SECURITIES AND EXCHANGE COMMISSION
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Company Information

SEC Registration No.: PW00000364
Company Name: VICTORIAS MILLING COMPANY, INC.
Industry Classification: D15710
Company Type: Stock Corporation

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VICTORIAS MILLING COMPANY, INC.

10 April 2026

HON. RACHEL ESTHER J. GUMTANG-REMALANTE
Director, Corporate Governance and
Finance Department
Securities and Exchange Commission
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209

Dear Hon. Remalante:

Victorias Milling Company, Inc. (VMC) is hereby filing the Company's Quarterly Report (SEC Form 17-Q) for quarter ending 28 February 2026.

Thank you.

Very truly yours,

EVA A. VICENCIO-RODRIGUEZ
Compliance & Information Officer

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

SEC FORM 17-Q

S.E.C. Registration Number

P	W	0	0	0	0	0	3	6	4

Company Name

V	I	C	T	O	R	I	A	S		M	I	L	L	I	N	G		C	O	M	P	A	N	Y	,	I	N	C	.

Principal Office (No./Street/Barangay/City/Town/Province)

V	M	C		C	O	M	P	O	U	N	D	,		J	J		O	S	S	O	R	I	O		S	T	.				
B	R	G	Y	.	X	V	I		V	I	C	T	O	R	I	A	S		C	I	T	Y		N	E	G	.	O	C	C	.

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Company's Facsimile Number
emmanuel.ypil@victoriasmilling.com	09178128311	

Contact Person Information

Name of Contact Person	Email Address	Tel. Number/s	Facsimile Number/s
EVA V. RODRIGUEZ	eva.rodriguez@victoriasmilling.com	034-488-7900	

Contact Person's Address

J.J. Ossorio Street, Barangay XVI, Victorias City, Negros Occidental

To be accomplished by CRMD Personnel

	Date	Signature
Assigned processor:		

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended — **28 February 2026**
2. Commission identification number — **PW-364**
3. BIR Tax Identification No — **000-270-220-000**

4. Exact name of issuer as specified in its charter

VICTORIAS MILLING COMPANY, INC.

5. Province, country or other jurisdiction of incorporation or organization

Plant site: Victorias City, Negros Occidental

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

7. Address of registrant's office — Postal Code

VMC Compound, J.J. Ossorio St., Brgy. XVI,Victorias City, Negros Occidental — **6119**

8. Registrant's telephone number, including area code

(034) 488-7900

9. Former name, former address and former fiscal year, if changed since last report

Not Applicable

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

Common stock	**Par value of 1.00 each**
Authorized	**10,000,000,000 shares**
Subscribed and paid up	**5,784,111,658 shares**

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

Yes [x] No [ ]

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

PHILIPPINE STOCK EXCHANGE, INC. — **COMMON SHARES**

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 [x] No [ ]

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

Yes [x] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Furnish the information required by Part III, Paragraph (A)(2)(b) of "Annex C".

PART II - OTHER INFORMATION

The issuer 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 would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

All corporate disclosures as of quarter ending 28 February 2026 have been previously reported through SEC Form 17-C.

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.

VICTORIAS MILLING COMPANY, INC.

EVA A. VICENCIO-RODRIGUEZ
Compliance and Information Officer

KRISTINE D. CABUGUASON
Chief Finance Officer

Date: 10 April 2026

Victorias Milling Company, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As at February 28, 2026
(with comparative Audited Figures as at August 31, 2025)
and for the six months ended February 28, 2026 and February 28, 2025

VICTORIAS MILLING COMPANY, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Thousands

	Note	**February 28, 2026 (Unaudited)**	August 31, 2025 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	2	**₱1,417,289**	₱1,564,848
Short-term investments	3	**1,412,162**	976,195
Trade and other receivables	4	**843,910**	782,115
Inventories	5	**2,266,927**	1,384,957
Other current assets	6	**854,267**	1,156,835
Total Current Assets		**6,794,555**	5,864,950
Noncurrent Assets			
Property, plant and equipment	7	**8,382,282**	8,105,413
Investment properties	8	**905,625**	905,625
Other noncurrent assets		**388,278**	512,077
Total Noncurrent Assets		**9,676,185**	9,523,115
		₱16,470,740	₱15,388,065
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables and other current liabilities	9	**₱1,914,085**	₱1,228,268
Noncurrent Liabilities			
Payable to claimants, net of current portion		**49,780**	76,680
Provisions for legal claims	10	**417,638**	405,463
Net deferred tax liabilities		**245,210**	240,648
Retirement liability		**44,017**	34,921
Other noncurrent liabilities		**6,000**	6,000
Total Noncurrent Liabilities		**762,645**	763,712
Total Liabilities		**2,676,730**	1,991,980
Equity Attributable to Shareholders of Parent Company	11		
Capital stock		**5,784,112**	5,784,112
Additional paid-in capital		**840,720**	840,720
Convertible notes awaiting conversion		**5,450**	5,450
Retained earnings		**8,287,477**	7,887,937
Other equity reserves		**383,058**	383,058
Treasury stock - at cost		**(1,501,882)**	(1,501,882)
		13,798,935	13,399,395
Noncontrolling Interests		**(4,925)**	(3,310)
Total Equity		**13,794,010**	13,396,085
		₱16,470,740	₱15,388,065

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

VICTORIAS MILLING COMPANY, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(*Amounts in Thousands, except Basic/Diluted Earnings per Share)*

	Note	For the three months ended February 28		For the six months ended February 28	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
REVENUE	14				
Sale of goods		**₱3,145,425**	₱3,479,927	**₱6,240,975**	₱5,398,625
Service income		**231,276**	748,069	**370,967**	1,340,810
		3,376,701	4,227,996	**6,611,942**	6,739,435
COST OF SALES AND SERVICES	15	**(2,705,314)**	(3,626,657)	**(5,639,306)**	(5,721,411)
GROSS PROFIT		**671,387**	601,339	**972,636**	1,018,024
OPERATING EXPENSES	16	**(165,441)**	(180,384)	**(384,085)**	(367,404)
FINANCE COST		**(8,084)**	(9,163)	**(15,899)**	(18,324)
OTHER INCOME – NET	17	**49,762**	70,534	**146,457**	205,218
INCOME BEFORE INCOME TAX		**547,624**	482,326	**719,109**	837,514
INCOME TAX BENEFIT (EXPENSE)		**(36,995)**	16,645	**(46,979)**	29,373
NET INCOME		**₱510,629**	₱498,971	**₱672,130**	₱866,887
Net Income (Loss) attributable to:					
Shareholders of Parent Company		**₱511,463**	₱499,819	**₱673,745**	₱870,566
Non-controlling interests		**(834)**	(848)	**(1,615)**	(3,679)
		₱510,629	₱498,971	**₱672,130**	₱866,887
Earnings per Share for Net Income attributable to Shareholders of Parent Company					
Basic and Diluted	12	**₱0.09**	₱0.09	**₱0.12**	₱0.16

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

VICTORIAS MILLING COMPANY, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in Thousands

	Note	For the three months ended February 28		For the six months ended February 28	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
NET INCOME		**₱510,629**	₱498,971	**₱672,130**	₱866,887
OTHER COMPREHENSIVE INCOME					
Item that may be subsequently reclassified to profit or loss:					
Remeasurement gain (loss) on retirement liability		**–**	–	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**₱510,629**	₱498,971	**₱672,130**	₱866,887
Total Comprehensive Income (Loss) attributable to:					
Shareholders of Parent Company		**₱511,463**	₱499,819	**₱673,745**	₱870,566
Noncontrolling interests		**(834)**	(848)	**(1,615)**	(3,679)
		₱510,629	₱498,971	**₱672,130**	₱866,887

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

VICTORIAS MILLING COMPANY, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in Thousands

	Equity Attributable to Shareholders of Parent Company										
	Capital Stock (Note 11)	Stock Dividend Distributable upon Increase in Capital (Note 11)	Additional Paid-in Capital (Note 11)	Convertible Notes Awaiting Conversion (Note 11)	Appropriated Retained Earnings (Note 11)	Unappropriated Retained Earnings (Note 11)	Other Equity Reserves (Note 11)	Treasury Stock (Note 11)	Total	Noncontrolling Interests	Total Equity
Balances as at August 31, 2024	₱3,042,061	₱2,742,051	₱840,720	₱5,450	₱1,410,000	₱5,430,472	₱401,890	(₱1,501,882)	₱12,370,762	₱18	₱12,370,780
Comprehensive income (loss):											
Net income (loss) for the six months ended	–	–	–	–	–	870,566	–	–	870,566	(3,679)	866,887
Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income (loss)	–	–	–	–	–	870,566	–	–	870,566	(3,679)	866,887
Issuance of stock dividends	2,742,051	(2,742,051)	–	–	–	–	–	–	–	–	–
Reversal of retained earnings appropriations	–	–	–	–	(1,410,000)	1,410,000	–	–	–	–	–
Cash dividends declared	–	–	–	–	–	(329,330)	–	–	(329,330)	–	(329,330)
Balances as at February 28, 2025, *Unaudited*	₱5,784,112	₱–	₱840,720	₱5,450	₱–	₱7,381,708	₱401,890	(₱1,501,882)	₱12,911,998	(₱3,661)	₱12,908,337
Balances as at August 31, 2025	**₱5,784,112**	**₱–**	**₱840,720**	**₱5,450**	**₱–**	**₱7,887,937**	**₱383,058**	**(₱1,501,882)**	**₱13,399,395**	**(₱3,310)**	**₱13,396,085**
Comprehensive income (loss):											
Net income (loss) for the six months ended	**–**	**–**	**–**	**–**	**–**	**673,745**	**–**	**–**	**673,745**	**(1,615)**	**672,130**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**673,745**	**–**	**–**	**673,745**	**(1,615)**	**672,130**
Cash dividends declared	**–**	**–**	**–**	**–**	**–**	**(274,205)**	**–**	**–**	**(274,205)**	**–**	**(274,205)**
Balances as at February 28, 2025, *Unaudited*	**₱5,784,112**	**₱–**	**₱840,720**	**₱5,450**	**₱–**	**₱8,287,477**	**₱383,058**	**(₱1,501,882)**	**₱13,798,935**	**(₱4,925)**	**₱13,794,010**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

VICTORIAS MILLING COMPANY, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in Thousands

	Note	For the six months ended February 28 2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱719,109**	₱837,514
Adjustments for:			
Depreciation and amortization	7,15,16	**258,914**	192,359
Provision for inventory write-down and obsolescence	5	**116,520**	–
Interest income	17	**(23,961)**	(37,582)
Realized gain on short-term investments	17	**(17,731)**	(272)
Finance cost		**15,899**	18,324
Retirement benefits	16	**9,096**	4,023
Unrealized loss (gain) on fair value changes of short-term investments	17	**7,665**	(6,079)
Provision for impairment losses on trade and other receivables	16	**–**	723
Operating income before working capital changes		**1,085,511**	1,009,010
Changes in operating assets and liabilities:			
Decrease (increase) in assets:			
Trade and other receivables		**(61,795)**	(477,409)
Inventories		**(998,490)**	(1,609,462)
Other current assets		**302,568**	(282,188)
Increase in trade payables and other current liabilities		**411,612**	728,020
Net cash generated used in operations		**739,406**	(632,029)
Income tax paid		**(42,417)**	(12,671)
Interest received		**23,961**	37,582
Net cash generated from (used in) operating activities		**720,950**	(607,118)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net additions to property, plant and equipment		**(535,783)**	(563,110)
Decrease in other noncurrent assets		**123,799**	185,127
Increase in short-term investments		**(425,901)**	(405,620)
Net cash used in investing activities		**(837,885)**	(783,603)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Liabilities to claimants		**(30,492)**	(30,492)
Provisions for legal claims		**(132)**	(6,837)
Net cash used in financing activities		**(30,624)**	(37,329)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(147,559)**	(1,428,050)
CASH AND CASH EQUIVALENTS at beginning of period		**1,564,848**	2,742,477
		₱1,417,289	₱1,314,427

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

1. Corporate Information and Status of Operations and Rehabilitation

Victorias Milling Company, Inc. (herein referred to as the "Parent Company" or "VMC") was originally organized and registered on May 7, 1919 with the Philippine Securities and Exchange Commission ("SEC") primarily to operate mill and refinery facilities for sugar and allied products, as well as to render engineering services.

On July 3, 2013, the SEC approved the Parent Company's amended articles of incorporation to include, as among its business purposes, ethanol and/or potable alcohol production, infrastructure development, transportation, telecommunication, mining, water, power generation, recreation, and financial or credit consultancy.

VMC's common shares are listed in the Philippine Stock Exchange ("PSE"). VMC undertook a public offering of its common shares in 1993. There has been no subsequent listing made after its initial offering.

The Parent Company has the following subsidiaries and a joint venture:

	Nature of Business	Effective Ownership
Subsidiaries:		
Victorias Foods Corporation (VFC)	Food Processing and Canning	100%
Victorias Agricultural Land Corporation (VALCO)	Agricultural Land Leasing and Cultivation	100%
Victorias Green Energy Corporation (VGEC)	Co-generation of Energy	100%
Victorias Power Development Corp (VPDC)*	Co-generation of Energy	100%
Canetown Development Corporation (CDC)**	Real Estate Development and Selling	93%
Victorias Golf and Country Club, Inc. (VGCCI)	Not-for-profit Golf Facilities	81%
Victorias Quality Packaging Company, Inc. (VQPC)	Manufacture of Bags and Packaging Materials	55%
Joint Venture:		
Vicren Kanlaon Renewables, Inc. (VKRI)***	Co-generation of Energy	51%

**indirect subsidiary through VGEC*
***the effective ownership is inclusive of 5% indirect ownership through VALCO*
****Indirect joint venture through VGEC*

VPDC, a wholly owned subsidiary through VGEC, was organized and registered with the SEC on September 18, 2024 to carry on the general business of generation of power from renewable sources with particular focus on solar energy generation and services for lighting and power purposes.

VKRI, a partially-owned joint venture corporation through VGEC, as organized and registered on June 5, 2025 with the SEC to carry on the general business of generation of power from renewable sources, as well as to develop, acquire, build, operate, and manage all necessary and convenient facilities used in the generation of electricity.

The Parent Company and its subsidiaries (collectively herein referred to as the Group) were incorporated in the Philippines.

Status of VMC's Rehabilitation Plan

On July 4, 1997, VMC filed a petition for rehabilitation with the SEC because of financial difficulties. The trading of VMC shares in the PSE was temporarily suspended but on May 21, 2012, the SEC and the PSE lifted the suspension order.

Based on the SEC Orders dated June 2, 1999, August 17, 1999 and August 19, 1999, the SEC approved VMC's Updated Rehabilitation Plan dated September 25, 1998, subject to the First Addendum to the Rehabilitation Plan as at February 5, 1999 and the Second Amendment to the Rehabilitation Plan dated July 22, 1999 (collectively the "Original Rehabilitation Plan").

As part of the implementation of the Original Rehabilitation Plan, VMC and the Management Committee created by the SEC (the "VMC Mancom") conducted a public bidding of 53.35% of VMC's outstanding capital stock, which bidding was declared a failure by the VMC Mancom for the reason that the deadline for the submission of the bids had expired without any bid having been submitted.

In view of the failure of the bidding, the VMC Mancom, as mandated by the Original Rehabilitation Plan, submitted to the SEC on May 11, 2000 an Alternative Rehabilitation Plan (the Plan), which was duly approved on November 29, 2000. A key element of the Plan is the restructuring of VMC loans. VMC and its creditors executed a Debt Restructuring Agreement (DRA) dated April 29, 2002.

The main basic features of the Plan and the DRA are as follows:

1. Increase in authorized capital stock from ₱496.0 million, consisting of ₱496.0 million common shares at 1 par value a share, to ₱4.61 billion, consisting of ₱4.61 billion common shares at the same par value.

2. Conversion of a portion of the principal of the unsecured loans and all unpaid interest into equity amounting to ₱1.1 billion.

3. Conversion of a portion of unsecured loans into Convertible Notes (CN) amounting to ₱2.45 billion.

4. Restructuring of the secured and unsecured loans aggregating ₱4.4 billion over a period of 15 years, including a three-year grace period for the principal, at 10% annual interest for Philippine Peso-denominated loans and at 6% for U.S. Dollar-denominated loans.

Pursuant to the Plan, VMC has implemented the following:

1. VMC has increased its authorized capital stock to 3.04 billion at ₱1 par value a share.

2. 1.1 billion unsecured loans from creditors were converted into VMC common shares at ₱1 of debt to one common share at ₱1 par value a share.

3. Unsecured loans from creditors amounting to ₱2.4 billion were converted into CN at 8% interest, payable in 15 years. As at February 28, 2026 and August 31, 2025, CN awaiting conversion amounted to ₱5.45 million, which includes accrued interest amounting to ₱2.50 million.

4. The restructured loans from unsecured and secured creditors aggregating ₱4.4 billion with 10% interest for Philippine Peso-denominated loans and 6% interest for U.S. Dollar-denominated loans were fully paid as at May 31, 2013.

As part of VMC's debt restructuring, the restructured trade liabilities were also fully paid in 2013.

As at the report date, VMC is compliant with the provisions of the Plan. There were, however, claims against VMC for Refined Sugar Delivery Order (RSDO) and Refined Sugar Quedan (RSQ) purportedly issued by VMC, which were allegedly used by North Negros Marketing Company, Inc. (NONEMARCO) to avail of bank loans for NONEMARCO'S own use and benefit. These were subject to litigation before the SEC.

On December 3, 2018, the SEC approved the (i) alteration or amendment of the Plan and DRA dated April 29, 2002 of VMC; and (ii) final amount due to the RSDO and RSQ claimants as full settlement of their claims payable beginning December 2019 over a period of 10 years (Note 10).

Accordingly, VMC is still under rehabilitation as at November 30, 2024. A Rehabilitation Receiver continues to monitor, together with the elected Board of Directors (BOD) and committees, the successful completion of the rehabilitation of VMC.

In its efforts to achieve continuing successful operations, VMC has continuously focused its corporate objectives, goals, strategies, and measures to attain sustainable financial stability through, among others: (a) synchronization of refined sugar and raw sugar operations; (b) significant improvements in plant efficiency; (c) increase in profitability by addressing cost efficiency through trimming down of corporate expenses; (d) ongoing programs for the optimization of human resources and (e) effective cash flows management leading to early repayment of debts.

The Parent Company's registered principal place of business is located at VMC Compound, J.J. Ossorio Street, Barangay XVI, Victorias City, Negros Occidental.

On April 13, 2026, the Parent Company's Audit Committee approved and authorized the release of the accompanying unaudited interim condensed consolidated financial statements of the Group.

2. Cash and Cash Equivalents

This account consists of:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Cash on hand	**₱1,949**	₱738
Cash in banks	**221,458**	750,404
Cash equivalents	**1,193,882**	813,706
	₱1,417,289	₱1,564,848

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments with maturities of no longer than 90 days from date of acquisition, and earn interest at the respective short-term investment rates.

3. Short-term Investments

This account is composed of:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Time deposits	**₱1,096,877**	₱353,212
Investments in Unit Investment Trust Fund (UITF)	**315,285**	622,983
	₱1,412,162	₱976,195

Time Deposits

Time deposits are foreign denominated and have maturities of over 90 days but less than one year with 0.4% interest. The time deposits are covered by foreign currency swap contract with an effective rate of ranging from 4.9% to 5.1% and foreign currency forward contracts with a forward rate from 4.3% to 4.4% and from 4.8% to 5.2% as at February 28, 2026 and August 31, 2025, respectively, and foreign currency forward contracts with a forward rate ranging from ₱ 59.17 to ₱59.45 and from ₱56.48 to ₱59.31 as at February 28, 2026 and August 31, 2025, respectively.

Investments in Unit Investment Trust Funds (UITF)

This account pertains to underlying portfolio with short-term fixed income. The fair value of UITF is based on the published net asset value per unit (NAVPU). NAVPU is computed as total assets of the fund less total liabilities divided by the total units outstanding as of the end of the reporting period. The fair value of investments in UITF was determined using Level 1 valuation technique. There was no change in the valuation technique applied on investments in UITF.

4. Trade and Other Receivables

This account consists of:

		February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Trade			
Third parties		**₱859,731**	₱853,807
Related parties	18	**1,097**	17,436
Advances to:			
Planters' associations		**63,534**	16,386
Officers and employees		**7,040**	6,950
Others		**43,516**	18,544
		974,918	913,123
Allowance for impairment losses		**(131,008)**	(131,008)
		₱843,910	₱782,115

5. **Inventories**

This account consists of:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
At net realizable value (NRV):		
Refined sugar	**₱1,010,524**	₱431,662
Molasses	**421,131**	429,569
Raw sugar	**393,056**	29,174
Materials and supplies	**339,469**	276,019
Alcohol	**5,966**	5,143
Others	**234**	649
	2,170,380	1,172,216
At cost:		
Ethanol	**62,620**	154,741
Real estate held-for-sale	**19,694**	19,794
Processed food	**10,098**	18,788
	92,412	193,323
Work-in-process	**4,135**	19,418
	96,547	212,741
	₱2,266,927	₱1,384,957

As at February 28, 2026, the cost of refined sugar, molasses, raw sugar, materials and supplies, alcohol and other inventories carried at NRV amounted to ₱ 1,053.49 million, ₱ 446.08 million, ₱513.65 million, ₱377.18 million, ₱6.93 million and ₱0.28 million, respectively.

As at August 31, 2025, the cost of the refined sugar, molasses, raw sugar, materials and supplies, alcohol and other inventories carried at NRV amounted to ₱ 474.63 million, ₱ 454.51 million, ₱33.24 million, ₱313.16 million, ₱6.11 million and ₱0.67 million, respectively.

For the six months ended February 28, 2026, the Group recognized a provision for inventory write-down and obsolescence amounting to ₱116.52 million due to changes in market prices of molasses and raw sugar inventories (Note 15).

6. **Other Current Assets**

This account consists of:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Advances to suppliers, current portion	**₱257,474**	₱479,971
Input and advance output value-added tax (VAT)	**248,055**	308,733
Creditable withholding tax	**195,900**	182,542
Prepaid expenses	**64,455**	50,097
Current portion of receivables from a government bank	**38,988**	39,742
Refundable deposits	**8,819**	8,495
Performance bond	**–**	77,242
Others	**40,576**	10,013
	₱854,267	₱1,156,835

7. **Property, Plant and Equipment**

Movement in this account pertains to acquisitions mainly related to projects under construction and machinery and equipment for the six months ended February 28, 2026 of ₱535.78 million less depreciation recognized during the period of ₱258.91 million.

8. **Investment Properties**

The investment properties consist of land and buildings which are held for short-term leases and capital appreciation. The Group's investment properties were appraised by an independent appraiser last August 31, 2025.

9. Trade Payables and Other Current Liabilities

The account consists of:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Trade		
Third parties	**₱617,305**	₱585,245
Related parties (Note 18)	**962**	15,229
Accrued expenses	**518,251**	323,856
Dividend payable (Note 11)	**321,407**	49,501
Provision for third-party liabilities	**92,563**	92,563
Liens payable	**46,898**	39,188
Customers' deposits	**40,730**	38,332
Current portion of payable to claimants	**30,492**	30,492
Provision for contractual commitments	**17,916**	30,891
Retention payable	**15,733**	18,055
Due to government agencies	**13,865**	3,260
Others	**197,963**	51,157
	₱1,914,085	₱1,228,268

Others mainly include advance payments made by the insurance companies related to the 2023 fire claim and perpetual care fund.

10. Provisions for Legal Claims

The Parent Company is currently involved in various legal proceedings which are still pending resolution or under suspension in view of the Parent Company's rehabilitation status.

As at February 28, 2026 and August 31, 2025, provision for legal claims amounted to ₱417.64 million and ₱405.46 million, respectively.

11. Equity

Capital Stock / Treasury Stock

Details are as follows:

	February 28, 2026 *(Unaudited)*		August 31, 2025 *(Audited)*	
	Number of Shares[(a)]	**Amount**	Number of Shares[(a)]	Amount
Common shares at ₱1[(a)] par value per share				
Authorized	**10,000,000,000**	**₱10,000,000**	10,000,000,000	₱10,000,000
Issued shares:				
Balance at beginning of year	**5,784,111,658**	**₱5,784,112**	3,042,061,094	₱3,042,061
Issuance of stock dividends	**–**	**–**	2,742,050,564	2,742,051
Balance at end of year	**5,784,111,658**	**5,784,112**	5,784,111,658	5,784,112
Treasury shares	**(300,010,530)**	**(1,501,882)**	(300,010,530)	(1,501,882)
Issued and outstanding shares	**5,484,101,128**	**₱4,282,230**	5,484,101,128	₱4,282,230

(a) At absolute amount

On February 3, 2026, the BOD of the Parent Company approved the issuance of cash dividends amounting to ₱274.2 million from the Parent Company's unrestricted retained earnings as at August 31, 2025 amounting to ₱0.05 per share as regular dividends payable on March 5, 2026 to all shareholders of record as at February 18, 2026.

12. Earnings per Share (EPS)

EPS is calculated as follows:

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Net income attributable to the Parent Company	**₱511,463**	₱499,819	**₱673,745**	₱870,566
Weighted average number of common shares	**5,484,101**	5,484,101	**5,484,101**	5,484,101
Basic and Diluted EPS	**₱0.09**	₱0.09	**₱0.12**	₱0.16

The weighted average number of common shares includes the mandatory convertible shares arising from the Parent Company's DRA.

13. Operating Segment Information

Business segment information is required on the basis that is used internally for evaluating segment performance and deciding how to allocate resources in operating segment. The segment information is provided to the Chief Operating Decision Maker (CODM), as represented by the President, in making operating decisions regarding the business segments. Accordingly, the segment information is reported based on the nature of goods and services provided by the Group.

Segment performance is evaluated based on operating profit or loss. A detailed description of each segment is set below.

Sugar Milling and Refinery Operations
Revenue from sugar operations consists of the following:

a. sale of raw sugar and molasses (mill share)
b. sale of refined sugar
c. tolling fees
d. milling service

For its raw sugar and molasses operations, the Group operates a raw sugar mill with a daily capacity of 15,000 metric tons. Cane supply is sourced from both district and non-district planters with a sharing allocation of 70% for planters and 30% for the Parent Company effective September 1, 2020.

The Group also operates a refinery plant with a daily capacity of 25,000 Lkg (1 Lkg = 50 kilograms). To ensure maximum utilization of the refinery, VMC also provides toll refinery services to traders and planters for their raw sugar milled by other sugar milling companies.

For the six months ended February 28, 2026, revenue and net loss from sugar milling and refinery operations, net of elimination items, amounted to ₱ 3,737.07 million and ₱ 547.50 million, respectively. For the six months ended February 28, 2025, revenue and net income from sugar milling and refinery operations, net of elimination items, amounted to ₱4,791.43 million and ₱151.93 million, respectively.

Renewable Energy Operations

a. Distillery
   The division produces alcohol and ethanol with an actual daily capacity of 180,000 liters with molasses as the primary raw material. Molasses is sourced from sugar operations that produces molasses as a by-product and purchased from other mills. Moreover, the Group is also engaged with production of liquefied carbon dioxide with annual capacity of 21,450 metric tons.

b. Power Export
   The primary purpose is to carry on the business of power generation derived from renewable energy resources for wholesale of electricity to power companies, distribution utilities, electric cooperatives, retail electricity suppliers, aggregators and other customers. The Group has a registered powerplant capacity of 93 MW.

For the six months ended February 28, 2026, revenue and net income from renewable energy operations, net of elimination items, amounted to ₱ 2,800.55 million and ₱ 1,247.74 million, respectively. For the six months ended February 28, 2025, revenue and net income from renewable energy operations, net of elimination items, amounted to ₱1,890.54 million and ₱726.45 million, respectively.

Other Operating Segments

Common revenues and expenses are allocated to the various business segments. All other segment revenues and expenses are directly attributable to the segments.

Other operations of the Group include food processing, real estate sales, leasing and entertainment.

Food processing is involved primarily to sell processed, preserved and packaged food products such as frozen pork products, canned and bottled fish and canned pork products, among others.

Real estate is involved in the development and sale of subdivision and memorial lots. Among its projects are Phase I to III of Canetown Subdivision and the St. Joseph Memorial Garden which are both located in Victorias City. These projects were initially intended to provide for the housing and personal needs of the officers and employees of the Group. In recent years, however, certain lots had also been made available to the general public.

Leasing derives income from the lease of certain parcels of land to planters.

Entertainment derives income from membership fees when billed and when corresponding services are rendered.

For the six months ended February 28, 2026, revenue and net loss from other operations, net of elimination items, amounted to ₱92.85 million and ₱28.11 million, respectively. For the six months ended February 28, 2025, revenue and net loss from other operations, net of elimination items, amounted to ₱57.47 million and ₱11.50 million, respectively.

Segment Assets and Liabilities
Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories, prepaid expenses, and property, plant and equipment, net of related allowance for impairment loss and depreciation. The carrying amount of certain assets used jointly by the various segments is allocated to the segments on a systematic basis. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals, VAT and other taxes, and customers' deposits. Segment assets and liabilities do not include deferred income taxes.

The following tables regarding operating segments present assets and liabilities as at February 28, 2026 and August 31, 2025 and revenue, income and expenses information for the six months period ended February 28, 2026 and 2025:

	Segment Assets		Segment Liabilities	
Amounts in Millions	**February 28, 2026 (Unaudited)**	August 31, 2025 (Audited)	**February 28, 2026 (Unaudited)**	August 31, 2025 (Audited)
Sugar milling	**₱11,412**	₱9,983	**₱2,593**	₱1,841
Renewable operations	**4,831**	5,092	**18**	31
Others	**1,230**	1,182	**992**	918
Eliminations	**(1,002)**	(869)	**(926)**	(798)
	₱16,471	₱15,388	**₱2,677**	₱1,992

14. **Revenue**

Revenue consists of:

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Sale of goods:				
Ethanol	**₱1,012,571**	₱910,882	**₱2,306,079**	₱1,409,224
Raw sugar	**939,955**	1,578,156	**1,957,690**	2,752,418
Refined sugar	**889,277**	647,788	**1,410,669**	697,049
Power	**251,291**	292,341	**470,901**	463,278
Molasses	**–**	–	**–**	2,647
Others	**52,331**	50,760	**95,636**	74,009
	3,145,425	3,479,927	**6,240,975**	5,398,625
Service Income:				
Milling service, net	**156,566**	653,136	**255,205**	1,189,147
Tolling fees	**73,263**	93,610	**113,506**	150,170
Others	**1,447**	1,323	**2,256**	1,493
	231,276	748,069	**370,967**	1,340,810
	₱3,376,701	₱4,227,996	**₱6,611,942**	₱6,739,435

Other revenue arises from sale of goods and services in the Group's food processing, real estate, leasing and entertainment operations.

15. **Cost of Sales and Services**

The account consists of:

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Inventories used	**₱2,122,776**	₱3,004,506	**₱4,411,457**	₱4,673,868
Repairs and maintenance	**272,010**	262,340	**358,166**	413,001
Depreciation and amortization	**141,307**	85,298	**272,581**	190,332
Salaries and employee benefits	**69,509**	68,560	**125,237**	118,657
Materials and supplies	**69,778**	72,829	**117,527**	100,541
(Reversal of) provision for inventory write-down and obsolescence	**(105,616)**	–	**116,520**	–
Professional fees and contracted services	**59,901**	68,567	**108,186**	101,737
Fuel	**41,727**	31,499	**63,766**	55,504
Taxes and licenses	**12,678**	11,350	**24,087**	22,209
Others	**21,244**	21,708	**41,779**	45,562
	₱2,705,314	₱3,626,657	**₱5,639,306**	₱5,721,411

16. **Operating Expenses**

This account consists of:

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
General and administrative expenses	**₱127,400**	₱133,861	**₱300,851**	₱290,945
Selling expenses	**38,041**	46,523	**83,234**	76,459
	₱165,441	₱180,384	**₱384,085**	₱367,404

General and administrative expenses consist of:

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Professional fees and contracted services	**₱37,696**	₱32,461	**₱74,910**	₱54,512
Taxes and licenses	**21,368**	36,932	**65,147**	105,906
Salaries and employee benefits	**24,468**	29,030	**53,299**	46,693
Representation and entertainment	**9,942**	16,459	**23,631**	37,109
Depreciation and amortization	**12,339**	3,468	**21,035**	6,840
Travel and transportation	**5,865**	4,382	**10,387**	8,241
Net retirement benefits	**5,178**	2,011	**9,096**	4,023
Repairs and maintenance	**2,272**	4,386	**9,008**	7,245
Utilities	**930**	1,284	**3,405**	1,520
Fuel and oil	**5,899**	672	**5,899**	1,639
Provision for impairment losses on trade and other receivables	**–**	–	**–**	723
Others	**1,443**	2,776	**25,034**	16,494
	₱127,400	₱133,861	**₱300,851**	₱290,945

Others mainly include insurance, research and development expenses, supplies, sponsorships and communication expenses.

Selling expenses amounting to ₱ 83.23 million and ₱ 76.46 million for the six months ended February 28, 2026 and 2025, respectively, consist mainly of freight and handling expense, depreciation, insurance and warehouse rentals.

17. Other Income – net

This account consists of:

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Storage, handling and insurance fees	**₱34,937**	₱35,979	**₱61,751**	₱99,815
Interest income	**12,989**	13,355	**23,961**	37,582
Realized gain (loss) on short-term investments	**15,136**	(3,582)	**17,731**	272
Feed-in-tariff (FIT) rate differential	**17,667**	22,976	**17,667**	35,980
Net foreign exchange gain (loss)	**(33,655)**	(5,551)	**(11,417)**	10,444

(Forward)

	For the three months ended February 28		For the six months ended February 28	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Scrap sales	**7,915**	6,793	**16,021**	7,121
Reimbursable pre-development costs	**–**	–	**9,920**	–
Unrealized gain (loss) on short-term investments	**(12,323)**	3,114	**(7,665)**	6,079
Rental income	**2,056**	2,097	**4,035**	3,668
Others – net	**5,040**	(4,647)	**14,453**	4,257
	₱49,762	₱70,534	**₱146,457**	₱205,218

Others – net include bank rebates, bank charges, utility charges to employees and communities.

18. Related Party Transactions and Balances

February 28, 2026 (Unaudited)	**Transactions for the Year**	**Outstanding Balance**	**Terms and Conditions**
Shareholder with significant influence			
Sale of goods and services (Note 4)	**₱28,133**	**₱1,097**	Unguaranteed and unsecured; noninterest-bearing average credit period of 15 to 30 days
Purchase of goods, rental and other services (Note 9)	**40,772**	**(962)**	Unguaranteed and unsecured; noninterest-bearing normally settled on a 30 to 90-days term.
Cash in bank, money market placements and UITF investments		**42,289**	
Retirement fund held-in-trust		**45,196**	
		₱87,620	

February 28, 2025 (Unaudited)	Transactions for the Year	Outstanding Balance	Terms and Conditions
Shareholder with significant influence			
Sale of goods and services (Note 4)	₱373,790	₱143,122	Unguaranteed and unsecured; noninterest-bearing average credit period of 15 to 30 days
Purchase of goods, rental and other services (Note 9)	53,539	(4,827)	Unguaranteed and unsecured; noninterest-bearing normally settled on a 30 to 90-days term.
Cash in bank, money market placements and UITF investments		198,942	
Retirement fund held-in-trust		47,687	
		₱384,924	

19. **Risk Management, Objectives and Policies**

Regulatory Risk

The Group is subject to laws and regulations in the Philippines in which it operates.

The Group has established policies and procedures in compliance with local and other laws. Management performs regular reviews to identify compliance risks and to ensure that the systems in place are adequate to manage those risks.

Financial Risk Management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including price risk and cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The BOD of the Parent Company has overall responsibility for the establishment and oversight of the Group's risk management framework. Moreover, market and credit risk management is carried out by the Group's Treasury department. The objective is to minimize potential adverse effects on its financial performance due to unpredictability of financial markets.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group trades only with recognized and creditworthy third parties. All customers who wish to transact on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The amounts presented in the consolidated statement of financial position are net of allowances for impairment losses on receivables, estimated by the Group's management based on prior experience and their assessment of the prevailing economic environment at any given time.

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for each type of customers. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each year. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Receivables for which an impairment provision was recognized were written off against the provision when there was no expectation of recovering additional cash.

For the Group's other financial instruments measured at amortized cost, it is the Group's policy to measure ECL on the above instruments on a 12-month basis. However, when 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.

As at February 28, 2026 and August 31, 2025, the Group's maximum credit exposure is equal to the carrying values of the following financial assets:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Cash and cash equivalents[(1)]	**₱1,415,340**	₱1,564,110
Trade and other receivables[(2)]	**836,870**	976,195
Short-term investments	**315,285**	775,165
Receivable from a government bank	**40,743**	41,497
Cash surety bonds[(3)]	**28,930**	24,709
Refundable deposits[(4)]	**9,586**	9,605
Performance bond	**–**	77,242
	₱2,646,754	₱3,468,523

(1) excluding cash on hand
(2) net of allowance for impairment losses
(3) pertains to cash surety bonds under Other Noncurrent Assets
(4) including refundable deposits presented under Other Noncurrent Assets

At the reporting date, there were no significant concentrations of credit risk as the Group's financial assets are actively monitored.

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL as at February 28, 2026 and August 31, 2025:

	February 28, 2026 (Unaudited)				
	12-month ECL - Not Impaired	**12-month ECL - Credit Impaired**	**Lifetime ECL - Not Impaired**	**Lifetime ECL - Credit Impaired**	**Total**
Financial assets at amortized cost					
Cash and cash equivalents[(1)]	**₱1,415,340**	**₱–**	**₱–**	**₱–**	**₱1,415,340**
Trade receivables:					
Third parties	**718,535**	**–**	**20,381**	**120,815**	**859,731**
Related parties	**1,097**	**–**	**–**	**–**	**1,097**
Advances to planters' associations	**63,534**	**–**	**–**	**–**	**63,534**
Other receivables [(2)]	**32,203**	**–**	**1,120**	**10,193**	**43,516**
Receivable from a government bank	**40,743**	**–**	**–**	**–**	**40,743**
Cash surety bonds	**28,930**	**–**	**–**	**–**	**28,930**
Refundable deposits	**9,586**	**–**	**–**	**–**	**9,586**
Financial assets at FVPL					
Short-term investments	**1,412,162**	**–**	**–**	**–**	**1,412,162**
	₱3,722,130	**₱–**	**₱21,501**	**₱131,008**	**₱3,874,639**

(1)Excluding cash on hand amounting to ₱1,949
(2)Excluding advances to officers and employees amounting to ₱7,040
(1) Including refundable deposits presented under "Others" in Other Noncurrent Assets amounting to 1,048
(2) Pertains to cash surety bonds under Other Noncurrent Assets

	August 31, 2025 (Audited)				
	12-month ECL - Not Impaired	12-month ECL - Credit Impaired	Lifetime ECL - Not Impaired	Lifetime ECL - Credit Impaired	Total
Financial assets at amortized cost					
Cash and cash equivalents[1]	₱1,564,110	₱–	₱–	₱–	₱1,564,110
Trade receivables:					
Third parties	704,895	28,097	–	120,815	853,807
Related parties	17,436		–	–	17,436
Other receivables [2]	21,817	2,920	–	10,193	34,930
Receivable from a government bank	41,497	–	–	–	41,497
Performance bond	77,242	–	–	–	77,242
Cash surety bonds	24,709	–	–	–	24,709
Refundable deposits	9,605	–	–	–	9,605
Financial assets at FVPL					
Short-term investments	976,195	–	–	–	976,195
	₱3,437,506	₱31,017	₱–	₱131,008	₱3,599,531

(1)Excluding cash on hand amounting to ₱738
(2)Excluding advances to officers and employees amounting to ₱6,950

Information on the Group's other current receivables and other noncurrent assets that are impaired as at February 28, 2026 and August 31, 2025 and the movements of the allowance used to record the impairment losses are disclosed in Note 4 to the interim condensed consolidated financial statements.

Liquidity Risk

Liquidity risk is the risk of not meeting obligations as they become due because of an inability to liquidate assets or obtain adequate funding. The Group monitors and maintains a level of cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables summarize the maturity profile of the Group's financial assets and financial liabilities as at February 28, 2026 and August 31, 2025 based on contractual undiscounted payments:

	February 28, 2026 (Unaudited)			
	On Demand	**Within One Year**	**More than One Year**	**Total**
Financial Assets				
Cash and cash equivalents	**₱1,417,289**	**₱–**	**₱–**	**₱1,417,289**
Trade receivables:				
Third parties[1]	**521,272**	**217,644**	**–**	**738,916**
Related parties	**–**	**1,097**	**–**	**1,097**
Advances to planters' associations	**63,534**	**–**	**–**	**63,534**
Other receivables [1]	**–**	**33,323**	**–**	**33,323**
Receivable from a government bank	**–**	**38,988**	**1,755**	**40,743**
Short-term investments	**315,285**	**1,096,877**	**–**	**1,412,162**
Cash surety bonds	**–**	**–**	**28,930**	**28,930**
Refundable deposits	**–**	**8,819**	**767**	**9,586**
	2,317,380	**1,396,748**	**31,452**	**3,745,580**

(Forward)

	February 28, 2026 (Unaudited)			
	On Demand	**Within One Year**	**More than One Year**	**Total**
Financial Liabilities				
Other financial liabilities:				
Trade and other current liabilities				
Third parties[2]	**₱1,781,138**	**₱–**	**₱–**	**₱1,781,138**
Related parties	**962**	**–**	**–**	**962**
Payable to claimants	**–**	**30,492**	**60,984**	**91,476**
	1,782,100	**30,492**	**60,984**	**1,873,576**
	₱535,280	**₱1,366,256**	**(₱29,532)**	**₱1,872,004**

(1) net of allowance for impairment losses
(2) excluding customers' deposits, liens payable and due to government agencies

	August 31, 2025 (Audited)			
	On Demand	Within One Year	More than One Year	Total
Financial Assets				
Cash and cash equivalents	₱1,564,848	₱–	₱–	₱1,564,848
Short-term investments	622,983	353,212	–	976,195
Trade receivables:				
Third parties[1]	530,557	202,435	–	732,992
Related parties	–	17,436	–	17,436
Others[1]	–	8,351	–	8,351
Advances to planters' associations	16,386	–	–	16,386
Receivable from a government bank	–	39,742	1,755	41,497
Performance bond	–	77,242	–	77,242
Refundable deposits	–	8,495	1,110	9,605
Cash surety bonds	–	24,709	–	24,709
	2,734,774	731,622	2,865	3,469,261
Financial Liabilities				
Trade and other current liabilities:				
Third parties[2]	1,101,767	–	–	1,101,767
Related parties	15,229	–	–	15,229
Payable to claimants	–	30,492	91,478	121,970
	1,116,996	30,492	91,478	1,238,966
	₱1,617,778	₱701,130	(₱88,613)	₱2,230,295

(1) net of allowance for impairment losses
(2) excluding customers' deposits, liens payable and due to government agencies

Market Risk

Market risk is the risk that the fair value of financial instruments of the Group from fluctuation in market interest rates (interest rate risk), price with respect to sugar (price risk), foreign exchange rates (foreign currency risk) and equity price (equity price risk), whether such change in prices is caused by factors specific to the individual instruments or its issuer, or factors affecting all instruments traded in the market.

a. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Group's exposure to interest rate risk is limited only to holdings of short-term investments classified as financial assets at FVPL. The underlying pool of assets for these short-term investments consist however, of short-term money market instruments which are not exposed to significant interest rate risks.

b. Foreign Currency Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. It arises on financial instruments that are denominated in a foreign currency other than the functional currency.

The Group's exposure to foreign currency risk is very minimal and is limited only to its bank deposits (included in cash and cash equivalents):

	February 28, 2026 (Unaudited)	**August 31, 2025 (Audited)**
US Dollar	**$310**	$1,960
Japanese Yen	**¥15,212**	¥206

Short-term currency forward contracts are entered into by the Group to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to short-term foreign currency-denominated purchases.

Accordingly, no sensitivity analysis is deemed necessary. Certain short-term investments are covered by foreign exchange swap contracts and foreign exchange forward contracts (Note 3).

Fair Value of Financial Assets and Liabilities

The carrying values of cash and cash equivalents, trade and other current receivables and trade and other current payables approximate their fair values due to the short-term maturity of these instruments.

The carrying value of long-term debt approximates its fair value and is calculated by discounting the expected future cash outflows at prevailing effective interest rate. The carrying values of advances to and from subsidiaries approximate their fair values because these represent the expected cash flow should they be settled or realized at reporting date.

Capital Management

Capital is managed to ensure that the Group will continue as a going concern while maximizing the return on the investments of shareholders. For this purpose, capital is defined as total equity attributable to the shareholders of Parent Company as presented in the consolidated statement of financial position.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE has required a minimum of 10% of the listed companies' issued and outstanding shares, exclusive of any treasury shares, to be held by the public. The Group is compliant with respect to this requirement.

The Group is governed by the Plan as submitted and approved by the SEC. The details of these plans or programs are disclosed in Note 1.

The debt to asset ratio of the Group as at February 28, 2026 and August 31, 2025, which has been within the Group's acceptable range as set by the BOD, is calculated as follows:

	February 28, 2026 (Unaudited)	August 31, 2025 (Audited)
Total liabilities	**₱2,676,730**	₱1,991,980
Total assets	**16,470,740**	15,388,065
	0.16:1	0.13:1

MANAGEMENT'S DISCUSSION AND ANALYSIS

I. Results of Operations

The Group recognized consolidated revenue of ₱6.61 billion and net income of ₱672.13 million for the six months ended February 28, 2026. Revenue declined slightly by 2% compared to ₱6.74 billion in the same period last year, reflecting continuing industry challenges and evolving market conditions across the Group's operating segments.

Sale of goods increased by 16% to ₱6.24 billion from ₱5.40 billion, driven primarily by higher sales volumes of ethanol and refined sugar but tempered by lower average sugar selling prices. In contrast, service income declined significantly by 72% to ₱370.97 million from ₱1.34 billion, largely due to reduced milling revenues attributable to lower raw sugar and molasses prices, which adversely affected milling fees and overall service-related income.

Cost of sales and services amounted to ₱5.64 billion, slightly lower than ₱5.72 billion in the same period last year, while gross profit reached ₱972.64 million compared with ₱1.02 billion in 2025. This was against the backdrop of lower sugar production for the period compared to last year, as well as lower sugar recovery rates due to pest infestation and typhoons, which increased production costs, coupled with downward pressure on sugar prices during the period. Operating expenses increased to ₱384.09 million from ₱367.40 million, while other income - net, decreased to ₱146.46 million from ₱205.22 million, mainly due to lower foreign exchange gains, storage and handling fee recoveries, and FIT differential income.

Overall, net income declined by 22% to ₱672.13 from ₱866.89 million in the same period last year. The decrease reflects the combined impact of lower service income, reduced other income contributions, and continued pricing pressures, notwithstanding improvements in operational efficiency.

II. Financial Condition

Despite the challenging operational environment, the Group has maintained financial stability with total assets of ₱16.47 billion, a 7% increase from ₱15.39 billion as of August 31, 2025, and stockholders' equity of ₱13.79 billion, an increase of ₱397.9 million or 3% during the period. The Group continues to operate with no outstanding loans and maintains a strong liquidity position, providing financial flexibility during this period of market volatility.

The Group's total assets of ₱16.47 billion comprise principally property, plant and equipment (₱8.38 billion or 51%), cash and cash equivalents and short term investments (₱2.83 billion), inventories (₱2.27 billion), and receivables (₱843.91 million). The Group's sugar milling, refinery, power generation, and distillery operations continue to require significant investments in property, plant and equipment. For the six months ended February 28, 2026, capital expenditures amounted to ₱535.78 million, primarily for plant improvements, as well as initiatives to enhance milling efficiency and addressing recovery-related challenges. Total liabilities increased to ₱2.68 billion from ₱1.99 billion, primarily due to higher trade payables, accrued expenses, and dividend payables.

Given the challenging industry conditions and uncertain outlook, there is a need to preserve financial flexibility and concentrate resources on essential investments that directly address lower recovery rates and operational efficiency.

III. Financial Key Performance Indicators

	For the six months ended February 28	
	2026	**2025**
Net income margin	10%	13%
Return on assets	4%	6%
Return on total equity	5%	6%
Debt to equity ratio	19%	15%
Earnings per share	₱0.12	₱0.16

CERTIFICATION

I, **EVA A. VICENCIO-RODRIGUEZ**, the Compliance and Information Officer of Victorias Milling Company, Inc. (VMC), a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC Registration No. PW-364 and with principal office at VMC Compound, J.J. Ossorio St., Brgy. XVI, Victorias City, Negros Occidental, on oath state:

1. That I have caused this SEC Form 17-Q ending February 28, 2026 dated April 10, 2026 to be prepared on behalf of VMC;

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or authentic records;

3. That VMC will comply with the requirements set forth in SEC Notice dated March 9, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the email account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hands this 10 April 2026.

EVA A. VICENCIO-RODRIGUEZ
Affiant

SUBSCRIBED AND SWORN TO before me this 13 APR 2026, in Victorias City, Negros Occidental, Philippines. Affiant exhibited to me her LTO Driver's License bearing no. FO1-03-216141 (valid until January 4, 2034).

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Book No.: VI;
Series of 2026.

ATTY. RANDOLPH ANGEL D. TACUYAN
NOTARY PUBLIC
For the Cities of Silay & Victorias and
Municipalities of E.B. Magalona & Manapla
Notarial Commission No. 2025-02-NP, valid until 12/31/2026
Attorney's Roll No. 53038
IBP No. 590617, 01/06/2026, Guimaras Chapter
PTR No. 1117675, 01/06/2026, Victorias City
MCLE Compliance No. VIII-0016614,valid until 04/14/2028
ULAS Compliance No. (on process)
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