COVER SHEET

SEC Registration Number

1	4	7	8	2						

Company Name

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY

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

7F LIBERTY BUILDING 835 A. ARNAIZ BUILDING MAKATI CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@libertygroup.com.ph	(02) 8892-5011	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
458	Last Wednesday of August	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Luisa L. Quizon	mlquizon@libertygroup.com.ph	(02) 8892-5011	–

Contact Person's Address

7F Liberty Building, 835 A. Arnaiz Avenue, Makati City

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **June 30, 2026**

2. Commission identification number: **14782**

3. BIR Tax Identification No: **000-128-846-V**

4. Exact name of registrant as specified in its charter: **LIBERTY FLOUR MILLS, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**

6. Industry Classification Code: (SEC Use Only)

7. **7F Liberty Building, 835 A. Arnaiz Avenue, Makati City** **1223**
   Address of issuer's principal office Postal Code

8. Issuer's telephone number, including area code: **(632) 8892-5011**

9. Former name, former address and former fiscal year, if changed since last report: **-na-**

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**150,000,000**

11. Are any or all of the securities listed on a stock exchange?

    Yes [√] No [ ]

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

Stock Exchange	Class of Securities
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 [√] 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 Parent Company and its subsidiary are collectively referred to in the consolidated financial statements as “the Group”.

Please refer to the unaudited interim consolidated financial statements of the Liberty Flour Mills, Inc. (the “Company) and its subsidiary for the six (6) months ended June 30, 2026 which is attached hereto as Annex “A” and which is hereby incorporated by reference to form an integral part of the Report. Likewise, attached as Annex “B” is the Group Statement of Changes in Stockholder’s Equity for the six (6) months ended June 30, 2026 and as compared to same period for the year 2025, and the Company’s basis for the computation of Basic Earnings per share.

The interim consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) in accordance with the Securities Regulations Code.

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

The sales volume from flour and mill feeds increased by 9.01% for six-month period ended June 30, 2026, compared to the same period in the previous year. In terms of Sales Value, the Company generated ₱597.29 million versus ₱527.98 million in the same quarter last year, representing an increase in sales revenue of 13.13% mainly driven by higher sales volume and a favorable sales mix. Correspondingly, cost of sales increased but only by 9.80%, it was lower than the growth in sales revenue. Better utilization of raw materials, controlled manufacturing overhead, and reduced direct operating expenses contributed to the favorable movement in cost of sales relative to sales revenue, resulting in an improved gross profit margin of 17.91%, compared with 15.56% in the same period last year. The Company’s lease rental income amounted to ₱7.44 million for the six-month period this year, slightly lower than ₱7.60 million in the same period last year, representing a minimal decrease of 0.02% primarily due to the non-renewal of certain lease contracts.

For the quarter ended June 30, 2026, total gross income amounted to ₱122.18 million, which is much higher from the previous year’s same period operation which made gross profit amounting to ₱100.64 million. Significant increase on gross income was due primarily to higher sales revenue as stated above. Gross income was accounted as coming from the gross profit from the sale of the company’s products, rental and real estate income, interest income, and dividend income.

Operating expenses and finance costs for the six-month period of 2026 amounted ₱64.52 million, 4.82% higher than the ₱61.56 million recorded in the same period last year. Operating expenses consists of selling and administrative expenses such as salaries and wages, employee’s welfare, depreciation, outside services, taxes, insurance, communications, office supplies, transportations, repairs, maintenance, interest and other expenses.

Other income(charges), net, for the six-month period of 2026 amounted to (₱16.71 million) which is much higher than last year’s same period amounting to net other income (₱10.91 million). The account consists of net miscellaneous income from scrap sales, unrealized foreign currency gain (loss), provision for impairment loss, gain (loss) on sale of financial assets and management bonuses.

As of the quarter ended June 30, 2026, the Company has trust receipt balance amounting to ₱176.04 million, compared with ₱213.67 million as of the same period last year, representing a decrease of 17.61%. The decrease was primarily attributable to the recognition of trust receipt liabilities related to two (2) vessels in 2026, compared with three (3) vessels in 2025.

The total combined assets amounted to ₱2.85 billion as of June 30, 2026 which is slightly lower by 0.27% while total liabilities amounted to ₱0.65 billion lower by 3.71%, from balances as of 31 December 2025.

The distribution of the Company's investment in LPC shares as property dividends resulted to dilution in the Company's ownership % to 0.40%, hence, losing control over LPC. Accordingly, the Company's investment in LPC distributed as property dividends, classified as "Noncurrent asset held for distribution to owners" amounting to ₱123.71 million is derecognized and its retained interest was reclassified to "Financial assets at FVOCI" at fair value amounting to P3.5 million.

The Company is affected by foreign exchange fluctuation considering that its supplies and raw materials are sourced abroad. Similarly, increase in the price of wheat in the world market poses as a major risk to the Company. When necessary, the Company adjusts the prices of its products in order to meet changes in the currency rates and prices.

The Company's operation is regulated by the two (2) year Certificate of Non-Conformance (CNC) where non-renewal will trigger the cessation of flour milling operations.

Further discussion of material changes in amount of accounts with 5.0% or more change:

Inventories – The decrease in this account was primarily attributable to lower importation of raw materials and increased utilization of inventory to support the higher sales volume during the period.

Prepaid expenses and other current assets – The increase was mainly attributable to importation costs related to raw materials that had not yet been reclassified to inventory as of June 30, 2026, since the raw materials were still in transit.

Financial assets at fair value through OCI – The decrease was primarily due to the redemption of matured securities.

Income tax payable – The decrease was primarily due to the lower income tax payable recognized by the Parent Company during the second quarter of 2026 compared with the balance as of December 31, 2025.

Accrued retirement benefit costs - The increase is due to recognition of retirement costs during the second quarter of 2026.

Performance Indicators

The Company and its subsidiaries determine their performance on the following five (5) key performances indicators:

- Selling Price, Volume and Revenue Growth

These indicate external performance of the Company in relation to the movements of consumer demand and the competitors' action to market behavior. These also express market acceptability and room for development and innovation. These are being monitored and compared as basis for further study and development.

During the six months ended June 30, 2026, revenue increased by 13.13% compared with the same period of the previous year. Sales volume of the Company's products also increased by 9.01% during the period. The increase in revenue was primarily attributable to higher sales volume and a favorable sales mix. However, there was a minimal decrease in the Company's rental income by 0.02% due to the non-renewal of certain lease contracts

- Cost Contribution

This measures the amount of supply and cost-efficiency of the applicable products of the Company. It shows the trend of supplies' cost particularly in imported raw materials where there are foreign exchange exposures. Costs are analyzed regularly pursuant to cost reduction and efficiency measures.

During the six months ended June 30, 2026, cost of sales increased by 9.80% compared with the same period of the previous year, primarily due to the increase in production volume during the period. The increase in cost of sales, however, remained lower than the 13.13% growth in sales revenue, reflecting improved cost efficiency.

- Gross Profit Contribution

Review of sales less cost is done on a regular basis to check if targets are being met. This measures the profitability within the bounds of cost and demand. Like other indicators, this is reviewed on a regular basis for proper action and consideration.

During the six months ended June 30, 2026, the Company generated gross profit of 17.91%, compared with 15.56% in the same period of the previous year. This represents an improvement of 2.35%, primarily attributable to the higher sales revenue and improved cost management.

- Operating margin

This shows the result after operation expenses have been deducted. Operating expenses are examined, checked and traced for major expenses. These are being analyzed and compared to budget and expenses incurred in previous years to ensure prudence and discipline in spending behind marketing and selling activities.

During the six months ended 30 June 2026, there was an increase in operating expenses by 4.82% over the previous year's same period performance. Despite the increase in operating expenses, the Company continued to generate operating income, supported by the increase in sales revenue and improvement in gross profit margin.

- Plant Capacity Utilization

This determines total usage of the plant capacity, Full utilization produces better yield thus better margin. Standard rates for the plants were set and monthly utilization is determined to property equate and carefully assess the differences.

Plant capacity is at average of 75% utilization.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation. There were also no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

MARKET PRICE

The market price of the Company's common shares closed at PhP28.20 on June 30, 2026. For the Company's high and low prices for the second quarter of 2026, please see table below:

Stock	Quarter	High	Low
LFM	2	28.50	25.65

PART II – FINANCIAL DISCLOSURES

Financial Instruments and Financial Risk Disclosure

The Group's financial instruments consist of cash and cash equivalents, trade receivables, financial assets at FVPL, financial assets at FVOCI. The main purpose of these financial instruments is to fund the group's operations. The other financial assets and financial liabilities arising directly from its operations are refundable deposits recorded under "Other noncurrent assets" account, liabilities under trust receipts, accounts payable and accrued expenses.

The main risks arising from the Group's financial instruments are credit risk, equity price risk and liquidity risk. The Group's exposure to foreign currency risk is minimal as this only relates to the Group's foreign currency-denominated cash in banks. The BOD reviews and approves policies for managing each of these risks.

a. Credit Risk

This represents the loss that the Group would incur if counterparty failed to perform under its contractual obligations. The Group has established controls and procedures in its credit policy to determine and monitor the credit worthiness of customers and counterparties. The Group is operating under a sound credit-granting process over its distributors. Credit monitoring process involves a weekly check over collections based on a benchmark.

The Group trade receivables is concentrated with its three distributors which account for 99% of the total trade receivables as of June 30, 2026. The Group has been transacting business with these distributors for a long time and has not encountered any credit issue with them. With respect to credit risk arising from other financial assets of the Group which comprise of cash equivalents, financial assets at FVPL, financial assets at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no collaterals or other credit enhancement held over these assets.

b. Equity Price Risk

Equity price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity price risk because of investments in quoted equity securities, which are classified in the consolidated statements of financial position as financial assets at FVTPL and at FVOCI investments. The Group's policy is to maintain the risk at an acceptable level. Movement of share price is monitored regularly to determine impact on its financial position.

c. Foreign Currency Risk

This risk describes the impact of changes in foreign exchange rates on the consolidated balance sheet and consolidated statement of income items denominated in foreign currencies.

The Group's foreign currency-denominated financial assets and liabilities which are all in US dollar ($) as of June 30, follows:

	2026	2025
Cash in bank	$ 13,738	$ 29,565
Foreign Securities – Gazprom	$298,500	$298,500
Total US dollar-denominated assets	$312,238	$414,209

The exchange rate per $1.00 to Philippine peso is P61.32 and P56.33 respectively.

d. Liquidity Risk

Liquidity risk is the risk that the Group will be unable to pay its obligations when they fall due under normal and stress circumstances. The Group manages risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

e. Fair Value

The carrying values of cash and cash equivalents, receivables, notes payable, accounts payable and other current liabilities approximate their fair values due to their short-term nature. The carrying value of unquoted equity securities approximate their fair values based on the adjusted net asset method. The carrying values deposits on long-term leases were not materially different from their calculated fair values estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. Financial assets at FVTPL and financial assets at FVOCI are carried at their fair values based on quoted market prices.

PART III - OTHER INFORMATION

All other information which requires disclosure under the full Disclosure Rules of the Securities and Exchange Commission has been previously filed by the Company under SEC Form 17-C

SIGNATURE

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

LIBERTY FLOUR MILLS, INC.

By:

JOHN CARLOS UY
Chairman of the Board

JOHN CARLOS UY
Chief Executive Officer

JOSE MA. S. LOPEZ
Chief Financial Officer

ANNEX "A"

LIBERTY FLOUR MILLS, INC.

LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY

UNAUDITED FINANCIAL STATEMENTS
JUNE 30,2026

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
BALANCE SHEET
AS OF JUNE 30,2026
(With comparative figures for year ended Dec. 31, 2025 and six months ended June 30, 2025)

Assets		**June 30, 2026**		**December 31, 2025 Audited**		**June 30, 2025**
Current Assets						
Cash and cash equivalents		P 60,075,970		P 100,291,212		P 198,218,970
Receivables		945,597,168		929,419,209		957,895,606
Financial assets at fair value through profit or loss		-		14,965,350		13,646,612
Inventories:						
Finished goods	P 39,054,450		P 20,114,577		P 47,450,593	
Raw materials	70,277,167		190,576,361		167,562,916	
Inventories-in Transit	-		-		-	
Total Inventories		109,331,617		210,690,938		215,013,509
Prepaid expenses & other current assets		217,278,363		57,906,878		102,519,350
		1,332,283,118		1,313,273,587		1,487,294,047
Assets classified as held for contribution to owners		-		-		1,093,017,210
Total current assets		P 1,332,283,118		P 1,313,273,587		P 2,580,311,257
Financial assets at fair value through OCI		376,443,923		423,132,511		427,323,952
Investment properties		726,088,129		705,842,089		704,258,638
Plant, Property & Equipment, net		369,175,324		365,549,414		363,564,746
Deferred Charges & Other Assets		45,252,730		49,252,730		12,620,643
Total Assets		**P 2,849,243,224**		**P 2,857,050,331**		**P 4,088,079,235**

Liabilities & Stockholders' Equity						
Current Liabilities						
Accounts Payable		P 560,180,159		P 561,248,051		P 821,759,599
Notes Payable - current portion		80,000,000		80,000,000		-
Income Tax Payable		10,629,681		35,896,899		6,619,273
Other Liabilities		-		-		-
		650,809,840		677,144,950		828,378,872
Liabilities classified as held for contribution to owners		-		-		1,352,315,844
Total Current Liabilities		P 650,809,840		P 677,144,950		P 2,180,694,716
Notes Payable - noncurrent portion		-		-		-
Deposit on long-term lease		-		-		-
Net retirement plan liability		1,200,000		-		7,901,310
Deferred Income Tax Liability		-		-		-
Other Non-current Liabilities		-		-		-
Total Liabilities		**P 652,009,840**		**P 677,144,950**		**P 2,188,596,026**
Stockholders' Equity						
Capital Stock, authorized - 200,000,000 shares at P10 par value per share P2,000,000,000.						
Issued and outstanding,150,000,000 shares		P 1,500,000,000		P 1,500,000,000		P 1,500,000,000
Fair value changes on financial assets through OCI		7,963,860		12,469,019		10,162,957
Remeasurement gain (loss) on defined benefit		754,069		754,069		256,027
Other components of equity of disposal group classified as held for		-		-		(132,055,756)
Retained earnings						
Appropriated	P -		P -		-	
Unappropriated	688,515,455		666,682,293		330,554,636	
Total Retained Earnings		688,515,455		666,682,293		330,554,636
Total Equity Attributable to Equity Holders of Parent Company		2,197,233,384		2,179,905,381		1,708,917,864
Non-controlling interests		-		-		190,565,344
Total Stockholders' Equity		**P 2,197,233,384**		**P 2,179,905,381**		**P 1,899,483,208**
Total Liabilities & Stockholders' Equity		P **2,849,243,224**		P **2,857,050,331**		P **4,088,079,235**

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
STATEMENT OF INCOME AND EXPENSES
For quarter ended June 30,2026
(With comparative figures for the quarter ended June 30,2025)

		April 1 to June 30, 2026		January 1 to June 30, 2026			April 1 to June 30, 2025		January 1 to June 30, 2025
Net Sales	P	306,611,995	P	597,293,083		P	260,150,187	P	527,982,190
Rental Income		3,785,955		7,444,584			3,825,828		7,599,407
Total Revenue		310,397,950		604,737,667			263,976,015		535,581,597
Cost of sales		259,639,423		494,074,390			222,713,896		449,982,638
Cost of services		1,149,267		2,334,120			1,112,879		2,277,451
Total Cost of sales and services		260,788,690		496,408,510	①		223,826,775		452,260,089
Gross Profit	P	49,609,260	P	108,329,157		P	40,149,240	P	83,321,508
Operating expenses									
General and administrative expenses		19,120,488		44,225,597			18,715,139		37,749,192
Selling and marketing expenses		5,294,103		10,468,796			5,543,997		10,876,388
		24,414,591		54,694,393	①		24,259,136		48,625,580
Other Income (Charges)									
Interest Income		291,224		3,027,081	②		1,657,454		4,591,751
Dividend Income		3,535,561		10,827,470	②		7,182,237		12,723,916
Interest expense		(4,334,706)		(9,827,734)	③		(5,895,020)		(12,931,194)
Other Income (charges),net		(12,779,438)		(16,710,846)	②③		(2,831,770)		(10,913,906)
		(13,287,359)		(12,684,029)			112,901		(6,529,433)
Income (loss) before Income Tax	P	**11,907,310**	P	**40,950,735**		P	**16,003,005**	P	**28,166,495**
Provision for Income Tax, current		(7,531,917)		(16,467,833)			(6,398,561)		(13,340,717)
Provision for Income Tax, Deferred									
Net Income (loss) for the period from Conitnuing Operations	**P**	**4,375,393**	**P**	**24,482,902**		**P**	**9,604,444**	**P**	**14,825,778**
Net Income (loss) for the period from Discontinued Operations		**-**		**-**			**(2,144,886)**		**(3,099,368)**
Net Income Attributable To:									
Equity holders of the Parent Company		4,375,393.0		24,482,902			7,931,640		12,593,648
Non-controlling interests		-		-			(472,082)		(867,238)
Earnings (loss) per share	**P**	**0.03**	**P**	**0.16**		F	**0.06**	**P**	**0.10**
		-		-			(0)		-

Legend:

① Gross Expense

② Non-operating income

③ Non-operating expense

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
STATEMENT OF CASH FLOWS
For quarter ended June 30,2026
(With comparative figures for the quarter ended June 30,2025)

	April 1 to June 30, 2026	January 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2025
CASHFLOWS FROM OPERATING ACTIVITIES:				
Income (loss) before tax	P 7,395,037	P 40,950,735	P 16,003,005	P 28,166,495
Income (loss) before tax from discontinued operations	-		(977,580)	(1,848,364)
Adjustment for:				
Depreciation	9,092,831	17,418,832	19,537,045	38,881,775
Fair Value changes of financial assets at FVPL	-	(842,027)	158,062	(3,450,591)
Retirement Benefit Cost	600,000	1,200,000	2,400,000	4,800,000
Interest income	(291,224)	(3,027,081)	(1,661,724)	(4,598,918)
Dividend Income	(3,535,561)	(10,827,470)	(6,691,328)	(12,253,007)
Interest expense	4,334,706	9,827,734	25,683,742	51,136,466
Loss (Gain) on the sale of AFS investments	243	(535,260)	-	-
Loss (Gain) on sale of PPE	-	(20,426)	-	-
Operating Income before working capital changes	**17,596,032**	**54,145,037**	**54,451,222**	**100,833,856**
Decrease (Increase) in:				
Receivables	(40,796,102)	(16,177,959)	322,750,609	544,036,455
Inventories	(12,433,056)	101,359,321	(20,054,227)	(55,797,660)
Prepayments and other assets	(38,345,319)	(159,371,485)	(14,594,091)	(37,891,708)
Increase (Decrease) in:				
Trade Payables and other current liabilities	221,956,098	69,593,929	140,141,903	119,912,128
Deposit on long term lease	-	-	(16,808,188)	(6,158,599)
Unearned Rental Income	-	-	3,252,713	7,470,823
Cash generated (used) from operations	**147,977,653**	**49,548,843**	**469,139,941**	**672,405,295**
Income tax paid	(41,735,051)	(41,735,051)	(641,488)	(1,251,004)
Interest Received	291,224	3,027,081	1,661,724	4,598,918
Net cash provided by (used in) operating activitie	**106,533,826**	**10,840,873**	**470,160,177**	**675,753,209**
CASHFLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of FVPL	(15,747,925)	-	-	-
Dividends received	3,535,561	10,827,470	6,691,328	12,253,007
Proceeds from redemption of FVOCI	20,002,500	34,876,722	-	20,000,000
Proceeds from disposal of PPE	-	35,000	-	-
Acquisition of plant, property and equipment	(11,369,418)	(20,161,392)	(14,167,516)	(24,555,484)
Acquisition of investment properties	(548,529)	(21,328,829)	(403,594)	(467,549)
Decrease(increase) in other non-current assets	-	4,924,270	-	-
Net cash used in investing activities	**(4,127,811)**	**9,173,241**	**(7,879,782)**	**7,229,974**
CASHFLOW FROM FINANCING ACTIVITIES				
Availment of Loans	176,041,587	325,996,671	226,000,000	264,000,000
Loan Payments	(303,615,620)	(376,398,293)	(165,617,647)	(199,735,294)
Interest paid	(4,334,706)	(9,827,734)	(25,683,742)	(51,136,466)
Payments of cash dividends	-	-	(298,760,036)	(606,790,205)
Net cash generated from financing activities	**(131,908,739)**	**(60,229,356)**	**(264,061,425)**	**(593,661,965)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(29,502,725)**	**(40,215,242)**	**198,218,970**	**89,321,218**
Add: Cash and cash equivalents:				
January 1		100,291,212		108,897,752
April 1	89,578,695		-	
CASH AND CASH EQUIVALENTS, END	**P 60,075,970**	**P 60,075,970**	**198,218,970**	**P 198,218,970**

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

1. Basis of Financial Statement Preparation

The consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The consolidated financial statements are presented in Philippine peso (Peso), which is the Group's functional and presentation currency, and rounded to the nearest peso except as otherwise indicated.

<u>Statement of Compliance</u>
The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS).

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of June 30, 2026.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. All intra-group balances, transactions, unrealized gains and losses, resulting from intra group transactions and dividends are eliminated in full.

2. Significant Accounting Policies

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the Group's financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements, unless otherwise indicated.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- *Annual Improvements to PFRS Accounting Standards – Volume 11*
    - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    - Amendments to PFRS 7*, Gain or Loss on Derecognition*
    - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
    - Amendments to PFRS 10, *Determination of a "De Facto Agent"*
    - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRC 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Others

1. The same accounting policies and methods of computation are followed in the interim financial statements as of June 30, 2026 as compared with the audited financial statements as of December 31, 2025.

2. The business operation of the company for the interim period is continuous, there is no cycle and it is not seasonal.

3. There are no unusual items that affected assets, liabilities, equity and cash flows.

4. There are no changes in estimates of amounts reported in prior financial years.

5. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

6. There are no changes in the composition of this issuer during the interim period. There are no business combinations, no acquisition or disposal of subsidiary and long term investments, no restructuring and no discontinuing operations.

7. There are no contingent liabilities and contingent assets.

ANNEX "B"

LIBERTY FLOUR MILLS, INC.

LIBERTY BLDG., 835 A. ARNAIZ AVE.
MAKATI CITY

STATEMENT OF CHANGES
IN STOCKHOLDER'S EQUITY
JUNE 30, 2026

LIBERTY FLOUR MILLS, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For six months ended June 30, 2026 and 2025

		2026		2025
CAPITAL STOCK				
Authorized - 200 million shares				
at P10 par value per share P2 billion				
Issued and outstanding -150 million shares	P	1,500,000,000	P	1,500,000,000
Fair value changes on financial assets through OCI		5,314,120		10,162,957
Accumulated Remeasurement on Retirement Benefits		754,069		(5,334,084)
Discontinued Operations		-		(314,734,553)
RETAINED EARNINGS				
January `1		666,682,293		806,229,896
Net income for the period		24,482,902		12,593,648
Cash dividends declared and paid		-		(300,000,000)
		691,165,195		518,823,544
Non-Controlling Interest		-		190,565,344
		2,197,233,384		**1,899,483,208**

BASIS FOR THE COMPUTATION OF BASIC EARNINGS PER SHARE

		2026		2025
NUMERATOR:				
Net income (loss) for the second quarter	P	24,482,902	P	14,825,778
DENOMINATOR:				
Outstanding shares		150,000,000		150,000,000
Treasury Stock		0		0
TOTAL WEIGHTED AVERAGE SHARES		150,000,000		150,000,000

LIBERTY FLOUR MILLS, INC. AND SUBSIDIARY
Aging of Accounts Receivable
As of June 30,2026

Type of Accounts Receivable		Total		Current		1 Month		2-3 Months		Over 3 Mos.
a) Trade Receivables										
Flour and Millfeed customers	P	913,814,340	P	456,237,342	P	99,034,621	P	204,356,638	P	154,185,739
Building Tenants		3,228,335		3,228,335						
b) Non-Trade Receivables:										
Others		28,554,493		-		-		-		28,554,493
Total	**P**	**945,597,168**	**P**	**459,465,677**	**P**	**99,034,621**	**P**	**204,356,638**	**P**	**182,740,232**