MERCANTILE SHIPPING COMPANY PLC

Interim Financial Statements
For the period ended 31 December 2025

Corporate Information

Name of the Company
Mercantile Shipping Company PLC

Legal Form
A Quoted Public Company with limited liability, incorporated in Sri Lanka on the 17th of March 1981, Registered No. PQ 148

Board of Directors

H A R K Wickramatileka (Chairman)
T Kriwat (Managing Director)
Capt. K Kriwat
Capt. R E G Codipilly
M S P Gunawardena
P A Nandasena
C C Wickramatileka (Chief Financial Officer)
P S K Watawala
Ms. S N Egodage
W D L J Kulasooriya

Company Secretary
Managers & Secretaries (Pvt) Ltd

Auditors
Messrs. Ernst & Young - Chartered Accountants

Lawyers
Asian Legal Partners
(Attorneys-at-law & Notary Public)

Registered Office
108, Aluthmawatha Road
Colombo 15, Sri Lanka
Tel: +94 11 4489900
Fax: +94 11 4489999

E-mail: info@mercmarine.net
Web: www.mercmarine.net

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	09 Months		03 Months		
For the Period ended 31 December (Unaudited)	2025	2024	2025	2024	Variance
	Rs.	Rs.	Rs.	Rs.	%
Revenue	16,945,424	14,555,388	5,648,475	5,648,474	-
Cost of Sales	(2,290,953)	(2,295,951)	(763,651)	(763,651)	-
Gross Profit	14,654,471	12,259,437	4,884,824	4,884,823	-
Other Income	90,924	300,780	(12,631)	136,989	(109)
Administrative Expenses	(16,313,845)	(16,600,707)	(5,638,773)	(5,072,293)	(0)
Operating Loss	(1,568,450)	(4,040,490)	(766,580)	(50,481)	
Finance Cost	(20,945)	(177,464)	(1,582)	(10,238)	85
Finance Income	2,617,224	2,970,016	837,123	878,115	(4.67)
(Loss)/Profit before Tax	1,027,829	(1,247,938)	68,961	817,396	(91.56)
Total Income Tax Charge/(Reversal) for the Period	(1,200,000)	-	(550,000)	-	
(Loss)/Profit for the year	(172,171)	(1,247,938)	(481,039)	817,396	(158.85)
Other Comprehensive Income/(Loss)					
Acturial Gain/(loss)	(119,900)	-	(119,900)	-	
Deferred tax on Acturial (Gain)/loss	35,970		35,970		
Other Comprehensive Income for the period, net of tax	(83,930)	-	(83,930)	-	
Total Comprehensive Income/(Loss) for the period, net of tax	(292,071)	(1,247,938)	(600,939)	817,396	(174)
Profit/(Loss) attributable to Equity Holders of the parent	(172,171)	(1,247,938)	(481,039)	817,396	
Total comprehensive Income/(Loss) attributable to Equity Holders of the parent	(292,071)	(1,247,938)	(600,939)	817,396	
Basic/Diluted (Loss)/Earnings per Share	(0.06)	(0.44)	(0.17)	0.29	

The Notes to the Financial Statements on page 7 and page 8 form an integral part of Interim Financial Statements .
*Computed based on 2,844,990 ordinary shares on issue at 31.12.2025

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company	**09 Months**		**03 Months**		
For the Period ended 31 December (Unaudited)	**2025**	**2024**	**2025**	**2024**	**Variance**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**%**
Revenue	16,945,424	14,555,388	5,648,475	5,648,474	-
Cost of Sales	(2,290,953)	(2,295,951)	(763,651)	(763,651)	-
Gross Profit	14,654,471	12,259,437	4,884,824	4,884,823	-
Other Income	90,924	300,780	(12,631)	136,989	(109)
Administrative Expenses	(16,252,744)	(16,533,357)	(5,612,472)	(5,052,143)	11
Operating Loss	(1,507,349)	(3,973,140)	(740,279)	(30,331)	
Finance Cost	(20,945)	(177,464)	(1,582)	(10,238)	(85)
Finance Income	2,617,224	2,970,016	837,123	878,115	(5)
(Loss)/Profit before Tax	1,088,930	(1,180,588)	95,262	837,546	(89)
Total Income Tax Charge/(Reversal) for the Period	(1,200,000)	-	(550,000)	-	
(Loss)/Profit for the Period	(111,070)	(1,180,588)	(454,738)	837,546	(154)
Other Comprehensive Income/(Loss)					
Acturial Gain/(loss)	(119,900)		(119,900)		
Deferred tax on Acturial (Gain)/loss	35,970		35,970		
Other Comprehensive Income for the period, net of tax	(83,930)	-	(83,930)	-	
Total Comprehensive Income/(Loss) for the period, net of tax	(195,000)	(1,180,588)	(538,668)	837,546	(164)
Profit/(Loss) attributable to Equity Holders of the parent	(111,070)	(1,180,588)	(454,738)	837,546	
Total comprehensive Income/(Loss) attributable to Equity Holders of the parent	(195,000)	(1,180,588)	(538,668)	837,546	
Basic/Diluted (Loss)/Earnings per Share*	(0.04)	(0.41)	(0.16)	0.29	

The Notes to the Financial Statements on page 7 and page 8 form an integral part of Interim Financial Statements .

*Computed based on 2,844,990 ordinary shares on issue at 31.12.2025

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
As at	31.12.2025	31.03.2025	31.12.2025	31.03.2025
ASSETS	Rs.	Rs.	Rs.	Rs.
Non-Current Assets				
Property, Plant and Equipment	163,586	36,458	163,586	36,458
Investment Property	32,692,976	34,579,774	32,692,976	34,579,774
Investments in Subsidiaries	-	-	15,000,060	15,000,060
Deferred Tax Asset	531,996	496,026	531,996	496,026
	33,388,558	35,112,258	48,388,618	50,112,318
Current Assets				
Other Receivables	9,910,415	9,575,442	9,910,415	9,575,442
Advances and Prepayments	384,973	1,051,539	384,973	1,051,539
Other Current Financial Assets	49,241,875	46,963,036	49,241,875	46,963,036
Cash and Cash Equivalents	1,480,022	890,113	1,401,132	811,223
	61,017,285	58,480,130	60,938,395	58,401,240
Total Assets	94,405,843	93,592,388	109,327,013	108,513,558
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	37,262,606	37,262,606	37,262,606	37,262,606
Retained Earnings	39,417,790	39,673,891	28,456,733	28,651,733
Total Equity	76,680,396	76,936,497	65,719,339	65,914,339
Non-Current Liabilities				
Retirement Benefit Liability	1,966,414	1,647,592	1,966,414	1,647,592
	1,966,414	1,647,592	1,966,414	1,647,592
Current Liabilities				
Trade and Other Payables	13,646,763	14,096,031	39,528,989	40,039,356
Interest Bearing Loans and Borrowings		-		-
Income Tax Payable	2,112,270	912,270	2,112,270	912,270
	15,759,033	15,008,301	41,641,260	40,951,626
Total Equity and Liabilities	94,405,843	93,592,390	109,327,013	108,513,557
Net Assets/(Liability) per Share	26.95	27.04	23.10	23.17

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

C.C.Wickramatileka
Director/Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

H.A.R.K.Wickramatileka
Chairman

C P P G Hapuderiya
Director

Colombo
12 February 2026

The Notes to the Financial Statements on page 7 and page 8 form an integral part of Interim Financial Statements.

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

Group	**Stated Capital**	**Retained Earnings/ (Losses)**	**Total Equity**
	Rs.	**Rs.**	**Rs.**
Balance as at 01 April 2024	37,262,606	40,846,272	78,108,878
Loss for the year	-	(1,247,938)	(1,247,938)
Other Comprehensive Loss	-	-	-
Total Comprehensive Loss	-	(1,247,938)	(1,247,938)
Balance as at 31 December 2024	37,262,606	39,598,334	76,860,940
Balance as at 01 April 2025	37,262,606	39,673,891	76,936,497
Profit / (Loss) for the nine months	-	(172,171)	(172,171)
Other Comprehensive Loss	-	(83,930)	(83,930)
Other Comprehensive Income	37,262,606	(256,101)	(256,101)
Total Comprehensive Loss	37,262,606	39,417,790	76,680,396
Balance as at 31 December 2025			

Company	**Stated Capital**	**Retained Earnings/ (Losses)**	**Total Equity**
	Rs.	**Rs.**	**Rs.**
Balance as at 01 April 2024	37,262,606	29,722,816	66,985,422
Profit / (Loss) for the nine months	-	(1,180,588)	(1,180,588)
Other Comprehensive Loss	-	-	-
Total Comprehensive Loss	37,262,606	(1,180,588)	(1,180,588)
Balance as at 31 December 2024	37,262,606	28,542,228	65,804,834
Balance as at 01 April 2025	37,262,606	28,651,733	65,914,339
Profit / (Loss) for the nine months	-	(111,070)	(111,070)
Other Comprehensive Loss	-	(83,930)	(83,930)
Total Comprehensive Loss	37,262,606	(195,000)	(195,000)
Balance as at 31 December 2025	37,262,606	28,456,733	65,719,339

The Notes to the Financial Statements on page 7 and page 8 form an integral part of Interim Financial Statements.

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

31 December (Unaudited)	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Cash Flows from/(used in) Operating Activities				
Profit/(Loss) before tax	1,027,829	(1,247,938)	1,088,930	(1,180,588)
Adjustment For				
Depreciation	1,957,520	1,940,605	1,957,520	1,940,605
Fair Value Adjustment of Investments	(7,140)	(109,956)	(7,140)	(109,956)
Finance Cost	20,945	177,464	20,945	177,464
Finance Income	(2,617,224)	(2,970,016)	(2,617,224)	(2,970,016)
Provision for Gratuity	198,921	-	198,921	-
Dividend Income Received	(30,345)	(83,691)	(30,345)	(83,691)
	550,506	(2,293,532)	611,607	(2,226,182)
Operating Profit/(Loss) before Working Capital Changes				
(Increase)/Decrease in Trade and Other Receivables	1,288,232	1,097,957	1,288,232	1,098,018
(Increase)/Decrease in Advance and Prepayment	666,566	610,010	666,566	610,010
Increase/(Decrease) in Trade and Other Payables	(449,266)	3,616,353	(510,367)	3,548,943
Cash Generated from/(Used in) Operations	2,056,038	3,030,788	2,056,038	3,030,789
Finance Cost Paid	(20,945)	(177,464)	(20,945)	(177,464)
Income Tax (Paid)/Credit	(1,623,205)	(1,548,060)	(1,623,205)	(1,548,060)
Net Cash Generated from/(Used in) Operating Activities	411,888	1,305,264	411,888	1,305,265
Cash Flows from/(used in) Investing Activities				
Finance Income Received	3,336,633	4,972,700	3,336,633	4,972,700
Investment in Fixed Deposits	(2,991,107)	1,498,601	(2,991,107)	1,498,601
Acquisition of Property, Plant & Equipment	(197,850)	-	(197,850)	-
Dividend Received	30,345	83,691	30,345	83,691
Net Cash Generated from/(Used in) Investing Activities	178,021	6,554,992	178,021	6,554,992
Cash Flows used in Financing Activities	-	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	589,909	7,860,256	589,909	7,860,257
Cash and Cash Equivalents at the beginning of the period	890,113	(3,744,551)	811,223	(3,823,442)
Cash and Cash Equivalents at the end of the period	1,480,022	4,115,705	1,401,132	4,036,815
Cash and Bank Balances	1,480,022	4,115,705	1,401,132	4,036,815

The Notes to the Financial Statements on page 7 and page 8 form an integral part of Interim Financial Statements.

MERCANTILE SHIPPING COMPANY PLC

Notes to the Interim Financial Statements for the period ended 31 December 2025

01 CORPORATE INFORMATION

Mercantile Shipping Company PLC ("Company") is a Public Limited Company, incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of business are located at No.108, Aluthmawatha Road, Colombo 15.

02 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Interim Consolidated Financial Statements of the company for the period ended 31 December 2025 comprise Mercantile Shipping Company PLC (Parent Company) and its subsidiary (together referred as the " Group"), namely Mercantile Global Shipping Limited. Mercantile Global Shipping Limited is currently not in operation. The Interim Financial Statements are not audited.

03 BASIS OF PREPARATION

3.1 Basis of preparation
The interim condensed consolidated financial statements for the Year ended 31 December 2025 have been prepared in accordance with LKAS 34 Interim Financial Reporting and provide the information required by the Colombo Stock Exchange. These Interim Financial Statements have not been audited. Accounting Policies and Method of Computations followed in the Annual Report for the year ended 31 March 2025 have been adopted.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the Annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2025.

3.2 Fair value measurement and related fair value disclosures

The following methods and assumptions were used to estimate the fair values-Cash and short-term deposits, trade and other receivables and trade payables approximate their carrying 'amounts largely due to the short-term maturities of these instruments.

Fair value of quoted equity shares are based on market prices available in Colombo stock exchange at the reporting date.

There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy, during the period.

Fair Value Hierarchy the Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

04 CONTINGENT LIABILITIES/ASSETS

There are no contingent assets or liabilities as at the balance sheet date except for the following
.
√ A total damage claim of INR 58,153,461 which includes deposit, repair cost and the losses and interest made in 2005 against the Chennai Port Trust, was ruled in favour of the company in 2021 by Madras High Court. The main appeal as well as the petition filed by the Chennai Port Trust are yet to be posted for hearing.

05 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in these Financial Statements.

Notes to the Interim Financial Statements for the period ended 31 December 2025

06 SHARE INFORMATION

06.1 STATED CAPITAL

Fully Paid Ordinary Shares	2025		2024	
	Number	**Rs.**	**Number**	**Rs.**
As at 31 December	2,844,990	37,262,606	2,844,990	37,262,606

06.2 Tading prices at the Colombo Stock Exchange during the Interim Period

	2025	**2024**
	Rs.	**Rs.**
Highest Price during the Quarter-17 December	795.00	235.00
Lowest Price during the Quarter-06 November	425.00	165.00
Last traded price on 31 December	525.00	203.25

06.3 Minimum Public Holding As A Continuous Listing Requirement Listed on the Main Board

31 December	**31.12.2025**	**31.12.2024**
	Rs.	**Rs.**
Float adjusted market capitalisation (Rs)	567,701,925	219,607,966
Public Holding	38.01%	37.98%
Nubmber of Public shareholders	898	894

The Company Complies with the Listing Rule 7.14.1 (a) and maintainon on a continous basis by selecting option 5.

07 Ratios		**31.12.2025**	**31.12.2024**
Net Asset Value Per share	**Rs.**	27.16	27.02
Return on Equity	%	0.01	(0.02)
Return on Assets	%	0.01	(1.00)
Current Ratio		3.87	3.67
Gearing Ratio	%	25.80	22

08 Other Current Financial Assets	**31.12.2025**	**31.12.2025**
	Rs.	**Rs.**
	Group	**Company**
Term Deposits	48,513,595	48,513,595
Quoted Shares	728,280	728,280
	49,241,875	49,241,875

SHARE INFORMATION - Top 20 Shareholders List as at 31 December 2025

	Name of the Shareholder	No of Shares	%
1	REEDEREI EUGEN FRIEDERICH GMBH SCHIFFAHRTSGESELLSCHAFT	1,154,497	40.58
2	MERCANTILE MARINE MANAGEMENT LIMITED	593,580	20.86
3	HEMAS HOLDINGS PLC	484,334	17.02
4	CEYLON SHIPPING CORPORATION LIMITED	238,506	8.38
5	STATE STREET MUNICH C/O SSBT-DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH	238,259	8.37
6	MR HETTI ARACHCHIGE RANJITH KUMARA WICKRAMATILEKA	11,414	0.40
7	T R L HOLDINGS (PVT) LIMITED	10,944	0.38
8	PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	9,056	0.32
9	MRS. DANTHANARAYANA BADALMESTRIGE DON DEEPANI DANTHANARAYANA	8,000	0.28
10	MR. PRIYANKA MANJULA PATHIRAJA / MRS.D.A.O. KANDAMUDALI	6,206	0.22
11	MR. JALIYA JAYAMPATHI LOKESHWARA	4,595	0.16
12	MR. SINNIAH SELLAIURAI SITHAMBARANATHAN	4,162	0.15
13	Mr. ROHAN EDWARD GUY CODIPILLY	3,804	0.13
14	MISS AMITHA SUMITHRA RANASINGHE	3,424	0.12
15	MR. GINIGE CYRIL WALTER DE SILVA(DECEASED)	3,322	0.12
16	Mr. GAJATH CHRYSANTHA GOONETILLEKE	3,210	0.11
17	MR. CHATURANGA LENADUWA LOKUGE	2,098	0.07
18	MR. GAYA HEMANTHA MANAMPERI	1,800	0.06
19	MR. WARNAKULAARACHIRALALAGE DON LALANTHA JOSEPH WARNAKULAARACHCHI	1,670	0.06
20	MR. MOHAMED HAFIS MOHAMED HARIS / MISS M.J. FATHIMA SHAHMIYA	1,605	0.06

Directors Shareholding as of 31 December 2025

Capt. Klaus Kriwat	Nil
Thomas Kriwat	Nil
Hettiarachchige Ranjith Kumara Wickramatileka	11,414
Capt. Rohan Edward Guy Codipilly	4,162
Mallawarachchige Sarathchandra Perera Gunawardena	Nil
Panambara Arachchilage Nandasena	Nil
Chathura Chanaka Wickramatileka	Nil
Prasanna Saman Kumara Watawala	Nil
Sachini Nathasha Egodage	Nil
Walimuni Devage Lal Jayantha Kulasooriya	Nil
Chintaka Parakrama Punyajith Gamalath Hapudeniya	Nil

Non public shareholding as at 31.12.2025

Issued Share Capital			2,844,990	
Directors and their Spouses				
Mr. H.A.R.K Wickrematileka	(11,414)			
Capt. R E G Codipilly	(4,162)	(15,576)		
More than 10%				
REEDEREI EUGEN FRIEDERICH	(1,154,497)			
MERCANTILE MARINE MANAGEMENT LTD	(593,580)	(1,748,077)		
Non public shareholding			(1,763,653)	**61.99%**
Public shareholding			1,081,337	38.01%

MERCMARINE
GROUP OF COMPANIES

To : The Colombo Stock Exchange/SEC
Date : 12 February 2026

Report on Distribution of Shares
(In terms of Rule 7.13 of the CSE listing Rules)
The information set out below is at : 31st December 2025

Non Public Shareholders

Name	No. of shares as a % of the total number of shares in issue
As per attached Schedule	As per attached Schedule
Total of Non – public Shareholders	**61.99%**

Public Shareholders

Public Shareholding %	Total No. of shareholders who hold the Public Holding
38.01%	**898**

Floated Adjusted Market Capitalization	Option
LKR 567,701,925	**05th Option of 7.13.1 (i) (a) (1) (Main Board)**

We hereby confirm that the information set-out above is as per the Shareholder information

.....
Director
(C C Wickrematileka)

.....
Director/ Company Secretary

MERCANTILE SHIPPING COMPANY PLC

Related Party Transactions Review Committee Meeting - 12 February 2026

Related Party Transactions for the period ended 31 December 2025

Nature of Transaction	Subsidiary	Affiliates
	Mercantile Global Shipping Ltd	Mercantile Marine Management Ltd
As at 01 April 2025	(28,172,769)	1,289,542
Rent Charged	-	12,895,424
Settlement of Rent	-	(12,895,424)
Settlement of Liabilites by the Company	69,174	-
W H T Charge on Rent	-	(1,289,542)
As at 31 December 2025	(28,103,595)	-

Mercantile Global Shipping Ltd is fully owned subsidiary

All are recurrent transactions, details of which are given below;

Rent income from MMM, (an affiliated Company of MSCL) on the office building at 108, Aluthmawatha Road, Colombo 15.

Disclosure in terms of Section 9.3.2 of the Listing Rules of Colombo Stock Exchange - Recurrent

Name of the Related Party	Relationship	Nature of Transaction & aggregate value of related party transactions entered into during the	Aggregate value of Related Party Transactions as a % of Net Revenue / Income (Company / Consolidated)	Terms and Conditions of the Related Party Transactions
Mercantile Marine Management Ltd	Affiliate / significant shareholder	Rent Income - Rs.12,895,424	76 % of Company's Revenue	Normal commercial terms.

Disclosure in terms of Section 9.3.2 of the Listing Rules of Colombo Stock Exchange -

There were no non-recurrent transactions during the period of which aggregate value exceeds

MERCANTILE SHIPPING COMPANY PLC

MERCMARINE

GROUPOF COMPANIES

Propelled by Passion