SMC INFRASTRUCTURE
TOLLWAYS
SMC TOLLWAYS CORPORATION

11/F San Miguel Properties Centre,
7 St. Francis St., Mandaluyong City 1550
Metro Manila, Philippines

19 November 2026

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

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

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

Gentlemen:

In compliance with the Philippine Dealing & Exchange Corp. ("PDEX") guidelines, please find enclosed a copy of our disclosure to the Securities and Exchange Commission on November 19, 2026.

Very truly yours,

SHAINA ANELLA B. RAMIREZ
Deputy Corporate Information Officer

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

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

Atty. Mary Rose S. Tan

Contract Person

(632) 8632-3000

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

1	7	-	Q	

FORM TYPE
(amended)

0	5

Month

1st Tuesday

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring This Doc.

Amended Articles Number/Section

Total Amount of Borrowings

7

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

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Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2026**

2. Commission identification number **CS201310694**

3. BIR Tax Identification No. **008-547-087**

4. Exact name of issuer as specified in its charter **SMC TOLLWAYS CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization
   METRO MANILA, PHILIPPINES

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

7. Address of issuer's principal office — Postal Code
   11th Floor, San Miguel Properties Centre, 7 St. Francis Street, Mandaluyong City — **1550**

8. Issuer's telephone number, including area code **(632) 8632 – 3000**

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

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

	Amount	Interest Rate
Series A	₱10.6 Billion	6.4783%
Series B	5.9 Billion	6.7026%
Series C	18.5 Billion	6.9331%
Total	₱35.0 Billion	

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

    Yes [ ] No [√]

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

    N/A

12. Indicate by check mark whether the registrant:

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

    Yes [√] No [ ]

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

    Yes [√] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements of SMC Tollways Corporation ("SMC Tollways" or "Parent Company") and its subsidiaries (collectively, the "Group") as of and for the period ended September 30, 2026 (with comparative figures as of December 31, 2025 and for the period ended September 30, 2025) and Selected Notes to Consolidated Financial Statements is hereto attached as **Annex "A".**

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

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

PART II – OTHER INFORMATION

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

NONE

SIGNATURES

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

Issuer: **SMC TOLLWAYS CORPORATION**

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

Date: November 13, 2026

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

Date: November 13, 2026

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	Note	September 30, 2026 Unaudited	December 31, 2025 Audited
ASSETS			
Current Assets			
Cash and cash equivalents		**₱23,619,633**	₱23,159,616
Restricted cash		**4,228,716**	6,914,936
Receivables		**544,921**	463,375
Input value-added tax (VAT)		**1,631,965**	2,190,545
Other current assets		**323,505**	216,157
Total Current Assets		**30,348,740**	32,944,629
Noncurrent Assets			
Service concession rights	5	**77,134,140**	78,056,505
Due from related parties	4	**6,800,800**	2,217,800
Investment property	6	**2,096,415**	-
Goodwill		**483,452**	483,452
Property and equipment	6	**260,288**	254,168
Deferred tax assets		**27,020**	25,837
Other noncurrent assets		**1,484,825**	350,588
Total Noncurrent Assets		**88,286,940**	81,388,350
		₱118,635,680	₱114,332,979
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities		**₱5,730,994**	₱5,020,202
Current portion of:			
Long-term debt - net of debt issue costs		**8,416,514**	5,005,655
Provision for infrastructure restoration obligation		**139,743**	139,743
Lease liabilities	4	**5,489**	5,017
Dividends payable		**-**	96,025
Income tax payable		**592,444**	638,880
Total Current Liabilities		**14,885,184**	10,905,522
Noncurrent Liabilities			
Noncurrent portion of:			
Long-term debt - net of debt issue costs		**34,619,962**	41,784,228
Retention payable		**192,945**	121,104
Provision for infrastructure restoration obligation		**188,628**	188,628
Lease liabilities	4	**5,280**	9,414
Defined benefit retirement liabilities – net		**56,812**	50,598
Deferred tax liabilities – net		**324,071**	341,941
Total Noncurrent Liabilities		**35,387,698**	42,495,913
Total Liabilities		**₱50,272,882**	₱53,401,435

(Forward)

	September 30, 2026 Unaudited	December 31, 2025 Audited
Equity		
Capital stock	**₱6,953,846**	₱6,953,846
Retained earnings:		
Appropriated	**32,071,000**	-
Unappropriated	**35,488,048**	61,013,838
Other comprehensive loss	**(13,308)**	(13,308)
Equity reserves	**(13,594,274)**	(13,594,274)
Equity attributable to equity holders of the Parent Company	**60,905,312**	54,360,102
Non-controlling interest	**7,457,486**	6,571,442
Total Equity	**68,362,798**	60,931,544
	₱118,635,680	₱114,332,979

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

CERTIFIED CORRECT:

CRISALLIE D. GERONIMO
Senior Manager - Comptrollership

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

		Periods Ended September 30		For the Quarter Ended	
	Note	**2026 Unaudited**	2025 Unaudited	**2026 Unaudited**	2025 Unaudited
REVENUE					
Revenue from toll operations		**₱16,143,861**	₱16,268,533	**₱5,316,024**	₱5,408,641
Toll operation and maintenance fee		**360,000**	303,750	**120,000**	101,250
		16,503,861	16,572,283	**5,436,024**	5,509,891
COST OF SERVICES		**(4,577,739)**	(4,533,754)	**(1,510,457)**	(1,496,841)
GROSS PROFIT		**11,926,122**	12,038,529	**3,925,567**	4,013,050
OPERATING EXPENSES		**(937,182)**	(1,011,316)	**(357,635)**	(302,412)
CONSTRUCTION REVENUE (COSTS)	5				
Construction revenue		**1,703,934**	1,918,468	**672,727**	591,077
Construction costs		**(1,703,934)**	(1,918,468)	**(672,727)**	(591,077)
		-	-	**-**	-
OTHER INCOME (CHARGES)					
Interest expense and other financing charges		**(2,565,487)**	(2,938,769)	**(827,662)**	(953,105)
Interest income		**1,164,696**	1,021,335	**424,308**	349,485
Rental income		**62,139**	80,338	**28,693**	31,385
Others - net		**13,023**	9,036	**3,540**	3,541
		(1,325,629)	(1,828,060)	**(371,121)**	(568,694)
INCOME BEFORE INCOME TAX		**9,663,311**	9,199,153	**3,196,811**	3,141,944
INCOME TAX EXPENSE		**(2,066,496)**	(1,822,837)	**(737,146)**	(709,167)
NET INCOME		**7,596,815**	7,376,316	**2,459,665**	2,432,777
OTHER COMPREHENSIVE INCOME		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME		**₱7,596,815**	₱7,376,316	**₱2,459,665**	₱2,432,777
Net income and total comprehensive income attributable to:					
Equity holders of the Parent Company		**₱6,545,210**	₱6,356,751	**₱2,120,173**	₱2,089,761
Non-controlling interest		**1,051,605**	1,019,565	**339,492**	343,016
		₱7,596,815	₱7,376,316	**₱2,459,665**	₱2,432,777
Basic and Diluted Earnings Per Share	7	**₱94.12**	₱91.41	**₱30.49**	₱30.05

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

CERTIFIED CORRECT:

CRISALLIE D. GERONIMO
Senior Manager – Comptrollership

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

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

	Periods Ended September 30	
	2026	2025
CAPITAL STOCK - ₱100 par value		
Authorized - 80,000,000 shares		
Issued and outstanding - 69,538,459 shares	**₱6,953,846**	₱6,953,846
RETAINED EARNINGS		
Appropriated		
Balance at beginning of period	**-**	-
Appropriation	**32,071,000**	-
Balance at end of period	**32,071,000**	-
Unappropriated		
Balance at beginning of period	**61,013,838**	52,422,714
Appropriation	**(32,071,000)**	-
Net income	**6,545,210**	6,356,751
Balance at end of period	**35,488,048**	58,779,465
	67,559,048	58,779,465
OTHER COMPREHENSIVE LOSS		
Cumulative net remeasurement losses on net retirement liabilities		
Balance at beginning and end of period	**(13,308)**	(15,465)
EQUITY RESERVES	**(13,594,274)**	(13,594,274)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**60,905,312**	52,123,572
NON-CONTROLLING INTEREST		
Balance at beginning of period	**6,571,442**	5,582,067
Net income	**1,051,605**	1,019,565
Cash dividends	**(165,561)**	(165,561)
Balance at end of period	**7,457,486**	6,436,071
	₱68,362,798	₱58,559,643

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

CERTIFIED CORRECT:

CRISALLIE D. GERONIMO
Senior Manager - Comptrollership

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

	Note	Periods Ended September 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱9,663,311**	₱9,199,153
Adjustments for:			
Depreciation and amortization	6	**2,680,212**	2,666,794
Interest expense and other financing charges		**2,565,487**	2,938,769
Interest income		**(1,164,696)**	(1,021,335)
Retirement expense		**29,525**	21,459
Gain on disposal of property and equipment		**(4,620)**	(231)
Foreign exchange gain – net		**(132)**	(298)
Gain on lease modification		**-**	(133)
Operating income before working capital changes		**13,769,087**	13,804,178
Decrease (increase) in:			
Receivables		**192,911**	(83,002)
Input VAT		**558,580**	534,684
Other current assets		**(106,698)**	142,490
Decrease in accounts payable and other current liabilities		**(274,050)**	(845,236)
Net cash generated from operations		**14,139,830**	13,553,114
Income tax paid		**(2,131,985)**	(1,580,347)
Interest received		**890,239**	1,031,610
Contributions to retirement plan		**(23,311)**	(24,051)
Net cash flows provided by operating activities		**12,874,773**	12,980,326
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Due from related parties		**(4,866,359)**	(1,864,337)
Service concession rights	5	**(1,702,561)**	(1,918,770)
Investment properties	6	**(1,048,208)**	-
Property and equipment	6	**(86,003)**	(156,680)
Increase in other noncurrent assets		**(856,455)**	(48,116)
Proceeds from disposal of property and equipment		**34,873**	720
Net additions to (payments of) retention payable		**14,658**	(340,016)
Net cash flows used in investing activities		**(8,510,055)**	(4,327,199)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Long-term debt		**(3,813,000)**	(4,166,400)
Interest expense		**(2,511,468)**	(2,886,692)
Dividends to non-controlling interest		**(261,586)**	(261,586)
Lease liabilities		**(4,999)**	(1,488)
Reductions from restricted cash		**2,686,220**	2,255,866
Net cash flows used in financing activities		**(₱3,904,833)**	(₱5,060,300)

(Forward)

	Note	Periods Ended September 30 2026	2025
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**₱132**	₱231
NET INCREASE IN CASH AND CASH EQUIVALENTS		**460,017**	3,593,058
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**23,159,616**	17,279,552
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**₱23,619,633**	₱20,872,610
NONCASH FINANCIAL INFORMATION			
Purchase of investment property	6	**₱1,048,207**	-
Capitalization of noncash items to service concession rights		**1,373**	-

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

CERTIFIED CORRECT:

CRISALLIE D. GERONIMO
Senior Manager - Comptrollership

1. Reporting Entity

General Information

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

The Parent Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines, the Parent Company shall have perpetual corporate life.

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

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

Retail Bond Issue

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

2. Material Accounting Policy Information

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

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on November 10, 2026.

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

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

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

Adoption of Amendments to Standards

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

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

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

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

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

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

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to five standards, of which the following amendments are relevant to the Group:

  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to ‘inputs that were not based on observable market data’ in the obsolete paragraph 27A of PFRS 7, with reference to ‘unobservable inputs’ in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

  - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:

    - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in statement of comprehensive income; and

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

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

New and Amendments to Standards Not Yet Adopted

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

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

- PFRS 18, replaces PAS 1. The new standard introduces the following key requirements:

  - Entities are required to classify all income and expenses into five categories in the statement of comprehensive income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.

  - Management-defined performance measures are disclosed in a single note to the financial statements.

  - Enhanced guidance is provided on how to group information in the financial statements.

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

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

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

3. Segment Information

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

Business Segments

The Group's main businesses are as follows:

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

Geographical Segments

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

Inter-segment Transactions

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

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

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

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the periods September 30, 2026 and 2025, and as at September 30, 2026 and December 31, 2025:

	September 30, 2026				
	Toll Concession	Toll Operation	Others	Eliminations	Total
REVENUE	₱15,464,829	₱1,039,032	₱1,195,920	(₱1,195,920)	₱16,503,861
COST OF SERVICES	(3,763,638)	(768,765)	–	(45,336)	(4,577,739)
GROSS PROFIT	11,701,191	270,267	1,195,920	(1,241,256)	11,926,122
OPERATING EXPENSES	(791,081)	(137,544)	(8,557)	–	(937,182)
CONSTRUCTION REVENUE (COSTS)					
Construction revenue	1,703,934	–	–	–	1,703,934
Construction costs	(1,703,934)	–	–	–	(1,703,934)
	–	–	–	–	–
OTHER INCOME (CHARGES)					
Interest expense and other financing charges	(751,124)	–	(1,814,444)	81	(2,565,487)
Interest income	610,021	1,640	553,035	–	1,164,696
Rental income	62,139	–	–	–	62,139
Others – net	5,959	7,096	4	(36)	13,023
	(73,005)	8,736	(1,261,405)	–	(1,325,629)
INCOME BEFORE INCOME TAX	10,837,105	141,459	(74,042)	(1,241,211)	9,663,311
INCOME TAX EXPENSES	(1,943,927)	(36,755)	(97,148)	11,334	(2,066,496)
NET INCOME	₱8,893,178	₱104,704	(₱171,190)	(₱1,229,877)	₱7,596,815
TOTAL COMPREHENSIVE INCOME	₱8,893,178	₱104,704	(₱171,190)	(₱1,229,877)	₱7,596,815

	September 30, 2026				
	Toll Concession	**Toll Operation**	**Others**	**Eliminations**	**Total**
SEGMENT ASSETS	**₱98,783,053**	**₱505,276**	**₱124,928,592**	**(₱105,581,241)**	**₱118,635,680**
SEGMENT LIABILITIES	**₱34,145,303**	**₱177,246**	**₱68,654,610**	**(₱52,704,277)**	**₱50,272,882**
Other Information					
Cost of services and operating expenses excluding depreciation and amortization	**₱1,905,449**	**₱875,367**	**₱53,893**	**₱–**	**₱2,834,709**
Depreciation and amortization	**2,603,933**	**30,943**	**–**	**45,336**	**2,680,212**
Additions to service concession rights, property and equipment, and investment property	**1,771,108**	**18,829**	**2,096,415**	**–**	**3,886,352**

	September 30, 2025				
	Toll Concession	**Toll Operation**	**Others**	**Eliminations**	**Total**
REVENUE	₱16,268,532	₱992,363	₱1,195,920	(₱1,884,532)	₱16,572,283
COST OF SERVICES	(3,708,084)	(780,334)	–	(45,336)	(4,533,754)
GROSS PROFIT	12,560,448	212,029	1,195,920	(1,929,868)	12,038,529
OPERATING EXPENSES	(843,900)	(155,366)	(12,050)	–	(1,011,316)
CONSTRUCTION REVENUE (COSTS)					
Construction revenue	1,918,468	–	–	–	1,918,468
Construction costs	(1,918,468)	–	–	–	(1,918,468)
	–	–	–	–	–
OTHER INCOME (CHARGES)					
Interest expense and other financing charges	(1,134,100)	–	(1,804,669)	–	(2,938,769)
Interest income	626,411	1,029	393,895	–	1,021,335
Rental income	80,338	–	–	–	80,338
Others – net	640	7,718	678	–	9,036
	(426,711)	8,747	(1,410,096)	–	(1,828,060)
INCOME BEFORE INCOME TAX	11,289,837	65,410	(226,226)	(1,929,868)	9,199,153
INCOME TAX EXPENSES	1,732,658	22,272	79,241	(11,334)	1,822,837
NET INCOME	9,557,179	43,138	(305,467)	(1,918,534)	7,376,316
TOTAL COMPREHENSIVE INCOME	₱9,557,179	₱43,138	(₱305,467)	(₱1,918,534)	₱7,376,316
SEGMENT ASSETS	₱99,667,457	₱506,777	₱123,021,508	(₱110,229,583)	₱112,966,159
SEGMENT LIABILITIES	₱44,028,239	₱246,852	₱67,531,952	(₱57,400,527)	₱54,406,516
Other Information					
Cost of services and operating expenses excluding depreciation and amortization	₱1,914,463	₱906,425	₱57,388	₱–	₱2,878,276
Depreciation and amortization	2,592,183	29,275	–	45,336	2,666,794
Additions to service concession rights and property and equipment	1,984,807	90,643	–	–	2,075,450

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

4. Related Party Disclosures

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

The following are the transactions with related parties and the outstanding balances for the periods ended September 30 and as at December 31:

	For the Periods Ended September 30				
	2026	2025	**September 30, 2026**	December 30, 2025	
	Amount of Transactions		Outstanding Balance		Terms and Conditions
Receivables					
Entities under common control	**₱277,130**	₱249,234	**₱134,924**	₱84,792	30 days; noninterest-bearing, unsecured
Due from Related Parties					
Entities under common control	**₱4,583,000**	₱1,841,000	**₱6,800,800**	₱2,217,800	Interest bearing ranging from 7.35% to 7.73%, unsecured and collectible in 2045
Interest Receivable					
Entities under common control	**₱226,924**	₱23,337	**₱279,335**	₱59,218	Noninterest-bearing, unsecured and collectible until 2045
ROU Assets					
Entities under common control	**₱2,807**	₱-	**₱13,454**	₱14,885	Lease of office and parking spaces
Security Deposits					
Entities under common control	**₱-**	₱447	**₱1,018**	₱1,018	Refundable upon termination of lease
Accounts Payable and Other Current Liabilities					
Entities under common control	**₱15,231,219**	₱12,967,780	**₱216,730**	₱312,311	5 -30 days; noninterest-bearing, unsecured
Intermediate Parent	**469,190**	451,141	**-**	1,016	5 -30 days; noninterest-bearing, unsecured
			₱216,730	₱313,327	
Due to a Related Party	**₱-**	₱-	**₱61,844**	₱61,844	On demand, noninterest-bearing, unsecured
Lease Liabilities					
Entities under common control	**₱3,956**	₱-	**₱13,435**	₱14,431	Lease of office and parking spaces
Fair Value of Plan Assets					
Plan Assets	**₱23,311**	₱24,051	**₱157,314**	₱134,003	Under SMHC Multi-Employer Plan

Receivables

a. On June 14, 2023, the Group with SMC NAIAX Corporation (SMC NAIAX), SMC SLEX Inc. (SMC SLEX), STAR Infrastructure Development Corporation (SIDC), Manila Toll Expressway Systems, Inc. (MATES), STAR Tollway Corporation (STC), SMC TPLEX Corporation (SMC TPLEX) and TPLEX Operations and Maintenance Corporation (TOMCO), entered into a MOA on Inter-operability of Toll Collection System to ensure the inter-operability of toll collection system and traffic operations in accordance with the TRB guidelines for seamless traffic system and improved quality of service to the motorists throughout the toll roads. Total related cash transactions amounted to ₱134.3 million and ₱97.8 million on September 30, 2025 and 2026, respectively. The Group has toll receivable amounting to ₱93.5 million and ₱40.3 million as at September 30, 2026 and December 31, 2025, respectively.

b. SMC Skyway Corporation (SMC SKYWAY) entered into a lease contract with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the SMC SKYWAY at the South Metro Manila Skyway (SMMS). Total rental income amounted to ₱31.5 million and ₱31.0 million for the periods ended September 30, 2026 and 2025, respectively. The outstanding rental receivable amounted to ₱25.2 million and ₱17.5 million as at September 30, 2026 and December 31, 2025, respectively.

c. SMC Skyway Stage 3 Corporation (MMSS3) entered into lease contracts with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the Group at the Skyway Stage 3. Total rental income amounted to ₱17.6 million and ₱26.7 million for the periods ended September 30, 2026 and 2025, respectively. The outstanding rental receivable amounted to ₱16.3 million and ₱13.0 million as at September 30, 2026 and December 31, 2025, respectively.

d. Skyway O&M Corporation (SOMCO) agreed with SMC NAIAX to manage, operate and maintain the toll roads and toll road facilities, interchanges, and related facilities of the entire NAIAX. Revenue from toll operation and maintenance amounted to ₱93.7 million for the periods ended September 30, 2026 and 2025. Outstanding receivable amounted to nil and ₱14.0 million as at September 30, 2026 and December 31, 2025, respectively.

Due from Related Parties

The Group entered into loan agreements with related parties to finance upcoming infrastructure projects and other financing requirements. The loans have term of 20 years and bear an annual interest ranging from 7.35% to 7.80% subject to repricing. The loans and interest shall be collectible in full and in cash on maturity date. The loans do not carry any covenants.

The Group has extended advances to related parties amounting to ₱4,583.0 million and ₱1,841.0 million, for the periods ended September 30, 2026 and 2025, respectively. Moreover, no collections were made during both periods.

In September 30, 2026 and 2025, interest income earned from the loans amounted to ₱226.9 million and ₱23.3 million, respectively. As at September 30, 2026 and December 31, 2025, the aggregate carrying amount of the loan principal and interests amounted to ₱7,080.1 million and ₱2,277.0 million, respectively.

ROU Assets and Lease Liabilities

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

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

As at September 30, 2026 and December 31, 2025, the balance of ROU assets amounted to ₱13.5 million and ₱14.9 million, respectively. The balance of lease liabilities as at September 30, 2026 and December 31, 2025, amounted to ₱10.8 million and ₱14.4 million, respectively.

Security Deposits

The Group entered into lease agreements with entities under common control for the lease of office and parking spaces. The lease agreement is for a period of one year and renewable every year thereafter unless terminated by either party. Security deposits amounting to ₱1.0 million as at September 30, 2026 and December 31, 2025, will be refunded upon termination of the lease agreement.

Accounts Payable and Other Current Liabilities

Entities under Common Control

a. In relation to the interoperability arrangement between SMC SKYWAY and SMC SLEX, total related transactions pertaining to ETC transactions amounted to ₱10,045.5 million and ₱ 7,770.7 million on September 30, 2026 and 2025, respectively. The Group has toll payable to SMC SLEX amounting to ₱83.0 million and ₱76.0 million as at September 30, 2026 and December 31, 2025, respectively.

b. Pursuant to a MOA entered into by SMC SKYWAY and SMC NAIAX, the Group shall collect and remit to SMC NAIAX all toll fees collected from the ETC users of NAIA Expressway. Total related transactions amounted to ₱1,233.9 million and ₱1,243.6 million on September 30, 2026 and 2025, respectively. Outstanding payable to SMC NAIAX amounted to ₱18.2 million and ₱14.3 million as at September 30, 2026 and December 31, 2025, respectively.

c. Pursuant to a MOA entered into by SMC SKYWAY and SIDC dated August 20, 2018, the Group shall collect and remit to SIDC all toll fees collected from the ETC users of STAR Tollways. Total related transaction amounted to ₱1,524.3 million and ₱1,438.0 million on September 30, 2026 and 2025, respectively. Outstanding payable to SIDC amounted to ₱11.6 million and ₱16.5 million as at September 30, 2026 and December 31, 2025, respectively.

d. The Group entered into a one-year lease agreement, renewable for another year with MATES for the lease of machineries and equipment used for construction and road repairs. Total related transaction amounted to ₱0.3 million and nil on September 30, 2026 and 2025, respectively. Outstanding payable to MATES amounted to ₱0.3 million and ₱0.8 million as at September 30, 2026 and December 31, 2025, respectively.

e. Pursuant to a MOA entered into by SMC SKYWAY and SMC TPLEX, dated February 27, 2019, the Group shall collect and remit to SMC TPLEX all toll fees collected from the ETC users of Tarlac-Pangasinan-La Union Expressway (TPLEX). Total related transaction amounted to ₱1,928.0 million and ₱2,089.2 million on September 30, 2026 and 2025, respectively. Outstanding payable to SMC TPLEX amounted to ₱18.5 and ₱39.7 million as at September 30, 2025 and December 31, 2025, respectively.

f. The Group and Intelligent E-Processes Technologies Corp. (IETC) entered into service agreements for non-exclusive and nontransferable license to use the toll collection system, preventive and corrective maintenance of Intelligent Transportation System and RFID management and customer services. IETC charges a monthly fixed fee for the above services rendered. The agreement is renewable on a yearly basis. Total related transaction amounted to ₱228.6 million and ₱262.7 million on September 30, 2026 and 2025, respectively. Outstanding payable to IETC amounted to ₱27.1 million and ₱76.5 million as at September 30, 2026 and December 31, 2025, respectively.

g. The Group also purchased other goods and services from various related parties. These are settled within the respective related parties' normal settlement period. Total related transactions amounted to ₱270.6 million and ₱163.6 million on September 30, 2026 and 2025, respectively. Outstanding payable for these transactions amounted to ₱57.9 million and ₱88.5 million as at September 30, 2026 and December 31, 2025, respectively.

Intermediate Parent

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

Management fee charged by SMHC amounted to ₱469.2 million and ₱451.1 million on September 30, 2026 and 2025, respectively. Outstanding payable to SMHC amounted to nil and ₱1.0 million as at September 30, 2026 and December 31, 2025, respectively.

Due to a Related Party

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

Fair Value of Plan Assets

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

The Group has contributions to the Plan amounting to ₱23.3 million and ₱24.1 million on September 30, 2026 and 2025, respectively.

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

5. Service Concession Rights

Service concession rights consist of:

		September 30, 2026				
	Note	Stage 1	Stage 2	Stage 3	Skyway Extension	Total
Cost						
Balance at beginning of period		₱18,965,626	₱10,636,339	₱66,789,018	₱10,665,529	₱107,056,512
Additions		42,754	6,525	862,181	792,474	1,703,934
Balance at end of period		19,008,380	10,642,864	67,651,199	11,458,003	108,760,446
Accumulated Amortization						
Balance at beginning of period		12,846,906	5,043,486	9,322,486	1,787,129	29,000,007
Amortization	6	287,321	258,009	1,627,894	453,075	2,626,299
Balance at end of period		13,134,227	5,301,495	10,950,380	2,240,204	31,626,306
Carrying Amount		₱5,874,153	₱5,341,369	₱56,700,819	₱9,217,799	₱77,134,140

	December 31, 2025				
	Stage 1	Stage 2	Stage 3	Skyway Extension	Total
Cost					
Balance at beginning of year	₱18,751,948	₱10,589,930	₱64,867,698	₱10,384,719	₱104,594,295
Additions	213,678	46,409	1,921,320	280,810	2,462,217
Balance at end of year	18,965,626	10,636,339	66,789,018	10,665,529	107,056,512
Accumulated Amortization					
Balance at beginning of year	12,463,811	4,699,474	7,181,208	1,165,611	25,510,104
Amortization	383,095	344,012	2,141,278	621,518	3,489,903
Balance at end of year	12,846,906	5,043,486	9,322,486	1,787,129	29,000,007
Carrying Amount	₱6,118,720	₱5,592,853	₱57,466,532	₱8,878,400	₱78,056,505

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

Depreciation on property and equipment amounting to ₱1.4 million and nil in 2026 and 2025, respectively, was capitalized as part of additions to service concession rights (see Note 6).

Construction Revenue and Construction Costs

The Group recognized construction revenue and construction costs amounting to ₱1,703.9 million and ₱1,918.5 million for the periods ended September 30, 2026 and 2025, respectively, in reference to the stage of completion of the construction.

6. Property and Equipment, and Investment Property

Property and Equipment

Property and equipment consist of:

	September 30, 2026					
	Transportation Equipment	**Machineries and Equipment**	**Office Equipment, Furniture and Fixtures**	**Building Improvements**	**Capital Projects in Progress**	**Total**
Cost						
Balance at beginning of period	**₱338,490**	**₱251,598**	**₱115,993**	**₱25,112**	**-**	**₱731,193**
Additions	**18,409**	**32,264**	**6,469**	**-**	**28,861**	**86,003**
Disposal	**(575)**	**(33,929)**	**-**	**-**	**-**	**(34,504)**
Reclassifications	**683**	**11,531**	**(152)**	**152**	**(12,214)**	**-**
Balance at end of period	**357,007**	**261,464**	**122,310**	**25,264**	**16,647**	**782,692**
Accumulated Depreciation						
Balance at beginning of period	**223,594**	**134,121**	**103,246**	**16,064**	**-**	**477,025**
Depreciation	**24,959**	**17,316**	**5,427**	**1,928**	**-**	**49,630**
Disposal	**(575)**	**(3,676)**	**-**	**-**	**-**	**(4,251)**
Reclassifications	**21,799**	**(21,799)**	**(616)**	**616**	**-**	**-**
Balance at end of period	**269,777**	**125,962**	**108,057**	**18,608**	**-**	**522,404**
Carrying Amount	**₱87,230**	**₱135,502**	**₱14,253**	**₱6,656**	**₱16,647**	**₱260,288**

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

The total cost of fully depreciated property and equipment still in use amounted to ₱357.2 million and ₱307.9 million as at September 30, 2026 and December 31, 2025, respectively.

The Group disposed property and equipment with total cost of ₱34.5 million and ₱27.9 million for the period ended September 30, 2026 and December 31, 2025, which resulted to gain on disposal of ₱4.6 million and ₱2.2 million for the period ended June 30, 2026 and December 31, 2025. Gain or loss on disposal of property and equipment were presented as part of “Others – net” under “Other income (charges)” of the consolidated statements of comprehensive income.

Reclassifications include transfers reclassifications from capital projects in progress account to specific property, plant and equipment accounts.

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

	September 30, 2026	September 30, 2025
Service concession rights	**₱2,626,299**	₱2,616,556
Property and equipment	**49,630**	48,887
ROU assets	**4,133**	1,351
Computer software	**1,523**	-
Total depreciation and amortization	**2,681,585**	₱2,666,794
Capitalized to service concession rights	**(1,373)**	-
	₱2,680,212	₱2,666,794

Depreciation and amortization is allocated as follows:

	September 30, 2026	September 30, 2025
Cost of services	**₱2,661,572**	₱2,655,059
Operating expenses	**18,640**	11,735
	₱2,680,212	₱2,666,794

There are no property and equipment that are pledged as security or collateral to the Group’s liabilities as at September 30, 2026 and December 31, 2025.

Investment Property

The Group has investment properties consisting of condominium units being leased out to third parties. The property has been fully depreciated with a cost and accumulated depreciation of ₱249.4 million as at September 30, 2026 and December 31, 2025.

On September 16, 2026, the Group purchased parcel of land together with the existing building amounting to ₱2,096.4 million in Makati City which is held for future operational and infrastructure requirements. As at September 30, 2026, the outstanding balance for the transaction amounted to ₱1,048.2 million.

The fair value of the condominium units amounted to ₱179.9 million as at September 30, 2026 and December 31, 2025. The fair values of the condominium units were determined by an independent appraiser in 2022. The Company did not obtain an appraisal report as at December 31, 2025 as management believes that there is no evidence that the condominium units have either significantly increased or decreased in value between the reporting dates and the appraisal report dates. The fair value of the condominium units was determined based on the published selling prices of similar properties of the same vicinity as of the reporting date for market approach. The appraisal of the properties gave due consideration to the highest and best use of the property. As defined, highest and best use is the most profitable likely use to which the property can be put. The fair value measurement for investment properties has been categorized under Level 2.

While the fair value of the land and building approximates its carrying value as at September 30, 2026, which was based on available market comparable information. The fair value measurement used is categorized as Level 3 (significant unobservable inputs).

Rental income related to the investment properties amounted to ₱4.3 million and ₱2.5 million in 2026 and 2025, respectively. The direct expense related to the investment properties are real property taxes and association dues amounting to ₱2.2 million and ₱2.3 million in 2026 and 2025, respectively.

There are no investment properties that are pledged as security or collateral to the Group's liabilities as at September 30, 2026 and December 30, 2025.

7. Basic and Diluted Earnings Per Share

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

	For The Periods Ended September 30	
	2026	2025
Net income attributable to the holders of the Parent Company	**₱6,545,210**	₱6,356,751
Divide by weighted average shares outstanding common shares	**69,538**	69,538
Basic and diluted earnings per share	**₱94.12**	₱91.41

The Parent Company has no potentially dilutive common shares for the period ended September 30, 2026 and 2025. Accordingly, the basic and diluted earnings per shares are stated at the same amount.

8. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

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

- Interest Rate Risk
- Credit Risk
- Liquidity Risk

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

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

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

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

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

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

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

Interest Rate Risk

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

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

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

	September 30, 2026		December 31, 2025	
	Change in Basis Points	**Effect on Income Before Income Tax**	Change in Basis Points	Effect on Income Before Income Tax
Increase	**+0.18**	**(₱360,581)**	+0.15	(₱58,515)
Decrease	**-0.18**	**₱360,581**	-0.15	58,515

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

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

Credit Risk

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

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

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

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

	September 30, 2026				
	Neither Past Due nor Impaired		Past due but		
	High Grade	Standard Grade	not impaired	Impaired	Total
Cash and cash equivalents*	₱23,615,230	₱–	₱–	₱–	₱23,615,230
Restricted cash	4,228,716	–	–	–	4,228,716
Receivables	–	529,390	15,531	733,649	1,278,570
Due from related parties	6,800,800	–	–	–	6,800,800
Interest receivable**	279,335	–	–	–	279,335
Security deposits**	–	1,018	–	–	1,018
Miscellaneous deposits**	–	7,467	–	–	7,467
	₱34,924,081	₱537,875	₱15,531	₱733,649	₱36,211,136

**Excluding cash on hand amounting to ₱4.4 million as at September 30, 2026*
***Included under "Other noncurrent assets" account*

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

**Excluding cash on hand amounting to ₱2.6 million as at December 31, 2025*
***Included under "Other current assets" and "Other noncurrent assets" account*
****Included under "Other noncurrent assets" account*

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

Impairment. An impairment analysis is performed at each reporting date using a provision matrix (or lifetime expected loss allowance, if simplified approach) to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

For toll receivables, the Group has adopted a lifetime expected loss allowance in estimating ECL to receivables through the use of a provisions matrix using fixed rates of credit loss provisioning based on recent historical collection rates after incorporating forward-looking information. The Group's policy in estimating ECL on other receivables are based on a 12-month basis. Allowance for ECL amounted to ₱733.6 million as at September 30, 2026 and December 31, 2025. Management assessed that the allowance is sufficient to cover the ECL of receivables.

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

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

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

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

The following are considered in the assessment:

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

Liquidity Risk

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

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

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

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

September 30, 2026	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	**₱23,619,633**	**₱23,619,633**	**₱23,619,633**	**₱–**	**₱–**	**₱–**
Restricted cash	**4,228,716**	**4,228,716**	**4,228,716**	**–**	**–**	**–**
Receivables	**544,921**	**544,921**	**544,921**	**–**	**–**	**–**
Due from related parties	**6,800,800**	**6,800,800**	**–**	**–**	**–**	**6,800,800**
Interest receivable*	**279,335**	**279,335**	**–**	**–**	**–**	**279,335**
Security deposits*	**1,018**	**1,018**	**–**	**–**	**1,018**	**–**
Miscellaneous deposits*	**7,467**	**7,467**	**–**	**7,467**	**–**	**–**
Financial Liabilities						
Accounts payable and other current liabilities**	**5,409,558**	**5,409,558**	**5,409,558**	**–**	**–**	**–**
Long-term debt***	**43,036,476**	**58,410,810**	**10,864,773**	**2,364,961**	**22,480,252**	**22,700,824**
Retention payable	**256,028**	**260,694**	**63,083**	**192,945**	**–**	**–**
Lease liabilities	**10,769**	**11,110**	**5,260**	**5,850**	**–**	**–**

**Included under "Other noncurrent assets" account*
***Excluding statutory payables amounting to ₱258.4 million and retention payable amounting to ₱63.1 million.*
****Including interest payable to maturity amounting to ₱14,981.9 million.*

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

**Included under "Other current assets" and "Other noncurrent assets" account*
***Included under "Other noncurrent assets" account*
****Excluding statutory payables amounting to ₱270.3 and retention payable amounting to ₱45.7 million.*
*****Including interest payable to maturity amounting to ₱16,693.0 million.*

Capital Management

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

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

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

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

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

9. Financial Assets and Financial Liabilities

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

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

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

Financial Assets

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets.

As at September 30, 2026, and December 31, 2025, the Group does not have financial assets measured at FVPL and FVOCI.

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

- it is held within a business model with the objecting of holding the financial assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

As at September 30, 2026, and December 31, 2025, cash and cash equivalents, restricted cash, receivables, due from related parties, security deposits (included under "Other current assets" and "Other noncurrent assets" account), interest receivable and miscellaneous deposits (included under "Other noncurrent assets" account) of the Group are classified under this category.

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

As at September 30, 2026, and December 31, 2025, the Group does not have financial liabilities measured at FVPL.

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

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

As at September 30, 2026, and December 31, 2025, accounts payable and other current liabilities (excluding statutory payables), retention payable, long-term debt, dividends payable, and lease liabilities of the Group are classified under this category.

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

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

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

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

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

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

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

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

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

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

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

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

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

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

	September 30, 2026		December 31, 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial Assets				
Cash and cash equivalents	**₱23,619,633**	**₱23,619,633**	₱23,159,616	₱23,159,616
Restricted cash	**4,228,716**	**4,228,716**	6,914,936	6,914,936
Receivables	**544,921**	**544,921**	463,375	463,375
Due from related parties	**6,800,800**	**6,800,800**	2,217,800	2,217,800
Interest receivable**	**279,335**	**279,335**	59,218	59,218
Security deposits*	**1,018**	**1,018**	1,018	1,018
Miscellaneous deposits**	**7,467**	**7,467**	2,147	2,147
	₱35,481,890	**₱35,481,890**	₱32,818,110	₱32,818,110

	September 30, 2026		December 31, 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial Liabilities				
Accounts payable and other current liabilities***	**₱5,409,558**	**₱5,409,558**	₱4,704,189	₱4,704,189
Long-term debt	**43,036,476**	**45,287,413**	46,789,883	50,233,188
Retention payable	**256,028**	**256,028**	166,782	166,782
Dividends payable	**-**	**-**	96,025	96,025
Lease liabilities	**10,769**	**12,192**	14,431	13,691
	₱48,712,831	**₱50,965,191**	₱51,771,310	₱55,213,875

**Included under "Other current assets" and "Other noncurrent assets" account*
***Included under "Other noncurrent assets" account*
****Excludes statutory payables and retention payable totaling ₱321.4 million and ₱316.0 million as at September 30, 2026 and December 31, 2025, respectively.*

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

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

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

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

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

There are no significant transfers between levels in the fair value hierarchy. The Group does not have financial instruments carried at fair value as at September 30, 2026 and December 31, 2025.

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

- the right to receive cash flows from the assets have expired; or

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

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

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10. Other Matters

a. Commitments

The outstanding purchase commitments of the Group amounted to ₱5,943.0 million and ₱4,719.4 million as at September 30, 2026 and December 31, 2025, respectively.

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

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

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

d. Certain accounts in prior years have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported financial performance for any period.

SMC INFRASTRUCTURE
TOLLWAYS
SMC TOLLWAYS CORPORATION

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Annex "B"

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

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of SMC Tollways Corporation ("SMC Tollways" or "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended September 30, 2026 (with comparative figures as at December 31, 2025 and for the period ended September 30, 2025). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at September 30, 2026 and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS) have been omitted.

I. FINANCIAL PERFORMANCE

2026 vs 2025

(Amounts in Thousands)	September 30		Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	2026	**2025**	**Amount**	**%**	**2026**	**2025**
REVENUE						
Revenue from toll operations	**₱16,143,861**	₱16,268,533	**(124,672)**	**(1%)**	**98%**	98%
Toll operation and maintenance fee	**360,000**	303,750	**56,250**	**19%**	**2%**	2%
	16,503,861	16,572,283	**(68,422)**	**(0%)**	**100%**	100%
COST OF SERVICES	**(4,577,739)**	(4,533,754)	**43,985**	**1%**	**(28%)**	(27%)
GROSS PROFIT	**11,926,122**	12,038,529	**(112,407)**	**(1%)**	**72%**	73%
OPERATING EXPENSES	**(937,182)**	(1,011,316)	**(74,134)**	**(7%)**	**(6%)**	(6%)
CONSTRUCTION REVENUE (COSTS)						
Construction revenue	**1,703,934**	1,918,468	**(214,534)**	**(11%)**	**10%**	12%
Construction costs	**(1,703,934)**	(1,918,468)	**(214,534)**	**(11%)**	**(10%)**	(12%)
	-	-	**-**			
OTHER INCOME (CHARGES)						
Interest expense and other financing charges	**(2,565,487)**	(2,938,769)	**(373,282)**	**(13%)**	**(16%)**	(18%)
Interest income	**1,164,696**	1,021,335	**143,361**	**14%**	**7%**	6%
Rental income	**62,139**	80,338	**(18,199)**	**(23%)**	**0%**	0%
Others - net	**13,023**	9,036	**3,987**	**44%**	**0%**	0%
	(1,325,629)	(1,828,060)	**(502,431)**	**(27%)**	**(8%)**	(11%)
INCOME BEFORE INCOME TAX	**9,663,311**	9,199,153	**464,158**	**5%**	**59%**	56%
INCOME TAX EXPENSE	**(2,066,496)**	(1,822,837)	**243,659**	**13%**	**13%**	11%
NET INCOME	**₱7,596,815**	₱7,376,316	**₱220,499**	**3%**	**46%**	45%
Net income attributable to:						
Equity holders of the Parent Company	**₱6,545,210**	₱6,356,751	**₱188,459**	**3%**	**40%**	38%
Non-controlling interest	**1,051,605**	1,019,565	**32,040**	**3%**	**6%**	6%
	₱7,596,815	₱7,376,316	**₱220,499**	**3%**	**46%**	45%

Consolidated total revenue as of September 30, 2026 amounted to ₱16,503.9 million, this decrease from ₱16,572.3 million in September 30, 2025. Lower revenue was mainly due to lower traffic volume.

For the nine (9) months ended September 30, 2026, SMC Skyway Corporation ("SMC SKYWAY") achieved an Average Daily Traffic (ADT) of 276,485, lower by 2% from 283,106 in 2025, while SMC Skyway Stage 3 Corporation ("MMSS3") achieved an ADT of 175,808, lower by 0.2% from 176,164 in 2025.

Consolidated cost of services posted an increase of ₱44.0 million, or 1%, mainly due to: (a) increase in government fees due to higher government share in MMSS3 revenues from 2.5% to 3.0% effective July 2025; (b) increase in operations and maintenance fees due to higher SOMCO 3 O&M fee; (c) increase in insurance due to additional coverage for transportation vehicles; and (d) increase in other cost of services due to higher fuel and oil, communication, light and water, and supplies expenses. This was partially offset by decrease in personnel cost due to lower headcount from last year.

Consolidated operating expenses recorded a decrease of ₱74.1 million, or 7%, mainly due to: (a) decrease in taxes and licenses due to the settlement of BIR audit in 2025; (b) decrease in repairs and maintenance attributable to lower advertising space maintenance costs; and (c) decrease in other operating expenses as a result of lower representation and entertainment, advertising, and transportation and travel expenses. This was partially offset by an increase in contracted services due to recognition of service fees incurred in 2nd half of 2026.

Consolidated construction revenue and construction costs posted a decrease of ₱214.5 million, or 11%, due to lower costs incurred for MMSS3 Quirino SB On and Off ramps and MMSS3 Section 2A Prime.

For other income and charges, the Group recorded lower interest expense and other financing charges by ₱373.3 million due to lower outstanding balance of the long-term debt. Interest income increased by ₱143.4 million due to higher funds available for placements. Rental income posted a decrease of ₱18.2 million due to lower advertising space rentals.

Income tax expense was higher by ₱243.7 million as result of higher taxable income of MMSS3 and SMC SKYWAY, and cessation of its income tax holiday effective March 2025 for MMSS3.

Consolidated net income increased by ₱220.5 million, or 3%, primarily due to lower operating expenses and interest expense and other financing charges.

2025 vs. 2024

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

For the 3rd quarter of 2025, traffic volume increased across all vehicular classes. SMC SKYWAY achieved an ADT of 283,106, higher by 3% from 275,016 in 2024, while MMSS3 achieved an ADT of 176,164, higher by 10% from 160,206 in 2024.

Total revenue amounted to ₱16,572.3 million, a 6% increase from ₱15,676.8 million in September 2024. Consolidated cost of services posted an increase of ₱120.0 million or 3% mainly due to the following items: (a) increase in government fees which is directly proportional to the increase in toll revenue, (b) increase in repairs and maintenance due to higher hardware and software maintenance, and (c) increase in contracted services due to higher manpower services and RFID subscriber management fee; offset by decrease in provision for resurfacing and maintenance obligation.

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

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

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

II. FINANCIAL POSITION

2026 vs 2025

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2026	**December 31, 2025**	**Amount**	**%**	**2026**	**2025**
ASSETS						
Current Assets						
Cash and cash equivalents	**₱23,619,633**	₱23,159,616	**₱460,017**	**2%**	**20%**	20%
Restricted cash	**4,228,716**	6,914,936	**(2,686,220)**	**(39%)**	**4%**	6%
Receivables	**544,921**	463,375	**81,546**	**18%**	**0%**	0%
Input value-added tax (VAT)	**1,631,965**	2,190,545	**(558,580)**	**(25%)**	**1%**	2%
Other current assets	**323,505**	216,157	**107,348**	**50%**	**0%**	0%
Total Current Assets	**30,348,740**	32,944,629	**(2,595,889)**	**(8%)**	**26%**	29%
Noncurrent Assets						
Service concession rights	**77,134,140**	78,056,505	**(922,365)**	**(1%)**	**65%**	68%
Due from related parties	**6,800,800**	2,217,800	**4,583,000**	**207%**	**6%**	2%
Investment property	**2,096,415**	-	**2,096,415**	**100%**	**2%**	0%
Goodwill	**483,452**	483,452	**-**	**0%**	**0%**	0%
Property and equipment	**260,288**	254,168	**6,120**	**2%**	**0%**	0%
Deferred tax assets	**27,020**	25,837	**1,183**	**5%**	**0%**	0%
Other noncurrent assets	**1,484,825**	350,588	**1,134,237**	**324%**	**1%**	0%
Total Noncurrent Assets	**88,286,940**	81,388,350	**6,898,590**	**8%**	**74%**	71%
	₱118,635,680	₱114,332,979	**₱4,302,701**	**4%**	**100%**	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other current liabilities	**₱5,730,994**	₱5,020,202	**₱710,792**	**14%**	**5%**	4%
Current portion of:						
Long-term debt - net of debt issue costs	**8,416,514**	5,005,655	**3,410,859**	**68%**	**7%**	4%
Provision for infrastructure restoration obligation	**139,743**	139,743	**-**	**0%**	**0%**	0%
Lease liabilities	**5,489**	5,017	**472**	**9%**	**0%**	0%

(Forward)

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2026	December 31, 2025	Amount	%	2026	2025
Dividends payable	**₱-**	₱96,025	**(₱96,025)**	**(100%)**	**0%**	0%
Income tax payable	**592,444**	638,880	**(46,436)**	**(7%)**	**0%**	1%
Total Current Liabilities	**14,885,184**	10,905,522	**3,979,662**	**36%**	**13%**	10%
Noncurrent Liabilities						
Noncurrent portion of:						
Long-term debt - net of debt issue costs	**34,619,962**	41,784,228	**(7,164,266)**	**(17%)**	**29%**	37%
Retention payable	**192,945**	121,104	**71,841**	**59%**	**0%**	0%
Provision for infrastructure restoration obligation	**188,628**	188,628	**-**	**0%**	**0%**	0%
Lease liabilities	**5,280**	9,414	**(4,134)**	**(44%)**	**0%**	0%
Defined benefit retirement liabilities – net	**56,812**	50,598	**6,214**	**12%**	**0%**	0%
Deferred tax liabilities – net	**324,071**	341,941	**(17,870)**	**(5%)**	**0%**	0%
Total Noncurrent Liabilities	**35,387,698**	42,495,913	**(7,108,215)**	**(17%)**	**30%**	37%
Total Liabilities	**50,272,882**	53,401,435	**(3,128,553)**	**(6%)**	**42%**	47%
EQUITY						
Capital stock	**6,953,846**	6,953,846	**-**	**0%**	**6%**	6%
Retained earnings:						
Appropriated	**32,071,000**	-	**32,071,000**	**100%**	**27%**	0%
Unappropriated	**35,488,048**	61,013,838	**(25,525,790)**	**(42%)**	**30%**	53%
Other comprehensive loss	**(13,308)**	(13,308)	**-**	**0%**	**0%**	0%
Equity reserves	**(13,594,274)**	(13,594,274)	**-**	**0%**	**(11%)**	(12%)
Equity attributable to equity holders of the Parent Company	**60,905,312**	54,360,102	**6,545,210**	**12%**	**51%**	48%
Non-controlling Interest	**7,457,486**	6,571,442	**886,044**	**13%**	**6%**	6%
Total Equity	**68,362,798**	60,931,544	**7,431,254**	**12%**	**58%**	53%
	₱118,635,680	₱114,332,979	**₱4,302,701**	**4%**	**100%**	100%

Consolidated total assets as at September 30, 2026 amounted to ₱118,635.7 million, ₱4,305.3 million higher than December 31, 2025. The increase was primarily driven by higher cash and cash equivalents, receivables, other current assets, due from related parties, investment properties, and advances to contractors (included under "Other noncurrent assets" account), partly offset by the decrease in restricted cash, input VAT, and service concession rights.

Cash and cash equivalents amounted to ₱23,619.6 million, 2% higher than ₱23,159.6 million in 2025 due to higher cash generated from operations and as a result of interest income from placements.

Restricted cash amounted to ₱4,228.7 million, 39% lower from ₱6,914.9 million in 2025 due to lower cash balance required by loan covenants.

Receivables increased from ₱463.4 million to ₱544.9 million due to higher toll receivables from credit card transactions.

Input VAT posted a decrease of ₱558.6 million or 25% due to higher output VAT from toll revenue claimed against input VAT.

Other current assets increased from ₱216.2 million to ₱323.5 million due to higher prepaid taxes and licenses, and prepaid insurance.

Service concession rights posted a net decrease of ₱922.4 million or 1% due to amortization of service concession rights.

Due from related parties increased from ₱2,217.8 million to ₱6,800.8 million due to additional loans provided to various related parties to finance construction of their respective infrastructures.

Investment property amounted to ₱2,096.4 million is due to purchase of parcel of land together with the existing building, located at Magallanes, Makati City.

Property and equipment posted a net increase of ₱6.1 million or 2% due to acquisition of various fixed assets to be used in operations.

Other noncurrent assets increased by ₱1,134.2 million or 324% mainly due to accrual of interests from related parties loan receivables and additional down payments for MMSS3 and SMC SKYWAY projects.

Consolidated total liabilities as at September 30, 2026 amounted to ₱50,272.9 million, ₱3,128.6 million lower than December 31, 2025. The decrease was primarily due to payments of long-term debt, dividends, and lease liabilities.

Accounts payable and other current liabilities increased by ₱710.8 million or 14% due to additional accruals of payables to contractors and suppliers.

Dividends payable decreased by ₱96.0 million due to dividend payments in February, June and August 2026.

Income tax payable decreased by ₱46. 4 million or 7% due to lower taxable income compared to 4th quarter of last year.

Current and non-current portion of long term-debt - net of debt issue costs, posted a net decrease of ₱3,753.4 million due to principal payments.

Noncurrent portion of retention payable increased by ₱71.8 million or 59% due to on-going construction in MMSS3 and SMC SKYWAY.

Consolidated total equity as at September 30, 2026 amounted to ₱68,362.8 million, higher by ₱7,431.3 million or 12% compared to December 31, 2025. The increase was mainly due to the net income generated for the period.

Movement in retained earnings pertains to appropriation of ₱32,071.0 million for the New Decongestion Facilities, and net income attributable to equity holders of the Parent Company during the period amounting to ₱6,545.2 million.

The increase in non-controlling interest by ₱886.0 million is mainly due to share of non-controlling interest in the Group's net income, and partially offset by dividends declared.

2025 vs. 2024

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

(Forward)

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2025	December 31, 2024	Amount	%	2025	2024
Current portion of:						
Long-term debt - net of debt issue costs	**₱5,175,192**	₱5,520,340	**(₱345,148)**	**(6%)**	**5%**	5%
Provision for resurfacing and maintenance obligation	**126,323**	126,323	**-**	**0%**	**0%**	0%
Lease liabilities	**-**	2,345	**(2,345)**	**(100%)**	**0%**	0%
Due to a related party	**61,844**	61,844	**-**	**0%**	**0%**	0%
Dividends payable	**-**	96,025	**(96,025)**	**(100%)**	**0%**	0%
Income tax payable	**608,075**	354,515	**253,560**	**72%**	**1%**	0%
Total Current Liabilities	**10,649,798**	12,125,211	**(1,475,413)**	**(12%)**	**9%**	11%
Noncurrent Liabilities						
Noncurrent portion of:						
Long-term debt - net of debt issue costs	**42,982,706**	46,739,320	**(3,756,614)**	**(8%)**	**38%**	42%
Provision for resurfacing and maintenance obligation	**172,585**	172,585	**-**	**0%**	**0%**	0%
Retention payable	**166,124**	78,514	**87,610**	**112%**	**0%**	0%
Net retirement liabilities	**77,188**	79,780	**(2,592)**	**(3%)**	**0%**	0%
Deferred tax liabilities	**358,115**	369,960	**(11,845)**	**(3%)**	**0%**	0%
Total Noncurrent Liabilities	**43,756,718**	47,440,159	**(3,683,441)**	**(8%)**	**39%**	43%
Total Liabilities	**54,406,516**	59,565,370	**(5,158,854)**	**(9%)**	**48%**	54%
EQUITY						
Capital stock	**6,953,846**	6,953,846	**-**	**0%**	**6%**	6%
Retained earnings	**58,779,465**	52,422,714	**6,356,751**	**12%**	**52%**	47%
Other comprehensive loss	**(15,465)**	(15,465)	**-**	**0%**	**0%**	0%
Other equity reserves	**(13,594,274)**	(13,594,274)	**-**	**0%**	**(12%)**	(12%)
Equity attributable to equity holders of the Parent Company	**52,123,572**	45,766,821	**6,356,751**	**14%**	**46%**	41%
Non-controlling interest	**6,436,071**	5,582,066	**854,005**	**15%**	**6%**	5%
Total Equity	**58,559,643**	51,348,887	**7,210,756**	**14%**	**52%**	46%
	₱112,966,159	₱110,914,257	**₱2,051,902**	**2%**	**100%**	100%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. SOURCES AND USES OF CASH

A brief summary of cash flow movement is shown below.

(Amounts in Thousands)	**September 30**	
	2026	2025
Net cash flows provided by operating activities	**₱12,874,773**	₱12,980,326
Net cash flows used in investing activities	**(8,510,055)**	(4,327,199)
Net cash flows used in financing activities	**(3,904,833)**	(5,060,300)

Net cash flows provided by operating activities primarily consist of operating income before working capital changes, changes in current assets, certain current liabilities and others, including payments of interest, other financing charges and income taxes.

Net cash flows used in investing activities includes the following:

(Amounts in Thousands)	**September 30**	
	2026	2025
Additions to:		
Due from related parties	**(₱4,866,359)**	(₱1,864,337)
Service concession rights	**(1,702,561)**	(1,918,770)
Investment properties	**(1,048,208)**	-
Property and equipment	**(86,003)**	(156,680)
Decrease (increase) in:		
Advances to contractors	**(667,413)**	21,216
Other noncurrent assets	**(189,042)**	(69,332)
Proceeds from disposal of property and equipment	**34,873**	720
Net additions to (payments of) retention payable	**14,658**	(340,016)

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

Net cash flows used in financing activities includes the following:

(Amounts in Thousands)	September 30	
	2026	2025
Payments of:		
Long-term debt	**(₱3,813,000)**	(₱4,166,400)
Interest expense and other financing charges	**(2,511,468)**	(2,886,692)
Dividends to non-controlling interest	**(261,586)**	(261,586)
Lease liabilities	**(4,999)**	(1,488)
Reductions from restricted cash	**2,686,220**	2,255,866

The effect of exchange rate changes on cash and cash equivalents amounted to a gain of ₱0.1 million and ₱0.2 million in September 30, 2026 and 2025, respectively.

Noncash financial information includes the following:

(Amounts in Thousands)	September 30	
	2026	2025
Purchase of investment property	**₱1,048,207**	-
Capitalization of noncash items to service concession rights	**1,373**	-

IV. ADDITIONAL INFORMATION ON UNAPPROPRIATED RETAINED EARNINGS

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

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

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

V. KEY PERFORMANCE INDICATORS

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

(Amounts in Thousands)

Ratio	Formula	September 30, 2026	December 31, 2025
Current ratio	Total Current Assets	**30,348,740**	32,944,629
	Divided by: Total Current Liabilities	**14,885,184**	10,905,522
	Current ratio	**2.04**	3.02

Ratio	Formula	September 30, 2026	December 31, 2025
Acid test ratio	Total Current Assets	**30,348,740**	32,944,629
	Less: Inventories, current portion of biological assets and prepayments	**(203,140)**	(143,754)
	Quick assets	**30,145,600**	32,800,875
	Divided by: Total Current Liabilities	**14,885,184**	10,905,522
	Acid test ratio	**2.03**	3.01
Net Debt-to-equity ratio*	Total liabilities	**11,000,329**	11,419,622
	Divided by: Total equity	**34,704,801**	30,537,775
	Net debt-to-equity ratio	**0.32**	0.37
Asset-to-equity ratio	Total assets	**118,635,680**	114,332,979
	Divided by: Total equity	**68,362,798**	60,931,544
	Asset-to-equity ratio	**1.74**	1.88
Solvency ratio	Net income before depreciation and amortization	**10,277,027**	13,502,475
	Divided by: Total liabilities	**50,272,882**	53,401,435
	Solvency ratio	**0.20**	0.25
Profitability			
Return on equity	Net income attributable to equity holders of the Parent Company	**6,545,210**	8,591,124
	Divided by: Equity attributable to equity holders of the Parent Company	**60,905,312**	54,360,102
	Return on equity	**10.75%**	15.80%
Return on assets	Net income	**7,596,815**	9,942,867
	Divided by: Total assets	**118,635,680**	114,332,979
	Return on assets	**6.40%**	8.70%
Net profit margin	Net income	**7,596,815**	9,942,867
	Divided by: Total revenue	**16,503,861**	22,432,247
	Net profit margin	**46.03%**	44.32%
Interest coverage ratio*	Earnings before interest, taxes depreciation and amortization	**11,094,112**	10,726,592
	Divided by: Interest expense	**2,438,586**	2,428,516
	Interest coverage	**4.55**	4.42
Revenue Growth	Current period revenue	**16,503,861**	22,432,247
	Divided by: Prior period revenue -1	**16,572,283**	21,174,042
	Revenue growth	**(0.41%)**	5.94%

**As defined in the debt covenant (net of amounts attributable to or generated by the Ring-Fenced Subsidiary (MMSS3))*

VII. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to ₱5,943.0 million as September 30, 2026.

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

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

c. There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.

d. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amount of the Group's trade payables that have not been paid within the stated trade terms.

e. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on revenues or income from continuing operation, except for the impact of the US-Israel-Iran conflict as discussed below:

The conflict between the United States, Israel and Iran, which began on February 28, 2026, has resulted in sustained regional instability, with continued military confrontations and security risks to commercial shipping in the Gulf region. Disruptions to maritime traffic through the Strait of Hormuz, a critical passageway for global oil and gas trade, have heightened concerns over energy supply and contributed to volatility in international oil prices.

During the period, the Group recorded a decline in traffic volume across its tollway network. This was influenced by various factors affecting motorists' travel patterns and expressway usage, including prevailing economic conditions, higher fuel and transportation costs, changes in travel behavior, and the availability of alternative routes. Furthermore, the ongoing geopolitical tensions have contributed to the volatility in global oil prices. These conditions may also increase the Group's operating expenses, particularly those relating to fuel, electricity, road maintenance, repairs and other tollway operating requirements.

Management continues to monitor traffic volume, fuel prices, and other developments that may affect the Group's tollway operations and financial performance. The Group remains committed to maintaining the safety, efficiency, and reliability of its expressways while implementing appropriate measures to manage operating costs and optimize the utilization of available resources.

Given the uncertain duration of the geopolitical situation and the extend of its potential economic and operational repercussions, the full financial implications for the Group cannot yet be reasonably determined. While certain effects may have already been reflected in the Group's operating results for the period, further fluctuations in fuel prices, changes in traffic volume, and movements in other operating costs may affect the Group's financial position, financial performance, and cash flows in subsequent reporting periods.

f. There were no known events that will trigger a direct or contingent financial obligation that is material to the Group, including any defaults or acceleration of an obligation. No material contingencies and any events or transactions exist that are material to an understanding of the current period.

g. There are no significant elements of income or loss that did not arise from continuing operations.

h. The effects of seasonality or cyclicality on the operations of the business of the Group are not material.

i. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), or other relationships created by the Group with unconsolidated entities or other persons during the reporting period.