SMC INFRASTRUCTURE
TOLLWAYS
SMC TOLLWAYS CORPORATION

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

15 May 2025

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 copy of our disclosure to Securities and Exchange Commission on May 15, 2025.

Very truly yours,

RAOUL EDUARDO C. ROMULO
Corporate Information Officer

COVER SHEET

C S 2 0 1 3 1 0 6 9 4
S.E.C. Registration Number

SMC TOLLWAYS CORPORATION
(FORMERLY: ATLANTIC AURUM
INVESTMENTS PHILIPPINES
CORPORATION)

(Company's Full Name)

11F SAN MIGUEL PROPERTIES
CENTRE, 7 ST. FRANCIS ST.
MANDALUYONG CITY

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

Atty. Mary Rose S. Tan
Contract Person

(632) 8632-3000
Company Telephone Number

1 2	3 1	17-Q	0 5	1st Tuesday
Month	Day	FORM TYPE	Month	Day
Fiscal Year		(amended)	Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring This Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2025**

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
11th Floor, San Miguel Properties Centre,
7 St. Francis Street, Mandaluyong City
Postal Code **1550**

8. Issuer's telephone number, including area code **(632) 8702 - 4900**

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 March 31, 2025 (with comparative figures as of December 31, 2024 and for the period ended March 31, 2024) 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

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

Date: May 15, 2025

Annex "A"

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	Note	March 31, 2025 Unaudited	December 31, 2024 Audited
ASSETS			
Current Assets			
Cash and cash equivalents		**₱23,005,893**	₱17,279,552
Restricted cash		**6,302,328**	9,884,391
Trade and other receivables		**191,853**	239,148
Input value-added tax (VAT)		**2,892,224**	2,981,449
Other current assets		**382,980**	332,780
Total Current Assets		**32,775,278**	30,717,320
Noncurrent Assets			
Service concession rights	5	**78,598,534**	79,084,191
Goodwill		**483,452**	483,452
Advances to contractors		**388,776**	360,009
Property and equipment	6	**265,777**	204,361
Net of deferred tax assets		**26,110**	26,368
Right-of-use (ROU) assets		**1,892**	2,702
Other noncurrent assets		**27,370**	35,854
Total Noncurrent Assets		**79,791,911**	80,196,937
		₱112,567,189	₱110,914,257
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities		**₱6,264,970**	₱5,963,819
Current portion of:			
Long-term debt - net of debt issue costs		**5,405,271**	5,520,340
Provision for resurfacing and maintenance obligation		**126,323**	126,323
Lease liabilities		**1,475**	2,345
Dividends payable		**160,042**	96,025
Due to a related party		**71,250**	61,844
Income tax payable		**703,938**	354,515
Total Current Liabilities		**12,733,269**	12,125,211
Noncurrent Liabilities			
Noncurrent portion of:			
Long-term debt - net of debt issue costs		**45,487,308**	46,739,320
Provision for resurfacing and maintenance obligation		**172,585**	172,585
Retention payable		**96,634**	78,514
Net retirement liabilities		**80,699**	79,780
Net deferred tax liabilities		**365,841**	369,960
Total Noncurrent Liabilities		**46,203,067**	47,440,159
Total Liabilities		**₱58,936,336**	₱59,565,370

(Forward)

	March 31, 2025 Unaudited	December 31, 2024 Audited
Equity		
Capital stock	**₱6,953,846**	₱6,953,846
Retained earnings	**54,536,792**	52,422,714
Other comprehensive loss	**(15,465)**	(15,465)
Other equity reserves	**(13,594,274)**	(13,594,274)
Equity attributable to equity holders of the Parent Company	**47,880,899**	45,766,821
Non-controlling interest	**5,749,954**	5,582,066
Total Equity	**53,630,853**	51,348,887
	₱112,567,189	₱110,914,257

See accompanying Management 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 March 31	
	Note	**2025 Unaudited**	2024 Unaudited
REVENUE			
Revenue from toll operations		**₱5,337,252**	₱5,084,524
Toll operation and maintenance fees		**101,250**	101,250
		5,438,502	5,185,774
COST OF SERVICES		**(1,498,440)**	(1,550,996)
GROSS PROFIT		**3,940,062**	3,634,778
OPERATING EXPENSES		**(427,544)**	(338,941)
CONSTRUCTION REVENUE (COSTS)			
Construction revenue		**384,818**	129,242
Construction costs		**(384,818)**	(129,242)
		-	-
OTHER INCOME (CHARGES)			
Interest expense and other financing charges		**(1,003,787)**	(1,027,078)
Interest income		**332,563**	274,065
Rental income		**25,722**	18,571
Others - net		**4,078**	4,830
		(641,424)	(729,612)
INCOME BEFORE INCOME TAX		**2,871,094**	2,566,225
INCOME TAX EXPENSE		**423,567**	390,791
NET INCOME		**2,447,527**	2,175,434
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME		**₱2,447,527**	₱2,175,434
Net income and total comprehensive income attributable to:			
Equity holders of the Parent Company		**₱2,114,078**	₱1,872,221
Non-controlling interest		**333,449**	303,213
		₱2,447,527	₱2,175,434
Basic and Diluted Earnings Per Share	7	**₱30.40**	₱27.14

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

CERTIFIED CORRECT:

CRISALLIE D. GERONIMO
Senior Manager – Comptrollership

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

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

	Periods Ended March 31	
	2025	2024
CAPITAL STOCK - ₱100 par value		
Authorized - 80,000,000 shares		
Issued and outstanding - 69,538,459 shares	**₱6,953,846**	₱6,953,846
RETAINED EARNINGS		
Balance at beginning of period	**52,422,714**	44,515,546
Net income	**2,114,078**	1,872,221
Balance at end of period	**54,536,792**	46,387,767
OTHER COMPREHENSIVE LOSS		
Cumulative remeasurement loss on net retirement liabilities		
Balance at beginning and end of period	**(15,465)**	(13,289)
OTHER EQUITY RESERVES	**(13,594,274)**	(13,594,274)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**47,880,899**	39,734,050
NON-CONTROLLING INTEREST		
Balance at beginning of period	**5,582,066**	5,072,828
Net income	**333,449**	303,213
Cash dividends	**(165,561)**	(215,230)
Balance at end of period	**5,749,954**	5,160,811
	₱53,630,853	₱44,894,861

See accompanying Management 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 March 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱2,871,094**	₱2,566,225
Adjustments for:			
Interest expense and other financing charges		**1,003,787**	1,027,078
Depreciation and amortization	6	**886,271**	861,776
Interest income		**(332,563)**	(274,065)
Retirement expense		**7,153**	4,483
Net foreign exchange loss (gain)		**141**	(1,723)
Gain on disposal of property and equipment		**-**	(213)
Operating income before working capital changes		**4,435,883**	4,183,561
Decrease (increase) in:			
Trade and other receivables		**47,295**	(305,433)
Input VAT		**89,225**	63,228
Other current assets		**(50,201)**	61,567
Increase in accounts payable and accrued expenses		**943,102**	156,833
Net cash generated from operations		**5,465,304**	4,159,756
Income tax paid		**(733,661)**	(352,993)
Interest received		**332,563**	274,065
Contributions to retirement plan		**-**	277,342
Net cash provided by operating activities		**5,064,206**	4,358,170
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Service concession rights	5	**(384,818)**	(129,791)
Property and equipment	6	**(76,400)**	(14,049)
Decrease (increase) in:			
Advances to contractors		**(28,767)**	(43,039)
Other noncurrent assets		**8,484**	10,368
Net additions to retention payable		**32,586**	935,753
Net cash provided by (used in) investing activities		**(448,915)**	759,242
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Long-term debt		**(1,369,811)**	(2,389,071)
Interest expense and other financing charges		**(998,624)**	(2,048,511)
Dividends to non-controlling interest		**(101,544)**	(183,426)
Lease liabilities		**(893)**	(1,010)
Decrease (increase) in restricted cash		**3,582,063**	(241,773)
Net cash provided by (used in) financing activities		**₱1,111,191**	(₱4,863,791)

(Forward)

		Periods Ended March 31	
	Note	**2025**	2024
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(₱141)**	₱1,723
NET INCREASE IN CASH AND CASH EQUIVALENTS		**5,726,341**	255,343
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**17,279,552**	10,964,076
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**₱23,005,893**	₱11,219,419

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

CERTIFIED CORRECT:

CRISALLIE D. GERONIMO
Senior Manager - Comptrollership

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

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

1. Reporting Entity

General Information

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

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

In 2013, the Parent Company acquired a total of 87.84% interest in SMC Skyway Corporation (SMC SKYWAY) from AAIBV and Terramino Holdings, Inc. (THI), for a total consideration of ₱20,722.6 million.

In 2016, the Parent Company acquired 100% interest in Stage 3 Connector Tollway Holdings Corporation (S3CTHC) from AAIBV for a total consideration of ₱16,300.0 million. As at March 31, 2025 and December 31, 2024, S3CTHC owns 90% of SMC Skyway Stage 3 Corporation (MMSS3).

In 2020, the Parent Company acquired a total of 53.37% interest in Toll Road Operation & Maintenance Venture Corporation (TROMV) from Padma Investment PTE. Ltd. for ₱0.1 million. The acquisition resulted to an indirect ownership of 57.88% interest in Skyway O&M Corporation (SOMCO).

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, 2024.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on May 13, 2025.

The interim consolidated financial statements are presented in Philippine peso and all financial information are 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 Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

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, 2025 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:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

  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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:

- 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 profit or loss; 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 amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:

  - Entities are required to classify all income and expenses into five categories in the statement of 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; and

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

  In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

  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 2025 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 ended March 31, 2025 and 2024:

	2025				
	Toll Concession	Toll Operation	Others	Eliminations	Total
REVENUE	₱5,337,253	₱329,322	₱1,195,920	(₱1,195,920)	₱5,666,575
COST OF SERVICES	(1,445,101)	(266,300)	–	(15,112)	(1,726,513)
GROSS PROFIT	3,892,152	63,022	1,195,920	(1,211,032)	3,940,062
OPERATING EXPENSES	(361,145)	(62,232)	(4,166)	–	(427,544)
CONSTRUCTION REVENUE (COSTS)					
Construction revenue	384,820	–	–	–	384,818
Construction costs	(384,820)	–	–	–	(384,818)
	–	–	–	–	–
OTHER INCOME (CHARGES)					
Interest expense	(982,044)		(21,743)	–	(1,003,787)
Interest income	219,572	198	112,793	–	332,563
Rental income	25,722	–	–	–	25,722
Others	1,397	2,680	–	–	4,077
	(735,353)	2,878	91,050	–	(641,424)
INCOME BEFORE INCOME TAX	2,795,652	3,668	1,282,803	(1,211,030)	2,871,094
INCOME TAX EXPENSES	401,503	3,284	22,558	(3,778)	423,567
NET INCOME	2,394,149	384	1,260,245	(1,207,252)	2,447,527

(Forward)

	2025				
	Toll Concession	**Toll Operation**	**Others**	**Eliminations**	**Total**
TOTAL COMPREHENSIVE INCOME	**₱2,394,149**	**₱384**	**₱1,260,245**	**(₱1,207,252)**	**₱2,447,527**
SEGMENT ASSETS	**₱99,942,865**	**₱508,505**	**₱123,984,476**	**(₱111,868,657)**	**₱112,567,189**
SEGMENT LIABILITIES	**₱50,205,269**	**₱289,786**	**₱67,503,550**	**(₱59,062,269)**	**₱58,936,336**
Other Information					
Cost of services and operating expenses excluding depreciation and amortization	**₱929,141**	**₱319,367**	**₱4,166**	**₱–**	**₱1,252,674**
Depreciation and amortization	**877,107**	**9,125**	**–**	**15,112**	**901,384**
Additions to service concession rights, property and equipment and ROU assets	**434,766**	**26,454**	**–**	**–**	**461,218**

	2024				
	Toll Concession	**Toll Operation**	**Others**	**Eliminations**	**Total**
REVENUE	₱5,084,524	₱319,497	₱1,554,696	(₱1,554,696)	₱5,404,021
COST OF SERVICES	(1,499,344)	(254,787)	–	(15,112)	(1,769,243)
GROSS PROFIT	3,585,180	64,710	1,554,696	(1,569,808)	3,634,778
OPERATING EXPENSES	(280,128)	(58,691)	(122)	–	(338,941)
CONSTRUCTION REVENUE (COSTS)					
Construction revenue	129,242	–	–	–	129,242
Construction costs	(129,242)	–	–	–	(129,242)
	–	–	–	–	–
OTHER INCOME (CHARGES)					
Interest expense	(535,198)	–	(491,880)	–	(1,027,078)
Interest income	262,511	1,227	10,327	–	274,065
Rental income	18,571	–	–	–	18,571
Others	2,990	1,840	–	–	4,830
	(251,126)	3,067	(481,553)	–	(729,612)
INCOME BEFORE INCOME TAX	3,053,926	9,086	1,073,021	(1,569,808)	2,566,225
INCOME TAX EXPENSES	388,303	4,201	2,062	(3,778)	390,791
NET INCOME	2,665,623	4,865	1,070,956	(1,566,030)	2,175,434
TOTAL COMPREHENSIVE INCOME	₱2,665,623	₱4,865	₱1,070,956	(₱1,566,030)	₱2,175,434
SEGMENT ASSETS	₱101,386,769	₱449,520	₱117,965,969	(₱115,155,948)	₱104,646,310
SEGMENT LIABILITIES	₱57,376,580	₱229,867	₱64,540,607	(₱62,395,419)	₱59,751,615
Other Information					
Cost of services and operating expenses excluding depreciation and amortization	₱925,492	₱305,682	₱122	₱–	₱1,231,296
Depreciation and amortization	853,982	7,796	–	15,112	876,890
Additions to service concession rights, property and equipment and ROU assets	135,887	7,953	–	–	143,840
ECL on receivables	–	–	–	–	–

4. Related Party Disclosures

Transactions with the related parties are made at normal market prices and terms. Amount owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

	Amount of Transactions		Outstanding Balance		
	2025	2024	**2025**	2024	Terms and Conditions
Trade and other receivables					
Entities under common control	**₱76,410**	₱573,373	**₱37,661**	₱29,262	30 days; noninterest-bearing, unsecured
Other Current Assets					
Entities under common control	**₱--**	₱17	**₱--**	₱595	Refundable upon termination of lease
Accounts payable and other current liabilities:					
Entities under common control	**₱4,301,288**	₱16,141,590	**₱856,505**	₱185,256	5 -30 days; noninterest-bearing, unsecured
Intermediate Parent	**144,939**	372,623	**15,832**	44,533	5 -30 days; noninterest-bearing, unsecured
	₱4,446,227	₱16,514,213	**₱872,337**	₱229,789	
Fair Value of Plan Assets					
Plan Assets	**₱31,819**	₱31,819	**₱116,052**	₱116,052	Under SMHC Multi-Employer Plan
Due to a Related Party	**₱9,406**	₱71,250	**₱61,844**	₱61,844	On demand, noninterest-bearing, unsecured

<u>Trade Receivables</u>

a. On June 14, 2023, the Group with SMC NAIAX, SMC SLEX, STAR Infrastructure Development Corporation (SIDC), Manila Toll Expressway Systems, Inc. (MATES), STAR Tollway Corporation (STC), SMC TPLEX Corporation (SMC TPLEX) and TPLEX Operations and Maintenance Corporation (TOMCO), entered into a MOA on Inter-operability of Toll Collection System to ensure the inter-operability of toll collection system and traffic operations in accordance with the TRB guidelines for seamless traffic system and improved quality of service to the motorists throughout the toll roads. Total related cash transactions amounted to ₱31 million and ₱367.1 million on March 31, 2025 and December 31, 2024, respectively. The Group has toll receivable amounting to ₱10.6 million and ₱10.5 million as at March 31, 2025 and December 31, 2024, respectively.

b. SMC SKYWAY entered into a lease contract with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the SMC SKYWAY at the South Metro Manila Skyway (SMMS). Total rental income amounted to ₱6.1 million and ₱35.1 million in March 31, 2025 and December 31, 2024, respectively. The outstanding rental receivable amounted to ₱9.0 million and nil as at March 31, 2025 and December 31, 2024, respectively.

c. MMSS3 entered into lease contracts with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the Group at the Skyway Stage 3. Total rental income amounted to ₱8.1 million and ₱23.4 million in March 31, 2025 and December 31, 2024, respectively. The outstanding rental receivable amounted to ₱6.5 million and ₱4.9 million as at March 31, 2025 and December 31, 2024, respectively.

d. SOMCO agreed with SMC NAIAX to manage, operate and maintain the toll roads and toll road facilities, interchanges, and related facilities of the entire NAIAX. Revenue from toll operation and maintenance amounted to ₱31.2 million and ₱125.0 million on March 31, 2025 and December 31, 2024, respectively. Outstanding receivable amounted to ₱11.5 million and ₱4.3 million as at March 31, 2025 and December 31, 2024, respectively.

Other Current Assets

The Group also entered into lease agreements with entities under common control for the lease of office and parking space. The lease agreement is for a period of one year and renewable every year thereafter unless terminated by either party. Security deposit amounting to nil and 0.6 million as at March 31, 2025 and December 31, 2024, respectively, and will be refunded upon termination of the lease agreement.

Accounts Payable and Other Current Liabilities

Entities under Common Control

a. In relation to the interoperability arrangement between SMC SKYWAY and SLEX, total related transactions pertaining to ETC transactions amounted to ₱2,550.3 million and ₱9,308.7 million million on March 31, 2025 and December 31, 2024, respectively. The Group has toll payable to SMC SLEX amounting to ₱494.1 million and ₱47.0 million as at March 31, 2025 and December 31, 2024, 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 ₱408.1 million and ₱1,615.4 million on March 31, 2025 and December 31, 2024, respectively. Outstanding payable to SMC NAIAX amounted to ₱76.2 million and ₱6.0 million as at March 31, 2025 and December 31, 2024, respectively, respectively.

c. Pursuant to a MOA entered into by SMC SKYWAY and SIDC dated August 20, 2018, the Group shall collect and remit to SIDC all toll fees collected from the ETC users of STAR Tollways. Total related transaction amounted to ₱480.67 million and ₱1,816.6 million on March 31, 2025 and December 31, 2024, respectively. Outstanding payable to SIDC amounted to ₱92.8 million and ₱1.2 million as at March 31, 2025 and December 31, 2024, respectively.

d. The Group entered into a one-year lease agreement, renewable for another year with MATES for the lease of machineries and equipment used for construction and road repairs. Total related transaction amounted to nil and ₱2.2 million on March 31, 2025 and December 31, 2024, respectively. Outstanding payable to MATES amounted to ₱0.04 million and ₱0.1 million as at March 31, 2025 and December 31, 2024, 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 ₱710.9 million, and ₱2,670.5 million on March 31, 2025 and December 31, 2024, respectively. Outstanding payable to SMC TPLEX amounted to ₱131.2 million and ₱46.0 million as at March 31, 2025 and December 31, 2024, 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 valid until December 31, 2025, renewable for another term. Total related transaction amounted to ₱84.3 million and ₱377.7 million March 31, 2025 and December 31, 2024, respectively. Outstanding payable to IETC amounted to ₱30.2 million and ₱39.8 million as at March 31, 2025 and December 31, 2024, 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 ₱67.0 million and ₱350.5 million on March 31, 2025 and December 31, 2024, respectively. Outstanding payable for these transactions amounted to ₱32.0 million and ₱45.2 million as at March 31, 2025 and December 31, 2024, respectively.

Intermediate Parent

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

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.

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

5. Service Concession Rights

Service concession rights consist of:

		March 31, 2025				
	Note	**Stage 1**	**Stage 2**	**Stage 3**	**Skyway Extension**	**Total**
Cost						
Balance at beginning of period		**₱18,751,948**	**₱10,589,930**	**₱64,867,698**	**₱10,384,719**	**₱104,594,295**
Additions		**62,111**	**1,382**	**312,496**	**8,829**	**384,818**
Balance at end of period		**18,814,059**	**10,591,312**	**65,180,194**	**10,393,549**	**104,979,114**
Accumulated Amortization						
Balance at beginning of period		**12,463,811**	**4,699,474**	**7,181,208**	**1,165,611**	**25,510,104**
Amortization	6	**95,774**	**86,002**	**532,956**	**155,744**	**870,476**
Balance at end of period		**12,559,585**	**4,785,477**	**7,714,164**	**1,321,355**	**26,380,580**
Carrying Amount		**₱6,254,474**	**₱5,805,835**	**₱57,466,030**	**₱9,072,194**	**₱78,598,534**

		December 31, 2024				
	Note	**Stage 1**	**Stage 2**	**Stage 3**	**Skyway Extension**	**Total**
Cost						
Balance at beginning of year		₱18,721,031	₱10,318,329	₱63,122,891	₱10,214,459	₱102,376,710
Additions		30,917	271,601	1,744,807	170,260	2,217,585
Balance at end of year		18,751,948	10,589,930	64,867,698	10,384,719	104,594,295
Accumulated Amortization						
Balance at beginning of year		12,080,717	4,355,462	5,078,086	553,730	22,067,995
Amortization	6	383,094	344,012	2,103,122	611,881	3,442,109
Balance at end of year		12,463,811	4,699,474	7,181,208	1,165,611	25,510,104
Carrying Amount		₱6,288,137	₱5,890,456	₱57,686,490	₱9,219,108	₱79,084,191

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

Construction Revenue and Construction Costs

The Group recognized construction revenue and construction costs amounting to ₱384.8 million and ₱129.2 for the periods ended March 31, 2025, and 2024, respectively, in reference to the stage of completion of the construction.

6. Property and Equipment

Property and equipment consist of:

	March 31, 2025				
	Transportation Equipment	**Machineries and Equipment**	**Office Equipment, Furniture and Fixtures**	**Building Improvements**	**Total**
Cost					
Balance at beginning of period	**₱329,695**	**₱165,693**	**₱112,445**	**₱29,690**	**₱637,523**
Additions	**2,397**	**8,580**	**3,729**	**61,694**	**76,400**
Balance at end of period	**332,092**	**174,273**	**116,174**	**91,384**	**713,923**
Accumulated Depreciation					
Balance at beginning of period	**210,997**	**112,711**	**96,245**	**13,209**	**433,162**
Depreciation	**8,124**	**2,102**	**4,194**	**564**	**14,984**
Balance at end of period	**219,121**	**114,813**	**100,439**	**13,773**	448,146
Carrying Amount	**₱112,971**	**₱59,460**	**₱15,735**	**₱77,611**	**₱265,777**

	December 31, 2024				
	Transportation Equipment	Machineries and Equipment	Office Equipment, Furniture and Fixtures	Building Improvements	Total
Cost					
Balance at beginning of year	₱293,202	₱116,265	₱102,953	₱17,285	₱529,705
Additions	40,553	49,428	11,262	12,405	113,648
Disposal	(4,060)	–	(1,770)	–	(5,830)
Balance at end of year	329,695	165,693	112,445	29,690	637,523
Accumulated Depreciation					
Balance at beginning of year	184,100	98,981	89,974	11,301	384,356
Depreciation	30,489	13,730	8,041	1,908	54,168
Disposal	(3,592)	–	(1,770)	–	(5,362)
Balance at end of year	210,997	112,711	96,245	13,209	433,162
Carrying Amount	₱118,698	₱52,982	₱16,200	₱16,481	₱204,361

The total cost of fully depreciated property and equipment still in use amounted to ₱303.8 million and ₱274.2 million as at March 31, 2025 and December 31, 2024, respectively.

The Group disposed property and equipment with total cost of nil and ₱5.8 million for the period ended March 31, 2025 and December 31, 2024, respectively, which resulted to gain (loss) on disposal of nil and ₱1.3 million for the period ended March 31, 2025 and December 31, 2024, respectively. Gain or loss on disposal of property and equipment were presented as part of "Others" under "Other income (charges)" of the consolidated statements of comprehensive income.

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

	March 31, 2025	March 31, 2024
Service concession rights	**₱870,476**	₱848,640
Property and equipment	**14,984**	12,298
ROU assets	**811**	838
	₱886,271	₱861,776

Depreciation and amortization is allocated as follows:

	March 31, 2025	March 31, 2024
Cost of services	**₱883,054**	₱858,568
Operating expenses	**3,217**	3,208
	₱886,271	₱861,776

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):

	2025	2024
Net income attributable to the holders of the Parent Company	**₱2,114,078**	₱1,887,221
Divide by weighted average shares outstanding common shares	**69,538**	69,538
Basic and diluted earnings per share	**₱30.40**	₱27.14

The Parent Company has no potentially dilutive common shares for the period ended March 31, 2025, and 2024. 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 (excluding cash on hand), restricted cash, security deposits (included under “Other current assets” account), miscellaneous deposits (included under “Other noncurrent assets” account), retention payable, long-term debt, dividends payable, due to a related party, 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 trade and other receivables, and accounts payables and other current liabilities (excluding statutory payables) arise directly from and are used to facilitate its daily operations.

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

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

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

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

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

Interest Rate Risk

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

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

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

	March 31, 2025		December 31, 2024	
	Change in Basis Points	**Effect on Income Before Income Tax**	Change in Basis Points	Effect on Income Before Income Tax
Increase	**+0.01**	**(₱26,050)**	+0.08	(₱211,130)
Decrease	**-0.01**	**₱26,050**	-0.08	211,130

**interest rate should not be lower than floor of 6.00%*

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 if the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables.

The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk. In addition, for a significant proportion of revenue, advance payment and one-time charge and deposit are received to mitigate credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

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

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

	March 31, 2025				
	Neither Past Due nor Impaired		Past due but		
	High Grade	Standard Grade	not impaired	Impaired	Total
Cash in banks and cash equivalents*	**₱23,003,271**	**₱ -**	**₱ -**	**₱ -**	**₱23,003,271**
Restricted cash	**6,302,328**	**-**	**-**	**-**	**6,302,328**
Trade and other receivables	**-**	**176,815**	**15,038**	**733,649**	**925,502**
Security deposits**	**-**	**595**	**-**	**-**	**595**
Miscellaneous deposits***	**-**	**2,022**	**-**	**-**	**2,022**
	₱29,305,599	**₱179,432**	**₱15,038**	**₱733,649**	**₱30,233,718**

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

	December 31, 2024				
	Neither Past Due nor Impaired		Past due but		
	High Grade	Standard Grade	not impaired	Impaired	Total
Cash and cash equivalents*	₱17,276,370	₱ -	₱ -	₱ -	₱17,276,370
Restricted cash	9,884,391	-	-	-	9,884,391
Trade and other receivables	-	223,617	15,531	733,649	972,797
Security deposits**	-	595	-	-	595
Miscellaneous deposits***	-	2,206	-	-	2,206
	₱27,160,761	₱226,418	₱15,531	₱733,649	₱28,136,359

**Excluding cash on hand amounting to ₱3.2 million as at December 31, 2024*
*** Included under "Other current 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 ₱711.3 million as at March 31, 2025 and December 31, 2024. Management assessed that the allowance is sufficient to cover the ECL of trade and other receivables.

Generally, trade and other 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 and restricted cash, it is the Group's policy to measure ECL on these instruments on a 12-month basis.

However, where there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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

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

The following are considered in the assessment:

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

Liquidity Risk

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

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

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

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

March 31, 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	₱23,005,893	₱23,005,893	₱23,005,893	–	–	–
Restricted cash	6,302,328	6,302,328	6,302,328	–	–	–
Trade and other receivables	191,853	191,853	191,853	–	–	–
Security deposits*	595	595	595	–	–	–
Miscellaneous deposits**	2,022	2,022	–	2,022	–	–
Financial Liabilities						
Accounts payable and other current liabilities***	5,470,791	5,470,791	–	–	–	–
Retention payable	562,457	562,457	430,035	132,422	–	–
Long-term debt****	50,892,579	69,894,917	7,245,868	8,561,861	9,503,922	44,583,266
Lease liabilities	1,475	1,475	1,475	–	–	–
Due to Parent Company	71,250	71,250	71,250	–	–	–

Included under "Other current assets" account
***Included under "Other noncurrent assets" account*
****Excluding statutory payables amounting to ₱364.1 million and retention payable amounting to ₱562.5 million.*
*****Including interest payable to maturity amounting to ₱19,038.4 million.*

December 31, 2024	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	₱17,276,370	₱17,276,370	₱17,276,370	–	–	–
Restricted cash	9,884,391	9,884,391	9,884,391	–	–	–
Trade and other receivables	239,148	239,148	239,148	–	–	–
Security deposits*	595	595	595	–	–	–
Miscellaneous deposits**	2,206	2,206	–	2,206	–	–
Financial Liabilities						
Accounts payable and other current liabilities***	4,986,505	4,986,505	4,986,505	–	–	–
Retention payable	573,848	573,848	495,334	78,514	–	–
Dividends payable	96,025	96,025	96,025	–	–	–
Long-term debt****	52,259,660	74,720,331	9,367,974	8,400,294	14,629,936	42,322,127
Lease liabilities	2,345	2,381	2,381	–	–	–
Due to Parent Company	61,844	61,844	61,844	–	–	–

**Included under "Other current assets" account*
***Included under "Other noncurrent assets" account*
****Excluding statutory payables amounting to ₱482.0 and retention payable amounting to ₱495.3 million.*
*****Including interest payable to maturity amounting to ₱21,932.2 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 debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

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 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.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

As at March 31, 2025, and December 31, 2024, the Group does not have financial assets measured at FVPL and FVOCI.

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

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

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

As at March 31, 2025, and December 31, 2024, cash and cash equivalents, restricted cash, trade and other receivables, security deposits (included under “Other current assets” account) and miscellaneous deposits (included under "Other noncurrent assets" account) of the Group are classified under this category.

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

As at March 31, 2025, and December 31, 2024, the Group does not have financial liabilities measured at FVPL.

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

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

As at March 31, 2025, and December 31, 2024, accounts payable and other current liabilities (excluding statutory payables), retention payable, long-term debt, dividends payable, due to a related party, 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 components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole or in part, the amount separately determined as the fair value of the liability component on the date of issue.

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

	March 31, 2025		December 31, 2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial Assets				
Cash and cash equivalents	**₱23,005,893**	**₱23,005,893**	₱17,279,552	₱17,279,552
Restricted cash	**6,302,328**	**6,302,328**	9,884,391	9,884,391
Trade and other receivables	**191,853**	**191,853**	239,148	239,148
Security deposits*	**595**	**595**	595	595
Miscellaneous deposits**	**2,022**	**2,022**	2,206	2,206
	₱29,502,691	**₱29,502,691**	₱27,405,892	₱27,405,892

	March 31, 2025		December 31, 2024	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial Liabilities				
Accounts payable and other current liabilities***	**₱5,470,791**	**₱4,471,451**	₱4,986,505	₱4,986,505
Retention payable	**562,457**	**562,457**	573,848	573,848
Long-term debt	**50,892,579**	**51,408,300**	52,259,660	55,699,868
Due to Parent Company	**71,250**	**71,250**	61,844	61,844
Dividends payable	**160,042**	**160,042**	96,025	96,025
Lease liabilities	**3,310**	**3,310**	2,345	2,306
	₱57,160,594	**₱57,676,315**	₱57,980,227	₱61,420,396

**Included under "Other current assets" account*
***Included under "Other noncurrent assets" account*
****Excludes statutory payables and retention payable totaling ₱926.6 million and ₱977.3 million as at March, 31, 2025 and December 31, 2024, respectively.*

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derecognition of Financial Instruments
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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group is required to repay.

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

10. Other Matters

a. Commitments

The outstanding purchase commitments of the Group amounted to ₱6,287.7 million and ₱6,115.6 million as at March 31, 2025 and December 31, 2024, 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.

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 statements of financial statements of SMC Tollways Corporation ("SMC Tollways" or "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended March 31, 2025 (with comparative figures as at December 31, 2024 and for the period ended March 31, 2024 and 2023). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at March 31, 2024, 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

2025 vs 2024

(Amounts in Thousands)	March 31		Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	2025	**2024**	**Amount**	**%**	**2025**	**2024**
REVENUE						
Revenue from toll operations	**₱5,337,252**	₱5,084,524	**₱252,728**	**5%**	**98%**	98%
Toll operation and maintenance fee	**101,250**	101,250	**-**	**0%**	**2%**	2%
	5,438,502	5,185,774	**252,728**	**5%**	**100%**	100%
COST OF SERVICES	**(1,498,440)**	(1,550,996)	**(52,556)**	**(3%)**	**(28%)**	(30%)
GROSS PROFIT	**3,940,062**	3,634,778	**200,172**	**6%**	**72%**	70%
OPERATING EXPENSES	**(427,544)**	(338,941)	**88,603**	**26%**	**(8%)**	(7%)
CONSTRUCTION REVENUE (COSTS)						
Construction revenue	**384,818**	129,242	**255,576**	**198%**	**7%**	2%
Construction costs	**(384,818)**	(129,242)	**255,576**	**198%**	**(7%)**	(2%)
	-	-	**-**			
OTHER INCOME (CHARGES)						
Interest expense and other financing charges	**(1,003,787)**	(1,027,078)	**(23,291)**	**(2%)**	**(18%)**	(20%)
Interest income	**332,563**	274,065	**58,498**	**21%**	**6%**	5%
Rental income	**25,722**	18,571	**7,151**	**39%**	**0%**	0%
Others - net	**4,078**	4,830	**(752)**	**(16%)**	**0%**	0%
	(641,424)	(729,612)	**(88,188)**	**(12%)**	**(12%)**	(14%)
INCOME BEFORE INCOME TAX	**2,871,094**	2,566,225	**304,869**	**12%**	**53%**	49%
INCOME TAX EXPENSE	**423,567**	390,791	**32,776**	**8%**	**8%**	8%
NET INCOME	**₱2,447,527**	₱2,175,434	**₱272,093**	**13%**	**45%**	42%
Net income attributable to:						
Equity holders of the Parent Company	**₱2,114,078**	₱1,872,221	**₱241,857**	**13%**	**39%**	36%
Non-controlling interest	**333,449**	303,213	**30,236**	**10%**	**6%**	6%
	₱2,447,527	₱2,175,434	**₱272,092**	**13%**	**45%**	42%

For the 1st quarter of 2025, traffic volume increased across all vehicular classes. SMC Skyway Corporation ("SMC SKYWAY") achieved an Average Daily Traffic (ADT) of 284,715, higher by 4% from 272,754 in 2024, while SMC Skyway Stage 3 Corporation ("MMSS3") achieved an ADT of 173,151, higher by 8% from 160,950 in 2024.

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

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

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

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

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

2024 vs. 2023

(Amounts in Thousands)	March 31		Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	2024	**2023**	**Amount**	**%**	**2024**	**2023**
REVENUE						
Revenue from toll operations	**₱5,084,524**	₱4,763,216	**₱321,308**	**7%**	**98%**	98%
Toll operation and maintenance fee	**101,250**	101,250	**-**	**0%**	**2%**	2%
	5,185,774	4,864,466	**321,308**	**7%**	**100%**	100%
COST OF SERVICES	**(1,550,996)**	(1,256,158)	**294,838**	**23%**	**(30%)**	(26%)
GROSS PROFIT	**3,634,778**	3,608,308	**26,470**	**1%**	**70%**	74%
OPERATING EXPENSES	**(338,941)**	(303,119)	**35,822**	**12%**	**7%**	6%
CONSTRUCTION REVENUE (COSTS)						
Construction revenue	**129,242**	158,679	**(29,437)**	**(19%)**	**2%**	3%
Construction costs	**(129,242)**	(158,679)	**(29,437)**	**(19%)**	**(2%)**	(3%)
	-	-				
OTHER INCOME (CHARGES)						
Interest expense and other financing charges	**(1,027,078)**	(1,159,061)	**(131,983)**	**(11%)**	**(20%)**	(24%)
Interest income	**274,065**	208,373	**65,692**	**32%**	**5%**	4%
Rental income	**18,571**	15,063	**3,508**	**23%**	**0%**	0%
Others - net	**4,830**	9,681	**(4,851)**	**(50%)**	**0%**	0%
	(729,612)	(925,944)	**(196,332)**	**(21%)**	**(14%)**	(19%)
INCOME BEFORE INCOME TAX	**2,566,225**	2,379,245	**186,980**	**0%**	**49%**	49%
INCOME TAX EXPENSE	**390,791**	394,550	**(3,759)**	**(1%)**	**8%**	0%
NET INCOME	**₱2,175,434**	₱1,984,695	**190,739**	**0%**	**42%**	41%
Net income attributable to:						
Equity holders of the Parent Company	**₱1,872,221**	₱1,689,468	**₱182,753**	**0%**	**36%**	35%
Non-controlling interest	**303,213**	295,227	**7,986**	**0%**	**6%**	6%
	₱2,175,434	₱1,984,695	**₱190,739**	**0%**	**42%**	41%

For the 1st quarter of 2024, traffic volume increased across all vehicular classes. SMC Skyway achieved an ADT of 272,754, higher by 1% from 270,416 in 2023, while MMSS3 achieved an ADT of 160,950, higher by 8% from 149,326 in 2023.

Total revenue amounted to ₱5,185.8 million, an increase of 7% from ₱4,864.5 million in 2023.

Consolidated cost of services posted an increase of ₱294.8 million or 23% mainly due to the following items: (a) additional amortization of Skyway Extension and recognition of depreciation expense on machinery and equipment acquired during the period, (b) increase in PNCC shares which is directly proportional to the increase in toll revenue, (c) higher personnel costs due to salary adjustments and related benefits, (d) increase in contracted services due to higher manpower services and RFID subscriber management fee, (e) inflationary increase in operations fee, (f) increase in insurance due to higher All Risk, money guarantee and fidelity insurance, (g) increase in repairs and maintenance, and (h) increase in other expenses.

Consolidated operating expenses posted an increase of ₱35.8 million or 12%, mainly due to (a) increase in business tax expense, (b) higher server and transport maintenance, office renovation and acquisition of spare parts, (c) increase in merchant fees due to higher ETC replenishments via credit card; offset by the (d) decrease in depreciation and amortization due to fully depreciated assets this year and (e) lower seminars and training and travel and transportation.

For other income and charges, the Group recorded lower interest expense and other financing charges by ₱132.0 million due to lower outstanding balance of the long-term debt. Interest income increased by ₱65.7 million due to higher short-term placements. Rental income also posted an increase of ₱3.5 million.

Income tax expense was lower by ₱3.8 million or 1%.

III. FINANCIAL POSITION

2025 vs 2024

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

(Forward)

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

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

Cash and cash equivalents amounted to ₱23,005.9 million, 33% higher than ₱17,280.0 million in 2024 due to higher cash generated from operations as a result of higher traffic in Skyway and MMSS3.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2024 vs. 2023

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	March 31, 2024	**December 31, 2023**	**Amount**	**%**	**2024**	**2023**
ASSETS						
Current Assets						
Cash and cash equivalents	**₱11,219,419**	₱10,964,076	**₱255,343**	**2%**	**11%**	10%
Restricted cash	**8,705,077**	8,463,304	**241,773**	**3%**	**8%**	8%
Trade and other receivables	**211,667**	183,906	**27,761**	**15%**	**0%**	0%
Input VAT	**3,735,656**	3,798,884	**(63,228)**	**(2%)**	**4%**	4%
Other current assets	**279,621**	341,189	**(61,568)**	**(18%)**	**0%**	0%
Total Current Assets	**24,151,440**	23,751,359	**400,081**	**2%**	**23%**	23%
Noncurrent Assets						
Service concession rights	**79,589,866**	80,308,715	**(718,849)**	**(1%)**	76%	77%
Goodwill	**483,452**	483,452	**-**	**0%**	0%	0%
Advances to contractors	**228,156**	185,117	**43,039**	**23%**	0%	0%
Property and equipment	**147,313**	145,349	**1,964**	**1%**	0%	0%
Net of deferred tax asset	**26,292**	27,153	**(861)**	**(3%)**	0%	0%
ROU assets	**5,281**	6,119	**(838)**	**(14%)**	0%	0%
Other noncurrent assets	**14,510**	24,878	**(10,368)**	**(42%)**	0%	0%
Total Noncurrent Assets	**80,494,870**	81,180,783	**(685,913)**	**(1%)**	77%	77%
	₱104,646,310	₱104,932,142	**(₱285,832)**	**0%**	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other current liabilities	**₱4,989,466**	₱4,888,806	**₱100,660**	**2%**	**5%**	5%
Current portion of:						
Long-term debt – net of debt issue costs	**9,597,058**	9,135,556	**461,502**	**5%**	**9%**	9%
Provision for resurfacing and maintenance obligation	**111,883**	111,883	**-**	**0%**	**0%**	0%
Lease liabilities	**3,371**	3,414	**(43)**	**(1%)**	**0%**	0%
Dividends payable	**315,118**	283,316	**31,802**	**11%**	**0%**	0%
Due to a related party	**61,844**	61,844	**-**	**0%**	**0%**	0%
Income tax payable	**323,665**	280,499	**43,166**	**15%**	**0%**	0%
Total Current Liabilities	**15,402,405**	14,765,318	**637,087**	**8%**	**15%**	14%
Noncurrent Liabilities						
Noncurrent portion of:						
Long-term debt - net of debt issue costs	**43,627,933**	46,505,921	**(2,877,988)**	**(6%)**	**42%**	44%
Provision for resurfacing and maintenance obligation	**152,487**	152,487	**-**	**0%**	**0%**	0%
Retention payable	**99,072**	96,576	**2,496**	**3%**	**0%**	0%
Lease liabilities	**1,515**	2,414	**(899)**	**(37%)**	**0%**	0%
Net retirement liabilities	**75,939**	76,103	**(164)**	**0%**	**0%**	0%
Net deferred tax liabilities	**392,264**	398,494	**(6,230)**	**(2%)**	**0%**	0%
Total Noncurrent Liabilities	**44,349,210**	47,231,995	**(2,882,785)**	**(6%)**	**42%**	45%
Total Liabilities	**59,751,615**	61,997,313	**(2,245,698)**	**(4%)**	**57%**	59%

(Forward)

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	March 31, 2024	December 31, 2023	Amount	%	2025	2024
EQUITY						
Capital stock	**6,953,846**	6,953,846	**-**	**0%**	**7%**	7%
Retained earnings	**46,387,767**	44,515,546	**1,872,221**	**4%**	**44%**	42%
Other comprehensive loss	**(13,455)**	(13,117)	**338**	**3%**	**0%**	0%
Other equity reserves	**(13,594,274)**	(13,594,274)	**-**	**0%**	**(13%)**	(13%)
Equity attributable to equity holders of the Parent Company	**39,733,884**	37,862,001	**1,871,883**	**5%**	**38%**	36%
Non-controlling Interest	**5,160,811**	5,072,828	**87,983**	**2%**	**5%**	5%
Total Equity	**44,894,695**	42,934,829	**1,959,866**	**5%**	**43%**	41%
	₱104,646,310	₱104,932,142	**(₱285,832)**	**0%**	**100%**	100%

Total assets as of March 31, 2024 amounted to ₱104,646.3 million from ₱104,932.1 million in December 31, 2023.

Cash and cash equivalents amounted to ₱11,219.4 million, 2% higher than ₱10,964.1 million in 2023 due to higher cash generated from operations as a result of higher traffic in MMSS3.

Restricted cash amounted to ₱8,705.1 million, 3% higher than ₱8,463.3 million in 2023 due to higher cash balance required by loan covenants and higher toll revenue.

Trade and other receivables increased from ₱183.9 million to ₱211.7 million, mainly due to higher credit card transactions.

Input VAT posted a decrease of ₱63.2 million or 2% due to higher output VAT from toll revenue claimed against input VAT.

Other current assets decreased to ₱279.6 million from ₱341.2 million due to amortization of prepaid expenses.

Service concession rights posted a net decrease of ₱718.8 million or 1% due to amortization of service concession rights.

Non-current portion of advances to contractors posted an increase of ₱43.0 million or 23% due to additional down payments for contractors of MMSS3.

Property and equipment posted a net increase of ₱2.0 million or 1% due to the additional purchase of equipment and fixed assets net of depreciation.

Other noncurrent assets decreased by ₱10.4 million or 42% due to higher deposits.

Accounts payable and other current liabilities increased by ₱100.7 million or 2% was mainly due to additional accruals of payables to contractors and suppliers.

Dividends payable increased by ₱31.8 million due to the higher dividends.

Income tax payable increased by ₱43.2 million or 15% due to higher taxable income from last year.

Current and non-current portion of long-term debt - net of debt issue cost, posted a net decrease of ₱2,416.5 million due to principal payments.

Total equity as of March 31, 2024 amounted to ₱44,894.7 million, higher by 5% from December 31, 2023 balance of ₱42,934.8 million, mainly due to the higher net income generated for the period.

IV. SOURCES AND USES OF CASH

A brief summary of cash flow movement is shown below.

(Amounts in Thousands)	March 31	
	2025	2024
Net cash provided by operating activities	**₱5,064,206**	₱4,358,170
Net cash provided by (used in) investing activities	**(448,915)**	759,242
Net cash provided by (used in) financing activities	**1,111,191**	(4,863,791)

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

It also pertains to net cash generated from income from operations net of movements in working capital. Increase in cash flows from operating activities is due to the increase in cash collections as a result of higher traffic in SMC SKYWAY and MMSS3.

Net cash used investing activities includes the following:

(Amounts in Thousands)	March 31	
	2025	2024
Additions to:		
Service concession rights	**(₱384,818)**	(₱129,791)
Property and equipment	**(76,400)**	(14,049)
Decrease (increase) in:		
Advances to contractors	**(28,767)**	(43,039)
Other noncurrent assets	**8,484**	10,368
Net additions to retention payable	**32,856**	935,753

Includes capital expenditures for service concession rights of SMC SKYWAY and MMSS3, and property and equipment of SMC SKYWAY, MMSS3 and SOMCO.

Net cash provided by financing activities included the following:

(Amounts in Thousands)	March 31	
	2025	2024
Payments of:		
Long-term debt	**(₱1,369,811)**	(₱2,389,071)
Interest expense and other financing charges	**(998,624)**	(2,048,511)
Dividends to non-controlling interest	**(101,544)**	(183,427)
Lease liabilities	**(893)**	(1,010)
Decrease (increase) in restricted cash	**3,582,063**	(241,773)

Net cash provided by financing activities resulted mainly from lower restricted cash due to lower balance required by the loan covenants.

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 II “Financial Performance” and III “Financial Position” for the discussion of certain Key Performance Indicators.

Ratio	Formula	March 31, 2025	December 31, 2024
Current ratio			
	Total Current Assets	**32,775,278**	30,717,320
	Divided by: Total Current Liabilities	**12,733,269**	12,125,211
	Current ratio	**2.57:1**	2.53:1
Acid test ratio			
	Total Current Assets	**32,775,278**	30,717,320
	Less: Prepayments	**(330,024)**	(143,929)
	Quick assets	**32,445,254**	30,573,391
	Divided by: Total Current Liabilities	**12,733,269**	12,125,211
	Acid test ratio	**2.55:1**	2.52:1
Debt-to-equity ratio			
	Total liabilities	**58,936,336**	59,565,370
	Total equity	**53,630,853**	51,348,887
	Debt-to-equity ratio	**1.10:1**	1.16:1
Asset-to-equity ratio			
	Total assets	**112,567,189**	110,914,257
	Total equity	**53,630,853**	51,348,887
	Asset-to-equity ratio	**2.10:1**	2.16:1
Solvency ratio			
	Net income before depreciation and amortization	**3,333,797**	12,737,258
	Total liabilities	**58,936,336**	59,565,370
	Solvency ratio	**0.06:1**	0.21:1
Profitability			
Return on equity			
	Net income	**2,447,527**	9,237,646
	Total equity	**53,630,853**	51,348,887
	Return on equity	**4.56%**	17.99%
Return on assets			
	Net income	**2,447,527**	9,237,646
	Total assets	**112,567,189**	110,914,257
	Return on assets	**2.17%**	8.33%
Net profit margin			
	Net income	**2,447,527**	9,237,646
	Total revenue	**5,438,502**	21,174,042
	Net profit margin	**45.00%**	43.63%

Ratio	Formula	March 31, 2025	December 31, 2024
Interest coverage ratio	EBITDA	**4,776,405**	18,869,210
	Divided by: Finance cost	**1,003,787**	4,507,278
	Interest coverage	**4.76:1**	4.19:1
Revenue Growth	Current Period Revenue	**5,438,502**	21,174,042
	Divided by: Prior Period Revenue -1	**5,185,774**	20,265,979
	Revenue growth	**5%**	4%

VII. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to ₱6,287.7 million as at March 31,2025.

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

b. There were no known trends, demands, commitments, events, or uncertainties that would materially impact the Group's liquidity. The Group does not anticipate any cash flow or liquidity issues within the next 12 months. Furthermore, the Group was not in default or breach in any material respect concerning any note, loan, lease, or other indebtedness or financing arrangements requiring payments. All trade payables have been settled within the stated trade terms.

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

d. There were no known trends, events, or uncertainties that have had or are reasonably expected to have a favorable or unfavorable impact on net sales, revenues, or income from continuing operations.

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

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

g. 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.