

kapruka

KAPRUKA HOLDINGS PLC

INTERIM REPORT

FOR THE PERIOD ENDED 31ST MARCH, 2026

KAPRUKA HOLDINGS PLC

Chairman & Chief Executive Officer's Review

Dear Shareholders,

I am pleased to share Kapruka Holdings PLC's results for the quarter ended 31 March 2026, a quarter that marks an inflection point in our journey from Sri Lanka's largest e-commerce platform to a fully integrated, AI-powered digital commerce ecosystem.

A definitive return to profitability

The numbers tell a clear story. **Group revenue grew 19% year-on-year to LKR 547.53 million**, but the more important signal is what happened beneath the top line. **Gross profit expanded 39% to LKR 215.51 million**, lifting our gross margin meaningfully and reflecting a deliberate shift toward higher-quality revenue. **Operating profit swung to LKR 10.22 million from an operating loss of LKR 42.82 million in the prior year period**, a turnaround of more than LKR 53 million in a single quarter. **Profit Before Tax reached LKR 22.25 million, compared to a loss of LKR 37.33 million a year earlier**.

For the full financial year, the Group delivered revenue of LKR 1.92 billion and Profit Before Tax of LKR 37.56 million. At the Company level, Kapruka Holdings PLC posted revenue of LKR 210.61 million and Profit Before Tax of LKR 50.69 million.

This is the result of a deliberate two-year restructuring that has tightened cost discipline, reweighted the business toward asset-light revenue streams, and laid the technology foundation for the next phase of growth.

Three engines compounding in parallel

Kapruka Partner Central, our marketplace, continues to expand both gross margin and capital efficiency by enabling third-party sellers to plug into our customer base, logistics, and payments infrastructure. Each new partner adds revenue without adding inventory risk, and the operating leverage compounds quarter on quarter.

Kapruka Services Platform extends Kapruka beyond physical goods into bookable digital services, opening a new addressable market on top of the same customer network. This is high-margin, recurring-by-nature revenue that benefits directly from the trust equity we have built over two decades.

Kapruka Cross Border continues to scale our USD revenue base by serving as the e-distributor for Sri Lankan brands on Amazon US, Amazon UK, Amazon Canada, and other global marketplaces. In an economy where dollar revenue carries strategic value well beyond its rupee-equivalent contribution, this segment is a structural hedge and a long-duration growth lever.

AI as the operating system of the business

The most significant strategic shift this year is the embedding of AI across our operations. We have deployed AI-driven automation in customer service, product discovery, content generation, supply chain workflows, and back-office processing. **We are on track to reach 40% back-office automation within the next several quarters**, which we expect to translate directly into lower unit costs, faster cycle times, and improved operating margins as volume grows.

In practical terms, AI is allowing us to scale revenue without proportionally scaling headcount or fixed costs. That is the definition of operating leverage, and it is the lever that turns a profitable quarter into a structurally more profitable business.

Insulating the cost base from fuel volatility

We have also commenced the conversion of our entire delivery fleet to electric vehicles, a multi-quarter program designed to permanently de-risk one of the most volatile line items on our P&L. Fuel is a structural cost in any last-mile business, and in the Sri Lankan context it has historically swung with global oil prices and exchange rate movements outside our control. Electrifying the fleet replaces that exposure with predictable, lower per-kilometre energy costs, materially reduces ongoing maintenance, and aligns the business with the direction both regulators and consumers are heading. As the program rolls out, we expect a steady tailwind to logistics margins regardless of where fuel prices move next.

Why the upside is asymmetric from here

Kapruka now sits at the intersection of three powerful trends: the digitisation of Sri Lankan commerce, the global appetite for authentic Sri Lankan products, and the rapid drop in the cost of intelligence through AI. We have a stronger balance sheet, a returning profitability profile, a marketplace model that compounds, USD revenue diversification, a cost base increasingly insulated from fuel and FX shocks, and a technology stack that gets cheaper to operate every quarter.

We have rebuilt the engine. The runway ahead is long, and the operating leverage embedded in our model is only beginning to show up in the numbers.

On behalf of the Board and management team, thank you for your continued trust. We are building Kapruka for the next decade, and the work we have done over the past two years positions us to create meaningful, durable value for shareholders.

Sincerely,

Dulith Herath
Chairman & CEO
26 May 2026

Corporate Information

Company Name
Kapruka Holdings PLC

Legal Form
The Company was incorporated in Sri Lanka on 7th February 2002 as a Private Limited Liability Company under the Companies Act No. 17 of 1982 in the name Lanka Dot Info (Private) Limited. On 7th January 2005, the Company changed its name to Kapruka Dot Com (Private) Limited under the Companies Act No.17 of 1982 and re-registered under the provisions of Companies Act No. 7 of 2007 on 29th July 2008. The status of the Company was changed from Private Limited to a Public Limited Company under provisions of the Companies Act No. 07 of 2007 on 06th November 2021. The Company changed its name from Kapruka Dot Com Limited to Kapruka Holdings Limited on 20th November 2021. Kapruka Holdings Limited was listed on the Main Board of Colombo Stock Exchange on the 7th January 2022. The status of the Company was changed from Limited to PLC on 13th April 2022.

Registered No.
Old PV 5789
New PQ00247881

Registered Office
No:147, Old Kottawa Road,
Mirihana,
Nugegoda, Sri Lanka
Tel: +94 11 7551111
Email: colombo.office@kapruka.com
Website: https://www.kapruka.com/

Board of Directors
Mr. D V Herath - Chairman & CEO
Mrs. A Herath
Mrs. T Herath
Mr. T Subasinghe
Mr. S Subasinghe
Dr. D B S C Bandara
Mr. L Abeysekera

Bankers
Sampath Bank PLC
Hatton National Bank PLC
Commercial Bank PLC
Amana Bank PLC
Nations Trust Bank PLC
Union Bank of Colombo PLC
Seylan Bank PLC
Bank of America
JPMorgan Chase & Co

Auditors
Ernst & Young Chartered Accountants, Sri Lanka
Rotunda Towers, No.109, Galle Road, Colombo 03.

Secretaries
Kreston Corporate Services (Pvt) Ltd
No.74A, 02nd Floor, Advantage Building, Dharmapala Mawatha,
Colombo 07, Sri Lanka

KAPRUKA HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2026

STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	770,319,741	762,314,371	531,991,837	537,407,477
Right of Use Assets	62,461,213	28,500,907	61,708,008	28,088,228
Investment Properties	221,414,000	204,195,000	144,706,000	133,208,000
Intangible Assets	11,607,280	13,401,958	477,280	681,958
Investments in Subsidiary	-	-	749,447,514	719,447,509
	1,065,802,234	**1,008,412,236**	**1,488,330,639**	**1,418,833,172**
Current Assets				
Inventories	168,286,310	136,936,986	-	-
Trade and Other Receivables	48,584,539	22,865,277	2,508,779	4,999,932
Amount Due From Related Parties	43,444,813	41,927,883	67,702,181	8,327,859
Deposits, Advances and Prepayments	16,349,564	22,973,820	3,042,620	3,500,455
Income Tax Receivable	3,641,279	3,641,279	3,270,270	3,270,270
Short Term Financial Assets	91,510,514	190,710,519	91,510,514	190,710,519
Cash & Cash Equivalents	46,795,029	36,166,054	2,576,415	2,897,650
	418,612,048	**455,221,818**	**170,610,779**	**213,706,684**
Total Assets	**1,484,414,282**	**1,463,634,054**	**1,658,941,418**	**1,632,539,856**
EQUITY AND LIABILITIES				
Equity Attributable to Equity Holders				
Stated Capital	769,174,795	769,174,795	769,174,795	769,174,795
Revaluation Reserve	172,767,263	165,347,263	156,705,433	151,245,433
Foreign Currency Translation Reserve	(1,975,301)	113,847	-	-
Retained Earnings	(100,573,096)	(121,975,918)	351,164,230	314,364,420
Total Equity	**839,393,661**	**812,659,987**	**1,277,044,458**	**1,234,784,648**
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	166,137,834	196,994,708	149,044,818	157,533,340
Retirement Benefit Obligation	46,527,065	35,730,419	15,964,122	11,650,933
Deferred Tax Liability	81,622,339	73,683,875	88,689,466	81,636,722
Other Non-Current Liabilities	21,576,386	-	21,576,386	-
	315,863,624	**306,409,002**	**275,274,792**	**250,820,995**
Current Liabilities				
Interest Bearing Loans and Borrowings	95,656,737	88,061,755	66,811,351	31,822,426
Trade & Other Payables	173,506,806	152,449,269	6,202,296	7,641,281
Amount Due To Related Parties	6,899,428	45,333,827	-	85,503,826
Income Tax Payable	-	5,774,787	-	5,754,170
Provisions and Accrued Expenses	34,819,650	40,917,154	15,924,402	15,232,243
Other Current Liabilities	17,583,336	-	17,583,336	-
Bank Overdraft	691,040	12,028,274	100,783	980,267
	329,156,997	**344,565,065**	**106,622,168**	**146,934,213**
Total Equity and Liabilities	**1,484,414,282**	**1,463,634,054**	**1,658,941,418**	**1,632,539,856**
Net asset value per share (Rs.)	5.11	4.95	7.78	7.52

The interim financial statements are to be read in conjunction with the related notes, which form an integral part of these Financial Statements.
I certify that the financial statements have been prepared in compliance with the requirements of the Companies act No. 7 of 2007.

Manjula Kumara
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the board of directors of Kapruka Holdings PLC.

Anuradha Herath
Director

Thilangani Herath
Director

26th May 2026
Colombo

KAPRUKA HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	Quarter ended			Year ended		
	31.03.2026 (Unaudited) Rs.	31.03.2025 (Unaudited) Rs.	Change %	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	Change %
Revenue from Contracts with Customers	547,539,564	460,397,317	19%	1,928,598,311	1,652,243,022	17%
Cost of Sales	(332,021,011)	(305,092,803)	-9%	(1,179,657,796)	(1,099,776,860)	-7%
Gross Profit	**215,518,553**	**155,304,515**	39%	**748,940,515**	**552,466,161**	36%
Other Income and Gains	23,779,295	9,671,924	146%	49,567,270	46,291,544	7%
Administrative Expenses	(143,790,675)	(115,234,885)	-25%	(495,059,715)	(458,733,019)	-8%
Selling and Distribution Expenses	(85,277,586)	(92,563,703)	8%	(289,072,681)	(286,924,074)	-1%
Profit / (Loss) from operating activities	**10,229,588**	**(42,822,149)**	124%	**14,375,389**	**(146,899,389)**	110%
Finance Cost	(7,350,086)	(7,346,094)	0%	(30,732,701)	(30,662,981)	-0.2%
Finance Income	19,374,729	12,834,915	51%	53,922,037	60,543,345	-11%
Net Finance Income / (Cost)	12,024,642	5,488,821	119%	23,189,336	29,880,364	-22%
Share of Profit / (Loss) of Investment in Associates	-	-		-	-	
Profit / (Loss) Before Tax	**22,254,230**	**(37,333,328)**	160%	**37,564,725**	**(117,019,024)**	132%
Income Tax Expense	(3,419,877)	(2,040,362)	-68%	(13,433,474)	(25,350,667)	47%
Profit / (Loss) for the Period	**18,834,353**	**(39,373,690)**	148%	**24,131,251**	**(142,369,691)**	117%
Profit / (Loss) for the period attributable to:						
Equity Holders of the Parent	18,834,353	(39,373,690)		24,131,251	(142,369,691)	
	18,834,353	**(39,373,690)**		**24,131,251**	**(142,369,691)**	
Other Comprehensive Income						
Other comprehensive income that may be reclassified to statement of profit or loss in subsequent periods						
Exchange Difference on translation of Foreign Operations	(804,098)	(606,276)		(2,089,148)	(112,307)	
Other comprehensive income that may not be reclassified to statement of profit or loss in subsequent periods						
Revaluation of Land and Building - Net of tax	7,420,000	14,003,480		7,420,000	18,629,411	
Actuarial gains/(losses) on defined benefit plans - Net of tax	(2,728,430)	-		(2,728,430)	(3,434,884)	
Other comprehensive income for the year, net of tax	**3,887,472**	**13,397,205**		**2,602,422**	**15,082,220**	
Total comprehensive income for the year, net of tax	**22,721,825**	**(25,976,485)**		**26,733,673**	**(127,287,471)**	
Total Comprehensive Income attributable to:						
Equity Holders of the Parent	22,721,825	(25,976,485)		26,733,673	(127,287,471)	
	22,721,825	**(25,976,485)**		**26,733,673**	**(127,287,471)**	
Basic/Diluted earnings/(deficit) per share (Note-8.6)	0.14	(0.16)		0.16	(0.78)	

KAPRUKA HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	Quarter ended			Year ended		
	31.03.2026 (Unaudited) Rs.	31.03.2025 (Unaudited) Rs.	Change %	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	Change %
Revenue from Contract with Customers	48,726,102	49,957,581	-2%	210,610,528	199,830,324	5%
Cost of Sales	-	-	-	-	-	-
Gross Profit	**48,726,102**	**49,957,581**	-2%	**210,610,528**	**199,830,324**	5%
Other Income	15,954,334	6,603,136	-142%	26,175,134	24,712,482	6%
Administrative Expenses	(49,351,491)	(38,074,885)	-30%	(179,559,510)	(165,486,585)	-9%
Profit from operating activities	**15,328,945**	**18,485,832**	-17%	**57,226,152**	**59,056,221**	-3%
Finance Cost	(5,009,076)	(7,448,910)	33%	(23,248,259)	(39,282,910)	41%
Finance Income	2,639,997	5,555,042	-52%	16,712,346	28,731,975	-42%
Net Finance Income/(Cost)	(2,369,080)	(1,893,868)	-25%	(6,535,913)	(10,550,934)	38%
Profit / (Loss) Before Tax	**12,959,865**	**16,591,964**	-22%	**50,690,239**	**48,505,287**	5%
Income Tax Expense	(3,112,706)	(3,378,510)	8%	(12,720,028)	(24,157,213)	47%
Profit / (Loss) for the Period	**9,847,159**	**13,213,454**	-25%	**37,970,211**	**24,348,075**	56%
Profit for the period attributable to:						
Equity Holders of the Parent	9,847,159	13,213,454		37,970,211	24,348,075	
	9,847,159	13,213,454		37,970,211	24,348,075	
Other Comprehensive Income						
Other comprehensive income that may be reclassified to statement of profit or loss in subsequent periods						
Exchange Deference on translation of foreign operation	-	-		-	-	
Other comprehensive income that may not be reclassified to statement of profit or loss in subsequent periods						
Revaluation of Land and Building - Net of tax	5,460,000	10,619,566		5,460,000	13,266,010	
Actuarial gains/(losses) on defined benefit plans - Net of tax	(1,170,401)	-		(1,170,401)	(230,434)	
Other comprehensive income for the year, net of tax	**4,289,599**	**10,619,566**		**4,289,599**	**13,035,576**	
Total comprehensive income for the year, net of tax	**14,136,758**	**23,833,020**		**42,259,810**	**37,383,650**	
Total Comprehensive Income attributable to:						
Equity Holders of the Parent	14,136,758	23,833,020		42,259,810	37,383,650	
	14,136,758	**23,833,020**		**42,259,810**	**37,383,650**	
Earning Per Share (Note-8.6)	0.09	0.15		0.26	0.23	

KAPRUKA HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2026

STATEMENT OF CHANGES IN EQUITY

GROUP

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Foreign Currency Translation Reserve Rs.	Total Equity Rs.
Balance as at 1st April 2024	769,174,795	146,717,852	23,828,657	226,154	939,947,458
Profit / (Loss) for the period	-	-	(142,369,691)	-	(142,369,691)
Other comprehensive income					
Revaluation Gain/(Loss) - Net of tax	-	18,629,411	-	-	18,629,411
Actuarial gains/(losses) on defined benefit plans - Net of tax	-	-	(3,434,884)	-	(3,434,884)
Foreign currency translation differences of foreign operations	-	-	-	(112,307)	(112,307)
Total other comprehensive income	-	18,629,411	(3,434,884)	(112,307)	15,082,220
Total Comprehensive income for the period	-	18,629,411	(145,804,575)	(112,307)	(127,287,471)
Balance as at 31st March 2025	769,174,795	165,347,263	(121,975,918)	113,847	812,659,987
Balance as at 1st April 2025	769,174,795	165,347,263	(121,975,918)	113,847	812,659,986
Profit / (Loss) for the period	-	-	24,131,251	-	24,131,251
Other comprehensive income					
Revaluation Gain/(Loss) - Net of tax	-	7,420,000	-	-	7,420,000
Actuarial gains/(losses) on defined benefit plans - Net of tax	-	-	(2,728,430)	-	(2,728,430)
Foreign currency translation differences of foreign operations	-	-	-	(2,089,148)	(2,089,148)
Total other comprehensive income	-	7,420,000	(2,728,430)	(2,089,148)	2,602,422
Total Comprehensive income for the period	-	7,420,000	21,402,821	(2,089,148)	26,733,673
Balance as at 31st March 2026	769,174,795	172,767,263	(100,573,097)	(1,975,301)	839,393,660

COMPANY

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Foreign Currency Translation Reserve Rs.	Total Equity Rs.
Balance as at 1st April 2024	769,174,795	137,979,423	290,246,781	-	1,197,400,999
Profit / (Loss) for the period	-	-	24,348,074	-	24,348,074
Other comprehensive income					
Revaluation Gain/(Loss) - Net of tax	-	13,266,010	-	-	13,266,010
Actuarial gains/(losses) on defined benefit plans - Net of tax	-	-	(230,434)	-	(230,434)
Total other comprehensive income	-	13,266,010	(230,434)	-	13,035,576
Total Comprehensive income for the period	-	13,266,010	24,117,640	-	37,383,650
Balance as at 31st March 2025	769,174,795	151,245,433	314,364,421	-	1,234,784,649
Balance as at 1st April 2025	769,174,795	151,245,433	314,364,420	-	1,234,784,648
Profit / (Loss) for the period	-	-	37,970,211	-	37,970,211
Other comprehensive income					
Revaluation Gain/(Loss) - Net of tax	-	5,460,000	-	-	5,460,000
Actuarial gains/(losses) on defined benefit plans - Net of tax			(1,170,401)		(1,170,401)
Total other comprehensive income	-	5,460,000	(1,170,401)	-	4,289,599
Total Comprehensive income for the period	-	5,460,000	36,799,810	-	42,259,810
Balance as at 31st March 2026	769,174,795	156,705,433	351,164,230	-	1,277,044,458

KAPRUKA HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2026

STATEMENT OF CASH FLOWS

For the period ended 31st MARCH	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Cash Flows from / (Used in) Operating Activities				
Profit / (Loss) Before Tax	37,564,725	(117,019,024)	50,690,239	48,505,287
Adjustments for				
Interest Expenses	30,094,423	30,662,981	20,195,701	39,282,910
Interest Income	(17,400,145)	(31,123,137)	(16,712,346)	(28,731,169)
Foreign Currency Exchange Gain/Loss	(36,449,787)	(29,420,208)	(72,105)	(807)
Disposal Gain	(10,216,102)	(18,432,450)	(131,356)	(5,699,401)
Depreciation of Property, Plant & Equipment	34,769,442	27,689,422	13,783,878	16,358,243
Depreciation of Right-of-use Assets	22,773,167	11,069,750	21,306,001	8,857,748
Fair value (gain)/loss on investment property	(17,219,000)	(19,941,084)	(11,498,000)	(17,979,135)
Amortisation for Intangible Assets	1,794,678	1,821,465	204,678	231,465
Amortisation of Deferred Profit	(13,590,278)	-	(13,590,278)	-
Allowance for Expected Credit Loss	(1,117,724)	1,142,746	-	-
Write off of trade and other receivables	-	210,000	-	-
Provision for Slow Moving Inventory	(2,788,721)	(5,224,450)	-	-
Provision for Retirement Benefit Obligations	8,719,668	7,149,830	2,641,188	2,233,195
Operating Profit / (Loss) before Working Capital Changes	**36,934,347**	**(141,414,159)**	**66,817,599**	**63,058,336**
(Increase) / Decrease in Inventory	(28,560,603)	13,268,382	-	-
(Increase) / Decrease Trade & Other Receivables	(26,914,058)	(779,847)	1,296,357	3,207,905
(Increase) / Decrease Advances & Prepayment	6,624,256	6,974,338	457,835	2,900,795
Increase / (Decrease) in Trade & Other payables	22,175,261	51,867,934	(1,438,985)	4,937,412
Increase / (Decrease) In Accrued Expenses	(6,097,504)	(37,765,991)	692,159	(24,913,806)
Increase / (Decrease) In Amounts Due to Related Parties	(38,434,399)	22,385,750	(85,503,826)	(130,260,330)
(Increase) / Decrease in Amount Due From Related Parties	(1,516,930)	4,608,680	(59,374,323)	(1,108,969)
Cash Generated from/(Used in) Operations	**(35,789,630)**	**(80,854,913)**	**(77,053,183)**	**(82,178,657)**
Interest paid	(30,094,422)	(30,382,235)	(20,195,701)	(21,680,536)
Gratuity Paid During the Year	(1,820,778)	(3,072,925)	-	-
Income Tax Paid	(13,280,471)	(10,508,706)	(13,259,854)	(10,073,142)
Net Cash flow from/(Used in) Operating Activities	**(80,985,302)**	**(124,818,779)**	**(110,508,738)**	**(113,932,335)**
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment	(32,174,812)	(61,187,070)	(568,239)	(6,943,437)
Sale Proceed on Disposal of Property, Plant and Equipment	10,216,102	19,194,914	131,356	6,461,864
Interest Income	18,594,941	32,213,935	17,907,144	29,820,500
(Investment)/Withdrawal of Short Term Investment	99,200,005	132,909,881	99,200,005	132,909,881
Investment in Subsidiary	-	-	(30,000,005)	(22,000,000)
Net Cash Flows from / (Used In) Investing Activities	**95,836,236**	**123,131,660**	**86,670,261**	**140,248,809**
Cash Flows from / (Used in) Financing Activities				
Proceeds From Interest Bearing Borrowings	52,750,000	217,569,215	52,750,000	160,000,000
Repayment of Finance Lease	(20,741,679)	(13,755,324)	(19,113,562)	(5,328,600)
Repayment of Interest Bearing Loans and Borrowings	(59,253,685)	(262,988,236)	(9,311,815)	(186,931,631)
Net Cash Flows from/(Used in) Financing Activities	**(27,245,364)**	**(59,174,344)**	**24,324,622**	**(32,260,231)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	34,360,639	29,307,901	72,105	-
Net Increase/(Decrease) in Cash and Cash Equivalents	21,966,209	(31,553,563)	558,251	(5,943,757)
Cash and Cash Equivalents at the beginning of the period	24,137,780	55,691,342	1,917,382	7,861,139
Cash and Cash Equivalents at the end of the quarter	**46,103,989**	**24,137,780**	**2,475,632**	**1,917,382**
Cash and Cash Equivalents at the end of the quarter (Note-11)	**46,103,989**	**24,137,780**	**2,475,632**	**1,917,382**

As disclosed in Note 5, Kapruka Holdings PLC acquired interests in subsidiaries and an associate in the month of October 2021. Consolidated results, accordingly will only be applicable for the period commencing from 1st November 2021.

1. CORPORATE INFORMATION

Kapruka Holdings PLC is a Public Limited Company incorporated and domiciled in Sri Lanka, and ordinary shares of the Company are listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business are located at No.147, Old Kottawa Road, Mirihana, Nugegoda.

2. INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements for the period ended 31st March 2026, includes "the Company" referring to Kapruka Holdings PLC, as the Parent Company and "the Group" referring to the companies whose accounts have been consolidated therein.

The interim condensed financial statements of Kapruka Holdings PLC and its subsidiaries (collectively, the Group) for the period ended 31st March 2026 were authorized for issue in accordance with a resolution of the Directors on 26th May 2026.

3. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

3.1. Basis of Preparation

The interim condensed financial statements of Kapruka Holdings PLC have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 – Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statement for the year ended 31st March 2025.

The Group has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

3.2. New Standards, Interpretations and Amendments Adopted by the Group

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. COMPARATIVE INFORMATION

Comparative information in relation to previous year have been presented in line with information pertaining to the current period.

5. GROUP RESTRUCTURE

The company changed its operating structure in October 2021 by transferring its operations to Kapruka E-Commerce (Pvt) Ltd, a fully owned subsidiary. Further the company acquired 100% of Kapruka Production (Pvt) Ltd and Kapruka Techroot (Pvt) Ltd. Subsequently, the Company established Kapruka USA LLC, Kapruka Global UK Ltd and Kapruka Ventures (Pvt) Ltd as fully owned subsidiaries of Kapruka Holdings PLC to support its strategic expansion initiatives.

Kapruka Holdings PLC will continue to function as an investment holding company.

Investee	Consideration		Holding	Nature of Operations
	Rs.	$/£		
Kapruka E-Commerce (Pvt) Ltd	744,045,909	-	100%	Providing E-commerce Services
Kapruka Techroot (Pvt) Ltd	20	-	100%	Registered Internet Service Provider (ISP)
Kapruka Production (Pvt) Ltd	5,370,000	-	100%	Manufacture and distribution of cakes, chocolates and baked food products
Kapruka USA LLC	31,200	100$	100%	Providing Global Payment Gateway integration facility & operate the cross-border operation in USA & Canada w.e.f. 01/01/2024
Kapruka Ventures (Pvt) Ltd	20	-	100%	Trading and distribution of global products w.e.f. 04/02/2025
Kapruka Global UK Ltd	365	1£	100%	Operate the cross-border operation in UK w.e.f. 24/01/2025
	749,447,514			

The entity's acquisition has not been considered as a Business Combination on account of shares being held under common control, and the purchase method has been adopted in relation to accounting of the acquisition.

The company also acquired 25% of the shareholding of Kapruka Global Shop (Pvt) Ltd in October 2021 for a consideration of Rs. 20/-. The Group applies the equity method in accounting for the investment in associate. For the interim period, the share of loss from the investment in associate is greater than the balance of investment in associate. Hence, the loss has recognized up to the balance in investment in associate. Therefore, the Investment in Equity Accounted Investees is zero at the interim end.

6. OPERATING SEGMENTS

	Group	
	Quarter ended 31st March	
	2026 Rs.	2025 Rs.
(a) Segmental Revenue		
E-Commerce	479,070,142	445,834,750
Production	47,851,991	50,356,036
Web Services	9,956,560	7,785,000
Cross Border Operations	69,592,043	63,301,760
Consolidation adjustments	(58,931,172)	(106,880,229)
	547,539,564	**460,397,317**
(b) Segmental Expenses		
E-Commerce	(487,849,791)	(488,474,985)
Production	(47,203,644)	(48,622,946)
Web Services	(9,108,158)	(8,607,554)
Cross Border Operations	(75,233,461)	(74,066,134)
Other Income	23,779,295	9,671,924
Consolidation adjustments	58,305,783	106,880,229
Profit / (Loss) from operating activities	**10,229,588**	**(42,822,149)**
Share of Loss of Investment in Associates	-	-
Finance Income	19,374,729	12,834,915
Finance Expense	(7,350,086)	(7,346,094)
Net Finance Income	12,024,642	5,488,821
Profit / (Loss) before tax	**22,254,230**	**(37,333,328)**
(c) Segmental Profit / (Loss) before tax		
E-Commerce	34,643,277	(21,873,221)
Production	(8,327,830)	(5,004,435)
Web Services	846,586	(823,192)
Cross Border Operations	(4,907,804)	(9,632,480)

7. EVENTS AFTER REPORTING PERIOD

There have no other material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

8. SHARE INFORMATION

8.1. Public shareholding

	31.03.2026
Issued Share Capital (No.)	164,130,360
Number of Transactions	16,055
Number of Share Traded	47,247,921
Value of Share Traded (Rs.)	1,103,369,505
Public Holdings as a Percentage of Issued Share Capital	20%
Total Number of Shareholders	2,706
No of Shareholders Representing the Public Holding	2,704
Float Adjusted Market Capitalization (Rs.)	758,260,133

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

8.2. Directors' shareholding

The number of shares held by the Board of Directors as follows;

Name of the shareholder	No. of shares	
	31.03.2026	31.03.2025
Mr. H P D V Herath (Chairman & CEO)	131,304,360	131,304,360
Mrs. A M Herath	Nil	Nil
Mrs. R A T Herath	Nil	Nil
Mr. S M T H Subasinghe	Nil	Nil
Mr. D B S C Bandara	Nil	Nil
Mr. L Abeysekera	Nil	Nil
Mr.Suresh Subasinghe	Nil	Nil

8.3. Twenty Largest Shareholders of the company as follows;

	Name of the shareholder	31.03.2026	
		No. of shares	%
1	MR. H.P.D.V. HERATH	131,304,360	80.00
2	TRANQUILITY ESTATE (PVT) LTD	8,749,000	5.33
3	MRS. A.S. DE ALWIS	1,279,999	0.78
4	MR. S.M. ATAPATTU	1,001,000	0.61
5	BANK OF CEYLON A/C CEYBANK UNIT TRUST	812,194	0.50
6	BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	768,400	0.47
7	MR M. A. N. MOHAMED ABDUL NASSER	575,155	0.35
8	MR. G.H.S. KUMARA	543,002	0.33
9	SEYLAN BANK PLC/ANUJA CHAMILA JAYASINGHE	451,288	0.28
10	MR. V. SUNILGAVASKER	420,000	0.26
11	MR. M.M.S.A. PARIS	415,000	0.25
12	MR. K.R.T. BANDARA	349,385	0.21
13	SEYLAN BANK PLC/GLADSTONE CAPITAL (PRIVATE) LIMITED	325,712	0.20
14	MR. M.R. THAMBINAYAGAM	300,000	0.18
15	MR. M.M. TILAKARATHNE	282,642	0.17
16	HELLO PRINT PVT LTD	250,000	0.15
17	MR. K.V.D.R. DHARMAPRIYA	244,000	0.15
18	MRS. S.I. HAQQUE	240,000	0.15
19	MR. L.K.M.A. KULATUNGA	232,221	0.14
20	MR. S. GURUSINGHE	228,423	0.14
		148,771,781	90.64
Others		15,358,579	9.36
Total		164,130,360	100.00

8.4. Stated Capital

Stated capital is represented by the number of shares in issue as given below;

	31.03.2026		31.03.2025	
	Number	Rs.	Number	Rs.
Balance at the beginning of the period	164,130,360	769,174,795	164,130,360	769,174,795
Issue of shares	-	-	-	-
Transaction costs attributable to issuance of shares	-	-	-	-
Balance at the end of the period	164,130,360	769,174,795	164,130,360	769,174,795

8.5. The company's Highest, Lowest and Last Traded Market Price given below;

	31.03.2026 Rs.	31.03.2025 Rs.
Last Traded	23.80	7.90
Highest	36.00	9.10
Lowest	10.70	7.50
Market	3,906,302,568	1,296,629,844

8.6. Earning per share

	3 Months ended 31st March			
	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Net profit/(loss) for the period	22,721,825	(25,976,485)	14,136,758	23,833,020
Weighted average number of shares	164,130,360	164,130,360	164,130,360	164,130,360
Earning/(deficit) per share (EPS)	0.14	(0.16)	0.09	0.15

Basic earnings per share is calculated by dividing the net profit / (loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period as required by LKAS - 33, Earning Per Share.

9. MATERIAL CHANGES

There were no any other material changes in the composition of assets, liabilities and contingent liabilities and there is no seasonality and cyclicality affecting the interim operation.

10 CONTINUOUS DISCLOSURE REGARDING STATUS OF UTILIZATION OF FUNDS VIA IPO PROCEEDS AS AT 31.03.2026

Objective No	Objective as per Prospectus	Amount Allocated as per Prospectus in Rs.	Proposed Date of Utilization as per Prospectus	Amount Allocated Upon the Receipt of Proceeds in Rs. (A)	% of Total Proceeds	IPO Funds Reallocated for Working Capital at AGM / EGM Rs. (B) (Note)	Amount Utilized in Rs. (C)	% of Utilization Against Allocation (B+C/A)	Remaining Balance Rs. (A-B-C)	Clarification if not fully utilized including where the fund are invested
1	Existing Technologies and infrastructure upgrades	100,000,000	1Q 2022- 1Q 2023	100,000,000	19.78%	(59,065,863)	(40,934,137)	100%	-	Maintaining in company's' deposit accounts and other short term investment accounts with bank and Financial Institutions
2	Launching Kapruka partner central	200,000,000	2Q 2022- 2Q 2024	200,000,000	39.56%	(110,710,514)	(89,289,486)	100%	-	
3	Launching Personal cargo collection and delivery	50,000,000	2Q 2022- 2Q 2024	50,000,000	9.89%	-	-	0%	50,000,000	
4	Launching Kapruka Wholesale marketplace	55,520,400	1Q 2023- 1Q 2024	55,520,400	10.98%	(55,520,400)	-	100%	-	
5	Expanding Kapruka Cross border operation	100,000,000	1Q 2022- 1Q 2024	100,000,000	19.78%	-	(100,000,000)	100%	-	
6	Reallocation of funds for working capital purpose	-	-	-	-	225,296,777	(225,296,777)	100%	-	
		505,520,400		**505,520,400**			**(455,520,400)**	**90%**	**50,000,000**	

Note

IPO Funds Reallocated for Working Capital at AGM Dated on 27.09.2023 - Rs. 114,586,263.
IPO Funds Reallocated for Working Capital at EGM Dated on 27.01.2026 - Rs. 110,710,514.

11. CASH & CASH EQUIVALENTS

	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.	Rs.	Rs.	Rs.
Cash and Bank Balances	46,795,029	36,166,054	2,576,415	2,897,650
Bank Overdrafts	(691,040)	(12,028,274)	(100,783)	(980,267)
Cash and Cash Equivalents at the end of the period	**46,103,989**	**24,137,780**	**2,475,632**	**1,917,382**