAT	**47,339,933**	74,505,398
Unearned revenue		
Third parties	**13,736,338**	12,397,052
Related parties (see Note 16)	**2,502,624**	2,502,624
Others	**89,880,797**	59,492,893
	₱5,256,501,009	₱5,996,859,129

Accrued expenses consist of:

	2025	2024
Construction costs	**₱1,224,040,815**	₱1,261,604,372
Outside services	**568,382,883**	344,218,875
Concession fees (see Note 3)	**318,055,235**	274,107,120
Salaries and employee benefits	**244,626,316**	108,304,340
PNCC fee (see Note 27)	**128,015,984**	109,185,896
Professional fees	**84,592,885**	25,023,000
Repairs and maintenance (see Note 16)	**71,434,624**	64,250,860
Transportation and travel	**33,320,477**	31,741,186

(*Forward*)

	2025	2024
Management fees (see Note 16)	**₱31,538,944**	₱11,196,515
Project insurance	**24,336,828**	21,893,323
Operating and maintenance cost	**21,752,354**	95,528,175
Advertising and marketing expenses (see Note 16)	**15,553,591**	40,114,774
Toll collection and medical services	**3,134,280**	−
TRB fee (see Note 30)	**−**	369,508,011
Others	**143,101,623**	159,718,553
	₱2,911,886,839	₱2,916,395,000

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

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

Output VAT - net pertains to net amount of VAT payable to taxation authority. Deferred output VAT is reported as output VAT upon collection of related receivables within the next reporting period.

Withholding taxes and VAT payable are remitted to the government the following month.

Interest payable is settled within three to six months.

The terms and conditions of related party payables are discussed in Note 16.

15. **Provisions**

The movements in this account follow:

	Heavy Maintenance	Others	Total
At January 1, 2024	₱664,377,285	₱142,661,408	₱807,038,693
Additions (see Notes 21 and 22)	64,468,994	13,450,868	77,919,862
Accretion (see Note 25)	42,635,745	−	42,635,745
Payments	(21,591,355)	(5,386,511)	(26,977,866)
At December 31, 2024	₱749,890,669	₱150,725,765	₱900,616,434
Additions (see Notes 21 and 22)	248,899,246	22,669,633	271,568,879
Accretion (see Note 25)	43,296,383	−	43,296,383
Payments	(159,557,304)	(141,978,519)	(301,535,823)
Reclassification	−	124,483,344	124,483,344
At December 31, 2025	**₱882,528,994**	**₱155,900,223**	**₱1,038,429,217**
At December 31, 2025:			
Current	**₱412,907,880**	**₱65,462,385**	**₱478,370,265**
Noncurrent	**469,621,114**	**90,437,838**	**560,058,952**
	₱882,528,994	**₱155,900,223**	**₱1,038,429,217**
At December 31, 2024:			
Current	₱307,750,085	₱54,229,800	₱361,979,885
Noncurrent	442,140,584	96,495,965	538,636,549
	₱749,890,669	₱150,725,765	₱900,616,434

As discussed in Note 4, provision for heavy maintenance pertains to the present value of the estimated contractual obligations of the Company to maintain the service concession assets to a specified level of serviceability during the service concession term and to restore the same assets in good condition prior to turnover of the assets to the Grantor. The amount of provision is reduced by the actual expenditures paid for heavy maintenance of the service concession assets.

Other provisions include employee leave entitlements (see Note 23) and the provision for unclaimable input VAT pertaining to the adjustment made to deduct the tax benefit on depreciation of capitalized input VAT.

16. Related Party Disclosures

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

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

Related Party	Relationship		Management Fees (see Note 22)	Outside Services (see Notes 21 and 22)	Repairs and Maintenance (see Notes 21 and 22)	Communication, Light and Water (see Notes 21 and 22)	Advertising and Marketing Expenses (see Notes 21 and 22)	Professional Fees (see Note 21 and 22)	Representation and Travel Expenses (see Note 22)	Fuel & Oil, Transportation, Rental (see Note 21 and 22)	Income from Utility Facilities (see Note 20)	Other Income
MPTC	Intermediate Parent Company	**2025**	**₱27,060,967**	**₱60,271,978**	**₱23,017,651**	**₱–**	**₱8,000,000**	**₱41,830,172**	**₱–**	**(₱15,310,562)**	**₱–**	**₱6,467,948**
		2024	30,952,186	202,104	5,063,391	–	–	172,008,850	–	–	–	59,923,414
		2023	30,952,186	–	705,076	–	35,944,440	640,000	–	–	–	64,124,356
Easytrip Services Corp. (ESC)	Subsidiary of MPTC	**2025**	**–**	**329,569,300**	**–**	**–**	**34,463,469**	**–**	**–**	**56,763**	**–**	**15,094,696**
		2024	–	303,451,165	–	–	53,252,912	–	–	893	–	5,156,425
		2023	–	297,404,609	–	–	42,225,691	–	–	–	–	1,415,357
Smart Communications Inc. (Smart)	Associate of FPC	**2025**	**–**	**–**	**34,233**	**6,567,007**	**54,643**	**–**	**–**	**–**	**–**	**–**
		2024	–	–	8,929	6,540,114	32,857	–	–	–	600,630	–
		2023	–	–	23,420	5,002,022	–	–	–	–	434,693	–
PLDT, Inc. (PLDT)	Associate of FPC	**2025**	–	–	–	**8,536,051**	–	–	–	–	**4,859,056**	**1,434**
		2024	–	–	–	8,537,275	–	–	–	–	4,173,109	–
		2023	–	–	–	8,287,268	–	–	–	–	5,554,816	–
Metro Pacific Tollways Digital Inc. (MPTDI)	Subsidiary of MPTC	**2025**	–	**69,427,967**	–	–	–	–	–	–	–	**9,946,076**
		2024	–	69,844,606	–	–	–	–	–	–	–	8,878,543
		2023	–	77,451,444	–	–	–	–	–	–	–	7,165,641
Cavitex Infrastructure Corp. (CIC)	Subsidiary of MPTC	**2025**	–	–	–	–	–	–	–	**(282,959)**	–	**37,331,368**
		2024	–	–	–	–	–	–	–	1,129	–	37,704,541
		2023	–	–	–	–	–	–	–	–	–	47,359,834
Metro Pacific Tollways South Management Corp (MPTSMC)	Subsidiary of MPTC	**2025**	–	–	–	–	–	–	–	–	–	**911**
		2024	–	–	–	63,937	–	–	–	–	–	–
		2023	–	–	–	–	–	–	–	–	–	–
Manila Electric Company (Meralco)	Associate of MPIC	**2025**	–	–	–	**91,387,571**	–	–	–	–	**–**	–
		2024	–	–	–	78,613,714	–	–	–	–	–	–
		2023	–	–	–	75,226,385	–	–	–	–	–	58,164
Maynilad	Subsidiary of MPIC	**2025**	–	–	–	**1,680,659**	–	–	–	–	–	–
		2024	–	–	–	1,518,931	–	–	–	–	–	–
		2023	–	–	–	997,510	–	–	–	–	–	–
Indra Philippines, Inc. (Indra)	Associate of MPIC	**2025**	–	–	**55,789,742**	–	–	–	–	–	–	–
		2024	–	–	64,898,047	–	–	–	–	–	–	–
		2023	–	–	45,480,000	–	–	–	–	–	–	–
Egis Projects Philippines Inc. (EPPI)	Associate of FPC	**2025**	–	–	**32,857,276**	–	–	**25,110,571**	–	–	–	–
		2024	–	–	37,501,934	–	–	23,640,606	–	–	–	–
		2023	–	–	27,847,516	–	–	23,660,606	–	–	–	–
Cebu Cordova Link Expressway (CCLEC)	Subsidiary of MPTC	**2025**	–	–	–	–	–	–	**180**	–	–	**11,581,635**
		2024	–	–	–	–	–	–	–	–	–	5,557,170
		2023	–	–	–	–	–	–	–	–	–	3,321,593
SAVVICE Corporation (SAVVICE)	Subsidiary of MPTC	**2025**	–	**829,022,771**	**6,846,466**	–	–	–	–	**2,640,869**	–	**5,162,151**
		2024	–	692,750,926	7,898,925	579,352	–	–	–	1,272,246	–	7,386,310
		2023	–	476,714,890	1,393,875	–	–	–	–	53,234,163	–	2,289,501
MPIC	Parent Company of MPTC	**2025**	–	–	–	–	–	–	–	**1,177,615**	–	–
		2024	–	–	–	–	64,478	–	–	–	–	–
		2023	–	–	–	–	6,443	–	–	–	–	–

(Forward)

Related Party	Relationship		Management Fees (see Note 22)	Outside Services (see Notes 21 and 22)	Repairs and Maintenance (see Notes 21 and 22)	Communication, Light and Water (see Notes 21 and 22)	Advertising and Marketing Expenses (see Notes 21 and 22)	Professional Fees (see Note 21 and 22)	Representation and Travel Expenses (see Note 22)	Fuel & Oil, Transportation, Rental (see Note 21 and 22)	Income from Utility Facilities (see Note 20)	Other Income
MPT Mobility Corporation (MPT Mobility)	Subsidiary of MPTC	**2025**	**₱–**	**₱131,787,943**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**(₱736,491)**	**₱–**	**₱122,682,991**
		2024	–	130,857,507	–	–	–	–	107	–	–	28,190,053
		2023	–	120,278,153	–	–	–	–	–	–	–	9,543,484
MPCALA Holdings Inc. (MPCALA)	Subsidiary of MPTC	**2025**	–	–	–	–	–	–	–	**(283,294)**	–	**50,556,037**
		2024	–	–	1,502,033	–	40	–	–	421	–	38,642,712
		2023	–	–	–	–	–	–	–	–	–	28,736,014
Total		**2025**	**₱27,060,967**	**₱1,420,079,959**	**₱118,545,368**	**₱108,171,288**	**₱42,518,112**	**₱66,940,743**	**₱180**	**(₱12,738,059)**	**₱4,859,056**	**₱258,825,247**
		2024	30,952,186	1,197,106,308	116,873,259	95,853,323	53,350,287	195,649,456	107	1,274,689	4,773,739	191,439,168
		2023	30,952,186	971,849,096	75,449,887	89,513,185	78,176,574	24,300,606	–	53,234,163	5,989,509	164,013,944

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

Related Party	Relationship		Advances to Suppliers (see Note 13)	Receivables (see Note 8)	Due from Related Parties (see Note 8)	Accounts Payable and Other Current Liabilities and Dividends Payable (see Notes 14 and 19)	Terms	Conditions
MPTC	Parent Company	2025	₱–	₱144,986,921	₱1,681,966	₱175,452,907	(1) On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	93,040,003	1,681,966	1,481,619,274	(2) 30-45 days; noninterest-bearing	
MPTSMC	Subsidiary of MPTSC	2025	–	12,665,415	377,544	16,469,665	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	1,278,042	377,544	13,283,048		
MPCALA	Subsidiary of MPTC	2025	–	17,345,002	–	1,652,236	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	35,678,561	–	1,652,236		
CIC	Subsidiary of MPTC	2025	–	29,748,089	233,805	89,033	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	36,129,586	233,805	89,033		
ESC	Subsidiary of MPTC	2025	–	864,742,440	91,350	192,434,023	(1) On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	1,137,630,091	91,350	172,907,679	(2) 7 days; noninterest-bearing	
Indra	Associate of MPIC	2025	–	–	–	67,146,778	Within one year; noninterest-bearing	Unsecured
		2024	–	–	–	71,240,359		
Smart	Associate of FPC	2025	–	1,842,157	–	2,108,674	30-45 days; noninterest-bearing	Unsecured; no impairment
		2024	–	1,838,614	–	2,044,153		
PLDT	Associate of FPC	2025	–	18,032,033	–	2,953,353	30-45 days; noninterest-bearing	Unsecured; no impairment
		2024	–	32,811,840	–	315,779		
Meralco	Associate of MPIC	2025	19,731,424	–	–	21,693,830	Within one year; noninterest-bearing	Unsecured, no impairment
		2024	–	1,200,498	–	12,957,794		
Maynilad	Subsidiary of MPIC	2025	–	335,517	65,237	38,640	Within one year; noninterest-bearing	Unsecured, no impairment
		2024	–	335,517	65,237	32,059		
MPTDI	Subsidiary of MPTC	2025	–	16,350,033	8,708,393	82,164,584	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	18,588,928	8,708,393	12,893,537		
MPT Mobility	Subsidiary of MPTC	2025	–	298,132,317	752,168	84,461,563	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	351,526,070	752,168	89,271,365		
CCLEC	Subsidiary of MPTC	2025	–	14,923,082	5,431	564,853	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	2,628,036	5,431	544,853		
SAVVICE	Subsidiary of MPTC	2025	50,984,889	26,238,848	–	349,352,401	On demand; noninterest-bearing	Unsecured; no impairment
		2024	81,600,000	24,663,585	–	299,316,648		
MPIC	Parent Company of MPTC	2025	–	–	–	1,318,929	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	8,159	–	202,104		
EPPI	Associate of FPC	2025	507,476,714	82,271	–	191,535,772	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	97,562	–	118,349,960		
MPT North, Inc.	Stockholder	2025	–	–	–	–	On demand; noninterest-bearing	Unsecured
		2024	–	–	–	209,825,508		
Banco de Oro Unibank, Inc. (BDO)	Stockholder	2025	–	300	–	813,931	On demand; noninterest-bearing	Unsecured; no impairment
		2024	–	–	–	318,564,156		
Global Fund Holdings, Inc. (Global Fund)	Stockholder	2025	–	–	–	–	On demand; noninterest-bearing	Unsecured
		2024	–	–	–	80,506,867		
ROP	Stockholder	2025	–	–	–	–	On demand; noninterest-bearing	Unsecured
		2024	–	–	–	6,911,530		
Total		2025	₱578,193,027	₱1,445,424,425	₱11,915,894	₱1,190,251,172		
		2024	81,600,000	1,737,455,092	11,915,894	2,892,527,942		

Settlement of outstanding balances at year-end occurs in cash for the outstanding receivables from/payables to related parties, while advances to contractors and consultants will be applied to future services rendered.

Transactions with Parent Companies

MPTC

- On January 1, 2018, NLEX Corp. entered into a management service agreement with MPTC, whereby MPTC provides management and other advisory services through the secondment and outsourcing of MPTC's employees. The agreement shall remain in effect for a period of twelve (12) months and may be renewed or extended upon mutual agreement by NLEX Corp. and MPTC. On January 1, 2025 and 2024, the agreement was renewed for another 12 months, respectively, which amended the fixed monthly fee to ₱2.3 million and ₱2.6 million (inclusive of 10% administrative fee but exclusive of VAT), in both years.

- In 2025 and 2024, MPTC billed NLEX Corp. for various shared expenses pertaining to outside services, repairs and maintenance and advertising. Charges for outside services amounting to ₱60.3 million and ₱0.2 million in 2025 and 2024, respectively, relating to electronic toll collection charges and recruitment charges. MPTC also billed NLEX Corp. for repairs and maintenance on computer software amounting to ₱23.0 million and ₱5.1 million in 2025 and 2024, respectively. In 2025, MPTC launched its Tour of Luzon Program and billed NLEX Corp. for its share on advertising expenses amounting to ₱8.0 million.

- In 2025 and 2024, MPTC billed NLEX Corp. for director and professional fees amounting to ₱41.8 million and ₱172.0 million, respectively. The charges relating to director's fees pertain to NLEX Corp.'s share of per diems during various meetings held by MPTC. Professional fees pertain to consultancy fees incurred and allocated by MPTC to NLEX Corp. on employee salaries & retirement and electronic toll collection, in 2025 and 2024, respectively.

- In 2025 and 2024, NLEX Corp. billed MPTC for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱6.4 million and ₱46.7 million, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

- Total unpaid dividends to MPTC amounted to nil, ₱1,461.2 million and ₱1,981.9 million as at December 31, 2025, 2024 and 2023, respectively. The dividends as at December 31, 2024 were subsequently paid on February 13, 2025.

Transactions with Other Related Parties

MPTDI

- On January 1, 2018, NLEX Corp. entered into a management service agreement with MPTDI, whereby MPTDI provides management and other advisory services through the secondment and outsourcing of MPTDI's employees. The agreement shall remain in effect for a period of twelve (12) months and may be renewed or extended upon mutual agreement by NLEX Corp. and MPTDI. In 2025 and 2024, the agreement was renewed which amended the fixed monthly fee to ₱10.8 million and ₱6.5 million (inclusive of 10% administrative fee but exclusive of VAT), respectively. In 2025 and 2024, NLEX Corp. billed MPTDI for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱9.04 million and ₱7.7 million respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

ESC

- On December 5, 2007, NLEX Corp. engaged the services of ESC, a subsidiary of MPTC, to assist NLEX Corp. in increasing the usage of the electronic toll collection (ETC) facility along the NLEX which ended on April 30, 2010. On November 24, 2010, NLEX Corp. and ESC signed the Supplemental Agreement to the Service Agreement extending the services of ESC as ETC service provider for another eight years effective on May 1, 2010 with a five-year extension. In accordance with the Supplemental Agreement, NLEX Corp. will pay ESC an annual fixed fee of ₱14.0 million for Class 1 vehicles and annual fixed fee of ₱5.0 million for Class 2 and Class 3 vehicles, which are to be maintained and escalated every year for labor index and CPI. NLEX Corp. shall also pay for variable fees of ₱0.75 or ₱2.5 per transaction for Class 1 vehicles depending on the number of transactions achieved during the year compared with prior year; and ₱3.0 and ₱4.0 per transactions for Class 2 and Class 3, respectively, which are also to be maintained and escalated every year for labor index and CPI.

  Pursuant to the Service Agreement, amounts due to NLEX Corp. arising from the use of Easytrip tags in the NLEX shall be remitted by ESC to the designated NLEX Corp. bank accounts within seven (7) days immediately following the date when any vehicle using the Easytrip tags pass through the electronic payment lane of the NLEX. Any amount due to ESC arising from the reloading of the Easytrip tags in the NLEX shall be remitted by NLEX Corp. to the designated ESC bank accounts within seven (7) days immediately following the date of reloading.

- In 2025 and 2024, ESC billed NLEX Corp. for various outside services for RFID performance fees, beep cards and advertising and marketing expenses.

- In 2025 and 2024, NLEX Corp. billed ESC for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱24.8 million and ₱4.6 million, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

Indra

- In 2025 and 2024, Indra billed NLEX Corp. for various repairs and maintenance services rendered to ETC facilities installed along NLEX.

EPPI

- On January 9, 2018, NLEX Corp. and EPPI entered into an agreement to engage EPPI to undertake consultancy and technical assistance services. Adhering to the agreement, an annual service fee of ₱27.3 million, inclusive of VAT, shall be paid by NLEX Corp. on a monthly basis equivalent to dividing the annual service fee into twelve (12) equal monthly payments. The contract is effective on January 1, 2018 and shall last for an undetermined period of time which shall not be less than the concession period of SCTEX. In 2025 and 2024, the Company paid technical assistance fees amounting to ₱4.1 million and ₱26.5 million, respectively.

- In 2025 and 2024, EPPI billed NLEX Corp. for repairs and maintenance services rendered to RFID-related fixed operating equipment installed along NLEX.

MPTSMC

- In 2025, services rendered by Human Resources and Internal Audit was separately billed to MPCALA and CIC.

MPCALA

- In 2025 and 2024, the Company paid various costs and expenses such as fuel and oil and transportation on behalf of MPCALA. NLEX Corp. billed MPCALA for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱45.6 million and ₱33.9 million in 2025 and 2024, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

CIC

- In 2025 and 2024, NLEX Corp. billed CIC for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱33.9 million and ₱26.5 million, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

SAVVICE

- SAVVICE provides qualified personnel, labor, supply of equipment and cleaning materials necessary to ensure the complete and efficient performance of Janitorial Maintenance Services and General Outsourced Support Services for the Company with engagement until December 31, 2026.

- In 2025 and 2024, SAVVICE billed NLEX Corp. for various expenses such as repairs and maintenance, communication, utilities, and fuel and oil.

- In 2025 and 2024, NLEX Corp. consolidated all the O&M support services performed by SAVVICE into one Integrated Services Contract in order to benefit from sharing of resources and drive down costs. These are routine maintenance services, incident response services, vehicle weighing and data processing services, traffic management services and preventive and corrective maintenance of facilities and equipment. Janitorial and housekeeping services as well as fleet management services remained as stand-alone agreements.

- In 2025 and 2024, NLEX Corp. billed SAVVICE for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱2.7 million and ₱5.2 million, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

PLDT, Smart and Digitel

- On March 17, 2010, NLEX Corp. and PLDT entered into an agreement with respect to the commercial aspect of the Utility Facilities Contract for the Fiber Optic Overlay along Phase I of NLEX, the contract of which was signed on February 18, 2013. Pursuant to the agreement, PLDT shall pay NLEX Corp. an annual fee of ₱1.3 million starting in the year 2010 which shall then be escalated annually by 9% on the succeeding years. The contract shall be effective for a period of 20 years from April 15, 2010 and may be renewed or extended upon mutual agreement by NLEX Corp. and PLDT.

- NLEX Corp. and PLDT entered into an agreement in relation to the installation of Fiber Optic Cable (FOC) along SFEX on August 24, 2016. Pursuant to the agreement, PLDT shall pay an annual fee of ₱0.2 million starting September 3, 2016 which shall be escalated annually using the inflation rate as determined by the National Economic and Development Authority but in no case lower than 5%. The contract shall be effective for a period of 5 years from the date of its execution and may be renewed or extended upon mutual agreement by NLEX Corp. and PLDT. The agreement was extended for another period of 5 years, from the date of its expiration in 2021.

- On January 5, 2011, NLEX Corp. and Smart (a subsidiary of PLDT) signed a Utility Facilities Contract where NLEX Corp. provides Smart an access for the construction, operation and maintenance of a cell site inside the NLEX right of way for an annual fee of ₱0.3 million which shall then be escalated annually to 4.5% starting on the fourth year of the contract and every year thereafter. The contract is effective from April 26, 2010 for a period of five (5) years which may be renewed or extended upon mutual agreement by NLEX Corp. and Smart.

  On September 19, 2016, NLEX Corp. and Smart renewed its Utility Facilities Contract. The renewed contract shall be for a period of 5 years from April 27, 2015 to April 26, 2020. The annual fee shall be ₱0.3 million which shall be subject to 4.5% increase annually starting at the second year of the new contract period. On April 26, 2020, the contract was renewed for another five (5) years effective April 27, 2020 until April 26, 2025. On March 15, 2023, the site was assigned by Smart to Edgepoint and the obligations of the contract were assumed by Edgepoint as specified in their Letter of Assignment. The Company is currently in the process of renewing the contract for the facility under the name of Edgeoint.

- In 2025 and 2024, PLDT and Smart billed the Company for its communication expenses.

Meralco

- In 2025 and 2024, the Company was billed by Meralco for its electric consumption in its head office; in Segment 9, portion of Phase II of MNEP, and for its drainage system in Balintawak and Valenzuela.

Maynilad

- In 2025 and 2024, the Company was billed by Maynilad for its water consumption in its head office.

MPT Mobility

- On February 1, 2021, the Company appointed MPT Mobility as an exclusive partner for the Out-of-office (OOH) advertising within its expressways. The Company granted MPT Mobility a limited and exclusive right to use portions of the NLEX and SCTEX rights-of-way for OOH advertising contracts, including the installation, construction and maintenance of OOH structures for an initial period of three (3) years which can be renewed if agreed by both parties. ROWs pertain to the OOH sites such as billboards, toll banners and traffic control gate, toll booth dress up, ATDM, roadside and lamp post banners, and pylons in certain locations as specified in the contract. As of December 31, 2025, renewal of the contract is still undergoing internal review.

- In 2025 and 2024, NLEX Corp. billed MPT Mobility for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱56.4 million and ₱6.2 million, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

CCLEC

- In 2025 and 2024, NLEX Corp. billed CCLEC for the services rendered by Human Resources and Internal Audit with an annual service fee of ₱10.5 million and ₱4.4 million, respectively, which is exclusive of the standard administrative fee of 10% and 12% VAT.

Other Transactions

- Compensation of key management personnel of the Company are as follows:

	2025	2024
Short-term employee benefits	**₱395,879,088**	₱441,700,000
LTIP expense (see Note 23)	**100,064,749**	122,720,835
Retirement expense (see Note 23)	**26,430,563**	24,800,181
	₱486,374,400	₱589,221,016

- NLEX Corp. acts as a surety or co-obligor with certain NLEX Corp. officers for the payment of valid corporate expenses through the use of corporate credit cards at specified approved amounts ranging from ₱4.8 million to ₱5.1 million both in 2025 and 2024, respectively.

- The Company paid directors fees amounting to ₱1.1 million, ₱1.6 million and ₱1.5 million for the years ended December 31, 2025, 2024 and 2023, respectively, recorded under "General and administrative expenses" account in the statements of income (see Note 22).

- Advances to officers and employees has an outstanding balance of ₱46.4 million and ₱57.0 million as at December 31, 2025 and 2024, respectively (see Note 8).

- The Company paid construction works capitalized as project cost to D.M. Consunji, Inc., a subsidiary of First Pacific Company, amounting to nil and ₱220.6 million in 2025 and 2024, respectively.

- The Company paid the following to BDO Unibank, Inc. a stockholder of the Company:
  - interest expense amounting to ₱258.6 million in 2025 and ₱221.5 million in 2024;
  - loans repayment amounting to ₱250.0 million in both 2025 and 2024;
  - toll processing costs amounting to ₱5.8 million in 2025 and ₱1.0 million in 2024; and
  - trustee fees amounting to ₱3.0 million in 2025 and ₱1.2 million in 2024.

Review and Approval of Related Party Transactions
The review and approval of related party transactions shall be subject to the review process to determine whether a related party transaction is on arm's length terms and is in the best interest of the Company and its shareholders as a whole. Related party transactions shall be reviewed and approved by the appropriate level of management depending on the approval threshold set by the Company.

17. Short-term Loans Payable and Long-term Debt

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

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

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

On December 20, 2024, the Company rolled over the ₱2,000.0 million Metrobank loan for another 32 days at a lower annual interest rate of 5.2% and with a new maturity date of January 21, 2025. The Company continued to use the proceeds to bridge-finance capital expenditures. Upon maturity, the Company partially settled the loan in the amount of ₱1,400.0 million, while the remaining balance of ₱600.0 million was rolled over for another 30 days at an annual interest rate of 5.2%, and with a maturity date of February 20, 2025. The outstanding balance was fully settled on its maturity date.

On March 28, 2025, the Company availed of a 31-day short-term loan from Philippine National Bank (PNB) amounting to ₱1,850.0 million, with an annual interest rate of 5.2% and a maturity date of April 28, 2025. The proceeds were used to bridge-finance the Company's capital expenditures.

On April 28, 2025, the Company partially settled the loan in the amount of ₱550.0 million, while the remaining balance of ₱1,300.0 million was rolled over for 150 days at an annual interest rate of 5.2%, with a maturity date of September 25, 2025. The outstanding balance was fully settled on its maturity date.

As of December 31, 2025, the Company had no outstanding balance of short-term loans payable. As of December 31, 2024, short-term loans payable, net of unamortized debt issue costs, amounted to ₱1,999.1 million.

The movements in debt issue costs on short-term loans payable are as follows:

	2025	2024
Balance at beginning of year	**₱904,110**	₱739,726
Debt issue costs incurred during the year	**5,205,822**	20,229,452
Amortization during the year (see Note 25)	**(6,109,932)**	(20,065,068)
Balance at end of year	**₱–**	₱904,110

Interest expense from these short-term loans, presented as part of "Interest expense and other finance costs" in the statements of income, amounted to ₱45.1 million, ₱157.4 million, and ₱9.2 million in 2025, 2024 and 2023, respectively (see Note 25).

Long-term Debt

Movements in principal amount of long-term debt in 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	**₱44,629,000,000**	₱42,772,000,000
Availments	**9,000,000,000**	9,000,000,000
Payments	**(8,043,000,000)**	(7,143,000,000)
Balance at end of year	**45,586,000,000**	44,629,000,000
Less current portion of long-term debt	**(4,293,000,000)**	(7,818,000,000)
Noncurrent portion of long-term debt	**₱41,293,000,000**	₱36,811,000,000

Long-term debt, net of unamortized debt issue costs, consists of:

	2025	2024
Peso-denominated Notes, Loans and Bonds:		
Corporate Notes	**₱13,011,000,000**	₱15,279,000,000
Term Loan Facilities	**30,575,000,000**	23,350,000,000
Fixed-rate Bonds	**2,000,000,000**	6,000,000,000
	45,586,000,000	44,629,000,000
Less unamortized debt issue costs	**253,911,397**	248,116,924
	45,332,088,603	44,380,883,076
Less current portion of long-term debt - net of unamortized debt issue costs of ₱55,886,904 and ₱54,792,477 in 2025 and 2024	**4,237,113,096**	7,763,207,523
	₱41,094,975,507	₱36,617,675,553

The movements in debt issue costs on long-term debt are as follows:

	2025	2024
Balance at beginning of year	**₱248,116,924**	₱243,475,560
Debt issue costs incurred during the year	**67,500,000**	69,928,000
Amortization during the year* (see Notes 9 and 25)	**(61,705,527)**	(65,286,636)
Balance at end of year	**₱253,911,397**	₱248,116,924

**Includes amortization of debt issue costs capitalized to service concession assets amounting to ₱27,506,382 and ₱35,108,625 in 2025 and 2024, respectively (see Note 31).*

2020 Corporate Notes Facility

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

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

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

The Company made payments to its corporate notes facility amounting to ₱2,268.0 million both in 2025 and 2024. The total payments made as of December 31, 2025 amounted to ₱6,989.0 million.

Term Loan Facilities

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

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

The Company made payments to its BDO term loan facility amounting to ₱250.0 million both in 2025 and 2024. The total payments made as of December 31, 2025 amounted to ₱1,250.0 million.

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

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

The Company made payments to its PNB term loan facility amounting to ₱750.0 million and ₱1,500.0 million in 2025 and in 2024, respectively. As of December 10, 2025, the Company made total payments amounting to ₱5,000.0 million and fully paid the term loan with PNB.

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

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

On January 1, 2025, the interest rate was repriced to 5.77%.

The Company made payments to its Unionbank term loan facility amounting ₱100.0 million both in 2025 and 2024. The total payments made as of December 31, 2025 amounted to ₱900.0 million.

Interest payment shall be made quarterly until the date of maturity on February 3, 2026. The outstanding balance amounting to ₱1,100 million was fully paid on the date of its maturity.

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

On November 16, 2022, the Company made an initial drawdown of ₱4,000.0 million with an annual interest rate of 7.13%. On March 21, 2023, the Company made its second drawdown amounting to ₱3,000.0 million with an annual interest rate of 7.50%. On November 16, 2025, the interest rate was repriced to 5.91%.

The Company made payments to its Metrobank term loan facility amounting ₱175.0 million both in 2025 and 2024. The total payments made as of December 31, 2025 amounted to ₱525.0 million.

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

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

The Company made payments to its BPI term loan facility amounting to ₱250.0 million both in 2025 and 2024. The total payments made as of December 31, 2025 amounted to ₱500.0 million.

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

On December 26, 2024, the Company made an initial drawdown of ₱1,000.0 million with an annual interest rate of 6.56%. On June 30, 2025 and November 10, 2025, the Company made its second and third drawdowns amounting to ₱6,000.0 million and ₱1,000.0 million with an annual interest rates of 6.41% and 6.11%, respectively. By December 22, 2025, the Company has fully availed the remaining ₱2,000.0 million loan at 6.13% interest rate.

The Company made payments to its Chinabank term loan facility amounting to ₱250.0 million and nil in 2025 and 2024, respectively. The total payments made as of December 31, 2025 amounted to ₱250.0 million.

Fixed-rate Bonds

On March 31, 2014, the Company issued a ₱2,600 million principal amounts of bonds with terms of ten years at 5.50% per annum, for public distribution and sale in the Philippines. Interest payments are payable quarterly in arrears on March 31, June 30, September 30 and December 31 starting on June 30, 2014. Total debt issue costs amounted to ₱28.1 million. The bonds are payable at the end of 10-year maturity periods. The proceeds were used by the Company to partially fund the construction cost of Segment 10, portion of Phase II of MNEP, which will connect the MacArthur Highway in Valenzuela City to C-3 Road in Caloocan City.

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

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

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

The Company made payments to its fixed-rate bonds amounting to ₱2,600 million in 2024. On July 4, 2025, the Company fully paid the ₱4,000.0 million fixed-rate bond on its maturity.

Interest expense from long-term debt, presented as part of “Interest expense and other finance costs” in the statements of income, amounted to ₱1,693.1 million, ₱1,079.3 million and ₱1,031.6 million in 2025, 2024 and 2023, respectively (see Note 25).

Compliance with Loan Covenants
The loan agreements of NLEX Corp. provide certain financial and non-financial covenants. Financial covenants include Maintenance Debt Service Coverage Ratio (DSCR) and Debt-to-Equity Ratio (DER). As at December 31, 2025 and 2024, the Company is compliant with the required financial ratios and other loan covenants (see Note 28). The Company’s short-term loans payable and long-term debt are unsecured as at December 31, 2025 and 2024.

18. Service Concession Fees Payable

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

	Amount
At January 1, 2024	₱3,701,582,561
Accretion (see Note 9)	203,869,061
At December 31, 2024	3,905,451,622
Accretion (see Note 9)	171,560,181
At December 31, 2025	**₱4,077,011,803**

As discussed in Note 3, NLEX Corp. shall pay DPWH Periodic Payments in consideration for the grant of the basic right of way. The Periodic Payments are computed using the rate of four percent (4%) per annum applied to the agreed valuation of such portion of the basic right of way assigned for the use by the NLEX-SLEX Connector Road. The payment will commence on the first anniversary of the construction completion deadline, as extended, until the expiry of the concession period and will be subject to an agreed escalation every two years based on the prevailing CPI for the two-year period immediately preceding the adjustment or escalation.

The service concession fees payable is based on the discounted value of future fixed cash flows using the prevailing peso interest rates on November 23, 2016. The undiscounted estimated future periodic payments, excluding the effect of the CPI, is ₱7,780.9 million and ₱8,510.4 million as of December 31, 2025 and 2024, respectively (see Note 28).

19. **Equity**

Capital Stock
Details of common shares of the Company as at December 31, 2025 and 2024 follow:

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

Cash Dividends
The Company's BOD declared the following cash dividends in 2025, 2024, 2023, and subsequent to December 31, 2025:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total
March 6, 2026	**March 21, 2026**	**March 23, 2026**	**₱265.72**	**₱4,991,820,683**
June 20, 2025	**June 30, 2025**	**September 1, 2025**	**266.51**	**5,006,734,670**
March 19, 2025	**March 29, 2025**	**March 30, 2025**	**134.78**	**2,531,960,000**
December 18, 2024	December 27, 2024	February 13, 2025	106.46	2,000,000,000
August 13, 2024	August 29, 2024	September 4, 2024	208.47	3,916,312,988
April 16, 2024	April 21, 2024	April 29, 2024	56.11	1,054,000,000
December 15, 2023	December 29, 2023	January 12, 2024	149.05	2,800,000,000
July 26, 2023	August 1, 2023	September 11, 2023	186.31	3,500,000,000
March 6, 2023	March 21, 2023	April 14, 2023	74.52	1,400,000,000

There were no unpaid dividends as of December 31, 2025. As at December 31, 2024, unpaid dividends amounted to ₱2,000.0 million and were subsequently paid in February 2025.

Other Comprehensive Loss

	Re-measurement of Defined Benefit Plan (see Note 23)	**Income Tax Related to Defined Benefit Plan** (see Note 26)	**Total**
Balance at January 1, 2025	(₱155,517,899)	(₱906,481)	(₱156,424,380)
Remeasurement loss (see Note 23)	(35,537,570)	5,330,636	(30,206,934)
Balance at December 31, 2025	**(₱191,055,469)**	**₱4,424,155**	**(₱186,631,314)**

	Re-measurement of Defined Benefit Plan (see Note 23)	Income Tax Related to Defined Benefit Plan (see Note 26)	Total
Balance at January 1, 2024	(₱92,019,540)	(₱10,431,235)	(₱102,450,775)
Remeasurement loss (see Note 23)	(63,498,359)	9,524,754	(53,973,605)
Balance at December 31, 2024	(₱155,517,899)	(₱906,481)	(₱156,424,380)

20. **Non-toll Revenues**

Details of non-toll revenues follow:

	2025	2024	2023
Income from TSF	**₱141,082,157**	₱149,857,716	₱110,498,447
Income from utility facilities and advertising (see Note 16)	**8,542,996**	59,031,405	7,324,170
	₱149,625,153	₱208,889,121	₱117,822,617

21. **Cost of Services**

This account consists of:

	2025	2024	2023
Concession fees (see Note 3)	**₱2,736,576,600**	₱2,307,308,013	₱1,946,026,412
Amortization of service concession assets (see Note 9)	**1,836,503,713**	1,641,573,779	1,350,184,971
Outside services (see Note 16)	**1,490,482,183**	1,209,829,037	1,066,477,987
PNCC fee (see Note 27)	**1,349,606,125**	1,177,466,915	1,025,780,169
Salaries and employee benefits (see Note 23)	**1,050,306,123**	872,153,004	871,505,531
Repairs and maintenance (see Note 16)	**709,719,587**	516,419,356	441,891,286
Provision for heavy maintenance (see Note 15)	**248,899,246**	64,468,994	98,119,803
Insurance	**164,077,205**	150,457,072	142,397,987
Light and water (see Note 16)	**136,593,912**	131,555,498	128,441,005
Depreciation of property and equipment (see Note 10)	**78,677,530**	52,018,852	64,564,404
Professional fee (see Note 16)	**51,409,650**	44,240,525	30,764,562
Fuel and oil (see Note 16)	**51,161,565**	48,113,189	102,640,115
Advertising and promotions (see Note 16)	**29,588,923**	51,175,443	57,293,014
Taxes and licenses	**27,824,393**	15,331,466	15,353,684
Toll collection and medical services	**23,086,498**	22,080,275	17,555,684
Amortization of other intangible assets (see Note 11)	**15,163,742**	2,863,069	8,927,552
TRB Fee	**6,120,852**	60,261,038	55,395,707
Provisions (see Notes 15)	**–**	–	43,377,496
Others (see Note 16)	**74,820,667**	62,102,970	60,654,517
	₱10,080,618,514	₱8,429,418,495	₱7,527,351,886

22. General and Administrative Expenses

This account consists of:

	2025	2024	2023
Salaries and employee benefits (see Note 23)	**₱585,823,139**	₱764,491,944	₱408,833,883
Taxes and licenses	**252,166,183**	153,001,377	135,095,352
Professional fees (see Note 16)	**202,175,468**	169,997,758	147,582,502
Advertising and marketing expenses (see Note 16)	**72,083,499**	92,548,735	138,685,996
Outside services (see Note 16)	**56,885,928**	112,013,958	90,437,425
Depreciation of property and equipment (see Note 10)	**33,397,435**	33,304,651	34,466,478
Representation and travel (see Note 16)	**33,285,789**	28,829,766	34,922,949
Repairs and maintenance (see Note 16)	**30,303,779**	3,962,302	1,913,641
Management fees (see Note 16)	**27,060,967**	30,952,186	30,952,186
Office supplies	**22,783,609**	18,198,131	12,772,913
Training and development costs	**7,545,898**	16,555,589	10,602,598
Rentals	**5,598,332**	4,345,941	2,981,656
Provision for estimated credit losses (see Note 8)	**2,102,967**	25,200,000	34,910,120
Communication, light and water (see Note 16)	**2,086,945**	1,742,685	2,441,075
Directors' fees (see Note 16)	**1,140,000**	1,620,000	1,548,544
Amortization of other intangible assets (see Note 11)	**23,861**	275,633	543,490
Provisions (see Notes 15)	**–**	–	46,967,124
Others	**66,683,224**	15,017,247	35,224,987
	₱1,401,147,023	₱1,472,057,903	₱1,170,882,919

23. Salaries and Employee Benefits

This account consists of:

	2025	2024	2023
Salaries expense	**₱839,712,518**	₱972,467,976	₱762,579,880
LTIP	**100,064,749**	122,720,835	3,185,398
Retirement expense	**52,037,013**	48,469,111	69,141,061
Provision for employee leaves (see Notes 21 and 22)	**22,669,633**	13,450,868	19,109,722
Other employee benefits	**621,645,349**	479,536,158	426,323,353
	₱1,636,129,262	₱1,636,644,948	₱1,280,339,414
Cost of services (see Note 21)	**₱1,050,306,123**	₱872,153,004	₱871,505,531
General and administrative expenses (see Note 22)	**585,823,139**	764,491,944	408,833,883
	₱1,636,129,262	₱1,636,644,948	₱1,280,339,414

LTIP

The MPTC Group's LTIP is a cash plan that is intended to provide meaningful and contingent financial incentive compensation for eligible executives and officers of the MPTC Group, who are consistent performers and contributors to the achievement of the long-term financial targets, strategic plans and objective, as well as the functional strategy and goals of the MPTC Group. Likewise, the MPTC Group LTIP is intended to attract and retain talented employees to ensure the sustained growth and success of the MPTC Group.

Total amount of LTIP under the plan is fixed upon achievement of the target Core Income and is not affected by changes in future salaries of the employees covered. The long-term employee benefit liability comprises the present value of the defined benefit obligation (using discount rate based on government bonds) at the end of the reporting period. As of April 8, 2026, the BOD is yet to approve a new LTIP covering a new performance cycle.

The total cost of the LTIP recognized by the Company for the year ended December 31, 2025, 2024 and 2023 included in "Salaries and employee benefits" account under "General and administrative expenses" in the statements of income amounted to ₱100.1 million, ₱122.7 million and ₱3.2 million, respectively. The total long-term incentive plan payable amounted to ₱271.6 million and ₱171.5 million as at December 31, 2025 and 2024, respectively.

Retirement Costs

Defined Benefit Plan. The Company has a funded noncontributory defined benefit retirement plan covering all of its regular and permanent employees. The plan provides for a lump sum benefit payment upon retirement. Contributions and costs are determined in accordance with the actuarial study for the plan, which is normally obtained annually. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at December 31, 2025 by a certified actuary.

The funds are administered by a trustee bank. Subject to the specific instructions provided by Company in writing, the Company directs the trustee bank to hold, invest, and reinvest the funds and keep the same invested, in its sole discretion, without distinction between principal and income in, but not limited to, certain government securities and bonds, term loans, short-term fixed income securities and other loans and investments.

Under the existing regulatory framework, RA No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Changes in pension liability in 2025 are as follows:

	Present Value of Defined Benefit Obligation	**Fair Value of Plan Assets**	**Pension Liability**
At January 1, 2025	**(₱694,226,011)**	**₱589,091,916**	**(₱105,134,095)**
Net benefit income (cost) in statement of income:			
Current service cost	**(49,245,830)**	**–**	**(49,245,830)**
Net interest	**(32,976,975)**	**30,185,792**	**(2,791,183)**
	(82,222,805)	**30,185,792**	**(52,037,013)**
Benefits paid	**121,372,991**	**(121,372,991)**	**–**
Net transferred obligation due to employee transfer (see Note 16)	**(30,883,589)**	**–**	**(30,883,589)**
Remeasurement loss in other comprehensive income (see Note 19):			
Return on plan assets (excluding amount included in net interest)	**–**	**(19,601,864)**	**(19,601,864)**
Actuarial changes arising from changes in financial assumptions	**11,934,083**	**–**	**11,934,083**
Actuarial changes due to experience adjustment	**(27,869,789)**	**–**	**(27,869,789)**
	(15,935,706)	**(19,601,864)**	**(35,537,570)**
Contribution	**–**	**87,797,810**	**87,797,810**
At December 31, 2025	**(₱701,895,120)**	**₱566,100,663**	**(₱135,794,457)**

Changes in pension liability in 2024 are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1, 2024	(₱572,576,040)	₱516,048,938	(₱56,527,102)
Net benefit income (cost) in statement of income:			
Current service cost	(46,617,459)	–	(46,617,459)
Net interest	(27,379,687)	25,528,035	(1,851,652)
	(73,997,146)	25,528,035	(48,469,111)
Benefits paid	39,887,576	(39,887,576)	–
Net acquired obligation due to employee transfer (see Note 16)	(22,395,597)	–	(22,395,597)
Remeasurement loss in other comprehensive income (see Note 19):			
Return on plan assets (excluding amount included in net interest)	–	1,646,445	1,646,445
Actuarial changes arising from changes in financial assumptions	(43,160,664)	–	(43,160,664)
Actuarial changes due to experience adjustment	(21,984,140)	–	(21,984,140)
	(65,144,804)	1,646,445	(63,498,359)
Contribution	–	85,756,074	85,756,074
At December 31, 2024	(₱694,226,011)	₱589,091,916	(₱105,134,095)

The actual return on plan assets amounted to ₱10.6 million and ₱27.2 million in 2025 and 2024, respectively.

The Company expects to contribute ₱59.9 million in 2026.

The major categories of plan assets as a percentage of the fair value of total plan assets follow:

	December 31, 2025		December 31, 2024	
	Amount	**Percentage**	Amount	Percentage
Investments in:				
Government securities	**₱449,083,820**	**79.33%**	₱447,198,485	75.91%
Equity securities	**83,876,424**	**14.82%**	98,746,892	16.76%
Debt securities	**21,453,949**	**3.79%**	24,165,241	4.10%
UITFs	**7,024,359**	**1.24%**	13,026,735	2.21%
Cash and cash equivalents	**301,437**	**0.05%**	1,811,380	0.31%
Other receivables	**4,360,674**	**0.77%**	4,143,183	0.70%
	₱566,100,663	**100.00%**	₱589,091,916	100.00%

The plan asset's carrying amount approximates its fair value since these are short-term in nature or marked-to-market.

The plan assets consist of the following:

- Investments in debt securities composed of fixed rate bonds with expected return on assets ranging from 5.02% to 6.87%
- Investment in fixed Corporate Notes with expected yield ranging from 4.25% to 8.62%
- Investment in retail Treasury Bonds with expected yield ranging from 4.47% to 6.46%
- Portion of plan assets are invested in UITF, cash deposits, dividend and interest receivables

The principal assumptions used to determine defined benefit cost as at December 31, 2025 and 2024 are as follows:

	2025	2024
Discount rate	**6.37%**	6.10%
Salary increase rate	**6.00%**	6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2025 and 2024 assuming if all other assumptions were held constant:

			Amount
Discount rate			
2025	**(Actual + 1.00%)**	**7.37%**	**(₱661,962,367)**
	(Actual - 1.00%)	**5.37%**	**748,089,248**
2024	(Actual + 1.00%)	7.10%	(654,809,300)
	(Actual - 1.00%)	5.10%	740,033,727
Salary increase rate			
2025	**(Actual + 1.00%)**	**7.00%**	**₱750,655,159**
	(Actual - 1.00%)	**5.00%**	**(659,021,905)**
2024	(Actual + 1.00%)	7.00%	₱742,529,735
	(Actual - 1.00%)	5.00%	(651,885,087)

The management performs an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Company's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans. The Company's current strategic investment strategy consists of 99.99% of debt and other instruments and 0.01% cash.

The average duration of the defined benefit obligation as at December 31, 2025 and 2024 is 10.85 years and 10.97 years, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than 1 year	**₱166,331,637**	₱241,440,858
More than 1 year to 5 years	**303,363,170**	186,535,452
More than 5 years to 10 years	**316,843,079**	346,418,744
More than 10 years to 15 years	**430,963,015**	411,275,900
More than 15 years to 20 years	**382,316,207**	392,095,425
More than 20 years	**1,270,709,436**	1,196,601,145

Defined Contribution Plan. The defined contribution retirement funds are shared by different participating companies, covering all regular and permanent employees. The expected rates of return on plan assets (net of operating expenses like trustee fees, service charges, etc.) per type of investments follows:

- Conservative with expected yield on investments of 6.83%
- Moderate funds with 7.25% rate of return
- Aggressive funds generate 8.90% return on plan assets

The defined contribution plan pertains to the matching contributions made by the Company provided the employee likewise makes a contribution. In which case, the Company will match up to a maximum of 2.5% of the monthly basic salary for regular members and 5% or 10% for legacy members, depending on their classification.

The Company recognized contribution expense amounting to ₱9.5 million, ₱32.3 million and ₱40.6 million in 2025, 2024 and 2023, respectively, included in "Salaries and employee benefits" under "General and administrative expenses" in the statements of income.

Employee Leave Entitlements

This pertains to the accumulated sick leave entitlement benefits to employees of the Company. Changes in accrued leaves payable are as follows:

	2025	2024
At January 1	**₱83,001,483**	₱73,212,619
Net benefit cost in the statements of income[(a)]:		
Current service cost	**5,713,819**	4,584,672
Net interest	**4,838,775**	4,568,467
Remeasurement loss	**12,117,039**	4,297,729
	22,669,633	13,450,868

(*Forward*)

	2025	2024
Benefits paid	**(₱14,472,145)**	(₱5,298,814)
Net transferred obligation due to employee transfers (see Note 16)	–	1,636,810
At December 31 (see Note 15)	**91,198,971**	83,001,483
Current portion	**6,359,719**	6,571,721
Noncurrent portion	**₱84,839,252**	₱76,429,762

[a] *Included in "Provision for employee leaves" as part of "Salaries and employee benefits."*

The principal actuarial assumptions used in determining the liabilities for accumulated sick leave entitlement benefits of the Company as at December 31, 2025 and 2024 are as follows:

	2025	2024
Discount rate	**6.28%**	6.11%
Salary increase rate	**6.00%**	6.00%

The latest actuarial valuation study of the accumulated sick leave entitlement of the Company was made as at December 31, 2025.

Other Employee Benefits

Other employee benefits pertain to contributions to government agencies such as Social Security System, Pag-IBIG and Philippine Health Insurance Corporation, termination benefits, insurance, and allowance for rice, uniforms and recreational activities.

24. Interest Income

Sources of interest income follow:

	2025	2024	2023
Cash and cash equivalents (see Note 7)	**₱71,267,442**	₱129,344,523	₱135,935,070
Others	–	–	964,034
	₱71,267,442	₱129,344,523	₱136,899,104

Interest income earned for borrowings temporarily invested pending their expenditure that was deducted from borrowing costs incurred amounted to nil in 2025 and 2024 and ₱52.1 million in 2023, respectively (see Note 9).

25. Interest Expense and Other Finance Costs

Sources of interest expense and other finance costs follow:

	2025	2024	2023
Interest expense on:			
Long-term debt (see Note 17)	**₱1,693,072,423**	₱1,079,270,685	₱1,031,601,458
Short-term loans (see Note 17)	**45,117,222**	157,415,278	9,166,667
Provision for heavy maintenance (see Note 15)	**43,296,383**	42,635,745	29,589,233
Finance costs:			
Amortization of debt issue costs (see Note 17)	**40,309,077**	50,243,079	17,778,342
Lenders' fees	**41,046,047**	17,802,423	16,293,033
Bank charges	**163,579**	129,469	96,472
	₱1,863,004,731	₱1,347,496,679	₱1,104,525,205

Interest expense and other finance costs capitalized as service concession assets amounted to ₱1,142.1 million, ₱1,596.2 million and ₱1,510.8 million in 2025, 2024, and 2023, respectively (see Note 9).

26. Income Taxes

The provisions for income tax for years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Current:			
Regular corporate income tax	**₱3,078,183,961**	₱2,591,755,295	₱2,169,646,255
Final tax on interest income from banks	**14,565,626**	24,379,581	26,671,302
	3,092,749,587	2,616,134,876	2,196,317,557
Deferred:			
Provision for (benefit from) deferred income tax	**35,192,964**	(12,173,842)	(17,632,304)
	₱3,127,942,551	₱2,603,961,034	₱2,178,685,253

The components of the Company's deferred tax assets and deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets:		
Service concession fees payable	**₱611,551,770**	₱589,203,368
Provision for heavy maintenance	**132,379,349**	133,110,903
Accrued expenses and provisions	**23,385,033**	22,586,617
Pension liability	**19,857,537**	21,655,716
Unearned revenue	**2,435,844**	–
Unrealized foreign exchange loss	–	116,614
	789,609,533	766,673,218

(*Forward*)

	2025	2024
Deferred tax liabilities:		
Present value of concession fee payable capitalized as service concession asset	**(₱611,551,770)**	(₱589,203,368)
Difference in amortization of service concession assets	**(399,556,370)**	(371,022,701)
Unamortized realized foreign exchange losses capitalized	**(5,343,518)**	(5,788,811)
Fair value changes on investments in UITF	**(83,637)**	(48,528)
Unrealized foreign exchange gain	**(2,326,756)**	–
	(1,018,862,051)	(966,063,408)
Deferred tax liabilities – net	**(₱229,252,518)**	(₱199,390,190)

The reconciliation of provision for income tax computed at the statutory income tax rate to provision for income tax as shown in the statements of income is summarized as follows:

	2025	2024	2023
Income before income tax	**₱17,411,593,056**	₱14,675,220,573	₱12,191,447,278
Income tax computed at statutory tax rate of 25%:	**4,352,898,264**	3,668,805,218	3,047,861,820
Deduct the tax effects of:			
Optional standard deduction	**(1,247,020,000)**	(1,058,749,288)	(862,508,741)
Interest income already subjected to final tax	**(17,816,860)**	(30,474,478)	(33,339,128)
Nondeductible expenses	**25,315,521**	–	–
Final tax on interest income	**14,565,626**	24,379,582	26,671,302
Provision for income tax	**₱3,127,942,551**	₱2,603,961,034	₱2,178,685,253

On December 18, 2008, the BIR issued Revenue Regulations (RR) No. 16-2008, which implemented the provisions of RA No. 9504 on Optional Standard Deduction (OSD), which allowed both individual and corporate taxpayers to use OSD in computing their taxable income. For corporations, they may elect a standard deduction in an amount equivalent to 40% of gross income, as provided by law, in lieu of the itemized allowed deductions.

The Company opted to avail of the OSD for the taxable years 2025, 2024 and 2023.

The rollforward of net deferred tax liabilities is summarized as follows:

	2025	2024	2023
Balance at beginning of year	**₱199,390,190**	₱221,088,787	₱240,561,897
Provision for (benefit from) deferred income tax during the year recognized in profit or loss	**35,192,964**	(12,173,843)	(17,632,304)
Income tax effect of remeasurement loss during the year recognized in other comprehensive income (see Note 19)	**(5,330,636)**	(9,524,754)	(1,840,806)
Balance at end of year	**₱229,252,518**	₱199,390,190	₱221,088,787

27. **Significant Contracts and Commitment**

PNCC Fee

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

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

On December 2, 2010, the Company received a letter from the TRB dated November 30, 2010, citing a decision of the Supreme Court (SC) dated October 19, 2010 directing the Company to remit forthwith to the National Treasury, through TRB, all payments representing PNCC's percentage share of the toll revenues and dividends, if any, arising out of PNCC's participation in the MNEP. In the said decision, the SC ruled, among others, that after the expiration of the franchise of PNCC, its share/participation in the JVAs and STOAs, inclusive of its percentage share in toll fees collected by joint venture companies currently operating the expressways, shall accrue to the Philippine Government.

On April 12, 2011, the SC issued a resolution directing the Company to remit PNCC's share in the net income from toll revenues to the National Treasury and the TRB, with the assistance of the Commission on Audit, was directed to prepare and finalize the implementing rules and guidelines relative to the determination of the net income remittable by PNCC to the National Treasury.

In accordance with the TRB directive, 90% of the PNCC fee are to be remitted to the TRB, while the balance of 10% to PNCC.

On October 7, 2022, the Company was instructed by the TRB to remit the revenue share of the Government (PNCC Fee) on a monthly basis.

The Company recorded PNCC Fee amounting to ₱1,349.6 million, ₱1,177.5 million and ₱1,025.8 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 21).

NLEX Harbor Link Port Extension to Anda Circle Project

On October 19, 2020, the recommendation of the Department of Public Works and Highways (DPWH) to Toll Regulatory Board (TRB) to implement the proposed Harbor Link Port Extension to Anda Circle Project of the Company has been approved. This project will be within the scope of the existing NLEX concession. The Company has been advised to proceed on the preparation, completion and submission of requirements, documents and processes that are necessary on the implementation of the project. As at April 8, 2026, the Company is still waiting for the approval of the project's legal framework.

NLEX-SLEX Connector Road

On November 5, 2019, the Company awarded an ₱8,000.0 million contract to DM Consunji Inc. (DMCI) for the construction of the first section of the Connector Road. The contract covers the main civil works for the Caloocan to España Boulevard section.

On December 1, 2021, the Company awarded a ₱4,200.0 million contract to China Road and Bridge Corporation for the construction of the second section of the Connector Road. The contract covers the main civil works for the España Boulevard to Sta. Mesa section.

As at December 31, 2025, the construction of NLEX-SLEX Connector Road is 96% complete. As at April 8, 2026, the construction of NLEX-SLEX Connector Road is 97% complete.

Candaba Central Infill (3rd Viaduct)
On February 1, 2023, the Company entered into a ₱6,120.0 million target cost contract with Leighton Contractor Asia Limited (LCAL) for the design and construction of a new five-kilometer Candaba 3rd Viaduct Project over a period of 23 months. The Project has been approved by the TRB last June 2022 based on the preliminary cost estimate. In January 2023, after completing the competitive selection of contractor with the most responsive preliminary engineering design (PED) and costing, the Company submitted an updated supplemental project information memorandum to the TRB. This incorporates the actual bid price of the preferred contractor and the corresponding investment recovery scheme in the form of an add-on toll in the closed system of NLEX. As at December 31, 2024, the construction of Candaba Central Infill (3rd Viaduct) is 100% complete. A Certificate of Substantial Completion dated December 3, 2024 and Toll Operation Permit dated February 14, 2025 were issued by the TRB and the project was opened to motorists on August 1, 2024 (Zone 1) and October 22, 2024 (Zone 2).

Segment 8.2 Section 1A Project
On February 2025, NLEX Corp. awarded to China Road and Bridge Corporation (CRBC), the construction of a NLEX Segment 8.2 Section 1A. The project entails the design and construction of a new two-kilometer Section 1A of Segment 8.2 from Mindanao Avenue to Quirino Highway. As at December 31, 2025, the construction of Segment 8.2 is 44% complete. The project is expected to be completed by second quarter of 2026.

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

The agreement will be implemented in two phases and to be operationalized within twelve (12) months from the signing of the MOA. The first phase covers electronic collection interoperability, while the second phase covers cash collection interoperability. On October 21, 2025, the interoperability of expressways operated by SMC Infrastructure and MPTC throughout Luzon is completed, with both firms officially launching the One RFID program. The One RFID program covers all toll roads in Luzon such as Tarlac-Pangasinan-La Union Expressway (TPLEX), SCTEX, NLEX, NLEX-SLEX Connector Road, Skyway System, NAIA Expressway, Cavitex, Cavitex-C5 Link, Muntinlupa-Cavite Expressway (MCX), Cavite-Laguna Expressway (CALAX), South Luzon Expressway (SLEX), and the STAR Tollway.

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

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

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

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

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

28. Financial Risk Management Objectives and Policies

The Company’s principal financial instruments comprise short-term loans payable and long-term debt, the proceeds of which were used to finance the construction of the service concession assets. The Company has various other financial instruments such as cash and cash equivalents, financial assets at FVTPL, receivables from trade debtors, payables to trade creditors, which arise directly from its operations, and dividends payable.

The main risks arising from the Company’s financial instruments are interest rate, credit and liquidity risk which are discussed in detail below. The BOD reviews and approves policies of managing each of these risks and they are enumerated below:

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk since the Company’s interest-bearing financial instruments, particularly its short-term notes payable and long-term debt, bear fixed interest rates as at December 31, 2025 and 2024.

The following tables set out the principal amount, by maturity, of the Company's interest-bearing financial assets and liabilities (amounts in thousands):

		December 31, 2025				
	Interest Rate	**Within 1 Year ('000)**	**More than 1 Year to 3 Years ('000)**	**More than 3 Years to 5 Years ('000)**	**More than 5 Years ('000)**	**Total ('000)**
Financial assets at amortized cost						
Cash and cash equivalents[a]	**0.10%-6.25%**	**₱3,410,397**	**₱–**	**₱–**	**₱–**	**₱3,410,397**
Financial liabilities at amortized cost						
Fixed-rate loans:						
Term-loan facility	**5.54%−6.69**	**₱2,025,000**	**₱1,450,000**	**₱8,800,000**	**₱18,300,000**	**₱30,575,000**
Corporate Notes	**4.21%−7.15%**	**2,268,000**	**2,276,250**	**8,466,750**	**–**	**13,011,000**
Fixed-rate bonds	**6.64%−6.90%**	**–**	**–**	**2,000,000**	**–**	**2,000,000**
		₱4,293,000	**₱3,726,250**	**₱19,266,750**	**₱18,300,000**	**₱45,586,000**

[a] *Excluding cash on hand of ₱88.6 million*

		December 31, 2024				
	Interest Rate	Within 1 Year ('000)	More than 1 Year to 3 Years ('000)	More than 3 Years to 5 Years ('000)	More than 5 Years ('000)	Total ('000)
Financial assets at amortized cost						
Cash and cash equivalents[a]	0.10%-6.35%	₱2,706,205	₱–	₱–	₱–	₱2,706,205
Financial liabilities at amortized cost						
Fixed-rate loans:						
Term-loan facility	5.54%−7.50%	1,550,000	1,800,000	7,300,000	12,700,000	23,350,000
Corporate Notes	4.21%−7.15%	2,268,000	2,268,000	2,456,250	8,286,750	15,279,000
Fixed-rate bonds	6.64%−6.90%	4,000,000	–	2,000,000	–	6,000,000
		₱7,818,000	₱4,068,000	₱11,756,250	₱20,986,750	₱44,629,000

[a] *Excluding cash on hand of ₱85.3 million*

The other financial instruments of the Company that are not included in the above table are noninterest-bearing and are therefore not subject to cash flow interest rate risk.

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument, except for certain term loan facilities which will be repriced after four (4) years from their initial drawdown dates. Should the interest rate on the repricing date be significantly higher than the current fixed rate, the Company has an option to repay or refinance the loan.

The table below demonstrates the sensitivity of income to changes in interest rates with all other variables held constant. The management expects that interest rates will move by ±55 basis points within the next reporting period. There is no other impact on the Company's equity other than those already affecting the statement of income:

	Increase/Decrease in Basis Points	Effect on Income Before Income Tax
2025	**+55**	**(₱190,000,000)**
	-55	**190,000,000**
2024	+55	(₱199,000,000)
	-55	199,000,000

<u>Credit Risk</u>

Credit risk is the risk that the Company will incur a loss arising from customers, clients or counterparties that fail to discharge their contracted obligations. Exposure to credit risk is managed through a credit review where an analysis of the obligors to meet their obligations is considered.

Receivables arose mainly from toll fees of RFID subscribers plying NLEX and SCTEX using their subscription account with ESC and non-toll revenues in the form of fees due from MPT Mobility as exclusive advertising partner and inter-company charges to various affiliate companies for shared services and seconded employees billed by NLEX Corp. ESC and MPT Mobility are considered as low-risk counterparties as these are affiliates of NLEX Corp. Receivables also arose from motorists who cause accidental damage to NLEX property from day-to-day operations. The Company also has outstanding ROW advances to DPWH, a Philippine government entity, which are covered by a Reimbursement Agreement in the case of Segment 9 and Segment 10 advances and an offsetting arrangement, in the case of the NLEX-SLEX Connector Road Project advances, chargeable to future Periodic Payments payable to DPWH.

The Company also generates non-toll revenues in the form of service fees collected from business locators, generally called TSF, along the stretch of the NLEX. The collection of such fees is provided in the STOA and is based on the principle that these TSF derive benefit from offering goods and services to NLEX motorists. The fees range from one-time access fees to recurring fees calculated as a percentage of sales. The arrangements are backed by a service facility contract between the Company and the various locators. The credit risk on these arrangements is minimal because the fees are collected on a monthly basis mostly from well-established companies. The exposure is also limited given that the recurring amounts are not significant, and there are adequate safeguards in the contract against payment delinquency. Nevertheless, the Company closely monitors receivables from the TSF.

The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Company does not require collateral for its financial assets.

The table below shows the maximum exposure to credit risk for the Company's financial assets, without taking account of any collateral, credit enhancements and other credit risk mitigation techniques:

	2025	2024
Financial assets at amortized cost:		
Cash and cash equivalents[(a)]	**₱3,410,396,502**	₱2,706,205,730
Receivables[(b)]	**2,756,617,331**	2,946,454,885
Total credit risk exposure	**₱6,167,103,833**	₱5,652,660,615

(a) *Excluding cash on hand.*
(b) *Excluding advances to officers and employees and net of allowance for estimated credit losses*

Cash and cash equivalents are placed with reputable local and international banks and companies and Philippine Government which meet the standards of the Company's BOD.

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The table below shows determination of ECL stage of the Company's financial assets:

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents[(a)]	**₱3,410,396,502**	**₱–**	**₱–**	**₱3,410,396,502**
Receivables[(b)]:				
Trade receivables	**845,037,844**	**–**	**6,291,314**	**851,329,158**
Advances to DPWH	**1,098,726,022**	**–**	**–**	**1,098,726,022**
Interest receivables	**10,379,176**	**–**	**–**	**10,379,176**
Due from related parties	**11,915,894**	**–**	**–**	**11,915,894**
Neither past due nor impaired	**73,081,008**	**–**	**–**	**73,081,008**
Past due and impaired	**–**	**–**	**45,808,270**	**45,808,270**
Other receivables	**717,477,387**	**–**	**–**	**717,477,387**
Gross Carrying Amount	**₱6,167,013,833**	**₱–**	**₱52,099,584**	**₱6,219,113,417**

[(a)] *Excluding cash on hand of ₱88.6 million as at December 31, 2025.*
[(b)] *Excluding advances to officers and employees*

	2024			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial Assets at Amortized Cost				
Cash and cash equivalents[(a)]	₱2,706,205,730	₱–	₱–	₱2,706,205,730
Receivables[(b)]:				
Trade receivables	1,081,369,954	–	60,371,165	1,141,741,119
Advances to DPWH	1,086,751,163	–	–	1,086,751,163
Interest receivables	9,018,939	–	–	9,018,939
Due from related parties	11,915,894	–	–	11,915,894
Receivable from motorist:				
Neither past due nor impaired	54,718,789	–	–	54,718,789
Past due and impaired	–	–	45,808,270	45,808,270
Other receivables	702,680,146	–	–	702,680,146
Gross Carrying Amount	₱5,652,660,615	₱–	₱106,179,435	₱5,758,840,050

[(a)] *Excluding cash on hand of ₱85,260,921 as at December 31, 2024.*
[(b)] *Excluding advances to officers and employees*

With the exception of the impaired portion and past due accounts, all of the Company's financial assets are considered high-grade receivable since these are receivable from counterparties who are not expected to default in settling their obligations. These counterparties include reputable local and international banks and companies and the Philippine government. Other counterparties also have corresponding collectibles from the Company for certain contracted services. The first layer of security comes from the Company's ability to offset amounts receivable from these counterparties against payments due to them.

Management has assessed that trade receivables which are above 30 days past due have no significant increase in credit risk based on the historical collection experience of the Company from its customers.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is not exposed to significant liquidity risk because of the nature of its operations which provides daily transactions from RFID subscribers who have prepaid accounts. With the daily settlement arrangement with ESC, the Company is able to build up sufficient cash from operating revenues prior to the maturity of its regular payment obligations. In addition, the Company maintains short-term credit lines to supplement its ability to meet short-term liquidity needs. The Company has short-term and long-term credit lines amounting to ₱17,540.9 million and ₱17,610.0 million as at December 31, 2025 and 2024, respectively, and cash and cash equivalents amounting to ₱3,499.0 million and ₱2,791.1 million as at December 31, 2025 and 2024, respectively, that are allocated to meet the Company's short-term liquidity needs.

The tables below summarize the maturity profile of the Company's financial assets and financial liabilities as at December 31, 2025 and 2024 based on undiscounted payments:

	December 31, 2025				
	Within the Year	**More than 1–2 Years**	**More than 2–5 Years**	**More than 5 Years**	**Total**
Financial Assets at Amortized Cost					
Cash and cash equivalents	**₱3,499,024,861**	**₱–**	**₱–**	**₱–**	**₱3,499,024,861**
Receivables[a]	**2,756,617,331**	**–**	**–**	**–**	**2,756,617,331**
Financial Assets at FVTPL					
Investments in UITFs	**13,169,724**	**–**	**–**	**–**	**13,169,724**
	₱6,268,811,916	**₱–**	**₱–**	**₱–**	**₱6,268,811,916**
Financial Liabilities at Amortized Cost					
Accounts payable and other current liabilities [b]	**₱4,406,317,108**	**₱–**	**₱–**	**₱–**	**₱4,406,317,108**
Long-term debt [c]	**4,293,000,000**	**3,726,250,000**	**19,266,750,000**	**18,300,000,000**	**45,586,000,000**
Service concession fees payable[d]	**–**	**243,154,581**	**729,463,744**	**6,808,328,279**	**7,780,946,604**
	₱8,699,317,108	**₱3,969,404,581**	**₱19,996,213,744**	**₱25,108,328,279**	**₱57,773,263,712**

[a] *Excluding advances to officers and employees.*
[b] *Excluding statutory liabilities and unearned revenues.*
[c] *Excluding future interest payments.*
[d] *Pertain to undiscounted balances.*

	December 31, 2024				
	Within the Year	More than 1–2 Years	More than 2–5 Years	More than 5 Years	Total
Financial Assets at Amortized Cost					
Cash and cash equivalents	₱2,791,466,651	₱–	₱–	₱–	₱2,791,466,651
Receivables[a]	2,946,454,885	–	–	–	2,946,454,885
Financial Assets at FVTPL					
Investments in UITFs	12,612,146	–	–	–	12,612,146
	₱5,750,533,682	₱–	₱–	₱–	₱5,750,533,682
Financial Liabilities at Amortized Cost					
Accounts payable and other current liabilities [b]	₱5,190,603,213	₱–	₱–	₱–	₱5,190,603,213
Dividends payable	2,000,000,000	–	–	–	2,000,000,000
Short-term loans	2,000,000,000	–	–	–	2,000,000,000
Long-term debt	7,818,000,000	4,068,000,000	11,756,250,000	20,986,750,000	44,629,000,000
Service concession fee payable[d]	–	243,154,581	486,309,163	7,780,946,605	8,510,410,349
	₱17,008,603,213	₱4,311,154,581	₱12,242,559,163	₱28,767,696,605	₱62,330,013,562

[a] *Excluding advances to officers and employees.*
[b] *Excluding statutory liabilities and unearned revenues.*
[c] *Excluding future interest payments.*
[d] *Pertain to undiscounted balances.*

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value while complying with the financial covenants required by the lenders. Under the loan agreements, NLEX Corp. is required a Maintenance DSCR of not less than 1.15 times and DER not exceeding 3.0 times until the loan maturity. For the Fixed Rate Bonds, the Company is required to maintain a DER of not exceeding 3.0 times for the first three years after the date of the loan agreement and not exceeding 2.5 times after such period. The loan agreement provides that NLEX Corp. may incur new loans or declare dividends as long as the pro-forma DSCR for the relevant year is not less than 1.3 times.

The Company's DSCR stood at 2.47 times and 1.56 times as at December 31, 2025 and 2024, respectively, indicating that the Company generates enough income to manage payments for a new loan and still make a profit. DER stood at 1.14 times and 1.40 times as at December 31, 2025 and 2024, respectively, indicating that the Company has the capacity to incur additional long-term debt to build up its capital.

	2025	2024
Short-term loans payable and long-term debt	**₱45,332,088,603**	₱46,379,978,966
Total equity	**39,904,104,304**	33,189,355,403
Total capital	**₱85,236,192,907**	₱79,569,334,369
Debt to equity ratio	**1.14 times**	1.40 times

The Company continuously evaluates whether its capital structure can support its business strategy. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2025, 2024 and 2023.

29. Financial Assets and Financial Liabilities

Fair Values

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

	December 31, 2025		December 31, 2024	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Financial assets at FVTPL:				
Investments in UITFs	**₱13,169,724**	**₱13,169,724**	₱12,612,146	₱12,612,146
Financial Liabilities				
Other financial liabilities:				
Long-term debt	**₱45,332,088,603**	**₱45,868,649,636**	₱44,380,883,076	₱43,854,319,116
Service concession fees payable	**4,077,011,803**	**1,384,378,352**	3,905,451,622	1,566,276,221
	₱49,409,100,406	**₱47,253,027,988**	₱48,286,334,698	₱45,420,595,337

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

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

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

Long-term Debt
For fixed peso-denominated notes and loans, except the fixed-rate bonds where the fair value is based on its quoted market price as at December 31, 2025 and 2024, estimated fair value is based on the discounted value of future cash flows using the prevailing peso interest rates. In 2025 and 2024, the prevailing peso interest rates ranged from 4.21% to 7.15% and 5.52% to 6.96%, respectively.

Service Concession Fee Payable
The estimated fair value of the service concession fees payable is based on the discounted value of future cash flows using the prevailing peso interest rates. In 2025 and 2024, the prevailing peso interest rates ranged from 4.69% to 6.41% and 5.52% to 6.96%, respectively.

Fair Value Hierarchy
As at December 31, 2025 and 2024, the Company held the following financial instruments measured at fair value:

	2025	**Level 1**	**Level 2**	**Level 3**
Assets Measured at Fair Value				
Financial assets at FVTPL:				
Investments in UITFs	**₱13,169,724**	**₱–**	**₱13,169,724**	**₱–**
Liabilities for which Fair Values are Disclosed				
Other financial liabilities:				
Long-term debt				
Fixed-rate bonds	**₱2,043,885,198**	**₱2,043,885,198**	**₱–**	**₱–**
Peso-denominated notes and loans	**43,824,764,438**	**–**	**43,824,764,438**	**–**
Service concession fees payable	**1,384,378,352**	**–**	**–**	**1,384,378,352**
	₱47,253,027,988	**₱2,043,885,198**	**₱43,824,764,438**	**₱1,384,378,352**

	2024	Level 1	Level 2	Level 3
Assets Measured at Fair Value				
Financial assets at FVTPL:				
Investments in UITFs	₱12,612,146	₱–	₱12,612,146	₱–
Liabilities for which Fair Values are Disclosed				
Other financial liabilities:				
Long-term debt				
Fixed-rate bonds	₱6,089,401,038	₱6,089,401,038	₱–	₱–
Peso-denominated notes and loans	39,785,616,583	–	39,785,616,583	–
Service concession fees payable	1,566,276,221	–	–	1,566,276,221
	₱47,441,293,842	₱6,089,401,038	₱39,785,616,583	₱1,566,276,221

30. **Contingencies and Others**

a. VAT

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

- The BIR issued a Formal Letter of Demand on March 16,2009 requesting NLEX Corp. to pay deficiency VAT plus penalties amounting to ₱1,010.5 million for taxable year 2006.

- A Final Assessment Notice was received from the BIR dated November 15, 2009 assessing NLEX Corp. deficiency VAT plus penalties amounting to ₱584.6 million for taxable year 2007.

- The BIR issued a Notice of Informal Conference dated October 5, 2009 assessing NLEX Corp. for deficiency VAT plus penalties amounting to ₱470.9 million for taxable year 2008. On May 21, 2010, the BIR issued another notice increasing the deficiency VAT for taxable year 2008 to ₱1,209.2 million (including penalties). On June 11, 2010, NLEX Corp. filed its Position Paper with the BIR reiterating its claim that it is not subject to VAT on toll fees.

- The BIR issued a Notice of Informal Conference on May 21, 2010 assessing NLEX Corp. deficiency VAT plus penalties amounting to ₱1,026.6 million for taxable year 2009. On June 11, 2010, NLEX Corp. filed its Position Paper with the BIR reiterating its claim that it is not subject to VAT on toll fees.

On April 3, 2014, the BIR accepted and approved NLEX Corp.'s application for abatement and issued a Certificate of Approval for the cancellation of the basic output tax, interest and compromise penalty amounting to ₱1,010.5 million and ₱584.6 million for taxable years 2006 and 2007, respectively. As at April 8, 2026, the VAT assessments for taxable years 2008 and 2009 remain pending with the BIR and there were no abatements made for these assessments.

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

b. Real Property Taxes

- In July 2008 and April 2013, NLEX Corp. filed Petitions for Review under Section 226 of the Local Government Code with the Local Board of Assessment Appeals of the Province of Bulacan seeking to declare as null and void tax declarations issued by the Provincial Assessor of the Province of Bulacan. The said tax declarations were issued in the name of NLEX Corp. as owner/administrator/beneficial user of the NLEX and categorized the NLEX as a commercial property subject to real property tax. NLEX Corp. argues that NLEX is property of the public dominion and exempt from RPT. As at April 8, 2026, the cases are pending.

- In September 2013, NLEX Corp. received notices of realty tax delinquencies for the years 2006 to 2012 and 2013 issued by the Provincial Treasurer of Bulacan stating that if NLEX Corp. fails to pay or remit the alleged delinquent taxes, the remedies provided for under the law for the collection of delinquent taxes shall be applied to enforce collection.
  On September 27, 2013, the Bureau of Local Government Finance of the Department of Finance wrote a letter to the Province of Bulacan advising it to hold in abeyance any further

course of action pertaining to the alleged real property tax delinquency. In January 2017, the Provincial Treasurer of Bulacan issued a notice of realty tax delinquencies of ₱459.0 million for the years 2006 to 2017 stating that it could apply the remedies provided under the law for the collection of delinquent taxes. The matter is pending as of April 8, 2026.

- In December 2023 and January 2024, NLEX Corp. received notices of tax assessment with tax declarations for the year 2023 and 2024 issued by the Municipal Assessor Office of the Municipality of Guiguinto, Bulacan for the properties located in Municipality of Guiguinto, Bulacan. On January 31, 2024, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. On February 12, 2024, the Respondents filed its Opposition to NLEX Corp.'s Petition. The LBAA rules provide for the suppletory application of the Rules of Court. Thus, NLEX Corp. need not to file a reply as Respondent's allegations are deemed controverted. The case is pending as at April 8, 2026.

- In November 2025, NLEX Corp. received assessments and tax declarations covering roads located in the Municipality of Marilao, Province of Bulacan. On the same date, NLEX Corp. also received a copy of the assessments and tax declarations covering certain properties described as light posts or streetlights or the road lights, located in several municipalities (i.e. Pulilan, Plaridel, Guiguinto, Balagtas, Bocaue, and Marilao) in the Province of Bulacan, which indicted NLEX Corp. as the supposed owner thereof. On January 27, 2026, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. The case is still pending with LBAA as at April 8, 2026.

c. Toll Rate Adjustments

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

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

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

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

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

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

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

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

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

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

On November 20, 2024, NLEX Corp., as petitioner-applicant, filed a petition for the approval and implementation of add-on for the Candaba Viaduct Renewal, Expansion and Traffic Mobility Program (the "Candaba 3rd Viaduct Add-on Toll Rate Petition"). The petition was subsequently approved by TRB and implemented effective March 2, 2025.

<u>2012 and 2014 Petitions</u>
On February 15, 2019, NLEX Corp. received a Consolidated Resolution dated October 2018 issued by the TRB which approved and allowed NLEX Corp. to implement the toll rate adjustment indicated therein on a staggered basis in 2018, 2020, 2022, and 2024.
On March 20, 2019, the TRB issued a Notice to Start Collection of the first tranche effective March 21, 2019. On September 30, 2020, NLEX Corp. filed with the TRB a Manifestation of Compliance stating the completion of publication of the toll fee matrix with the second tranche and praying for the issuance of a Notice to Start Collection. On October 9, 2020, the TRB issued a Notice to Start Collection of the second tranche effective immediately. On May 6, 2021, the TRB issued a Notice to Start Collection of the third tranche.

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

<u>2016 Petition</u>
On January 6, 2022, NLEX Corp. received a Resolution dated July 2021 issued by the TRB which approved and allowed NLEX Corp. to implement the toll rate adjustments indicated therein on a date not earlier than January 1, 2022 to protect the general welfare. The TRB directed NLEX Corp. to cause the publication of the adjusted authorized toll rates in a newspaper of general circulation prior to the issuance of a Notice to Start Collection. On March 22, 2022, the TRB issued a Notice to Start Collection. On May 12, 2022, NLEX Corp. implemented the periodic toll rate adjustment.

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

<u>2022 Petition</u>
On January 8, 2025, NLEX Corp. received the TRB Order (Resolution) dated January 6, 2025 resolving the NLEX 2022 Petition for Periodic Toll Rate Adjustment. In its Order, TRB approved the implementation of the provisional toll rate adjustments on a staggered basis in two (2) tranches, equally distributed in 2025 and 2026. On January 31, 2025, the TRB issued a Notice to Start Collection of the first tranche effective immediately. On March 2, 2025, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On September 2, 2025, the TRB issued a Notice to Start Collection of the second tranche which shall take effect ten (10) days after coordination with TRB on implementation date. On January 20, 2026, NLEX Corp. implemented the second and last tranche of the periodic toll rate adjustments.

<u>2024 NLEX Petition</u>
On September 30, 2024, NLEX Corp. Filed a Petition for Periodic Toll Rate Adjustments effective 2025. On January 26, 2026, the TRB issued an Order directing NLEX Corp. to publish the provisional adjusted Authorized Toll Rates matrix in a newspaper of general circulation at least once a week for three (3) consecutive weeks and to post a surety bond equivalent to the projected one (1) year revenue collection of the first incremental toll rate adjustment. On February 13, 2026, and March 3, 2026, NLEX Corp. filed its Manifestations of Compliance with the said Order. On March 3, 2026, the TRB issued a Notice to Start Collection of the first tranche of the periodic toll rate adjustments effective immediately.

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

<u>C3-R10 Add-on Toll Rate Petition</u>
On August 5, 2020, the TRB issued a Resolution which provisionally approved and allowed NLEX Corp. to implement the add-on toll for the Open System subject of the Petition. On November 20, 2020, the TRB issued a Notice to Start Collection effective November 23, 2020.

<u>NLEX Lane Widening Phase 2 Add-on Toll Rate Petition</u>
On October 21, 2021, the TRB issued a Notice to Start Collection of the provisional add-on toll for the Closed System. On May 12, 2022, NLEX Corp. implemented the add-on toll rate adjustment.

Candaba 3rd Viaduct Add-on Toll Rate Petition
On February 7, 2025, the TRB issued an Order approving and allowing the provisional add-on toll for the NLEX Closed System to be implemented. On February 27, 2025, the TRB issued a notice to start collection of the provisional add-on toll for the closed system. On March 2, 2025, NLEX Corp. implemented the add-on toll rate adjustment. On October 3, 2025, NLEX Corp. filed Supplemental Motion seeking TRB's approval to implement in full the Proposed Add-On Toll for the Candaba 3rd Viaduct of ₱0.63 (for Class 1vehicles), citing the project's final completion DPWH evaluated cost, and updated financial model.

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

2020 and 2022 SCTEX Petitions
On July 5, 2023, NLEX Corp. received a Consolidated Resolution dated April 24, 2023 issued by the TRB which approved and allowed NLEX Corp. to implement the provisional toll rate adjustments in the 2020 and 2022 SCTEX Petitions on a staggered basis, in three (3) tranches, equally distributed for the years 2023, 2024 and 2025, not earlier than 01 July 2023. On August 15, 2023, the TRB issued a Notice to Start Collection of the first tranche. On October 17, 2023, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On October 2, 2024, the TRB issued a Notice to Start Collection of the second tranche. On November 19, 2024, NLEX Corp. implemented the second tranche of the periodic toll rate adjustment. On August 18, 2025, the TRB issued a Notice to Start Collection of the third tranche. On September 9, 2025, NLEX Corp. implemented the third and final tranche of the periodic toll rate adjustments.

2023 SCTEX Petition
On September 28, 2023, NLEX Corp. filed a Petition for Periodic Toll Rate Adjustment effective 2024. On September 2, 2025, the TRB issued a Notice to Start Collection for the provisionally approved consolidated 2023 and 2024 periodic toll rate adjustments for SCTEX, which shall take effect ten (10) days after coordination with TRB on implementation date.

2024 SCTEX Petition
On September 30, 2024, NLEX Corp. Filed a Petition for Periodic Toll Rate Adjustment effective 2025. On September 2, 2025, the TRB issued a Notice to Start Collection for the provisionally approved consolidated 2023 and 2024 periodic toll rate adjustments for SCTEX, which shall take effect ten (10) days after coordination with TRB on implementation date.

2025 SCTEX Petition
On November 26, 2025, the TRB issued an Order directing NLEX Corp. to publish in full the contents of the Petition, along with the applicable toll fee matrix in accordance with existing laws, rules and regulations. On December 2, 2025, NLEX Corp. filed its Manifestation of Compliance with the said Order. NLEX Corp. has yet to receive regulatory approval for this Petition.

NLEX - SLEX Connector Road Project Toll Rate Adjustments
On March 9, 2023, NLEX Corp. filed a Petition for the Implementation of the Fractional Initial Base Toll for Section 1 of the NLEX-SLEX Connector Road Project with application for Provisional Relief with the TRB (Connector Section 1 Petition). On July 3, 2023, NLEX Corp. received the TRB Notice to Start Collection for the provisional Fractional Opening Base Toll

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

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

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

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

   NLEX Corp. filed its comment praying that the Petition be denied. The BCDA, through the Office of the Government Corporate Counsel, and the Executive Secretary, through the OSG, also filed their respective Comment praying that the Petition be denied due course and dismissed for lack of merit. In November and December 2015, the petitioner filed a Manifestation and Motion to Resolve Prayer for TRO and/ or Writ of Preliminary Injunction. On July 4, 2016, the Supreme Court issued a Resolution noting the Manifestations of the petitioner. In February 2020, the Supreme Court issued a Notice that petitioner’s counsel had failed to pay the ₱1,000 fine due to his failure to comply with a show cause resolution for non-filing of a consolidated reply to the separate comments of the Executive Secretary and BCDA. The case is still pending as at April 8, 2026.

   In July 2020, the Supreme Court issued another Notice for the petitioner’s counsel to pay an increased fine of ₱2,000 and to comply with the resolution to file a consolidated reply to the separate comments of the Executive Secretary and BCDA. On October 28, 2020, NLEX Corp.’s counsel received from BCDA’s counsel a Motion for Leave to File Manifestation with Motion for Submission for Resolution dated October 1, 2020. In a Resolution dated January 27, 2021, the Supreme Court noted the notice of withdrawal of petitioner’s counsel. In a Resolution dated March 28, 2022, the Supreme Court (a) imposed upon petitioner’s (withdrawing) counsel an additional fine which, together with the original fine, shall be paid to the Supreme Court and (b) ordered petitioner’s (withdrawing) counsel to submit a consolidated reply to the separate comments of the Executive Secretary and BCDA. As of April 8, 2026, the case is still pending.

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

f. Local Business Tax

- In March 2019, TMC filed an application for cessation of its business operations in Caloocan City pursuant to its merger with NLEX Corp. In April 2019, NLEX Corp. received an assessment for alleged deficiency local business taxes for taxable year 2018 in the total amount of ₱13.4 million. In June 2019, NLEX Corp. filed its protest on the assessment. Due to the inaction of the Office of the City Treasurer, in September 2019, NLEX Corp. filed a complaint for annulment of the assessment with the Regional Trial Court of Caloocan City with a claim for refund in the amount of ₱5.4 million, representing excess LBT paid for taxable year 2018. The parties submitted their respective memoranda. On June 7, 2023, the Regional Trial Court of Caloocan City issued a decision dismissing the NLEX Corp. complaint and ruled in favor of the City of Caloocan. On August 2, 2023, NLEX Corp. filed a motion for reconsideration while the City of Caloocan filed its opposition to NLEX Corp.’s motion for reconsideration on September 5, 2023. On September 11, 2023, NLEX Corp. filed a motion to admit with reply with the Regional Trial Court of Caloocan City. On October 31, 2023, the Regional Trial Court of Caloocan City denied the NLEX’s Motion for Reconsideration. Hence, on December 07, 2023, NLEX Corp. filed a Petition for Review with the Court of Tax Appeals (CTA). On March 19, 2024, the CTA issued a Resolution directing the parties to file their respective Memoranda within thirty (30) days from notice. Therefore, NLEX Corp. filed its Memorandum on April 18, 2024. On October 8, 2025, CTA issued a Decision granting NLEX’s Petition and cancelling the assessment against TMC in the amount of ₱13.4 million. On October 8, 2025, the City of Caloocan filed a Motion for Reconsideration. On November 20, 2025, the CTA Third Division issued a Resolution declaring that the Motion for Reconsideration was deemed not filed due to the City of Caloocan’s failure to comply with the e-filing rules. Consequently, the City of Caloocan filed a Second Motion for Reconsideration on November 27, 2025. On February 5, 2026, the CTA Third Division issued a Resolution directing NLEX to file its Comment to the City of Caloocan’s Motion for Reconsideration dated November 27, 2025. Hence, on March 9, 2026, NLEX filed its Comment. The case is pending with the CTA.

- In September 2019, the Business Permit and Licensing Office (“BPLO”) of the City of Valenzuela (CGV) issued a demand to pay billing statement for alleged deficiency local business tax amounting to ₱47.8 million. Subsequently, the BPLO cancelled the initial billing and issued a revised assessment for alleged deficiency in local business taxes in the reduced amount of ₱26.5 million. In November 2019, NLEX Corp. paid the reduced amount under protest. In January 2020, NLEX Corp. filed its protest with a claim for refund of the revised assessment. Due to the inaction of the Office of the City Treasurer, NLEX Corp. filed a complaint for annulment of the assessment with the Regional Trial Court of the Caloocan City. On March 13, 2023, the RTC of Caloocan issued a Decision granting the refund of the ₱22.8 million representing revenues from toll services. However, the ₱3.0 million portion pertaining to signage services was denied on the ground of lack of jurisdiction of the trial court. NLEX Corp. and the City of Valenzuela filed their respective partial motion for reconsideration. On May 22, 2023, the Regional Trial Court of Caloocan issued an order denying NLEX Corp.’s and the City of Valenzuela’s respective partial motion for reconsideration foe lack of merit. In June 2023, the City of Valenzuela filed a petition for review before the Court of Tax Appeals (CTA), which was docketed as CTA Case No. 296 while in July 2023, NLEX Corp. filed a petition for review before the CTA which was docketed as CTA Case No. 297. On August 22, 2023, the City of Valenzuela filed its

comment/opposition to the petition filed by NLEX Corp. On August 23, 2023, NLEX Corp. filed with the CTA a motion for consolidation of the CTA Case Nos. 296 and 297. On August 30, 2023, the CTA issued a resolution for CTA Case No. 296 directing NLEX Corp. to file a comment to the petition filed by the City of Valenzuela and a resolution for CTA Case No. 297 directing the parties to submit their respective memoranda. The City of Valenzuela was ordered in the CTA's resolution for CTA Case No. 296 to file its comment to the motion for consolidation of the CTA Case Nos. 296 and 297. On October 9, 2023, NLEX Corp. filed its memorandum in CTA Case No. 297. On October 16, 2023, NLEX Corp. filed its comment to the petition filed by the City of Valenzuela. On November 15, 2023, the CTA issued a Resolution, noting the comment/Opposition filed by the City of Valenzuela to NLEX Corp. Motion to Consolidate. On February 1, 2024, the CTA, issued a Notice of Resolution, denying the NLEX Corp.'s Motion for Consolidation for being moot and academic considering that the CTA Case No. 297 was deemed submitted for decision last November 20, 2023. On November 15, 2024, the CTA issued a decision in the CTA Case No. 296, denying the petition for review filed by the CGV on July 5, 2023, due to lack of merit. Similarly on November 18, 2024, the CTA rendered a decision in CTA Case No. 297, ordering CGV to refund NLEX Corp. in the amount of 3.81 million, representing erroneously collected and paid LBT for signage services for taxable years 2022 to 2019.
On December 27, 2024, external counsel received the CGV's Motion for Reconsideration regarding the CTA Case No. 297. NLEX filed its comment to CGV's Motion for Reconsideration on January 6, 2025. On January 9, 2025, external counsel received the CGV's Motion for Reconsideration for the CTA Case No. 296. Hence, NLEX filed its comment on January 19, 2025 in CTA Case No. 296. On March 27, 2025, the CTA issued a resolution denying the CGV's Motion for Reconsideration in CTA Case No. 297 for lack of merit. On May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc in relation to the CTA Division's decision and resolution in CTA Case No. 297, docketed as CTA En Banc Case No. 3156. On July 4, 2025, the CGV also filed its Petition for Review with the CTA En Banc in relation to the CTA Division's decision and resolution in CTA Case No. 296, docketed as CTA EB Case No. 3183. NLEX filed its Comment to CGV's Petition for Review for CTA En Bank Case No. 3183 on October 8, 2025. On October 21, 2025, the CTA En Banc issued a Resolution dated October 10, 2025, for CTA En Bank Case No. 3156 directing CGV to amend the caption of its Petition to reflect CGV as the petitioners and NLEX Corp. as respondents. Thus, on October 27, 2025, CGV filed a Compliance with attached Amended Petition for Review for the CTA En Banc Case No. 3156. On December 26, 2025, the CTA En Banc issued a Resolution admitting the Amended Petition for Review filed by Valenzuela City for CTA EB No. 3156 (AC No. 297) and ordering NLEX Corp. to file within five (5) days or until January 12, 2026, a comment to the Petition for Review. Thus, NLEX Corp. filed its Comment on January 12, 2026. To date, both cases remain pending with the CTA En Banc as at April 8, 2026.

- In November 2019, the City Treasurer of Valenzuela issued to NLEX Corp. an assessment for alleged deficiency LBT for the years 2013 to 2019 in the amount of ₱9.9 million. The assessment pertains to the imposition of LBT on the VAT component of NLEX Corp.'s gross receipts for the said years. In November 2019, NLEX Corp. timely filed its protest to the assessment. The City Treasurer of Valenzuela failed to act on the protest filed by NLEX Corp. within the period provided in the Local Government Code. Hence, in February 2020, NLEX Corp. filed a complaint for the annulment of the assessment with the Regional Trial Court of Valenzuela City. The Regional Trial Court issued a decision cancelling and setting aside the deficiency assessment. The City of Valenzuela filed a motion for reconsideration, but the trial court issued a resolution denying the motion for reconsideration. In April 2023, the City of Valenzuela filed a petition for review with the CTA, while NLEX Corp. filed its comment to the City of Valenzuela's petition on August 24, 2023. On September 12, 2023, the CTA issued a resolution ordering NLEX Corp. to file a memorandum. On October 12, 2023, NLEX Corp. filed a memorandum. On November 23, 2023, the City of Valenzuela filed its Memorandum with the CTA. On January 25, 2024, the CTA issued a Resolution stating that the case is submitted for decision as both parties have filed their respective Memorandum. On November 25, 2024, the CTA issued a decision denying the CGV's petition for lack of merit. The Decision dated November 25, 2022, and the Resolution dated February 23, 2023 both rendered by the TRC-Branch 283, Valenzuela City, Civil Case No. 27-V-20, are affirmed. NLEX Corp. Received on January 3, 2025, the copy of the CGV's Motion for Reconsideration. NLEX Corp. filed its comments to CGV's Motion for Reconsideration on January 13, 2025. On March 27, 2025, the CTA issued a resolution denying the CGV's Motion for Reconsideration. Hence, on May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc. On August 13, 2025, the CTA En Banc issued a Notice, requiring petitioners to transmit via electronic mail, a pdf copy of their petition filed on May 22, 2025, within twenty-four (24) hours from notice. On October 14, 2025, the CTA En Banc issued a Notice of Resolution, acknowledging the electronic transmittal of CGV's Petition and directing NLEX Corp. to file its Comment, within ten (10) days from notice. Accordingly, NLEX Corp. filed its Comment on October 27, 2025. The case is pending with the CTA En Banc as at April 8, 2026.

g. TSF Fees

Under the 1999 TSF Guidelines issued by the TRB, the Company is required to remit, by way of concession fee, fifty percent (50%) of its TSF revenues to the National Treasury through a TRB-designated account. On April 23, 2018, the TRB issued a billing to the Company amounting to ₱45.0 million representing the Government Share in TSF revenues for the years 2014, 2015, and 2016. On July 2, 2018, the Company responded to the TRB disputing the validity of the Guidelines and the legal basis of the billing.

On April 14, 2021, the Company formally notified the TRB that a dispute had arisen in relation to the TRB's claim for the alleged 50% Government Share in TSF revenues. The Company subsequently paid the amount under protest on June 3, 2021. As of December 31, 2025, the Company had accrued a total of ₱413.1 million representing the Government Share in TSF revenues.

In January 2026, the TRB issued new TSF Guidelines which took effect on January 24, 2026 and removed the previous provision requiring the payment of a Government Share on TSF revenues. Considering this development, the Company reversed the previously recognized accruals amounting to ₱413.1 million.

31. Supplemental Cash Flow Information

Changes in Liabilities Arising from Financing Activities
In 2025 and 2024, movement in the Company's liabilities arising from financing activities follow:

			Non-cash Changes			
	January 1, 2025	**Cash Flows**	**Amortization of DIC**	**Interest Accretion**	**Others**	**December 31, 2025**
Short-term loans payable (see Note 17)*	**₱1,999,095,890**	**(₱2,005,205,822)**	**₱6,109,932**	**₱–**	**₱–**	**₱–**
Current portion of long-term debt (see Note 17)	**7,763,207,523**	**(8,043,000,000)**	**34,199,145**	**–**	**4,482,706,428**	**4,237,113,096**
Long-term debt - net of current portion (see Note 17)**	**36,617,675,553**	**8,932,500,000**	**27,506,382**	**–**	**(4,482,706,428)**	**41,094,975,507**
Interest payable (see Note 14)	**105,104,661**	**(1,615,741,910)**	**–**	**–**	**1,779,399,271**	**268,762,022**
Dividends payable (see Note 19)	**2,000,000,000**	**(9,538,694,670)**	**–**	**–**	**7,538,694,670**	**–**
Service concession fees payable (see Note 18)	**3,905,451,622**	**–**	**–**	**171,560,181**	**–**	**4,077,011,803**
Total liabilities from financing activities	**₱52,390,535,249**	**(₱12,270,142,402)**	**₱67,815,459**	**₱171,560,181**	**₱9,318,093,941**	**₱49,677,862,428**

** Proceeds from short-term debt of ₱1,850.0 million net of debt issue costs of ₱5.2 million.*
*** Proceeds from long-term debt of ₱9,000.0 million net of debt issue costs of ₱67.5 million.*

			Non-cash Changes			
	January 1, 2024	Cash Flows	Amortization of DIC	Interest Accretion	Others	December 31, 2024
Short-term loans payable (see Note 17)*	₱2,999,260,274	(₱1,020,229,452)	₱20,065,068	₱–	₱–	₱1,999,095,890
Current portion of long-term debt (see Note 17)	6,890,034,589	(7,143,000,000)	30,178,011	–	7,985,994,923	7,763,207,523
Long-term debt-net of current portion (see Note 17)*	35,638,489,851	8,930,072,000	35,108,625	–	(7,985,994,923)	36,617,675,553
Interest payable (see Note 14)	109,053,061	(1,258,566,255)	–	–	1,254,617,855	105,104,661
Dividends payable (see Note 19)	2,800,000,000	(7,770,312,988)	–	–	6,970,312,988	2,000,000,000
Service concession fees payable (see Note 18)	3,701,582,561	–	–	203,869,061	–	3,905,451,622
Total liabilities from financing activities	₱52,138,420,336	(₱8,262,036,695)	₱85,351,704	₱203,869,061	₱8,224,930,843	₱52,390,535,249

** Proceeds from short-term debt of ₱4,500.0 million net of debt issue costs of ₱20.3 million.*
*** Proceeds from long-term debt of ₱9,000.0 million net of debt issue costs of ₱69.9 million.*

The 'Others' column includes the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings, the accrual of cash dividends declared that were not yet paid at year-end, and the interest expense on interest-bearing loans and borrowings.

Non-cash Investing Activities
The following table shows the Company's significant non-cash investing activities and corresponding transaction amounts for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Additions to service concession asset:			
On account (see Note 9)	**₱461,872,916**	₱228,329,811	₱249,854,615
Pertaining to accretion of service concession fees payable (see Note 18)	**171,560,181**	203,869,061	210,306,333
Pertaining to capitalized borrowing costs (see Notes 9 and 17)	**27,506,382**	35,108,625	52,915,359
Additions to intangible asset on account (see Note 11)	**9,368,635**	862,500	7,493,924
Additions to property and equipment on account (see Note 10)	**19,585,346**	11,335,770	12,197,741

32. Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Company does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements except for PFRS 18, *Presentation and Disclosure of Financial Statements*, impact of which is currently being assessed by the Company.

The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

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

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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

33. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on taxes and license fees paid as at and for the year ended December 31, 2025.

Value-added tax (VAT)
Details of the Company's net sales/receipts, output VAT and input VAT accounts are as follows:

a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns filed in 2025

	Net Sales/ Receipts	Output VAT
Sales of services:		
Service revenue	₱30,509,720,726	₱3,661,166,487
Sales to government	330,600	39,672
Adjustments:		
Output VAT on uncollected receivables		(30,214,700)
Output VAT on recovered uncollected receivables		20,254,126
Output VAT	₱30,510,051,326	₱3,651,245,585

The Company's sales of services are based on actual collections received. However, upon effectivity of the Ease of Paying Taxes (EOPT) Act on April 27, 2024, the sales of services are now based on actual billed amount, regardless of the collection received. The recognition of output VAT occurs upon recording of sales of services. Prior to the effectivity of the EOPT, the amount of output tax is deferred upon recording of sales of services subject to VAT. These deferred output taxes are reclassified to output tax upon collection.

Sales from services represent collections received from sales prior EOPT effectivity and amount billed upon effectivity of EOPT, amounted to ₱30,427.0 million, of which ₱29,755.0 million pertains to toll billings and collections, recorded under the "Toll revenues" account in the statement of income and ₱149.6 million pertains to billings and collections from TSF and others, which are recorded in "Non-toll revenues" account in the statement of income.

The Company has no zero-rated nor exempt sales.

b. Input VAT declared in the Company's VAT returns filed for 2025 are as follows:

Balance at beginning of year:	
Carried over from previous period	–
Input tax deferred on capital goods exceeding P1 million	₱1,349,336
Current year's importation of goods other than capital goods	–
Current year's domestic purchases/payments for:	
Domestic Purchases	957,232,034
Domestic purchase of services	196,323,842
Services Rendered by Non-Residents	3,701,039
Importations	4,841,163
Others	–
Purchase of capital goods not exceeding 1 million	–
Purchase of capital goods exceeding 1 million	881,933
Domestic purchases of goods other than capital goods	8,268,840
Importation of Goods Other than Capital Goods	–
Input tax on purchases of Capital goods exceeding 1M deferred for the succeeding period	(362,392)
Input VAT claimed against output VAT	(1,172,235,795)
Balance at end of year	₱–

Balance at end of year pertains to input VAT deferred on capital goods exceeding ₱1.0 million from current year that will be carried forward to the next period.

Documentary Stamp Tax (DST)

The DST paid/accrued on the following transactions are:

Transaction	Amount	DST thereon
Loan instrument	₱9,740,684,932	₱73,055,137
Leases	3,274,044	24,555
Other debt instrument	33,181,000	65,604
Foreign bills of exchange	45,802,365	137,415
Others (certificates/loose DST)		1,010
	₱9,822,942,341	₱73,283,721

Taxes, Duties and License Fee
This includes all other taxes, local and national, including real estate taxes, licenses and permit fees for the year ended December 31, 2025:

a. Local taxes

Local business taxes	₱251,616,985
Real property taxes*	25,925,882
License and permit fees*	2,355,197,
Filing, registration and notarial fees*	92,512
	₱279,990,576

**Presented as part of "Cost of services".*

b. National taxes

Fringe benefits taxes	₱12,900,906

Withholding Taxes
Details of withholding tax paid and accrued for the year ended December 31, 2025, are as follows:

Expanded withholding taxes	₱362,138,831
Withholding taxes on compensation and benefits	124,624,550
Final withholding taxes	45,410,253
	₱532,173,634

Tax Assessments and Litigations
Real Property Tax (RPT) Assessments. In July 2008 and April 2013, NLEX Corp. filed Petitions for Review under Section 226 of the LBAA of the Province of Bulacan seeking to declare as null and void tax declarations issued by the Provincial Assessor of the Province of Bulacan. The said tax declarations were issued in the name of NLEX Corp. as owner/administrator/beneficial user of the NLEX and categorized the NLEX as a commercial property subject to RPT. The LBAA has yet to conduct an ocular inspection to determine whether the properties, subject of the tax declarations, form part of the NLEX, which NLEX Corp. argues is property of the public dominion and exempt from RPT.

In September 2013, NLEX Corp. received notices of realty tax delinquencies for the years 2006 to 2012 and 2013 issued by the Provincial Treasurer of Bulacan stating that if NLEX Corp. fails to pay or remit the alleged delinquent taxes, the remedies provided for under the law for the collection of delinquent taxes shall be applied to enforce collection. On September 27, 2013, the Bureau of Local Government Finance (DOF-BLGF) of the Department of Finance wrote a letter to the Province of Bulacan advising it to hold in abeyance any further course of action pertaining to the alleged RPT delinquency. In October 2013, the Provincial Treasurer of Bulacan has respected the directive from the DOF-BLGF to hold the enforcement of any collection remedies in abeyance. In January 2017, the Provincial Treasurer of Bulacan issued a notice of realty tax delinquencies of ₱459.0 million for the years 2006 to 2017 stating that it could apply the remedies provided under the law for the collection of delinquent taxes. The matter is pending as of April 8, 2026.

In December 2023 and January 2024, NLEX Corp. received notices of tax assessment with tax declarations for the year 2023 and 2024 issued by the Municipal Assessor Office of the Municipality of Guiguinto, Bulacan for the properties located in Municipality of Guiguinto, Bulacan. On January 31, 2024, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. On February 12, 2024, the Respondents filed its Opposition to NLEX Corp.'s Petition. The LBAA rules provide for the suppletory application of the Rules of Court. Thus, NLEX Corp. need not to file a reply as Respondent's allegations are deemed controverted. The case is pending as at April 8, 2026

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
NLEX Corporation
NLEX Compound Balintawak, Caloocan City, Metro Manila

We have audited the accompanying financial statements of NLEX Corporation (the Company) as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 8, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has four (4) stockholders owning more than one hundred (100) shares each.

SYCIP GORRES VELAYO & CO.

Richie Jackson T. Padilla
Partner
CPA Certificate No. 125656
Tax Identification No. 267-165-440
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 125656-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-152-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765104, January 2, 2026, Makati City

April 8, 2026

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
NLEX Corporation
NLEX Compound Balintawak, Caloocan City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of NLEX Corporation (a subsidiary of Metro Pacific Tollways Corporation) (the Company) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Richie Jackson T. Padilla
Partner
CPA Certificate No. 125656
Tax Identification No. 267-165-440
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
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Valid to cover audit of 2021 to 2025 financial statements
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PTR No. 10765104, January 2, 2026, Makati City

April 8, 2026

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
NLEX Corporation
NLEX Compound Balintawak, Caloocan City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of NLEX Corporation (the Company) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purpose of complying with Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024 and for the each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Richie Jackson T. Padilla
Partner
CPA Certificate No. 125656
Tax Identification No. 267-165-440
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 125656-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-152-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765104, January 2, 2026, Makati City

April 8, 2026

THE SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
As at December 31, 2025 and 2024

NLEX Corporation
NLEX Compound, Balintawak
Caloocan City

Financial Ratios	Formula	December 31, 2025	December 31, 2024
a) Current Ratio	Total Current Assets / Total Current Liabilities	0.68	0.34
b) Solvency Ratio	Net Profit after Tax (or NPAT) + Depreciation and amortization / Total Liabilities	0.28	0.23
c) Debt-to-Equity Ratio	Total Long-term Debt / Total Stockholders' Equity	1.14	1.34
d) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	2.43	2.82
e) Interest Rate Coverage Ratio	Earnings before Interests and Taxes / Net Interest Expense	10.72	13.05
f) Net Income Margin	NIAT / Net Operating Revenues	47.76%	47.29%
g) Return on Asset	NIAT / Average Total Assets	14.98%	13.39%
h) Return on Equity	NIAT / Average Total Stockholders' Equity	39.08%	39.36%
i) Acid Test Ratio	Cash and Cash Equivalents + Marketable Securities + Accounts Receivables / Current Liabilities	0.58	0.31

NLEX CORPORATION
INDEX TO THE SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

NLEX Corporation
(A Subsidiary of Metro Pacific Tollways Corporation)

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2025

The Philippine Securities and Exchange Commission (SEC) issued Memorandum Circular No. 11 series of 2008 on December 5, 2008, which provides guidance on the determination of the retained earnings available for dividend declaration.

The table below presents the retained earnings available for dividend declaration as at December 31, 2025:

Unappropriated retained earnings as at December 31, 2024	**₱8,751,964,421**
Add: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	–
Effect of restatements or prior-period adjustments	–
Accumulated beginning deferred tax assets (DTA), exclusive of deferred tax recognized in OCI	–
Less: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	7,538,694,670
Retained Earnings appropriated during the reporting period	–
Effect of restatements or prior-period adjustments	–
Others	–
Unappropriated retained earnings, as adjusted, as at December 31, 2025	**1,213,269,751**
Add: Net income during the year closed to retained earnings	14,283,650,505
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	473,941
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	–
Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	–
Adjusted Net Income	**14,283,176,564**
Add/(Less): Adjustments related to relief granted by the SEC and BSP	–
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	–
Add/(Less): Adjustments related to relief granted by the SEC and BSP	–
Add/(Less): Other items that should be excluded from the determination of the amount of available for dividends distribution	–
Net movement of treasury shares (except for reacquisition of redeemable shares)	–
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(17,605,679)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	–
Unappropriated retained earnings as at December 31, 2025 available for dividend declaration	**₱15,478,840,636**

NLEX CORPORATION
Supplementary Schedules Required by Annex 68-J
Under Revised SRC Rule 68

As at December 31, 2025

SCHEDULE A – Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Financial Assets:				
Financial Assets at Fair Value through Profit or Loss:				
Investment in Unit Investment Trust Funds (UITFs)	₱11,921,954	₱13,169,724	₱13,169,724	₱–
Financial Assets at Fair Value through Other Comprehensive Income:				
Investment in Long-Term Negotiable Certificate of Deposits	–	–	–	–
	₱11,921,954	₱13,169,724	₱13,169,724	₱–
Receivables[(a)]				
Department of Public Works and Highways	₱–	₱1,098,726,022	–	₱–
Easytrip Services Corporation	–	865,820,725	–	–
MPT Mobility Corporation	–	292,499,961	–	–
Metro Pacific Tollways Corporation	–	117,764,434	–	–
Cavitex Infrastructure Corp	–	28,747,965	–	–
MPCALA Holdings	–	16,318,821	–	–
Metro Pacific Tollways Digital Inc.	–	25,032,702	–	–
SAVVICE Corporation	–	76,930,565	–	–
Bases Conversion and Development Authority	–	28,877,978	–	–
Shell of Asia Inc.	–	27,461,295	–	–
Petron Corporation	–	9,950,552	–	–
Interest receivable from various banks	–	10,379,176	–	–
SMC Skyway Stage 3 Corporation	–	5,167,994	–	–
Pacific Paint (Boysen) Philippines, Inc.	–	1,437,532	–	–
Others	–	203,601,193	–	–
	₱–	₱2,808,716,915	₱–	₱–

[(a)]*Excluding advances to officers and employees amounting to ₱46,387,387 as at December 31, 2025.*

NLEX CORPORATION
Supplementary Schedules Required by Annex 68-J
Under Revised SRC Rule 68

As at December 31, 2025

SCHEDULE D – Long Term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term Debt" in related balance sheet	Interest rates, amounts or number of periodic installments, and maturity dates
TERM LOAN FACILITIES				
▪ Philippine National Bank	₱5,000,000,000	₱-	₱–	**Interest rate**: (a) First drawdown is subject to 5.0000% fixed interest per annum until December 15, 2020 (b) For the remaining drawdown made until repricing date (which is December 15, 2020) shall be the higher of (i) 5-year PDST-R2 rate on the drawdown date plus a 1.0% per annum; and (ii) 5.0% per annum, which will be repriced after 5 years from drawdown date. (c) On date immediately after the repricing date and until termination, the applicable interest rate shall be the higher of (i) 5-year PDST-R2 rate plus a 1.0% per annum; and (ii) weighted average of the applicable interest rate for each drawdown. **Payment terms:** 10-year annual repayment of 5% of principal amount from December 15, 2017 to December 15, 2023; 65% payable on the last 2 annual periods (December 15, 2024 to December 15, 2025) **Maturity date:** December 15, 2025
▪ Union Bank of the Philippines	2,000,000,000	1,099,905,844	–	**Interest rate**: 5.4855% fixed interest per annum; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** 10-year annual repayment starting February 3, 2016 for the first drawdown of ₱1,000 million and December 19, 2016 for the second drawdown of ₱1,000 million; undrawn amount shall be available for drawing in 1 or more availments on any banking day within one year from July 24, 2015 with an extension period up to July 24, 2017 **Maturity date:** February 3, 2026

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term Debt" in related balance sheet	Interest rates, amounts or number of periodic installments, and maturity dates
▪ Metropolitan Bank and Trust Company	₱7,000,000,000	₱168,656,173	₱6,271,881,916	**Interest rate**: 7.1 267% fixed interest per annum; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** 10-year annual repayment starting December 15, 2024 for the first drawdown of ₱4,000 million; undrawn amount shall be available for drawing in 1 or more availments on any banking day within the earliest of: (a) six (6) months from signing date, (b) the date the commitment is fully drawn by the borrower, or (c) the date the lender receives written notice from the borrower cancelling the commitment in accordance with the provisions of this agreement. **Maturity date:** December 16, 2032
▪ Banco De Oro Unibank, Inc.	5,000,000,000	246,198,469	3,490,130,852	**Interest rate:** 5.2121%; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** semi-annual payment of 2.5% of the principal amount starting March 15, 2021 up to September 15, 2027, 5% of the principal amount on March 15, 2028, 15% of principal amount on September 15, 2028 and March 15, 2029, and 30% of principal amount on maturity date. **Maturity date:** September 23, 2029
▪ Bank of the Philippine Islands	10,000,000,000	241,442,798	9,194,783,654	**Interest rate:** 6.5693%; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** 10-year annual payment of 2.5% of the principal amount starting December 28, 2023 up to December 28, 2027, 5% of the principal amount on December 28, 2028 up to December 28, 2030, 20% of principal amount on December 28, 2031, 25% of principal amount on December 28, 2032, and 30% of principal amount on maturity date. **Maturity date:** December 28, 2033
▪ China Banking Corporation	10,000,000,000	238,373,898	9,439,668,891	**Interest rate:** 6.56410%; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** 10-year annual payment of 2.5% of the principal amount starting December 26, 2024 up to December 26, 2028, 5% of the principal amount on December 26, 2029 up to December 26, 2031, 20% of principal amount on December 28, 2032, 25% of principal amount on December 26, 2033, and 30% of principal amount on maturity date. **Maturity date:** December 26, 2034

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term Debt" in related balance sheet	Interest rates, amounts or number of periodic installments, and maturity dates
FIXED-RATE BONDS				
▪ BDO Capital & Investment Corporation	₱4,000,000,000	(₱3,052,177)	₱–	**Interest rate:** 6.6407% fixed interest per annum **Payment terms:** 7-year final maturity, bullet repayment of ₱4,000 million on July 4, 2025 **Maturity date:** July 4, 2025
▪ BDO Capital & Investment Corporation	2,000,000,000	–	1,994,962,113	**Interest rate:** 6.6900% fixed interest per annum **Payment terms:** 10-year final maturity, bullet repayment of ₱2,000 million on July 4, 2025 **Maturity date:** July 4, 2028
CORPORATE NOTES FACILITY				
Tranche A ▪ China Banking Corporation ▪ Development Bank of the Philippines ▪ Keb Hana Bank Manila Branch ▪ Land Bank of the Philippines ▪ The Insular Life Assurance Company, Ltd.	Tranche A: 11,000,000,000	2,163,652,158	2,179,637,709	**Average Interest rate:** 5. 1821% fixed interest per annum; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** 7-year annual repayment of 0.5% from November 11, 2022 to November 11, 2022 and 19.80% from November 11, 2023 until maturity date. **Maturity date:** November 11, 2027
Tranche B ▪ China Banking Corporation ▪ Land Bank of the Philippines ▪ Sun Life of Canada (Philippines), Inc. ▪ United Coconut Planters Bank	Tranche B: 9,000,000,000	81,935,933	8,523,910,372	**Average Interest rate:** 4.6599% fixed interest per annum; subject to intermediate re-pricing based on pre-agreed pricing options. **Payment terms:** 10-year annual repayment of 0.5% from November 11, 2021 to November 11, 2022; 1% from November 11, 2023 to November 11, 2029; and 92% on the maturity date. **Maturity date:** November 11, 2030
TOTAL	₱55,000,000,000	₱4,237,113,096	₱41,094,975,507	

NLEX CORPORATION
Supplementary Schedules Required by Annex 68-J
Under Revised SRC Rule 68

As at December 31, 2025

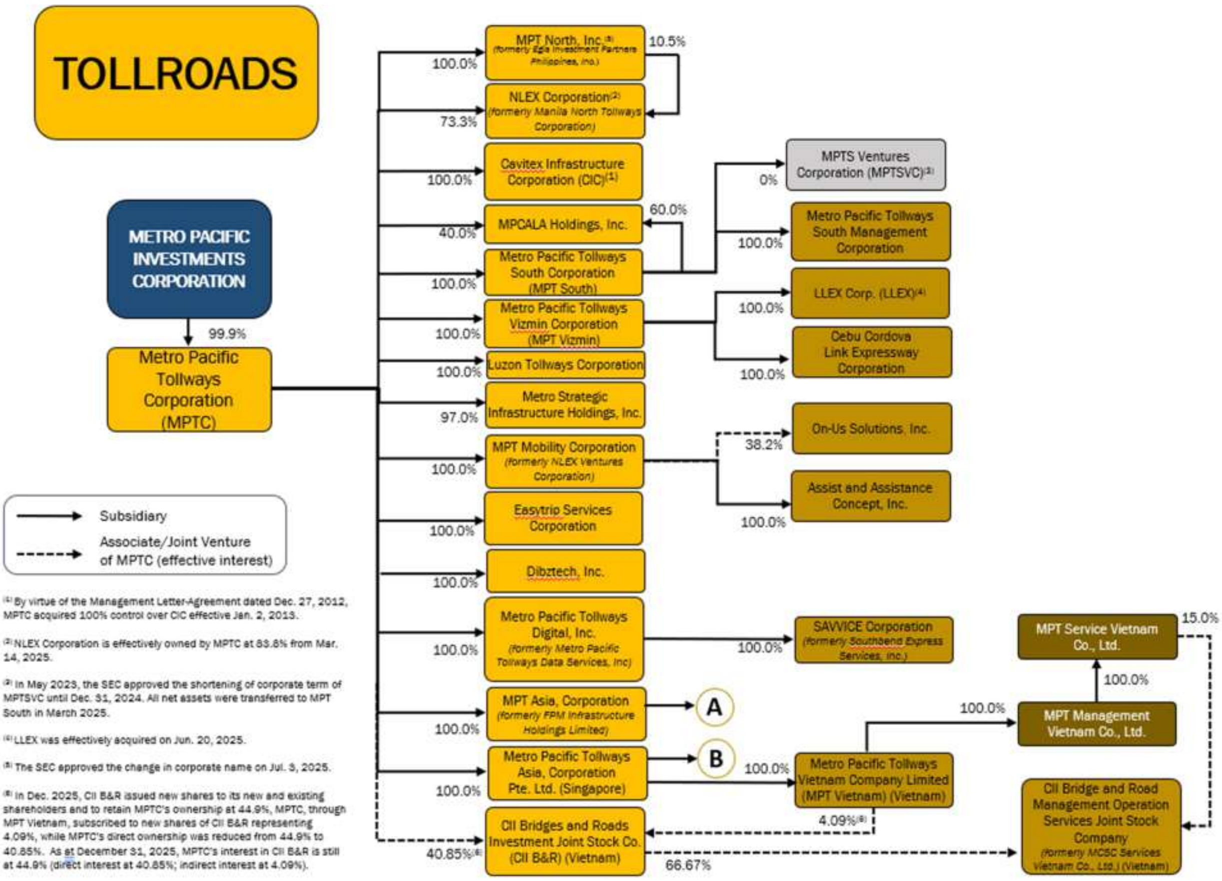
SCHEDULE G – Capital Stock

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	40,000,000	18,786,000	None	15,750,698	17	None

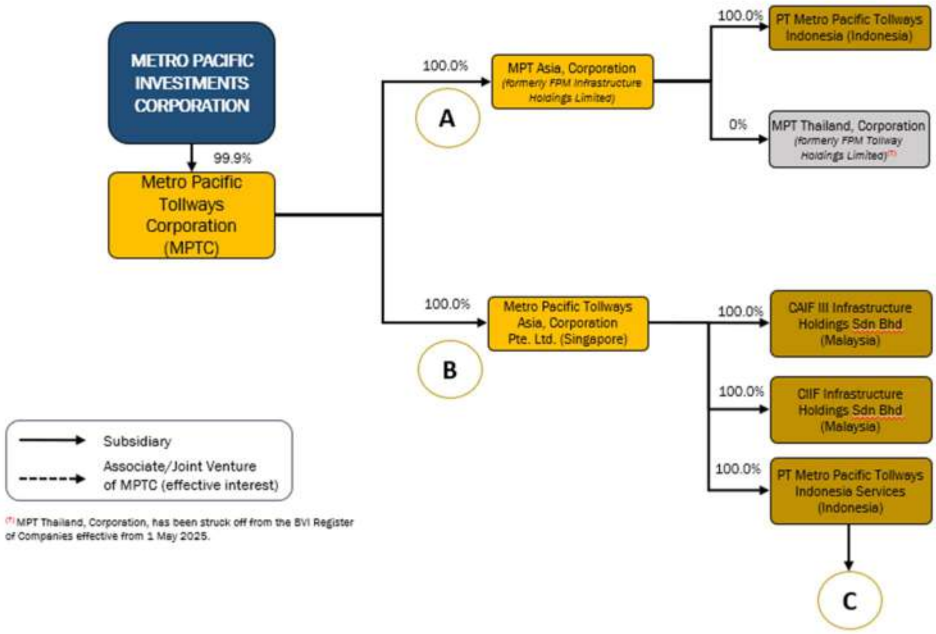
NLEX CORPORATION

Map showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, associates, wherever located or registered

<u>Group Structure as of December 31, 2025</u>

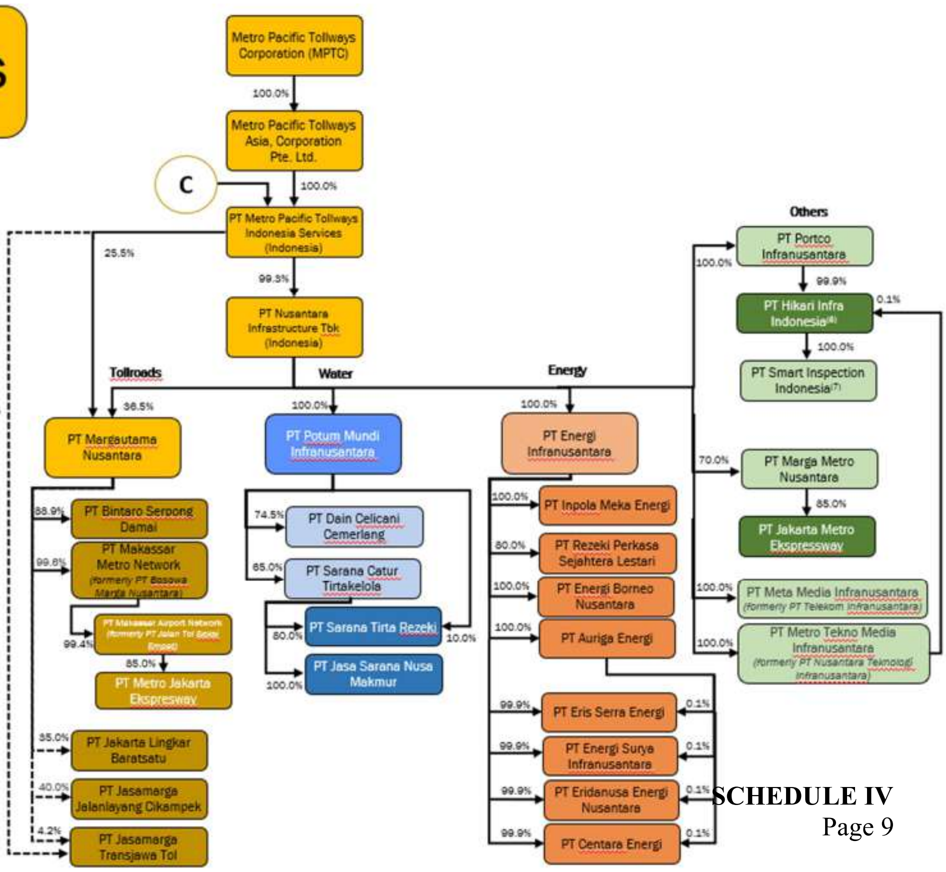


TOLLROADS



(7) MPT Thailand, Corporation, has been struck off from the BVI Register of Companies effective from 1 May 2025.

TOLLROADS



Subsidiary

Associate/Joint Venture of MPTC (effective interest)

(6) PT Hikari Infra Indonesia was newly incorporated on Sep. 2, 2025 with approval decree from the Ministry of Law and Human Rights (MOLHR), Indonesia, on Sep. 3, 2025.

(7) PT Smart Inspection Indonesia was newly incorporated on Sep. 10, 2025 with approval decree from the MOLHR, Indonesia, on Sep. 12, 2025.

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

Supplementary Schedule on External Auditor Fee-Related Information
For the years ended December 31, 2025 and 2024

	December 31	
	2025	2024
Total Audit Fees *(Section 2.1a)*	**₱7,057,000**	₱8,606,000
Non-audit services fees:		
Other assurance services	–	–
Tax Services	–	–
All other services	–	–
Total Non-audit Fees *(Section 2.1b)*	–	–
Total Audit and Non-audit Fees	**₱7,057,000**	₱8,606,000

Jonabel M. Pua

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Date: Thursday, April 16, 2026 at 4:16 PM
To: Leslie M. Lorenzo <lmlorenzo@nlex.com.ph>
Cc: Leslie M. Lorenzo <lmlorenzo@nlex.com.ph>
Subject: Your BIR AFS eSubmission uploads were received

Hi NLEX CORPORATION,

Valid files

- EAFS004984946OTHTY122025.pdf
- EAFS004984946ITRTY122025.pdf
- EAFS004984946AFSTY122025.pdf
- EAFS004984946TCRTY122025-02.pdf
- EAFS004984946TCRTY122025-01.pdf
- EAFS004984946TCRTY122025-03.pdf
- EAFS004984946RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-Q2MNPRZ407KG79J8FNXX2MTV20H8JE7HJ**
Submission Date/Time: **Apr 16, 2026 04:16 PM**
Company TIN: **004-984-946**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET
for
SEC FORM 17-Q

SEC Registration Number

A	1	9	9	7	0	1	4	5	1	

COMPANY NAME

NLEX CORPORATION (A SUBSIDIARY OF METRO PACIFIC TOLLWAYS CORPORATION)

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

NLEX COMPOUND, BALINTAWAK, CALOOCAN CITY, METRO MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	MSRD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
nlexsec@mptc.com.ph	**(02) 8580-8900**	**0998-962-0895**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
16	**Any Day in May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Maria Theresa O. Wells	**nlexsec@mptc.com.ph**	**(02) 8580-8900**	**0998-962-0895**

CONTACT PERSON's ADDRESS

NLEX Compound, Balintawak, Caloocan City, Metro Manila

NOTE1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

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

SECURITIES AND EXCHANGE COMMISSION

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

1. For the quarterly period ended: **June 30, 2026**

2. Commission Identification Number: **A1997-01451**. 3. BIR Tax Identification No: **004-984-946-000**

NLEX CORPORATION
4. Exact name of issuer as specified in its charter

Metro Manila, Philippfwvines
5. Province, country or other jurisdiction of incorporation or organization

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

NLEX Compound, Balintawak, Caloocan City **1400**
7. Address of issuer's principal office Postal Code

+632-8-580-8900
8. Issuer's telephone number, including area code

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

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

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

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

Yes [ ] No [✓]

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

N/A

12. Indicate by check mark whether the registrant:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

Table of Contents

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

NLEX CORPORATION

(A Subsidiary of Metro Pacific Tollways Corporation)

Interim Condensed Financial Statements (unaudited)
June 30, 2026 and 2025

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)
INTERIM CONDENSED BALANCE SHEET AS AT JUNE 30, 2026 (UNAUDITED) AND CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2025 (AUDITED)

	June 30, 2026	December 31, 2025
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱3,958,992,202**	₱3,499,024,861
Financial assets at fair value through profit or loss (FVTPL) (Note 5)	**13,316,251**	13,169,724
Receivables (Notes 6 and 13)	**2,643,081,813**	2,803,004,718
Inventories:		
At net realizable value	**40,616,606**	66,406,694
At cost	**6,725,338**	8,423,894
Other current assets (Note 10)	**1,223,551,072**	936,419,846
Total Current Assets	**7,886,286,282**	7,326,449,737
Noncurrent Assets		
Service concession assets (Note 7)	**83,930,525,377**	82,726,677,155
Property and equipment (Note 8)	**370,464,380**	385,109,946
Goodwill (Note 26)	**6,213,799,383**	6,213,799,383
Other intangible assets (Note 9)	**83,188,364**	121,156,921
Other noncurrent assets	**300,912,466**	346,168,490
Total Noncurrent Assets	**90,898,889,970**	89,792,911,895
TOTAL ASSETS	**₱98,785,176,252**	₱97,119,361,632
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	**₱5,345,425,842**	₱5,256,501,009
Dividends payable (Note 13)	**–**	–
Short-term loans payable	**–**	–
Income tax payable	**799,201,438**	874,621,977
Provisions (Note 12)	**478,377,024**	478,370,265
Current portion of long-term debt (Note 14)	**3,140,962,609**	4,237,113,096
Total Current Liabilities	**9,763,966,913**	10,846,606,347
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 14)	**40,994,347,175**	41,094,975,507
Service concession fees payable (Note 15)	**4,162,636,199**	4,077,011,803
Provisions (Note 12)	**934,556,346**	560,058,952
Deferred tax liabilities - net	**181,200,789**	229,252,518
Long-term incentive plan payable	**271,557,744**	271,557,744
Pension liability - net	**98,369,302**	135,794,457
Total Noncurrent Liabilities	**46,642,667,555**	46,368,650,981
Total Liabilities	**₱56,406,634,468**	₱57,215,257,328
Equity		
Capital stock (Note 16)	**₱1,878,600,000**	₱1,878,600,000
Additional paid-in capital	**9,965,880,147**	9,965,880,147
Retained earnings	**30,720,692,951**	28,246,255,471
Other comprehensive loss reserve - net	**(186,631,314)**	(186,631,314)
Total Equity	**42,378,541,784**	39,904,104,304
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**₱98,785,176,252**	₱97,119,361,632

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

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)
INTERIM CONDENSED STATEMENT OF INCOME AS AT JUNE 30, 2026 (UNAUDITED) AND AS AT JUNE 30, 2025 (UNAUDITED)

	Six Months ended June 30	
	2026	2025
OPERATING REVENUES		
Toll fees - net of discount	**₱15,771,516,350**	₱14,676,041,473
Sales of magnetic cards	**–**	893
Toll revenues	**15,771,516,350**	14,676,042,366
Non-toll revenues (Note 17)	**83,189,999**	93,437,654
Total revenues	**15,854,706,349**	14,769,480,020
Cost of services (Note 18)	**(5,532,012,494)**	(4,845,436,481)
Gross Profit	**10,322,693,855**	9,924,043,539
Construction revenue (Note 7)	**1,422,043,684**	1,345,493,801
Construction costs (Note 7)	**(1,422,043,684)**	(1,345,493,801)
General and administrative expenses (Note 19)	**(586,381,448)**	(695,746,832)
Interest expense and other finance cost (Note 21)	**(861,088,307)**	(632,118,430)
Interest income (Note 20)	**69,631,337**	41,301,133
Foreign exchange gain - Net	**15,115,890**	(14,784,626)
Other income	**80,439,660**	211,327,453
Income before income tax	**9,040,410,987**	8,834,022,237
Provision for (benefit from) income tax		
Current	**1,622,204,553**	1,538,562,971
Deferred	**(48,051,729)**	(43,983,496)
	1,574,152,824	1,494,579,475
Net income	**₱7,466,258,163**	₱7,339,442,762

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

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME AS AT JUNE 30, 2026 (UNAUDITED) AND AS AT JUNE 30, 2025 (UNAUDITED)

	Six Months Ended June 30	
	2026	2025
NET INCOME	**₱7,466,258,163**	₱7,339,442,762
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Income tax effect	–	–
	–	–
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:		
Remeasurement gains (losses) on defined benefit Retirement plan (Note 16)	–	–
Income tax effect	–	–
	–	–
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	–	–
TOTAL COMPREHENSIVE INCOME	**₱7,466,258,163**	₱7,339,442,762

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

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT JUNE 30, 2026 AND 2025 (UNAUDITED)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Loss Reserve	Total Equity
At January 1, 2026	**₱1,878,600,000**	**₱9,965,880,147**	**₱28,246,255,471**	**(₱186,631,314)**	**₱39,904,104,304**
Cash Dividends (see Note 16)	–	–	**(4,991,820,683)**	–	**(4,991,820,683)**
Net Income	–	–	**7,466,258,163**	–	**7,466,258,163**
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	–	**7,466,258,163**	–	**7,466,258,163**
At June 30, 2026	**₱1,878,600,000**	**₱9,965,880,147**	**₱30,720,692,951**	**(₱186,631,314)**	**₱42,378,541,784**
At January 1, 2025	₱1,878,600,000	₱9,965,880,147	₱21,501,299,636	(₱156,424,380)	₱33,189,355,403
Cash dividends (Note 16)	–	–	(7,538,694,670)	–	(7,538,694,670)
Net income	–	–	7,339,442,762	–	7,339,442,762
Other comprehensive income (loss) (Note 16)	–	–	–	–	–
Total comprehensive income for the period	–	–	7,339,442,762	–	7,339,442,762
At June 30, 2025	₱1,878,600,000	₱9,965,880,147	₱21,302,047,728	(₱156,424,380)	₱32,990,103,495

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

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)
INTERIM CONDENSED STATEMENT OF CASH FLOWS AS AT JUNE 30, 2026 (UNAUDITED) AND INTERIM CONDENSED STATEMENT OF CASH FLOWS AS AT JUNE 30, 2025 (UNAUDITED)

	Six Months Ended June 30	
	2026	2025
OPERATING ACTIVITIES		
Income before income tax	**₱9,040,410,986**	₱8,834,022,237
Adjustments to reconcile income before income tax to net cash flows:		
Amortization of service concession assets (Note 7)	**942,909,070**	865,459,272
Interest expense and other finance costs (Note 21)	**861,088,307**	635,007,565
Depreciation of property and equipment (Note 8, 18, and 19)	**42,645,407**	55,641,203
Movements in:		
Provisions	**346,127,661**	203,770,902
Accrued retirement costs / pension costs	**(37,425,155)**	(5,122,853)
Long-term incentive plan payable	**–**	52,725,513
Loss (gain) on disposals of property and equipment	**(13,046,725)**	2,077,478
Interest income (Note 20)	**(69,631,337)**	(41,301,133)
Amortization of other intangible assets (Note 9)	**3,787,074**	7,648,531
Allowance for decline in value of inventories	**(263,233)**	–
Provision for ECL	**–**	2,102,967
Unrealized foreign exchange gain (loss) - net	**10,506,976**	118,756
Unrealized gain on investments (FVTPL)	**(146,527)**	(178,421)
Operating income before working capital changes	**11,126,962,504**	10,611,972,017
Working capital changes:		
Decrease (increase) in:		
Receivables	**197,240,135**	256,250,112
Inventories	**27,748,876**	1,274,311
Other current assets	**(313,834,574)**	(812,640,261)
Increase (decrease) in:		
Accounts payable and other current liabilities	**51,523,364**	(396,658,903)
Cash generated from operation	**11,089,640,305**	9,660,197,276
Income tax paid	**(1,697,625,092)**	(1,405,981,091)
Net cash flows from operating activities	**9,392,015,213**	8,254,216,185
INVESTING ACTIVITIES		
Decrease (increase) in advances to contractors and other noncurrent assets	**45,255,620**	31,102,987
Interest received	**59,013,701**	40,126,710
Additions to:		
Service concession asset (Note 7)	**(2,049,382,823)**	(2,347,570,444)
Property and equipment (Note 8)	**(27,999,436)**	(65,385,594)
Financial assets at FVPL	**34,181,483**	(18,288,994)
Other intangible assets (Note 9)	**–**	
Proceeds from:		–
Sale of property and equipment (Note 8)	**13,046,725**	–
Net cash flows used in investing activities	**(1,925,884,730)**	(2,360,015,335)

(Forward)

	Six Months Ended June 30	
	2026	2025
FINANCING ACTIVITIES		
Proceeds from availment of:		
Short-term debt (Note 14)	**₱–**	₱1,850,000,000
Long-term debt (Note 14)	**–**	6,000,000,000
Payments of:		
Dividends	**(4,991,820,683)**	(4,531,960,000)
Long-term and short-term debt	**(1,225,000,000)**	(2,775,000,000)
Interest expense and other finance cost	**(778,835,483)**	(518,722,984)
Debt issue costs	**–**	(50,205,822)
Net cash flows from (used in) financing activities	**(6,995,656,166)**	(25,888,806)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**470,474,317**	5,868,312,044
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(10,506,976)**	(118,756)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,499,024,861**	2,791,466,651
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	**₱3,958,992,202**	₱8,659,659,939

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

1. Corporate Information

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

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

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

As of date, and subject to the issuance of applicable tax clearances, MPTC, directly and through its wholly-owned subsidiary, MPT North, Inc. (formerly Egis Investment Partners Philippines, Inc.), owns approximately 83.84% of the outstanding capital stock of the Company. MPTC is 99.9% owned by Metro Pacific Investments Corporation (MPIC). 46.28% of the outstanding common shares and 100% of the outstanding Class A Preferred shares of MPIC are owned by Metro Pacific Holdings, Inc. (MPHI).

As sole holder of the voting Class A Preferred Shares, MPHI's combined voting interest as a result of all its shareholdings is estimated at 58.34% of the total outstanding shares of MPIC as at December 31, 2025 and 2024, respectively. MPHI is a Philippine corporation whose major stockholders are Enterprise Investment Holdings, Inc. (EIH) (60.0%), Intalink B.V. (26.7%) and First Pacific International Limited (FPIL) (13.3%). First Pacific Company Limited (FPC), a company incorporated in Bermuda and listed in the Hong Kong Stock Exchange, through its subsidiaries Intalink B.V. and FPIL, holds 40.0% equity interest in EIH. FPC's equity interest in EIH is deemed as investment financing under Hong Kong Generally Accepted Accounting Principles. Thus, FPC is required to account for the results and assets and liabilities of EIH and its subsidiaries as part of FPC group of companies in Hong Kong.

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

Toll Operations

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

The MNEP consists of Six phases as follows:

Phase I	Rehabilitation and expansion of approximately 84 kilometers (km) of the existing NLEX and an 8.5-km stretch of a Greenfield expressway that connects Tipo in Hermosa, Bataan to Subic (Segment 7)

Phase II	Construction of the northern parts of the 17-km circumferential road C-5 which connects the current C-5 expressway to the NLEX and the 5.85-km road from McArthur Highway to Letre
Phase III	Construction of the 57-km Subic arm of the NLEX to Subic Expressway

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

Segment 8.1, a portion of Phase II, which is a 2.7 km-road designed to link Mindanao Avenue to the NLEX, officially commenced tollway operation on June 5, 2010. Segment 9, a portion of Phase II, which is a 2.4 km-road connecting NLEX to the McArthur Highway, officially commenced tollway operation on March 19, 2015. In May 2014, Segment 10, a portion of Phase II, which is a 5.76 km four-lane, elevated expressway that will start from the terminal of Segment 9 in Valenzuela City going to Circumferential Road 3 (C-3 Road) in Caloocan City above the alignment of Philippine National Railway (PNR) tracks. Segment 10 construction was completed on February 28, 2019, and officially opened to the public on March 1, 2019. The remaining portion of Phase II is under pre-construction works, while Phase III of the MNEP has not yet been started as at June 30, 2026.

Segment 8.2 – Section 1A Project. The project entails the design and construction of a new two-km Section 1A of Segment 8.2 from Mindanao Ave to Quirino Highway. The project is expected to be completed in Q3 2026.

Subic-Clark-Tarlac Expressway (SCTEX). Pursuant to the Toll Operation Certificate (TOC) received from the TRB and agreements covering the SCTEX, NLEX Corp. commenced the management, operation and maintenance of the SCTEX on October 27, 2015. The SCTEX is a 94-km four-lane divided highway, traversing the provinces of Bataan, Pampanga and Tarlac.

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

As at March 30, 2026, the construction of NLEX-SLEX Connector Road Section 1 is 100% complete, with toll collection beginning on August 8, 2023. A portion of Section 2, up to Ramon Magsaysay Boulevard in Manila, was completed last October 28, 2023, with toll collection beginning on October 15, 2024. Full completion of the project is upon completion of the interconnection structure to connect the Section 2 of the NLEX-SLEX Connector Road with the Skyway Stage 3.

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

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

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

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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

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

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

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

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

Deferred effectivity

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

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

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

3. Seasonality of Operations

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

4. Cash and Cash Equivalents

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents	**₱289,213,556**	₱1,850,823,520
Short-term deposits	**3,669,778,646**	1,648,201,341
	₱3,958,992,202	₱3,499,024,861

For purposes of the interim condensed statements of cash flows for the six months ended June 30, 2026 and 2025, cash and cash equivalents as at June 30 comprise of the following:

	2026	2025
	(Unaudited)	
Cash on hand and in banks	**₱289,213,556**	₱6,791,605,436
Short-term deposits	**3,669,778,646**	1,868,054,503
	₱3,958,992,202	₱8,659,659,939

5. Financial assets at FVTPL

Details of this account are shown below:

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Fair Value	**Principal Amount**	Fair Value	Principal Amount
Financial assets at FVTPL				
Short-term	**₱13,316,251**	**₱11,921,954**	₱13,169,724	₱11,921,954

The movements in this account follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱13,169,724**	₱12,612,146
Additions	–	–
Changes in fair value taken to profit or loss	**146,527**	557,578
Balance at end of year	**₱13,316,251**	₱13,169,724

6. Receivables

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade receivables:		
Related parties (see Note 13)	**₱469,206,707**	₱847,180,387
Third parties	**25,075,832**	4,148,771
Advances to DPWH	**1,174,073,049**	1,098,726,022
Non-trade receivables:		
Related parties (see Note 13)	**646,034,123**	598,244,038
Third parties	**168,254,241**	119,233,349
Receivables from motorists	**136,547,553**	118,889,278
Advances to officers and employees	**43,077,186**	46,387,387
Due from related parties (see Note 13)	**11,915,894**	11,915,894
Interest receivables	**20,996,812**	10,379,176
	2,695,181,397	2,855,104,302
Less allowance for doubtful accounts	**(52,099,584)**	(52,099,584)
	₱2,643,081,813	₱2,803,004,718

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

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

Advances to Department of Public Works and Highways (DPWH) are noninterest bearing used in acquiring the required right-of-way of the projects in accordance with the Reimbursement Agreement between NLEX and DPWH.

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

Interest receivables are collectible within three to six months.

Movements in the allowance for doubtful accounts as at June 30, 2026 and December 31, 2025 are as follows:

	2026		
	Trade Receivables	**Other Receivables**	**Total**
Balance at beginning of year	**₱6,291,314**	**₱45,808,270**	**₱52,099,584**
Provision for doubtful accounts	**–**	**–**	**–**
	₱6,291,314	**₱45,808,270**	**₱52,099,584**

	2025		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱60,371,165	₱45,808,270	₱106,179,435
Provision for doubtful accounts	2,102,967	–	2,102,967
Write-off	(56,182,818)	–	(56,182,818)
	₱6,291,314	₱45,808,270	₱52,099,584

7. Service Concession Assets

The movements in this account follow:

	MNEP	SCTEX	NLEX-SLEX Connector Road	Total
Cost:				
At January 1, 2025	₱61,588,328,446	₱6,016,242,317	₱28,067,392,129	₱95,671,962,892
Additions	2,455,651,039	103,569,574	1,969,987,336	4,529,207,949
At December 31, 2025	64,043,979,485	6,119,811,891	30,037,379,465	100,201,170,841
Additions	1,162,685,869	68,304,473	915,766,950	2,146,757,292
At June 30, 2026	**₱65,206,665,354**	**₱6,188,116,364**	**₱30,953,146,415**	**₱102,347,928,133**
Accumulated amortization:				
At January 1, 2025	₱14,916,124,722	₱721,865,251	₱–	₱15,637,989,973
Amortization (see Note 18)	1,761,513,150	74,990,563	–	1,836,503,713
At December 31, 2025	16,677,637,872	796,855,814	–	17,474,493,686
Amortization (see Note 18)	907,247,499	35,661,571	–	942,909,070
At June 30, 2026	**₱17,584,885,371**	**₱832,517,385**	**₱–**	**₱ 18,417,402,756**
Net book value:				
At June 30, 2026	**₱47,621,779,983**	**₱5,355,598,979**	**₱30,953,146,415**	**₱83,930,525,377**
At December 31, 2025	47,366,341,613	5,322,956,077	30,037,379,465	82,726,677,155

MNEP

Additions to service concession assets for the six months ended June 30, 2026 pertain primarily to the ongoing construction of Segment 8.2 Section 1A, consultancy services and other technical fees for the Multi Lane and Free Flow (MLFF) Project, additional equipment and enhancements of the Toll Collection System, various road furniture, and enhancements of existing bridges with an aggregate amount of ₱1,162.7 million. Borrowing costs capitalized amounted to ₱85.6 million and ₱191.8 million for the six months ended June 30, 2026, and December 31, 2025, respectively. The interest rate used to determine the amount of borrowing costs eligible for capitalization ranges from 6.11% to 7.15%.

SCTEX

Additions in SCTEX comprise mainly of RFID system enhancements, median post and guardrails and improvement of roadway structures.

NLEX-SLEX Connector Road

Additions in NLEX-SLEX Connector Road are the remaining balance of contracted works and the accretion in the present value of periodic payments to DPWH, as consideration for the acquisition of the right of way. Other additions include consultancy fees, technical services, and general and administrative expenses. Capitalized borrowing costs and accretion amounted to ₱553.5 million and ₱85.6 million and ₱950.2 million and ₱171.6 million for the six months ended June 30, 2026, and December 31, 2025, respectively.

8. Property and Equipment

The movements in this account are as follows:

	Land	Building, Building Improvements and Leasehold Improvements	Transportation Equipment	Office Equipment and Others	Total
Cost:					
At January 1, 2025	₱–	₱264,448,101	₱282,708,603	₱691,508,985	₱1,238,665,689
Additions	–	37,826,102	47,732,482	54,723,235	140,281,819
Disposals	–	–	(4,718,765)	(8,353,974)	(13,072,739)
At December 31, 2025	–	₱302,274,203	325,722,320	737,878,246	1,365,874,769
Additions	–	37,930,655	25,092,464	9,944,421	72,967,540
Disposals/adjustments	–	(30,846,683)	(11,452,579)	(8,116,713)	(50,415,975)
At June 30, 2026	**₱–**	**₱ 309,358,175**	**₱ 339,362,205**	**₱739,705,954**	**₱1,388,426,334**
Accumulated depreciation:					
At January 1, 2025	₱–	₱145,580,471	₱183,613,795	₱552,568,331	₱881,762,597
Depreciation	–	16,613,827	34,234,639	61,226,499	112,074,965
Disposals/adjustments	–	–	(4,718,765)	(8,353,974)	(13,072,739)
At December 31, 2025	–	162,194,298	213,129,669	605,440,856	980,764,823
Depreciation (see Notes 18 and 19)	–	9,030,877	18,651,370	14,963,160	42,645,407
Disposals/adjustments	–	2,084,265	(5,279,704)	(2,252,837)	(5,448,276)
At June 30, 2026	**₱–**	**₱173,309,440**	**₱226,501,335**	**₱618,151,179**	**₱1,017,961,954**
Net book value:					
At June 30, 2026	**₱–**	**₱136,048,735**	**₱112,860,870**	**₱121,554,775**	**₱370,464,380**
At December 31, 2025	–	140,079,905	112,592,651	132,437,390	385,109,946

Additions to property and equipment as at June 30, 2026 and December 31, 2025 amounted to ₱73.0 million and ₱140.3 million, respectively comprising of acquisition of service vehicles, building improvements, office furniture and equipment.

As at June 30, 2026 and December 31, 2025, there are no items of property and equipment with lien or encumbrances or used as security of any outstanding loan.

9. Other Intangible Assets

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost:		
Balance at beginning of year	**₱277,969,130**	₱245,263,588
Additions	**2,382,358**	32,705,542
Reclass	**(19,988,026)**	–
Balance at end of the period	**₱260,363,462**	₱277,969,130
Accumulated amortization:		
Balance at beginning of year	**₱156,812,209**	₱141,624,606
Amortization (see Notes 18 and 19)	**20,362,889**	15,187,603
Balance at end of the period	**177,175,098**	156,812,209
Net book value	**₱83,188,364**	₱121,156,921

10. Other Current Assets

Details of other current assets are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advances to contractors and consultants	**₱680,994,693**	₱665,799,484
Input VAT	**357,382,891**	14,758,174
Prepayments	**179,139,884**	103,811,934
Creditable withholding tax	**31,162,430**	66,600,855
Deferred input VAT	**16,328,942**	126,907,167
	1,265,008,840	977,877,614
Less: Allowance for unclaimable input VAT	**(14,758,174)**	(14,758,174)
Allowance for non-recoverability of advances	**(26,699,594)**	(26,699,594)
	₱1,223,551,072	₱936,419,846

11. Accounts Payable and Other Current Liabilities

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accrued Expenses		
Third parties	**₱1,950,734,894**	₱2,191,490,840
Related parties (see Note 13)	**1,026,121,823**	720,395,999
Trade Payables		
Third parties	**141,173,018**	180,018,232
Related parties (see Note 13)	**105,409,596**	277,864,576
Retention payable		
Third parties	**452,031,327**	441,150,891
Related parties (see Note 13)	**150,589,405**	136,617,656
Output VAT - net	**852,012,293**	683,807,858
Interest payable	**306,167,247**	268,762,022
Non-trade Payables		
Third parties	**69,578,748**	47,265,778
Related parties (see Note 13)	**53,045,039**	52,870,317
Withholding taxes payable	**64,557,954**	102,797,148
Deferred output VAT	**43,867,972**	47,339,933
Unearned revenue		
Third parties	**8,586,255**	13,736,338
Related parties (see Note 13)	**2,502, 624**	2,502,624
Others	**119,047,647**	89,880,797
	₱5,345,425,842	₱5,256,501,009

Accrued expenses consist of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Construction costs	**₱1,359,513,896**	₱1,224,040,815
Outside services	**635,177,757**	568,382,883
BCDA Revenue Share	**230,798,400**	318,055,235
Salaries and employee benefits	**109,488,335**	244,626,316
PNCC fee	**120,142,046**	128,015,984
Repairs and maintenance	**217,636,038**	71,434,624
Project insurance	**12,701,221**	24,336,828
Professional fees	**51,317,525**	84,592,885
Transportation and travel	**39,395,888**	33,320,477
Operating and maintenance costs	**40,460,778**	21,752,354

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advertising and marketing expenses	**16,584,509**	15,553,591
Management fees	**14,761,144**	31,538,944
Toll collection and medical services	**3,134,280**	3,134,280
TRB fee	**300,000**	–
Others	**125,444,900**	143,101,623
	₱2,976,856,717	₱2,911,886,839

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

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

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

Interest payable is settled within three to six months.

12. Provisions

The movements in this account follow:

	Heavy Maintenance	Others	Total
At January 1, 2025	₱749,890,669	₱150,725,765	₱900,616,434
Additions	248,899,246	22,669,633	271,568,879
Accretion	43,296,383	–	43,296,383
Payments	(159,557,304)	(141,978,519)	(301,535,823)
Reclassifications	–	124,483,344	124,483,344
At December 31, 2025	882,528,994	155,900,223	1,038,429,217
Additions (see Notes 19 and 20)	378,792,979	21,114,954	399,907,933
Accretion (see Note 21)	28,376,491	–	28,376,491
Payments	–	–	–
Reclassifications	(32,672,077)	(21,108,195)	(53,780,272)
At June 30, 2026	**₱1,257,026,387**	**₱155,906,982**	**₱1,412,933,369**

At June 30, 2026:			
Current	**₱412,907,880**	**₱65,469,144**	**₱478,377,024**
Noncurrent	**844,118,507**	**90,437,838**	**934,556,346**
	₱1,257,026,387	**₱155,906,982**	**₱1,412,933,370**

At December 31, 2025:			
Current	₱412,907,880	₱65,462,385	₱478,370,265
Noncurrent	469,621,114	90,437,838	560,058,952
	₱882,528,994	₱155,900,223	₱1,038,429,217

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

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

13. Related Party Disclosures

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

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

Related Party	Relationship		Management Fees (see Note 19)	Professional Fee (see Note 19)	Outside Services (see Notes 18 and 19)	Repairs and Maintenance (see Notes 18 and 19)	Communication, Light and Water (see Notes 18 and 19)	Advertising and Marketing Expenses (see Notes 18 and 19)	Fuel & Oil, Transportation and Travel Expenses, Rental (see note 18)	Income from Utility Facilities (see Note 17)	Other Income
MPTC	Parent Company	**2026**	**₱13,530,484**	**₱–**	**₱–**	**₱ 2,961,470**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
		2025	14,069,175	–	–	–	–	8,000,000	–	–	14,390,597
MPIC	Parent Company of MPTC	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		2025	–	–	–	–	–	–	–	–	–
MPTDI (formerly MPTMSI)	Subsidiary of MPTC	**2026**	**–**	**–**	**64,849,972**	**–**	**–**	**–**	**–**	**–**	**6,332,145**
		2025	–	–	46,828,639	–	–	–	–	–	4,809,875
Easytrip Services Corp. (ESC)	Joint Venture of MPT North	**2026**	**–**	**–**	**162,018,426**	**–**	**–**	**10,907,611**	**–**	**–**	**3,516,133**
		2025	–	–	135,104,318	–	–	20,924,065	–	3,105,652	14,036,210
Smart Communications Inc. (Smart)	Associate of FPC	**2026**	**–**	**–**	**–**	**–**	**2,840,821**	**18,750**	**–**	**–**	**–**
		2025	–	–	–	–	2,691,397	29,643	–	–	–
Egis Projects Philippines Inc.	Associate of FPC	**2026**	**–**	**13,057,794**	**–**	**18,071,502**	**–**	**–**	**5,329,721**	**–**	**–**
		2025	–	12,922,776	–	13,690,531	–	–	–	–	–
Indra Philippines Inc.	Associate of FPC	**2026**	**–**	**–**	**–**	**31,741,504**	**–**	**–**	**–**	**–**	**–**
		2025	–	–	–	20,833,333	–	–	–	–	–
PLDT	Associate of FPC	**2026**	**–**	**–**	**–**	**–**	**3,921,331**	**–**	**–**	**3,620,513**	**–**
		2025	–	–	–	–	4,267,116	–	–	–	–
Cavitex Infrastructure Corp (CIC)	Subsidiary of MPTC	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**413**	**–**	**3,395,967**
		2025	–	–	–	–	–	–	727	–	31,612,957
Cebu Cordova Link Expressway (CCLEC)	Subsidiary of MPTC	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,404,086**
		2025	–	–	–	–	–	–	–	–	5,034,460
Metro Pacific Tollways Vizmin (MPTVizmin)	Subsidiary of MPTC	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		2025	–	–	–	–	–	–	–	–	–

(Forward)

Related Party	Relationship		Management Fees (see Note 19)	Professional Fee (see Note 19)	Outside Services (see Notes 18 and 19)	Repairs and Maintenance (see Notes 18 and 19)	Communication, Light and Water (see Notes 18 and 19)	Advertising and Marketing Expenses (see Notes 18 and 19)	Fuel & Oil, Transportation and Travel Expenses, Rental (see note 18)	Income from Utility Facilities (see Note 17)	Other Income
SAVVICE Inc. (formerly Southbend Express Services)	Subsidiary of MPTC	**2026**	**₱–**	**₱–**	**₱ 435,673,535**	**₱ 424,614**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,803,931**
		2025	–	–	351,847,207	324,820	–	–	741,106	–	650,876
MPT Mobility (formerly NLEX Ventures Corporation)	Subsidiary of MPTC	**2026**	**–**	**–**	**65,893,971**	**–**	**–**	**–**	**–**	**–**	**38,331,484**
		2025	–	–	65,893,971	–	–	–	–	24,060,621	48,932,257
Metro Pacific Tollways South Management Corp (MPTSMC)	Subsidiary of MPTC	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		2025	–	–	–	–	–	–	–	–	–
MPCALA Holdings Inc	Subsidiary of MPTNC	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21,930,708**
		2025	–	–	–	–	–	–	146	–	28,078,689
Manila Electric Company (Meralco)	Associate of MPIC	**2026**	**–**	**–**	**–**	**–**	**40,572,824**	**–**	**–**	**–**	**–**
		2025	–	–	–	–	28,564,181	–	–	–	–
Maynilad	Associate of MPIC	**2026**	**–**	**–**	**–**	**–**	**11,366,299**	**–**	**–**	**–**	**–**
		2025	–	–	–	–	749,084	–	–	–	–
Total		**2026**	**₱13,530,484**	**₱13,057,794**	**₱728,435,904**	**₱53,199,090**	**₱ 58,701,275**	**₱10,926,361**	**₱5,330,134**	**₱3,620,513**	**₱80,714,454**
		2025	14,069,175	12,922,776	599,674,135	34,848,684	36,271,778	20,953,708	741,979	27,166,273	147,545,921

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

Related Party	Relationship		Advances to Suppliers (see Note 6)	Receivables[2] (see Note 6)	Due from Related Parties[1] (see Note 6)	Due to Affiliate[2] (see Note 12)	Accounts Payable and Other Current Liabilities and Dividends Payable[2] (see Notes 12 and 17)	Terms	Conditions
MPTC	Intermediate Parent Company	**2026**	**₱–**	**₱146,571,755**	**₱1,681,966**	**₱–**	**₱21,347,847**	(1) On demand; noninterest-bearing (2) 30-45 days; noninterest-bearing	Unsecured; no impairment
		2025	–	144,986,921	1,681,966	–	175,452,907		
Metro Pacific Tollways South Management Corp.	Subsidiary of MPTSC	**2026**	**–**	**12,665,415**	**377,544**	**–**	**16,620,229**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	–	12,665,415	377,544	–	16,469,665		
MPCALA Holdings, Inc. (MHI)	Subsidiary of MPTNC	**2026**	**–**	**16,608,317**	**–**	**–**	**1,652,236**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	–	17,345,002	–	–	1,652,236		
CIC	Subsidiary of MPTC	**2026**	**–**	**25,121,468**	**233,805**	**–**	**89,033**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	–	29,748,089	233,805	–	89,033		
ESC	Subsidiary of MPTC	**2026**	**–**	**486,790,990**	**91,350**	**–**	**206,470,398**	(1) On demand; noninterest-bearing (2) 7 days; noninterest-bearing	Unsecured; no impairment
		2025	–	864,742,440	91,350	–	192,434,023		
Indra	Associate of MPIC	**2026**	**–**	**–**	**–**	**–**	**83,672,363**	Within one year; noninterest-bearing	Unsecured, no impairment
		2025	–	–	–	–	67,146,778		
Smart	Associate of FPC	**2026**	**–**	**1,842,157**	**–**	**–**	**2,247,360**	30-45 days; noninterest-bearing	Unsecured; no impairment
		2025	–	1,842,157	–	–	2,108,674		
PLDT	Associate of FPC	**2026**	**–**	**18,744,357**	**–**	**–**	**795,280**	30-45 days; noninterest-bearing	Unsecured; no impairment
		2025	–	18,032,033	–	–	2,953,353		
Meralco	Associate of MPIC	**2026**	**19,731,424**	**1,945,905**	**–**	**–**	**23,391,564**	Within one year; noninterest-bearing	Unsecured, no impairment
		2025	19,731,424	–	–	–	21,693,830		
Maynilad	Subsidiary of MPIC	**2026**	**–**	**335,517**	**65,237**	**–**	**462,440**	Within one year; noninterest-bearing	Unsecured, no impairment
		2025	–	335,517	65,237	–	38,640		
MPTDI	Subsidiary of MPTC	**2026**	**–**	**17,801,002**	**8,708,393**	**–**	**69,255,234**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	–	16,350,033	8,708,393	–	82,164,584		
MPT Mobility	Subsidiary of MPTC	**2026**	**–**	**341,999,573**	**752,168**	**–**	**117,170,707**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	–	298,132,317	752,168	–	84,461,563		
Cebu Cordova Link Expressway Corporation	Subsidiary of MPTC	**2026**	**–**	**19,795,475**	**5,431**	**–**	**544,853**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	–	14,923,082	5,431	–	564,853		
SAVVICE	Subsidiary of MPTC	**2026**	**40,083,301**	**27,914,233**	**–**	**–**	**378,249,640**	On demand; noninterest-bearing	Unsecured; no Impairment
		2025	50,984,889	26,238,848	–	–	349,352,401		
MPIC	Parent Company of MPTC	**2026**	**–**	**–**	**–**	**–**	**1,318,929**	On demand; noninterest-bearing	Unsecured; no Impairment
		2025	–	–	–	–	1,318,929		
EPPI	Associate of FPC	**2026**	**507,476,714**	**82,271**	**–**	**–**	**412,363,884**	On demand; noninterest-bearing	Unsecured; no impairment
		2025	507,476,714	82,271	–	–	191,535,772		
Egis Investment Partners Philippines, Inc. (EIPPI)	Stockholder	**2026**	**–**	**–**	**–**	**–**	**–**	On demand; noninterest-bearing	Unsecured
		2025	–	–	–	–	–		
Banco de Oro Unibank, Inc. (BDO)	Stockholder	**2026**	**–**	**300**	**–**	**–**	**73,855,952**	On demand; noninterest-bearing	Unsecured
		2025	–	300	–	–	813,931		
Global Fund Holdings, Inc. (Global Fund)	Stockholder	**2026**	**–**	**–**	**–**	**–**	**–**	On demand; noninterest-bearing	Unsecured
		2025	–	–	–	–	–		
Republic of the Philippines	Stockholder	**2026**	**–**	**–**	**–**	**–**	**–**	On demand; noninterest-bearing	Unsecured
		2025	–	–	–	–	–		
Total		**2026**	**₱567,291,439**	**₱1,118,218,735**	**₱11,915,894**	**₱–**	**₱1,409,507,949**		
		2025	578,193,027	1,445,424,425	11,915,894	–	1,190,251,172		

14. Short-term Loans and Long-term Debt

Short-term Loans Payable

On March 28, 2025, the Company availed of a 31-day short-term loan from Philippine National Bank (PNB) amounting to ₱1,850.0 million, with an annual interest rate of 5.2% and a maturity date of April 28, 2025. The proceeds were used to bridge-finance the Company's capital expenditures.

On April 28, 2025, the Company partially settled the loan in the amount of ₱550.0 million, while the remaining balance of ₱1,300.0 million was rolled over for 150 days at an annual interest rate of 5.2%, with a maturity date of September 25, 2025.

As of June 30, 2026, the Company had no outstanding balance of short-term loans payable.

Long-term Debt

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Peso-denominated Notes and Loans:		
Corporate Notes	**₱13,011,000,000**	₱13,011,000,000
Term Loan Facilities	**29,350,000,000**	30,575,000,000
Fixed-rate Bonds	**2,000,000,000**	2,000,000,000
	44,361,000,000	45,586,000,000
Less: unamortized debt issue costs	**225,690,216**	253,911,397
	44,135,309,784	45,332,088,603
Less: current portion of long-term debt	**3,140,962,609**	4,237,113,096
	₱40,994,347,175	₱41,094,975,507

The unamortized debt issue costs incurred in connection with the availment of long-term debt amounting to ₱225.7 million and ₱253.9 million as at June 30, 2026 and December 31, 2025, respectively, were deducted against the long-term debt.

The movements in debt issue costs are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱253,911,397**	₱248,116,924
Amortization during the year*(see Note 7 and 21)	**(28,221,181)**	67,500,000
Debt issue costs incurred during the year	**–**	(61,705,527)
Balance at end of period	**₱225,690,216**	₱253,911,397

**Includes amortization of debt issue costs capitalized to service concession assets amounting to ₱11,750,073 in 2026 and ₱27,506,382 in 2025.*

2020 Corporate Notes Facility

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

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

From March 26, 2021 until May 2, 2022, NLEX Corp. made subsequent drawdowns amounting to ₱15,000.0 million from the remaining ₱20,000.0 million Corporate Notes Facility which were priced at prevailing market rates prior to drawdown date, ranging from 4.53% to 6.79% for Tranche A and 4.25% to 6.31% for Tranche B.

On November 11, 2025, the interest rate was repriced, ranging from 4.21% to 7.15% for Tranche A and 6.98% for Tranche B.

Term Loan Facilities

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

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

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

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

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

As of December 10, 2025, the Company made total payments amounting to ₱5,000.0 million and fully paid the term loan with PNB.

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

On July 24, 2017, the Company opted not to extend the availability period of the undrawn amount of the term loan facility. On August 9, 2017, Unionbank, billed NLEX Corp. for the commitment fee of ₱12.1 million. Interest payment shall be made quarterly until the date of maturity on February 3, 2026.

As of February 3, 2026, the Company made total payments amounting to ₱2,000.0 million and fully paid the term loan with UBP.

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

On November 16, 2022, the Company made an initial drawdown of ₱4,000.0 million with an annual interest rate of 7.13%. On March 21, 2023, the Company made its second drawdown amounting to ₱3,000.0 million with an annual interest rate of 7.50%. On November 16, 2025, the interest rate was repriced to 5.91%.

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

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

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

On December 26, 2024, the Company made an initial drawdown of ₱1,000.0 million with an annual interest rate of 6.56%. On June 30, 2025 and November 10, 2025, the Company made its second and third drawdowns amounting to ₱6,000.0 million and ₱1,000.0 million with an annual interest rate of 6.41% and 6.11%, respectively. By December 22, 2025, the Company has fully availed the remaining ₱2,000.0 million loans at 6.13% interest rate.

China Banking Corporation (Chinabank). On March 30, 2026, the Company entered a ₱3,250.0 million, 5-year term loan agreement with Chinabank to refinance its existing indebtedness and for other general corporate purposes. The loan is not subject to any re-pricing based on the pre-agreed terms.

Fixed-rate Bonds

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

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

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

On July 4, 2025, the Company fully paid the ₱4,000.0 million fixed-rate bond on its maturity.

15. Service Concession Fees Payable

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

	June 30, 2026 (Unaudited)	December 31,2025 (Audited)
At January 1	**₱4,077,011,803**	₱3,905,451,622
Accretion	**85,624,396**	171,560,181
Balance at end of period	**₱4,162,636,199**	₱4,077,011,803

16. Equity

Capital Stock

Details of shares of stock of the Company as at June 30, 2026 and December 31, 2025 follow:

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

Cash dividends

The following cash dividends were declared as of June 30, 2026:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total
March 6, 2026	**March 21, 2026**	**March 23, 2026**	**₱265.72**	**₱4,991,820,683**
June 20, 2025	June 30, 2025	September 1, 2025	266.51	5,006,734,670
March 19, 2025	March 29, 2025	March 30, 2025	134.78	2,531,960,000
December 18, 2024	December 27, 2024	February 13, 2025	106.46	2,000,000,000

Other Comprehensive Loss Reserve

	Re-measurement of Defined Benefit Plan	**Income Tax Related to Defined Benefit Plan**	**Total**
Balance at January 1 and June 30, 2026	**(₱191,055,469)**	**₱4,424,155**	**(₱186,631,314)**

	Re-measurement of Defined Benefit Plan	Income Tax Related to Defined Benefit Plan	Total
Balance at January 1, 2025	(₱155,517,899)	(₱906,481)	(₱156,424,380)
Remeasurement loss (see Note 25)	(35,537,570)	5,330,636	(30,206,934)
Balance at December 31, 2025	(₱191,055,469)	₱4,424,155	(₱186,631,314)

17. Non-Toll Revenue

Details of non-toll revenue follow:

	For Six months Ended June 30	
	2026	2025
	(Unaudited)	
Income from toll service and utility facilities	**₱83,189,999**	₱93,437,654
	₱83,189,999	₱93,437,654

18. Cost of Services

This account consists of:

	Six months Ended June 30	
	2026	2025
	(Unaudited)	
BCDA Revenue Share	**₱1,450,616,404**	₱1,367,658,926
Amortization of service concession assets (see Note 7)	**942,909,070**	865,459,272
Outside services (see Note 13)	**787,259,101**	560,335,036

(Forward)

	Six months Ended June 30	
	2026	2025
	(Unaudited)	
PNCC fee (see Note 22)	**716,868,268**	664,154,880
Repairs and maintenance (see Note 13)	**503,058,928**	224,946,762
Salaries and employee benefits	**450,604,028**	468,563,065
Provision for heavy maintenance (see Note 12)	**378,792,979**	342,093,204
Light & water	**73,319,755**	47,666,294
Insurance	**53,469,157**	77,993,234
Fuel & Oil (see Note 13)	**35,814,504**	23,143,318
Professional fees	**29,032,608**	25,026,262
Depreciation of property and equipment (see Note 8)	**27,399,030**	38,774,662
Toll collection and medical services	**11,443,900**	11,090,605
Advertising and promotions	**10,967,633**	21,036,469
Amortization of other intangible assets (see Note 9)	**20,362,889**	7,626,652
Others	**40,094,240**	99,867,840
	₱5,532,012,494	₱4,845,436,481

19. General and Administrative Expenses

This account consists of:

	Six months Ended June 30	
	2026	2025
	(Unaudited)	
Salaries and employee benefits	**₱191,363,550**	₱256,763,858
Taxes and licenses	**100,814,799**	113,443,713
Professional fees	**98,074,128**	83,303,069
Outside services (see Note 13)	**73,492,367**	77,535,310
Depreciation of property and equipment (see Note 8)	**15,246,377**	16,866,541
Advertising and marketing expenses	**45,624,531**	34,819,797
Management fees (see Note 13)	**13,530,484**	14,069,175
Repairs and maintenance (see Note 13)	**8,374,025**	1,527,753
Office supplies	**8,277,683**	9,071,714
Provisions (see Note 12)	**7,112,403**	9,865,938
Representation and travel	**8,893,514**	44,065,252
Rentals	**2,348,479**	2,515,100
Training and development costs	**1,592,241**	3,682,446
Communication, light & water	**1,118,362**	832,439
Directors' fees	**460,000**	540,000
Amortization of other intangible assets (see Note 9)	**–**	21,879
Miscellaneous	**10,058,505**	26,822,848
	₱586,381,448	₱695,746,832

20. Interest Income

Sources of interest income follow:

	Six months Ended June 30	
	2026	2025
	(Unaudited)	
Cash and cash equivalents	**₱69,613,003**	₱41,301,133
Others	**18,334**	–
	₱69,631,337	₱41,301,133

21. Interest Expense and Other Finance Costs

Sources of interest expense and other finance costs follow:

	Six months Ended June 30	
	2026	2025
	(Unaudited)	
Interest expense on:		
Loans (see Note 14)	**₱805,541,342**	₱567,259,831
Provision for heavy maintenance (see Note 12)	**28,376,491**	23,548,718
Finance costs:		
Amortization of debt issue costs (see Note 14)	**16,471,107**	21,035,797
Lenders' fees	**10,672,759**	20,224,932
Bank charges	**26,608**	49,152
	₱861,088,307	₱632,118,430

22. Significant Contracts and Commitments

PNCC Fee

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

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

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

As of June 30, 2026, and 2025, the Company recorded PNCC fee amounting to ₱716.9 million and ₱321.1 million, respectively (see Note 18).

NLEX-SLEX Connector Road

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

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

As of June 30, 2026, the construction of NLEX-SLEX Connector Road is 99.62% complete.

Candaba Central Infill (3rd Viaduct)

On February 1, 2023, the Company entered into a ₱6,120.0 million target cost contract with Leighton Contractors (Asia) Limited for the design and construction of the Candaba 3rd Viaduct Project over a period of 23 months. The project includes the design and construction of a new five-km viaduct along the Candaba Viaduct. The Project has been approved by the TRB last June 2022 based on the preliminary cost estimate. In January 2023, after completing the competitive selection of contractor with the most responsive preliminary engineering design (PED) and costing, the Company submitted an updated supplemental project information memorandum to the TRB. This incorporates the actual bid price of the preferred contractor and the corresponding investment recovery scheme in the form of an add-on toll in the closed system of NLEX. As at December 31, 2024, the construction of Candaba Central Infill (3rd Viaduct) is 100% complete. A Certificate of

Substantial Completion dated December 3, 2024 and Toll Operation Permit dated February 14, 2025 were issued by the TRB.

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

As of June 30, 2026, the construction of Segment 8.2 Section 1A is 87.72% complete.

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

The agreement will be implemented in two phases and to be operationalized within twelve (12) months from signing of the MOA. The first phase covers electronic collection interoperability, while the second phase covers cash collection interoperability. The interoperability of the electronic toll collection systems and cash payments systems was implemented on October 21, 2025.

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

Traffic Management Memoranda of Agreement
On June 29, 2020, NLEX Corp. renewed its memorandum of agreement with the City Government of Meycauayan to address the traffic situation at identified traffic management areas within the territorial jurisdiction of Meycauayan City.

On 14 September 2020, NLEX Corp. renewed its memorandum of agreement with the City Government of San Fernando, Pampanga. Under the agreement, both parties shall adopt and execute the agreed traffic management plan to address the traffic situation at identified areas within the territorial jurisdiction of City of San Fernando, Pampanga.

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

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

23. Financial Assets and Financial Liabilities

Fair values

A comparison of carrying and fair values of all of the Company's financial instruments other than those with carrying amounts that are reasonable approximate of fair values, by category as at June 30, 2026 and December 31, 2025 is as follows:

	June 30, 2026		December 31, 2025	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Asset				
Financial Assets at FVTPL:				
Unit investment trust fund	**₱13,316,251**	**₱13,316,251**	₱13,169,724	₱13,169,724
	₱13,316,251	**₱13,316,251**	₱13,169,724	₱13,169,724
Financial Liability				
Other financial liability:				
Long-term debt	**₱44,135,309,784**	**₱43,308,540,922**	₱45,332,088,603	₱45,868,649,636
Service concession fee payable	**4,162,636,199**	**1,313,835,195**	4,077,011,803	1,384,378,352
	₱48,297,945,983	**₱44,622,376,117**	₱49,409,100,406	₱47,253,027,988

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

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

Investments in UITFs

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

Long-term Debt

For fixed rate peso-denominated notes and loans, except the fixed-rate bonds where the fair value is based on its quoted market price as at June 30, 2026 and December 31, 2025, estimated fair value is based on the discounted value of future cash flows using the prevailing peso interest rates. In 2026 and 2025 the prevailing peso interest rates ranged from 5.83% to 6.44% and 5.52% to 6.96%, respectively.

Fair Value Hierarchy

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

	June 30, 2026	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value:				
Financial assets at FVTPL:				
UITF	**₱13,316,251**	**₱–**	**₱13,316,251**	**₱–**

(Forward)

	June 30, 2026	Level 1	Level 2	Level 3
Liabilities for which Fair Values are Disclosed				
Other financial liabilities:				
Long-term debt				
Fixed-rate bonds	**₱2,025,067,599**	**₱2,025,067,599**	**₱–**	**₱–**
Peso-denominated notes and loans	**41,283,473,323**	**–**	**41,283,473,323**	**–**
Service concession fees payable	**1,313,835,195**	**–**	**–**	**1,313,835,195**
	₱44,622,376,117	**₱2,025,067,599**	**₱41,283,473,323**	**₱1,313,835,195**

	December 31, 2025	Level 1	Level 2	Level 3
Assets Measured at Fair Value				
Financial assets at FVTPL:				
Investments in UITFs	₱13,169,724	₱–	₱13,169,724	₱–
Liabilities for which Fair Values are Disclosed				
Other financial liabilities:				
Long-term debt				
Fixed-rate bonds	₱2,043,885,198	₱2,043,885,198	₱–	₱–
Peso-denominated notes and loans	43,824,764,438	–	43,824,764,438	–
Service concession fees payable	1,384,378,352	–	–	1,384,378,352
	₱47,253,027,988	₱2,043,885,198	₱43,824,764,438	₱1,384,378,352

During the periods ended June 30, 2026 and December 31, 2025, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

24. Contingencies and Others

a. VAT

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

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

On April 3, 2014, the BIR accepted and approved NLEX Corp.'s application for abatement and issued a Certificate of Approval for the cancellation of the basic output tax, interest and compromise penalty amounting to ₱1,010.5 million and ₱584.6 million for taxable years 2006 and 2007, respectively. As at June 30, 2026, the VAT assessments for taxable years 2008 and 2009 remain pending with the BIR and there were no abatements made for these assessments.

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

b. Real Property Taxes

- In July 2008 and April 2013, NLEX Corp. filed Petitions for Review under Section 226 of the Local Government Code with the Local Board of Assessment Appeals (LBAA) of the Province of Bulacan seeking to declare as null and void tax declarations issued by the Provincial Assessor of the Province of Bulacan. The said tax declarations were issued in the name of NLEX Corp. as owner/administrator/beneficial user of the NLEX and categorized the NLEX as a commercial property subject to real property tax. NLEX Corp. argues that NLEX is property of public dominion and exempt from RPT. The cases are pending as of June 30, 2026.

- In September 2013, NLEX Corp. received notices of realty tax delinquencies for the years 2006 to 2012 and 2013 issued by the Provincial Treasurer of Bulacan stating that if NLEX Corp. fails to pay or remit the alleged delinquent taxes, the remedies provided for under the law for the collection of delinquent taxes shall be applied to enforce collection. On September 27, 2013, the Bureau of Local Government Finance of the Department of Finance wrote a letter to the Province of Bulacan advising it to hold in abeyance any further course of action pertaining to the alleged real property tax delinquency. In January 2017, the Provincial Treasurer of Bulacan issued a notice of realty tax delinquencies of ₱459M for the years 2006 to 2017 stating that it could apply the remedies provided under the law for the collection of delinquent taxes. The matter is pending as of June 30, 2026.

- In December 2023 and January 2024, NLEX Corp. received notices of tax assessment with tax declarations for the year 2023 and 2024 issued by the Municipal Assessor Office of the Municipality of Guiguinto, Bulacan for the properties located in Municipality of Guiguinto Bulacan. On January 31, 2024, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. On February 12, 2024, the Respondents filed its Opposition to NLEX Corp.'s Petition. The LBAA rules provide for the suppletory application of the Rules of Court. Thus, NLEX Corp. need not to file a reply as Respondent's allegations are deemed controverted. The case is pending as of June 30, 2026.

- In November 2025, NLEX Corp. received assessments and tax declarations covering roads located in the Municipality of Marilao, Province of Bulacan. On the same date, NLEX Corp. also received a copy of the assessments and tax declarations covering certain properties described as light posts or streetlight or the Road Lights, located in several municipalities (i.e. Pulilan, Plaridel, Guiguinto. Balagtas, Bocaue, and Marilao) in the Province of Bulacan, which indicated NLEX Corp. as the supposed owner thereof. On January 27, 2026, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. The case is pending with LBAA as of June 30, 2026.

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

c. Local Business Taxes (LBT)

In March 2019, TMC filed an application for cessation of its business operations in Caloocan City pursuant to its merger with NLEX Corp.. In April 2019, NLEX Corp. received an assessment for alleged deficiency local business taxes for taxable year 2018 in total amount of ₱13.4 million. In June 2019, NLEX Corp. filed its protest on the assessment. Due to the inaction of the Office of the City Treasurer, in September 2019, NLEX Corp. filed a complaint for annulment of the assessment with the Regional Trial Court of Caloocan City with a claim for refund in the amount of ₱5.4 million, representing excess LBT paid for taxable year 2018. The parties submitted their respective memoranda. On June 7, 2023, the Regional Trial Court of Caloocan City issued a decision dismissing the NLEX Corp. complaint and ruled in favor of the City of Caloocan. On August 2, 2023, NLEX Corp. filed a motion for reconsideration while the City of Caloocan filed its opposition to NLEX Corp.'s motion for reconsideration on September 5, 2023. On September 11, 2023, NLEX Corp. filed a motion to admit with reply with the Regional Trial Court of Caloocan City. On October 31, 2023, the Regional Trial Court of Caloocan City denied the NLEX Corp.'s Motion for Reconsideration. Hence, on December 7, 2023, NLEX Corp. filed a Petition for Review with the Court of Tax Appeals ("CTA"). On March 19, 2024, the CTA issued a Resolution directing the parties to file their respective Memoranda. NLEX Corp. filed its Memorandum on April 18, 2024. On October 8, 2025, CTA issued a Decision granting NLEX Corp.'s Petition and cancelling the assessment against TMC in the amount of Php13.4 million. On October 08, 2025, the City of Caloocan filed a Motion for Reconsideration. On November 20, 2025, the CTA Third Division issued a Resolution declaring that the Motion for Reconsideration was deemed not filed due to the City of Caloocan's failure to comply with the e-filing rules. Consequently, the City of Caloocan filed a Second Motion for Reconsideration on November 27, 2025. On February 5, 2026, the CTA Third Division issued a Resolution directing NLEX Corp. to file its Comment to the City of Caloocan's Motion for Reconsideration dated November 27, 2025. Hence, on March 9, 2026, NLEX Corp. filed its Comment. The case is pending with the CTA.

In September 2019, the Business Permit and Licensing Office ("BPLO") of the City of Valenzuela ("CGV") issued a demand to pay billing statement for alleged deficiency local business tax amounting to ₱47.8 million. Subsequently, the BPLO cancelled the initial billing and issued a revised assessment for alleged deficiency in local business taxes in the reduced amount of ₱26.5 million. In November 2019, NLEX Corp. paid the reduced amount under protest. In January 2020, NLEX Corp. filed its protest with a claim for refund of the revised assessment. Due to the inaction of the Office of the City Treasurer, NLEX Corp. filed a complaint for annulment of the assessment with the Regional Trial Court of the Caloocan City. On March 13, 2023, the RTC of Caloocan issued a Decision granting the refund of the ₱22.8 million representing revenues from toll services. However, the ₱3.0 million pertaining to signage services was denied on the ground of lack of jurisdiction of the trial court. NLEX Corp. and the City of Valenzuela filed their respective partial motion for reconsideration. On May 22, 2023, the Regional Trial Court of Caloocan issued an order denying NLEX Corp.'s and the City of Valenzuela's respective partial motion for reconsideration for lack of merit. In June 2023, the City of Valenzuela filed a petition for review before the Court of Tax Appeals ("CTA"), which was docketed as CTA Case No. 296 while in July 2023, NLEX Corp. filed a petition for review before the CTA which was docketed as CTA Case No. 297. On August 22, 2023, the City of Valenzuela filed its comment/opposition to the petition filed by NLEX Corp.. On August 23, 2023, NLEX Corp. filed with the CTA a motion for consolidation of the CTA Case Nos. 296 and 297. On August 30, 2023, the CTA issued a resolution for CTA Case No. 296 directing NLEX Corp. to file a comment to the petition filed by the City of Valenzuela and a resolution for CTA Case No. 297 directing the parties to submit their respective memoranda. The City of Valenzuela was ordered in the CTA's resolution for CTA Case No. 296 to file its comment to the motion for consolidation of the CTA Case Nos. 296 and 297. On October 9, 2023, NLEX Corp. filed its memorandum in CTA Case No. 297. On October 16, 2023, NLEX Corp. filed its comment to the petition filed by the City of Valenzuela. On November 15, 2023, the CTA issued a Resolution, noting the comment/Opposition filed by the City of Valenzuela to NLEX Corp. Motion to Consolidate. On February 1, 2024, the CTA, issued a Notice of Resolution, denying the NLEX Corp.'s Motion for Consolidation for being moot and academic considering that the CTA Case No. 297 was deemed submitted for decision last November 20, 2023. On November 15, 2024, the CTA issued a decision in the CTA Case No. 296, denying the petition for review filed by the CGV on July 5, 2023, due to lack of merit. Similarly on November 18, 2024, the CTA rendered a decision in CTA Case No. 297, ordering CGV to refund NLEX Corp. in the amount of ₱3.81 million, representing erroneously collected and paid LBT for signage services for taxable years 2012 to 2019. On December 27, 2024, external counsel received the CGV's

Motion for Reconsideration regarding the CTA Case No. 297. NLEX Corp. filed its comment to CGV's Motion for Reconsideration on January 6, 2025. On January 9, 2025, external counsel received the CGV's Motion for Reconsideration for the CTA Case No. 296. Hence, NLEX Corp. filed its comment on January 19, 2025, in CTA Case No. 296. On March 27, 2025, the CTA issued a resolution denying the CGV's Motion for Reconsideration in CTA Case No. 297 for lack of merit. On May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc in relation to the CTA Division's decision and resolution in CTA Case No. 297, docketed as CTA En Banc Case No. 3156. On July 4, 2025, the CGV also filed its Petition for Review with the CTA En Banc in relation to the CTA Division's decision and resolution in CTA Case No. 296, docketed as CTA EB Case No. 3183. NLEX Corp. filed its Comment to CGV's Petition for Review for CTA En Banc Case No. 3183 on October 8, 2025. On October 21, 2025, the CTA En Banc issued a Resolution dated October 10, 2025, for CTA En Banc Case No. 3156 directing CGV to amend the caption of its Petition to reflect CGV as the petitioners and NLEX Corp. as respondents. Thus, on October 27, 2025, CGV filed a Compliance with attached Amended Petition for Review for the CTA En Banc Case No. 3156. On December 26, 2025, the CTA En Banc issued a Resolution admitting the Amended Petition for Review filed by CGV for CTA EB No. 3156 and ordering NLEX Corp. to file within five (5) days or until January 12, 2026, a comment to the Petition for Review. Thus, NLEX Corp. filed its Comment on January 12, 2026. On March 11, 2026, the CTA issued a Notice of Resolution, which noted the NLEX Corp. Comment on the Amended Petition filed by CGV. The case is pending for decision.

In November 2019, the City Treasurer of Valenzuela issued to NLEX Corp. an assessment for alleged deficiency LBT for the years 2013 to 2019 in the amount of ₱9.9 million. The assessment pertains to the imposition of LBT on the VAT component of NLEX Corp.'s gross receipts for the said years. In November 2019, NLEX Corp. timely filed its protest to the assessment. The City Treasurer of Valenzuela failed to act on the protest filed by NLEX Corp. within the period provided in the Local Government Code. Hence, in February 2020, NLEX Corp. filed a complaint for the annulment of the assessment with the Regional Trial Court of Valenzuela City. The Regional Trial Court issued a decision cancelling and setting aside the deficiency assessment. The City of Valenzuela filed a motion for reconsideration, but the trial court issued a resolution denying the motion for reconsideration. In April 2023, the City of Valenzuela filed a petition for review with the CTA, while NLEX Corp. filed its comment to the City of Valenzuela's petition on August 24, 2023. On September 12, 2023, the CTA issued a resolution ordering NLEX Corp. to file a memorandum. On October 12, 2023, NLEX Corp. filed a memorandum. On November 23, 2023, the City of Valenzuela filed its Memorandum with the CTA. On January 25, 2024, the CTA issued a Resolution stating that the case is submitted for decision as both parties have filed their respective Memorandum. On November 25, 2024, the CTA issued a decision denying the CGV's petition for lack of merit. The Decision dated November 25, 2022, and the Resolution dated February 23, 2023, both rendered by the TRC-Branch 283, Valenzuela City, Civil Case No. 27-V-20, are affirmed. NLEX Corp. received on January 3, 2025, the copy of the CGV's Motion for Reconsideration. NLEX Corp. filed its comments to CGV's Motion for Reconsideration on January 13, 2025. On March 27, 2025, the CTA issued a resolution denying the CGV's Motion for Reconsideration. Hence, on May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc. On August 13, 2025 the CTA En Banc issued a Notice, requiring petitioners to transmit via electronic mail, a pdf copy of their petition filed on May 22, 2025, within twenty-four (24) hours from notice. On October 14, 2025, the CTA En Banc issued a Notice of Resolution, acknowledging the electronic transmittal of CGV's Petition and directing NLEX Corp. to file its Comment, within ten (10) days from notice. Accordingly, NLEX Corp. filed its Comment on October 27, 2025. The case is pending with the CTA En Banc.

d. Toll Rate Adjustments

NLEX Toll Rate Petitions

NLEX Corp., as petitioner-applicant, filed petitions for approval of periodic toll rate adjustment with the TRB praying for the adjustment of the toll rates for the NLEX, effective January 1, 2013 and January 1, 2015 (the "2012 and 2014 NLEX Petitions"), January 1, 2017 (the "2016 NLEX Petition"), January 1, 2019, and January 1, 2021 (the "2018 and 2020 NLEX Petitions"), January 1, 2023 (the "2022 NLEX Petition"), and January 1, 2025 (the "2024 NLEX Petition").

Petition	Date Filed	Effectivity
2012 NLEX Petition	June 2012	January 1, 2013
2014 NLEX Petition	September 2014	January 1, 2015
2016 NLEX Petition	September 2016	January 1, 2017
2018 NLEX Petition	September 2018	January 1, 2019
2020 NLEX Petition	September 2020	January 1, 2021
2022 NLEX Petition	September 2022	January 1, 2023
2024 NLEX Petition	September 2024	January 1, 2025

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

On June 6, 2020, NLEX Corp., as petitioner-applicant, filed an amended petition for implementation of approved adjustment to authorized toll rates with application for provisional relief with the TRB praying for the adjustment of the toll rate for the substantially completed Segment 10: C3-R10 Section (the "C3-R10 Add-on Toll Rate Petition").

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

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

<u>2012 and 2014 NLEX Petitions</u>
On February 15, 2019, NLEX Corp. received a Consolidated Resolution dated October 2018 issued by the TRB which approved and allowed NLEX Corp. to implement the toll rate adjustment indicated therein on a staggered basis in 2018, 2020, 2022 and 2024.

On March 20, 2019, the TRB issued a Notice to Start Collection of the first tranche effective March 21, 2019. On October 9, 2020, the TRB issued a Notice to Start Collection of the second tranche effective immediately. On May 6, 2021, the TRB issued a Notice to Start Collection of the third tranche. On February 7, 2023, the TRB issued a Notice to Start Collection of the fourth tranche. On June 15, 2023, NLEX Corp. implemented the fourth and last tranche of the periodic toll rate adjustments.

<u>2016 NLEX Petition</u>
On January 6, 2022, NLEX Corp. received a Resolution dated July 2021 issued by the TRB which approved and allowed NLEX Corp. to implement the toll rate adjustments indicated therein on a date not earlier than January 1, 2022, to protect the general welfare. On March 22, 2022, the TRB issued a Notice to Start Collection. On May 12, 2022, NLEX Corp. implemented the periodic toll rate adjustment.

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

2022 NLEX Petition
On January 8, 2025, NLEX Corp. received the TRB Order (Resolution) dated January 6, 2025, resolving the NLEX 2022 Petition for Periodic Toll Rate Adjustment. In its Order, TRB approved the implementation of the provisional toll rate adjustments on a staggered basis in two (2) tranches, equally distributed in 2025 and 2026. On January 31, 2025, the TRB issued a Notice to Start Collection of the first tranche effective immediately. On March 2, 2025, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On September 2, 2025, the TRB issued a Notice to Start Collection of the second tranche which shall take effect ten (10) days after coordination with TRB on the target implementation date. On January 20, 2026, NLEX Corp. implemented the second and last tranche of the periodic toll rate adjustments.

2024 NLEX Petition
On January 26, 2026, the TRB issued an Order directing NLEX Corp. to publish the provisional adjusted Authorized Toll Rates matrix in a newspaper of general circulation at least once a week for three (3) consecutive weeks and to post a surety bond equivalent to the projected one (1) year revenue collection of the first incremental toll rate adjustment. On February 13, 26, and March 3, 2026, NLEX Corp. filed its Manifestations of Compliance with the said Order. On March 3, 2026, the TRB issued a Notice to Start Collection of the first tranche of the periodic toll rate adjustments effective immediately.

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

C3-R10 Add-on Toll Rate Petition
On August 5, 2020, the TRB issued a Resolution which provisionally approved and allowed NLEX Corp. to implement the add-on toll for the Open System subject of the Petition. On November 20, 2020, the TRB issued a Notice to Start Collection effective November 23, 2020. On November 25, 2020, NLEX Corp. implemented the add-on toll rate adjustment.

NLEX Lane Widening Phase 2 Add-on Toll Rate Petition
On October 21, 2021, the TRB issued a Notice to Start Collection of the provisional add-on toll for the Closed System. On May 12, 2022, NLEX Corp. implemented the add-on toll rate adjustment.

Candaba 3rd Viaduct Add-on Toll Rate Petition
On February 7, 2025, the TRB issued an Order approving and allowing the provisional add-on toll for the NLEX Closed System to be implemented. On February 27, 2025, the TRB issued a notice to start collection of the provisional add-on toll for the closed system. On March 2, 2025, NLEX Corp. implemented the add-on toll rate adjustment.

SCTEX Toll Rate Petitions

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

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

2025 SCTEX Petition	September 2025	January 1, 2026

<u>2020 and 2022 SCTEX Petitions</u>
On July 5, 2023, NLEX Corp. received a Consolidated Resolution dated April 24, 2023 issued by the TRB which approved and allowed NLEX Corp. to implement the provisional toll rate adjustments in the 2020 and 2022 SCTEX Petitions on a staggered basis, in three (3) tranches, equally distributed for the years 2023, 2024 and 2025, not earlier than 01 July 2023.On August 15, 2023, the TRB issued a Notice to Start Collection of the first tranche effective immediately. On October 17, 2023, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On October 2, 2024, the TRB issued a Notice to Start Collection of the second tranche effective immediately. On November 19, 2024, NLEX Corp. implemented the second tranche of the periodic toll rate adjustments. On August 18, 2025, the TRB issued a Notice to Start Collection of the second tranche effective on September 1, 2025. On September 9, 2025, NLEX Corp. implemented the third and last tranche of the periodic toll rate adjustments.

<u>2023 and 2024 SCTEX Petitions</u>
On July 28, 2025, the TRB issued an Order directing NLEX Corp. to publish the provisional adjusted Authorized Toll Rates matrix in a newspaper of general circulation at least once a week for three (3) consecutive weeks and to post a surety bond equivalent to the projected one (1) year revenue collection of the first incremental toll rate adjustment. On August 14 and 27, 2025, NLEX Corp. filed its Manifestations of Compliance with the said Order. On September 2, 2025, the TRB issued a Notice to Start Collection for the first tranche of the provisionally approved consolidated 2023 and 2024 periodic toll rate adjustments for SCTEX, which shall take effect ten (10) days after coordination with TRB on implementation date.

<u>2025 SCTEX Petition</u>
On November 26, 2025, the TRB issued an Order directing NLEX Corp. to publish in full the contents of the Petition, along with the applicable toll fee matrix in accordance with existing laws, rules and regulations. On December 2, 2025, NLEX Corp. filed its Manifestation of Compliance with the said Order. NLEX Corp. has yet to receive regulatory approval for this Petition.

<u>NLEX - SLEX Connector Road Project Toll Rate Petition</u>

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

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

e. Other Matters

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

Atty. Onofre G. Garlitos, Jr. filed with the Supreme Court a Petition for Prohibition and Mandamus with Prayer for Issuance of Temporary Restraining Order and/or Writ of

Preliminary Injunction dated March 17, 2015, against the BCDA, NLEX Corp., and the Executive Secretary. The Petition prays that (a) a writ of preliminary mandatory and prohibitory injunction be issued enjoining the BCDA, NLEX Corp., and Executive Secretary from proceeding with the SCTEX project and compelling the BCDA to rebid the SCTEX operation and maintenance project, and (b) an order be issued (i) annulling the bidding procedure, direct negotiations, and the Price Challenge conducted by the BCDA, and the Concession Agreement, Business and Operating Agreement, and all subsequent amendments and modifications thereto and (ii) compelling the BCDA to rebid the operation and maintenance of the SCTEX.

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

On 16 September 2015, NLEX Corp. filed its Comment requesting the court to deny the Petition for Prohibition and Mandamus dated 13 March 2015. The grounds for the request were:

(a) The Petitioner failed to show clear legal basis to prevent the award of the SCTEX Project;
(b) The Petitioner did not prove any right that was being violated;
(c) The Petitioner did not demonstrate any urgency for issuing a temporary restraining order, and the request was moot since the SCTEX Project has already been awarded to NLEX; and
(d) The Petitioner did not claim that there were no other ordinary, speedy, and adequate remedies available.

As of date, the Supreme Court has yet to resolve the Motion for Reconsideration dated 13 June 2022 filed by the Petitioner.

(ii.) Safeway Customs Brokerage, Inc. vs. North Luzon Expressway Corporation
Civil Case No. R-MNL-25-04198-CV

On October 13, 2024, the trailer truck of Safeway Customs Brokerage, Inc. ("Safeway") hit the Northbound Toll Booth of NLEX Corp. in Paso De Blas, Valenzuela City. A criminal complaint for reckless imprudence resulting in damage to property was filed against the driver of the trailer truck. As a result, the PNP instructed NLEX Corp. to store the trailer truck and its contents while the criminal case filed against the driver is pending.

On August 12, 2025, NLEX Corp. received Complaint filed by Replevin seeking the return of the trailer truck and its contents and payment of damages in the total amount of Php 1.954 million. In response, NLEX Corp. filed on September 11, 2025, its Answer with counterclaims arguing that the truck was stored by virtue of official instructions from the PNP and was in custodia legis in view of the pending case. NLEX Corp. further demanded damages in the total amount of Php7.889 million against Safeway.

On October 8, 2025, NLEX Corp. filed the Pre-Trial Brief. During the Pre-Trial Conference and Court-Annexed Mediation on January 23, 2026, Safeway offered a settlement amount of Php 1.5 million. However, based on the Finance Team's recommendation, NLEX Corp. could not accept any amount lower than Php 4.8 million, which represents the cost of the damaged properties, facilities, and equipment. As no agreement was reached, mediation concluded on January 30, 2026 without settlement, and the case will proceed to trial.

On February 27, 2026, the pre-marking of evidence was attended by counsels for both parties and Safeway's authorized representative, Mr. William Godino, during which the hearings for the presentation of the Plaintiff's evidence were scheduled for April 17 and May 15, 2026.

On 17 April 2026, NLEX Corp. through its counsel, attended the trial hearing which covered the cross-examination, re-direct, and re-cross of Safeway's first witness, Mr. Ronald Zuasola (Mechanical Supervisor). Below are the next hearing dates:

- June 5, 2026, 8:30 AM – Cross-examination of the next witness of Safeway, Mr. William Godino
- July 21, 2026, 2:00 PM
- August 4, 2026, 2:00 PM

(iii.) NLEX Corporation vs. Ariel Garcia Ocampo, and AIR 2100 Incorporated
Civil Case No. C-26694

On September 1, 2025, NLEX Corp. filed a Complaint against Mr. Ariel Garcia Ocampo and AIR 2100 Incorporated (the "defendants"), the owners and operators of the trailer truck involved in the June 18, 2025 Marilao Overpass Bridge hit incident resulting in the fatality of one motorist, and damage to property. In the complaint NLEX Corp. prayed for damages in the total amount of Php23.855 million against said defendants.

On November 7, 2025, NLEX Corp. file a Manifestation and Motion for Leave to Serve Summons through Electronic Mail and Publication. In the meantime, on December 4, 2025, the trial court directed NLEX Corp. to amend its Complaint dated 26 August 2025 to reflect the correct address of defendant Ocampo. In compliance with said directive, NLEX Corp. filed the Amended Complaint on December 16, 2025. The case is pending and NLEX Corp. is awaiting for the trial court's order or resolution in NLEX Corp.'s Manifestation and Motion for Leave to Serve Summons through Electronic Mail and Publication or any developments as to the defendants' receipt of the Summons from the trial court.

On January 16, 2026, NLEX Corp. received the RTC Branch 127 Order dated January 12, 2026 and Summons dated January 13, 2026 which noted NLEX Corp.'s compliance through the filing of an Amended Complaint. The Court directed the issuance of summons to defendants Ariel Garcia Ocampo and Air 2100 Incorporated (AIR21) at their respective addresses and authorized NLEX Corp. to cause the service of summons within twenty (20) days from receipt of the Order and to file a return of summons within ten (10) days from service.

NLEX Corp., through its counsel, filed a Compliance on January 21, 2026 identifying the authorized representatives to serve the summons. Subsequently, NLEX Corp., through counsel, filed an Ex-Parte Compliance and an Ex-Parte Motion for Leave to Serve Summons through Electronic Mail and Publication on February 16, 2026.

On March 04, 2026, Sarangaya Law Offices filed an Entry/Notice of Appearance with Motion for Extension of Time to File Answer on behalf of AIR2100, requesting an additional thirty (30) days from March 04, 2026, or until April 03, 2026, to file its Answer which was subsequently granted by the court.

NLEX Corp. received an Order dated March 10, 2026 noting the Ex-Parte Compliance dated February 16, 2026 along with the returns of summons upon defendants filed by NLEX Corp.. The Court granted the Motion for Leave to Serve Summons through Electronic Mail and Publication dated February 16, 2026 filed by NLEX Corp. and directed NLEX Corp. to cause service through publication once a week for three consecutive weeks. Thus, NLEX Corp. has caused the service of summons through publication with the first and second publication made on April 2 and 9, 2026. The third publication is scheduled on April 16, 2026.

On April 20, 2026, Sheriff Ulibarri filed before the court the Sheriff's Return of Summons (via electronic mail) addressed to defendant Ariel Garcia Ocampo, stating that the original copy of the Summons was returned unserved.

On April 27, 2026, NLEX Corp., through its counsel, filed its Reply [to Defendant AIR 2100, Inc.'s Answer (with Compulsory Counterclaims and Crossclaim) dated March 24, 2026] before the Regional Trial Court, Branch 127.

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

25. Operating Segment Information

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

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

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

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

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

The revenues, net income, assets, liabilities, and other information of the Company's operations as at and for the period ended June 30, 2026, and 2025 are as follows:

	2026	2025
Net toll revenues	**₱15,771,516,350**	₱14,676,041,473
Other income	**163,483,132**	304,587,578
Total revenues	**15,934,999,482**	14,980,629,051
Operating and maintenance costs	**(4,162,067,514)**	(3,591,482,692)
Operating expenses	**(571,135,068)**	(674,290,845)
EBITDA	**11,201,796,900**	10,714,855,514
Financing costs	**(791,310,443)**	(577,559,688)
Core income before depreciation, amortization and provisions	**₱10,410,486,457**	₱10,137,295,826

	2026	2025
Depreciation, amortization and provisions*	**(2,958,863,169)**	(2,779,757,914)
Core income	**7,451,623,288**	7,357,537,912
Nonrecurring items	**14,634,875**	(18,095,150)
Net income	**₱7,466,258,163**	₱7,339,442,762
EBITDA margin for the year	**70%**	72%
Core income margin for the year	**47%**	49%
Net income margin for the year	**47%**	49%
Total assets	**₱98,785,176,252**	₱101,295,695,227
Total liabilities	**56,406,634,468**	68,305,591,732
Total equity	**42,378,541,784**	32,990,103,495

	2026	2025
Other disclosures:		
Capital expenditure (consists of additions to service concession asset, property and equipment, investment properties and other intangible assets)	**₱2,222,107,190**	₱966,933,553

** Includes provision for current and deferred taxes.*

The following table shows the reconciliation of EBITDA to net income for the period ended June 30, 2026, and 2025.

	2026	2025
EBITDA	**₱11,201,796,900**	₱10,714,101,943
Amortization of service concession asset (see Note 7)	**(942,909,067)**	(865,459,272)
Interest expense and other finance costs	**(861,088,307)**	(632,118,431)
Provision for heavy maintenance (see Note 18)	**(378,792,979)**	(342,093,204)
Depreciation and amortization of property and equipment and other intangible assets (see Notes 8 and 9)	**(63,008,296)**	(63,289,734)
Interest income (see Note 20)	**69,631,337**	33,344,525
Unrealized Gain on Investments (see Note 5)	**146,524**	178,421
Nonrecurring items:		
Foreign exchange gain - net	**₱15,115,888**	(2,293,590)
Provisions (see Note 13)	**84,884**	(14,784,626)
Other charges - net	**(565,896)**	(1,016,933)
Income before income tax	**9,040,410,988**	8,826,569,099
Provision for income tax:		
Current	**1,622,204,553**	1,531,109,833
Deferred	**(48,051,729)**	(43,983,496)
	1,574,152,824	1,487,126,337
Net income for the year	**₱7,466,258,164**	₱7,339,442,762

The following table shows the reconciliation of the core income to the net income for the period ended June 30, 2026, and 2025.

	2026	2025
Core income for the year	**₱7,451,623,288**	₱7,357,537,911
Foreign exchange gain - net	**15,115,888**	(2,293,590)

	2026	2025
Provisions (see Note 13)	**84,884**	(14,784,626)
Other charges - net	**(565,897)**	(1,016,933)
Net income for the year	**₱7,466,258,163**	₱7,339,442,762

26. Goodwill

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

The pre-tax discount rates of 14.1% and 14.2% applied to cash flow projections reflect the weighted average cost of capital as at December 31, 2025, and 2024, respectively. In the assessment of the recoverable amounts, the VIUs were calculated based on cash flow projections as per the most recent financial budgets and forecasts, which represent management's reasonable and best estimates of the ranges of economic conditions that will exist over the forecast period. The average forecast period used in the computation is 12 years and 13 years for 2025 and 2024, respectively. The forecasted period is more than 5 years as management can reliably estimate the cash flows for their entire concession period. The cash flows during the projection periods are derived using estimated average growth rates of traffic volume and toll fees. The average growth rate of traffic volume used in 2025 and 2024 is at 11.8% and 9.2%, respectively, for NLEX open system, and 10.4% and 7.6%, respectively, for NLEX closed system. On the other hand, toll fee growth used in 2025 and 2024 is at 4.4% and 3.9%, respectively, for NLEX open system, and 3.9% and 6.0%, respectively, for NLEX closed system. Management also believes that no reasonably possible change in any of the key assumptions used would cause the carrying value of goodwill to materially exceed its recoverable amount.

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

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

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

For the Second Quarter ended June 30, 2026

Financial Highlights and Key Performance Indicators:

Statement of Income Data

In PhP, Millions	**30-Jun-26**	30-Jun-25	Increase (Decrease)	
	(unaudited)	(unaudited)	Amount	%
Operating revenue	**₱15,855**	₱14,769	₱1,086	7
Cost of services	**(5,532)**	(4,845)	(687)	14
General and administrative expenses	**(586)**	(696)	110	(16)
Interest expense and other financing costs, net of interest income of ₱70 million and ₱41 million in 2026 and 2025, respectively	**(791)**	(591)	(200)	34
Foreign exchange loss – net	**15**	(15)	30	(200)
Other income	**79**	211	(132)	(62)
Provision for income tax	**(1,574)**	(1,495)	(79)	5
Net income	**₱7,466**	₱7,338	₱128	2
Net income margin	**47%**	50%		

Statement of Financial Position

In PhP, Millions	**30-Jun-26**	31-Dec-25	Increase (Decrease)	
	(unaudited)	(Audited)	Amount	%
Balance Sheet Data:				
Total assets	**₱98,785**	₱97,119	1,666	2
Total liabilities	**56,407**	57,215	(808)	(1)
Total equity	**42,379**	39,904	2,475	6

Result of Operation

The table below shows the consolidated revenues, expenses, and net income of NLEX Corporation for the quarters ended June 30, 2026, and June 30, 2025.

Statement of Income Data

In PhP, Millions	**30-Jun-26**	30-Jun-25	Increase (Decrease)	
	(unaudited)	(unaudited)	Amount	%
Operating revenue	**₱15,855**	₱14,769	₱1,086	7
Cost of services	**(5,532)**	(4,845)	(687)	14
General and administrative expenses	**(586)**	(696)	110	(16)
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Foreign exchange loss – net	**15**	(15)	30	(200)
Other income	**79**	211	(132)	(62)
Provision for income tax	**(1,574)**	(1,495)	(79)	5
Net income	**₱7,466**	₱7,338	₱128	2
Net income margin	**47%**	50%		

June 30, 2026 Compared to June 30, 2025

Revenues

In PhP, Millions	30-Jun-26 (unaudited)		30-Jun-25 (unaudited)		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Toll Revenues	₱15,772	99	₱14,676	100	₱1,096	7
Non-toll Revenues	83	1	93	0	(10)	(11)
Total Revenues	**₱15,855**	**100**	₱14,769	100	₱1,086	7

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

Toll revenues climbed to ₱15,772 million for the first half of 2026, marking a 7% growth compared with the same period last year, primarily driven by toll rate adjustments implemented in January 2026 in NLEX.

As of June 30, 2026, NLEX and SCTEX recorded average daily traffic of 352,067 and 81,111 vehicle entries, respectively, representing year-on-year declines of 1% and 4% compared with the same period in 2025. Meanwhile, average daily traffic on the NLEX Connector increased by 7% to 21,885 vehicle entries. The contraction in travel demand was attributed to the impact of the fuel price crisis during the first half of 2026.

Cost of Services

As of June 30, 2026, major cost items include the concession fees being paid to Government partners and asset amortization costs. The table below shows the details of these accounts for the period ended June 30, 2026, and 2025:

In PhP, Millions	30-Jun-26		30-Jun-25		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
BCDA Revenue Share	₱1,451	26	₱1,368	28	₱83	6
Amortization of service concession assets	943	17	865	18	78	9
PNCC fee	717	13	664	14	53	8
Outside services	787	14	560	12	227	41
Provision for heavy maintenance	379	7	342	7	37	11
Repairs and maintenance	503	9	225	5	278	124
Salaries and employee benefits	451	8	469	10	(18)	(4)
Insurance	53	1	78	2	(25)	(32)
Light & Water	73	1	48	1	25	52
Depreciation	27	0	39	1	(12)	(31)
Fuel & Oil	36	1	23	0	13	57
Toll collection and medical services	11	0	11	0	0	0
Others	101	2	153	3	(52)	(34)
Total cost of services	**₱5,532**	**100**	₱4,845	100	₱687	14

BCDA revenue share amounted to ₱1,451 million, representing the 50% share of SCTEX toll revenues remitted to BCDA. This was 6% higher than the same period in 2025, due to higher revenues in SCTEX during the period. Meanwhile, the PNCC fee represents the Government's share in NLEX revenues, of which 90% is remitted directly to the National Government and the remaining 10% to PNCC. The PNCC fee increased by 8% to ₱717 million in the first half of 2026 from ₱664 million in the same period last year, mainly driven by toll rate adjustments implemented in January 2026.

Amortization of service concession assets for the first half of the year reached ₱943 million, higher by 9% or ₱78 million from ₱865 million posted last year largely due to the commencement of commercial operations of the Candaba 3rd Viaduct project in March 2025.

Provision for heavy maintenance reached ₱379 million for the first half of 2026, up by 11% or ₱37 million from ₱342 million last year.

Repairs and maintenance expenses increased by ₱278 million or 124% higher than last year. The increase was caused by higher cost of labor and materials on road maintenance charged by the contractors, recurring cost for the maintenance of the toll collection system, computer hardware and software, as well as repairs and maintenance of buildings, transportation equipment, and office equipment.

Total cost of services as of the first half of 2026 amounted to ₱5,532 million, higher by 14% or ₱687 million versus ₱4,845 million recorded during the same period last year. This increase is also attributed to the impact of the fuel price hike which has tempered any efforts to conserve energy consumption.

General and Administrative Expenses

In Php millions	30-Jun-26		30-Jun-25		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
Salaries and Employee benefits	₱191	33	₱257	37	(₱660)	(26)
Taxes and Licenses	101	17	113	16	(12)	(11)
Professional fees	98	17	83	12	15	18
Outside services	73	12	78	11	(5)	(6)
Advertising and marketing expenses	46	8	35	5	11	31
Depreciation	15	3	17	3	(2)	(12)
Management fees	14	2	14	2	0	0
Representation and travel	9	2	44	6	3	50
Provisions	7	1	11	2	(4)	(36)
Others	32	5	44	6	(12)	(27)
Total	**₱586**	**100**	₱696	100	(110)	(16)

General and administrative expenses decreased by 16% year on year to ₱586 million in the first half of 2026, primarily due to lower personnel-related costs and reduced spending on taxes and licenses and outside services. Expenses such as professional fees and marketing expenses elevated by 18% and 31%, respectively due to road safety communication campaigns.

Interest and Financing Costs

Net financing costs for the six-month ended June 30, 2026, amounted to ₱791 million, higher by 34% or ₱200 million versus last year mainly due to the cessation of capitalization of interest expense for the Candaba 3rd viaduct which began commercial operations in March 2025.

As of June 30, 2026, net capitalized borrowing costs amounted to ₱639 million.

In PhP, Millions	30-Jun-26		30-Jun-25		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
Interest and financing costs:						
Interest expense	₱834	97	₱591	94	₱243	41
Amortization of debt issue costs	16	2	21	3	(5)	(24)
Lenders' fees and bank charges	11	1	20	3	(9)	(45)
Total interest & financing costs	**861**	**100**	632	100	229	36
Interest Income:						
Cash and cash equivalents	70	100	41	100	29	71
Total interest income	**70**	**100**	41	100	29	71
Net financing costs	**₱791**		₱591		₱200	34

Net Income

Net Income for the six months of 2026 stood at ₱7,466 billion, 2% higher than last year, driven by higher toll revenues and effective cost savings initiatives.

Balance Sheet

In PhP, Millions	30-Jun-26	31-Dec-25	Increase (Decrease)	
	Unaudited	(Audited)	Amount	%
Balance Sheet Data:				
Total assets	₱98,785	₱97,119	₱1,666	2
Total liabilities	56,407	57,215	(808)	(1)
Total equity	42,378	39,904	2,475	6

June 30, 2026 Compared to December 31, 2025

Assets

Cash and cash equivalents as of June 30, 2026 stood at ₱3,959 million, higher by ₱460 million from ₱3,499 million recorded in December 31, 2025, due to higher toll collections and lower capex spending from the balance of construction works and long-term debts.

Receivables, comprising mainly of advances to the DPWH for the right-of-way acquisition, utility facility fees and receivables from affiliates, reached ₱2,643 million, lower by ₱160 million compared to ₱2,803 million as of December 2025.

Service concession assets reached ₱83,930 million, slightly higher than the ₱82,727 million recorded as of December 31, 2025. The slight increase was mainly attributable to the on-going construction of Segment 8.2 1A, remaining works in Connector Section 2, roadway equipment, strengthening of bridges, and toll collection system enhancements.

As of June 30, 2026, total assets stood at ₱98,785 million, higher by ₱1,666 million versus ₱97,119 million as of December 31, 2025.

Liabilities and Stockholder's Equity

As of June 30, 2026, current liabilities stood at ₱9,764 million.

Long-term debt is slightly lower at ₱44,135 million as of June 30, 2026 versus ₱45,332 million in December 2025 due to scheduled principal payments.

Total liabilities as of June 30, 2026 amounted to ₱56,407 million, decreased by ₱808 million from ₱57,215 million posted in December 2025 driven by lower long-term debt.

Stockholders' equity reached ₱42,378 million, higher by 6% or ₱2,475 million from the ₱39,904 million as of December 2025 as a result of higher earnings.

Key Financial Indicator

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

		30-Jun-26	31-Dec-25
Current ratio	Current Assets / Current liabilities	0.81	0.68
Debt-to-equity (DE) ratio	Interest bearing liabilities / Stockholders' equity	1.04	1.14
Net profit margin	Net Income / Revenues	47.09%	47.76%
Return on assets	Net income* / Average total assets	15.24%	14.98%
Return on stockholders' equity	Net income* / Average stockholders' equity	36.30%	39.08%

**annualized*

Current ratio at 0.81 times for the first half of 2026. The Company has adequate sources of liquidity largely from the daily cashflows from operations and available short-term lines amounting to ₱21,113 million as of June 30, 2026.

Debt-to-equity ratio remained stable at 1.04 times as of the first half of 2026 and December 2025 due to strong earnings and steady debt level.

The net profit margin went slightly lower to 47.09% from 47.76% in December 2025 due to higher operating and maintenance costs during the first half of 2026 driven by wage hikes and higher fuel cost.

Return on assets increased to 15.24% due to improved operating performance and higher profitability during the period. Return on stockholders' equity went down to 36.30% vs 39.08% in December 2025 due to higher dividend distribution.

Cash Flows

The table below summarizes the Company's comparative cash flows as of June 30, 2026, and 2025.

Cash Flows	30-Jun-26	30-Jun-25
	(in ₱ Millions)	
Cash and cash equivalents, beginning balance	**₱3,499**	₱2,791
Net cash provided by operating activities	**9,392**	8,254
Net cash used in investing activities	**(1,925)**	(2,360)
Net cash provided by financing activities	**(6,996)**	(26)
Net increase (decrease) in cash	**470**	5,868
Effect of exchange rate on cash and cash equivalents	**(10)**	-
Cash and cash equivalents, ending balance	**₱3,959**	₱8,660

Cash Flows from Operating Activities

Net cash flows from operating activities during the first half of 2026 reached ₱9,392 million, significantly higher than 2025 figures driven primarily by higher toll revenues and collection.

Cash Flows from Investing Activities

For the first half of 2026, net cash flows used for investing activities amounted to ₱1,925 million, lower compared to same period last year due to moderate CAPEX spending. Key investments during the period include payments to contractors for on-going construction of Segment 8.2 Section 1A, enhancements of the toll collection system, upgrading of toll road assets and remaining works in the Connector Road Section 2 project.

Cash Flows from Financing Activities

Net cash flows used for financing activities amounted ₱6,996 million, higher compared to the same period last year by ₱26 million mainly due to repayment of long-term debt amounting to ₱1,225 million, payment of interest expenses amounting to ₱779 million and payment of dividends amounting to ₱ 4,992 million. Due to stronger operating cashflows, the financing obligations for the first half of the year were substantially covered with minimal increase in debt level during the period.

Other Financial Information

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

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

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

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

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

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

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

The Company has no new material commitments for capital expenditures during the first half of 2026 aside from the construction of the NLEX Segment 8.2 Section 1A Project.

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

a. Tariff Increase – The uncertainty in regulatory approval of petitions for toll rate adjustments could temper the growth in net revenues of the Company moving forward.

b. Higher Fuel Prices – Vehicle operating costs normally go higher with the increase in fuel prices, thereby decreasing the demand for non-essential transportation. Uncertainties in the movement of crude prices in the world market could affect the expected traffic volume growth in NLEX and SCTEX.

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

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

PART II-- OTHER INFORMATION

List of Disclosures Not Made Under SEC Form 17-C

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

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Caloocan on August 14, 2026.

By:

Maria Theresa O. Wells
Chief Finance Officer

ANNEX "C"

CERTIFICATE OF INDEPENDENT DIRECTORS

I, **ARLYN S. VILLANUEVA**, Filipino, of legal age, and a resident of **#2 Ma. Myrna Drive, Villa Gloria Subdivision, Angeles City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of NLEX Corporation ("**NLEX Corporation**") and have been its Independent Director since 2014. I have served as an Independent Director for NLEX Corporation for twelve (12) consecutive years, and have been nominated for re-election under meritorious grounds to be disclosed to the stockholders of NLEX Corporation in the information statement for the 2026 annual stockholders' meeting.[1]

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

Name of Company/Organization	Position/Relationship	Period of Service
Sicangco Menor Villanueva CPA's	Managing Partner	March 2022 - Present

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

4. I am not related to any director/officer/substantial shareholder of NLEX Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

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

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

7. I shall inform the Corporate Secretary of NLEX Corporation of any changes in the abovementioned information within five days from its occurrence.

(The remainder of the page intentionally left blank. Signature page as follows.)

[1] Under the NLEX Corporation's Manual on Corporate Governance (in relation to SEC Circular No. 24, series of 2019), an independent director who has served a cumulative term of nine (9) years may be re-elected as independent director, provided that the Board of NLEX Corporation provides meritorious justification for the re-election and seeks the approval of its stockholders of such independent director during a stockholder's meeting. Accordingly, the stockholders of NLEX Corporation may re-elect an independent director who has served for nine (9) years or more.

Done this SEP 1 4 2026 at MAKATI CITY City.

ARLYN S. VILLANUEVA
Affiant

SUBSCRIBED AND SWORN TO before me this SEP 1 4 2026 in MAKATI CITY, affiant exhibiting to me her Passport No. P8494616B issued on 17 December 2021 at DFA Angeles and expiring on 16 December 2031.

Doc. No. 383 ;
Page No. 78 ;
Book No. VII ;
Series of 2026.

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

CERTIFICATE OF INDEPENDENT DIRECTORS

I, **Lisset Laus-Velasco**, Filipino, of legal age, and a resident of **Lexus Street, St. Dominic Villa, San Agustin, San Fernando, City of San Fernando, Pampanga**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of NLEX Corporation ("**NLEX Corporation**") and have been its Independent Director since 2019.

2. I am affiliated with the following companies or organizations: **[Please complete table. Please include government-owned and controlled corporations, if applicable.]**

Name of Company/Organization	Position/Relationship	Period of Service
AETROPOLIS AUTOMOTIVE RESOURCES COPORATION	President	November 18, 2020 - Present
ALVIERA COUNTRY CLUB, INC.	Independent Director	February 2026 - Present
AUTOFIELD CAR CORPORATION	President/CEO	November 18, 2020 – Present
AUTONORTH CAR CORPORATION	President	November 18, 2020 – Present
AUTOPORT CORPORATION	President/CEO	November 20, 2020 – Present
AUTOSALES & AFTERSALES COMPANY INC.	President/CEO	November 20, 2020 – Present
BLUE OVAL AUTOMOTIVE CORPORATION	President	April 24, 2020 – Present
BATAAN AUTOMOBILE RESOURCES CORPORATION	President	November 17, 2020 – Present
BOLOGNA MOTORS CORPORATION	President	November 17, 2020 – Present
CARMIX, INC.	President	April 30, 2020 – Present
CARWORLD CALTEX STATION, INC.	President	September 8, 2020 – Present
CARWORLD FUSO PAMPANGA, INC.	President	November 17, 2020 – Present
CARWORLD, INC.	Chairman	May 22, 2020 – Present
CARWORLD SUBIC, INC.	Chairman	May 12, 2020 – Present
CITY-WEST MOTORS CORPORATION	President	April 24, 2020 – Present
CHAMPS AUTOMOBILE RESOURCES CORPORATION	President/CEO	November 17, 2020 – Present
COMTRUST FINANCE AND INVESTMENT CORPORATION	President/CEO	April 30, 2020 – Present
CORPORATE GUARANTEE & INSURANCE COMPANY, INC.	President/CEO	December 9, 2020 – Present
COUNTRYSIDE ENTERTAINMENT, INC.	President/CEO	November 17, 2020 – Present

DRIVEASIA MOTOR CORPORATION	President/CEO	November 20, 2020 – Present
EXCITE AUTOMOBILES, INC.	President/CEO	November 17, 2020 – Present
FAMILY CARS, INC.	President/CEO	November 11, 2020 – Present
FREEPORT AUTOMOTIVE CORPORATION	President/CEO	November 20, 2020 – Present
FREEPORT CAFÉ CORPORATION	President	November 20, 2020 – Present
GLOBAL CARS, INC.	President/CEO	November 20, 2020 – Present
GREENSUN AUTOMOTIVE ENTERPRISES, INC.	President/CEO	November 20, 2020 – Present
HAIMA CARS CORPORATION	President/CEO	April 24, 2020 – Present
HUPER OPTIK PHILIPPINES, INC.	President/CEO	December 9, 2020 – Present
ICONIC AUTOMOBILE ENTERPRISE, INC.	President/CEO	November 20, 2020 – Present
INNOVATION MOTORS CORPORATION	President/CEO	April 24, 2020 – Present
JOURNEY AUTOSALES AND AFTERSALES CORPORATION	President	April 24, 2020 – Present
'L' HOTELS CORPORATION	President/CEO	November 20, 2020 – Present
LAUS FINANCING AND LEASING CORPORATION	President/CEO	November 20, 2020 – Present
LAUSGROUP HOLDINGS, INC.	President/CEO	April 24, 2020 – Present
LAUSGROUP LAND CORPORATION	President/CEO	December 9, 2020 – Present
LAUS MARKETING AND TRADING CORPORATION	President/CEO	April 24, 2020 – Present
LEVY P. LAUS FOUNDATION, INC.	Director	June 3, 1995 – Present
LGC AUTOMOTIVE SERVICES, INC.	President/CEO	November 20, 2020 – Present
LGC AIR TRANSPORT, INC.	President/CEO	December 9, 2020 – Present
LGC CAR CARRIERS INC.	President/CEO	November 20, 2020 – Present
LGC ESTATE RESOURCES, INC.	President/CEO	April 30, 2020 – Present
LGC FOODS, INC.	Director	November 20, 2020 – Present
LLV HOLDINGS, INC.	Board of Director and Stockholder	August 27, 2019 – Present
METRO CENTRAL LUZON FOODS, INC.	President/CEO	November 20, 2020 – Present
MICHIGAN MOTORS, INC.	President	November 11, 2020 – Present

MILWAUKEE ICONIC MOTORCYCLES INC.	Director	December 10, 2020 – Present
MTL FOODS CORPORATION	Director	November 17, 2020 – Present
NORTH LUZON AUTOCITY, INC.	President	April 30, 2020 – Present
NYAMAN FOOD CORPORATION	Director	November 20, 2020 – Present
PAMPANGA PREMIER CARS, INC.	President/CEO	November 20, 2020 – Present
QUEEN PROVINCE MOTORS CORPORATION	President	November 17, 2020 – Present
RADIOWORLD BROADCASTING CORPORATION	Director	September 8, 2020 – Present
RESTO PORT CORPORATION	President/CEO	November 20, 2020 – Present
RISING CARS CORPORATION	President/CEO	November 20, 2020 – Present
SUNSTAR PAMPANGA PUBLISHING, INC.	Director	July 4, 2000 – Present
THE 23 AND 28 VENTURES, INC.	Treasurer	May 30, 2019 – Present
TIRE CITY, INC.	President/CEO	December 9, 2020 – Present
TRADERS AUTOCENTER, INC.	President/CEO	April 30, 2020 – Present
TRIVESTOR CORPORATION	President/CEO	November 20, 2020 – Present
WESTCOAST AUTOMOTIVE CORPORATION	President/CEO	April 24, 2020 – Present
PHILIPPINE AUTOMOTIVE DEALERS ASSOCIATION	Incorporator/Corporate Secretary	2019 – Present
PHILIPPINE BUSINESS FOR SOCIAL PROGRESS	Board of Trustee	2022 - Present

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

4. I am not related to any director/officer/substantial shareholder of NLEX Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

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

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulations Code and its Implementing

Rules and Regulations, Code of Corporate Governance and other issuances of the Securities Exchange Commission.

7. I shall inform the Corporate Secretary of NLEX Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 20th of March at the City of San Fernando, Pampanga.

Lisset Laus-Velasco
Affiant

SUBSCRIBED AND SWORN TO before me this SEP 1 4 2026 in MAKATI CITY, affiant exhibiting to me her Philippine Passport issued on January 11, 2019 at DFA Angeles and expiring on January 10, 2029.

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

Doc. No. 382;
Page No. 78;
Book No. VIII;
Series of 2026.

CERTIFICATE OF INDEPENDENT DIRECTORS

I, **Emmanuel G. Herbosa,** Filipino, of legal age, and a resident of **101 Banaue St., Ayala Alabang Village, Muntinlupa City,** after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of NLEX Corporation **("NLEX Corporation")** and have been its Independent Director since April 2024.

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

Name of Company / Organization	Position/ Relationship	Period of Service
Philippine Veterans Bank	Chairman	June 2025 – Present
ATR Financial Advisors and Managers Inc.	Director	December 2024 - Present
Citicore Energy REIT Corp.	Independent Director	December 2023 - Present
Puregold S&R	Independent Director	April 2023 - Present
Ovialand, Inc.	Independent Director	May 2023 - Present
Trinity Insurance and Reinsurance Brokers, Inc.	Director	August 2017 - Present
P & Gers Fund, Inc.	Director	2004 - Present
De La Salle School of Boards, De La Salle Brothers Fund, Inc.	Trustee	1989 - Present

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

4. I am not related to any director/officer/substantial shareholder of NLEX Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

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

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

7. I shall inform the Corporate Secretary of NLEX Corporation of any changes in the abovementioned information within five days from its occurrence.

(The remainder of the page intentionally left blank. Signature page follows.)

Done this SEP 0 7 2026 at Makati City.

Emmanuel G. Herbosa
Affiant

SUBSCRIBED AND SWORN TO before me this SEP 0 7 2026 in Makati City, affiant exhibiting to me his Passport No. P6394058B.

Doc. No. 411;
Page No. 84;
Book No. III;
Series of 2026.

ATTY. MARIA ZAIDA ARIZA L. HUELGAS
Notary Public for and in Makati City until December 31, 2026
Appointment No. M-304
PVB Building, 101 V.A. Rufino corner Dela Rosa Streets, Legaspi Village, Makati City
PTR No.10767895/01.05.2026/Makati City
IBP Membership No. 536148, Makati Chapter/Roll of Attorneys No. 95208
MCLE Exempt for this Compliance Period - Admitted to the Bar 01.24.2025

ATTY. MARIA ZAIDA ARIZA L. HUELGAS
NOTARY PUBLIC
ROLL NO. 95208
MAKATI CITY, PHILS.