MERCANTILE SHIPPING COMPANY PLC

Interim Financial Statements
For the Quarter ended 31 March 2026

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 (Resingned w e f 08.04.26)
W D L J Kulasooriya
C P P G Hapudeniya

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	12 Months		03 Months		
For the Period ended 31 March	Unaudited 2026 Rs.	Audited 2025 Rs.	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %
Revenue	22,593,898	20,203,863	5,648,474	5,648,474	-
Cost of Sales	(3,054,603)	(3,059,604)	(763,650)	(763,653)	-
Gross Profit	19,539,295	17,144,259	4,884,824	4,884,821	-
Other Income	44,541	199,901	(46,383)	(95,166)	(51)
Administrative Expenses	(21,766,415)	(21,490,828)	(5,452,570)	(4,895,832)	11
Operating Loss	(2,182,579)	(4,146,668)	(614,129)	(106,177)	478
Finance Cost	(30,337)	(177,464)	(9,392)	-	100
Finance Income	3,445,524	3,817,724	828,300	847,708	(2.29)
(Loss)/Profit before Tax	1,232,608	(506,408)	204,779	741,531	(72.38)
Total Income Tax Charge/(Reversal) for the Period	(1,623,243)	539,275	(423,243)	-	100
(Loss)/Profit for the year	(390,635)	(1,045,683)	(218,464)	741,531	(129)
Other Comprehensive Income/(Loss)					
Acturial Gain/(loss)	(159,875)	(181,000)	(39,975)	(181,000)	
Deferred tax on Acturial (Gain)/loss	47,963	54,300	11,993	-	
Revaluation of Land and Buildings	447,735,953		447,735,953		
Deferred tax Effect	(134,320,786)		(134,320,786)		
Other Comprehensive Income for the period, net of tax	313,303,255	(126,700)	313,387,185	(181,000)	
Total Comprehensive Income/(Loss) for the period, net of tax	312,912,620	(1,172,383)	313,168,721	560,531	
Profit/(Loss) attributable to Equity Holders of the parent	(390,635)	(1,045,683)	(218,464)	741,531	
Total comprehensive Income/(Loss) attributable to Equity Holders of the parent	312,912,620	(1,172,383)	313,168,721	560,531	
Basic/Diluted (Loss)/Earnings per Share*	(0.14)	(0.37)	(0.08)	0.26	

*Computed based on 2,844,990 ordinary shares on issue at 31.03.2026

The Notes to the Financial Statements on page 7 and page 9 form an integral part of Interim Financial Statements .

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company	12 Months		03 Months		
For the Period ended 31 March (Unaudited)	Unaudited 31.03.2026 Rs.	Audited 31.03.2025 Rs.	Unaudited 31.03.2026 Rs.	Unaudited 31.03.2025 Rs.	Variance %
Revenue	22,593,898	20,203,863	5,648,474	5,648,474	-
Cost of Sales	(3,054,603)	(3,059,604)	(763,650)	(763,653)	-
Gross Profit	19,539,295	17,144,259	4,884,824	4,884,821	-
Other Income	44,541	199,901	(46,383)	(95,166)	(51)
Administrative Expenses	(21,630,988)	(21,389,528)	(5,378,244)	(4,861,882)	11
Operating Loss	(2,047,152)	(4,045,368)	(539,803)	(72,227)	
Finance Cost	(30,337)	(177,464)	(9,392)	-	
Finance Income	3,445,524	3,817,724	828,300	847,708	(2)
(Loss)/Profit before Tax	1,368,035	(405,108)	279,105	775,481	(64)
Total Income Tax Charge/(Reversal) for the Period	(1,623,243)	539,275	(423,243)	-	
(Loss)/Profit for the Period	(255,208)	(944,383)	(144,138)	775,481	(119)
Other Comprehensive Income/(Loss)					
Acturial Gain/(loss)	(159,875)	(181,000)	(39,975)	(181,000)	
Deferred tax on Acturial (Gain)/loss	47,963	54,300	11,993	-	
Revaluation of Land and Buildings	447,735,953	-	447,735,953	-	
Deferred tax Effect	(134,320,786)	-	(134,320,786)	-	
Other Comprehensive Income for the period, net of tax	313,303,255	(126,700)	313,387,185	(181,000)	
Total Comprehensive Income/(Loss) for the period, net of tax	313,048,047	(1,071,083)	313,243,047	594,481	
Profit/(Loss) attributable to Equity Holders of the parent	(255,208)	(944,383)	(144,138)	775,481	
Total comprehensive Income/(Loss) attributable to Equity Holders of the parent	313,048,047	(1,071,083)	313,243,047	594,481	
Basic/Diluted (Loss)/Earnings per Share*	(0.09)	(0.33)	(0.05)	0.27	

*Computed based on 2,844,990 ordinary shares on issue at 31.03.2026

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 FINANCIAL POSITION

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
As at	31.03.2026	31.03.2025	31.03.2026	31.03.2025
ASSETS	Rs.	Rs.	Rs.	Rs.
Non-Current Assets				
Property, Plant and Equipment	148,388	36,458	148,388	36,458
Investment Property	479,800,000	34,579,774	479,800,000	34,579,774
Investments in Subsidiaries	-	-	15,000,060	15,000,060
Deferred Tax Asset	470,744	496,026	470,744	496,026
	480,419,132	35,112,258	495,419,192	50,112,318
Current Assets				
Other Receivables	10,428,507	9,575,442	10,428,507	9,575,442
Advances and Prepayments	1,223,461	1,051,539	1,223,461	1,051,539
Other Current Financial Assets	49,986,220	46,963,036	49,986,220	46,963,036
Cash and Cash Equivalents	388,513	890,113	309,623	811,223
	62,026,701	58,480,132	61,947,812	58,401,240
Total Assets	542,445,833	93,592,390	557,367,004	108,513,558
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	37,262,606	37,262,606	37,262,606	37,262,606
Revaluation Reserve	313,415,167	-	313,415,167	-
Retained Earnings	39,171,344	39,673,891	28,284,613	28,651,733
Total Equity	389,849,117	76,936,497	378,962,386	65,914,339
Non-Current Liabilities				
Retirement Benefit Liability	2,072,696	1,647,592	2,072,696	1,647,592
Deferred Tax Liabilities	134,320,786	-	134,320,786	-
	136,393,482	1,647,592	136,393,482	1,647,592
Current Liabilities				
Trade and Other Payables	13,392,362	14,096,031	39,200,263	40,039,356
Interest Bearing Loans and Borrowings	348,599	-	348,599	-
Income Tax Payable	2,462,273	912,270	2,462,273	912,270
	16,203,234	15,008,301	42,011,135	40,951,626
Total Equity and Liabilities	542,445,833	93,592,390	557,367,004	108,513,558
Net Assets/(Liability) per Share	137.03	27.04	133.20	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 Hapudeniya
Director

Colombo
25 May 2026

The Notes to the Financial Statements on page 7 and page 9 form an integral part of Interim Financial Statements.

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	Revaluation Reserve	Retained Earnings/ (Losses)	Total Equity
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2024	37,262,606	-	40,846,273	78,108,879
Loss for the year	-	-	(1,045,683)	(1,045,683)
Other Comprehensive Loss	-	-	(126,700)	(126,700)
Total Comprehensive Loss	-	-	(1,172,383)	(1,172,383)
Balance as at 31 March 2025	37,262,606	-	39,673,890	76,936,496
Balance as at 01 April 2025	37,262,606	-	39,673,891	76,936,497
Loss for the Year	-	-	(390,635)	(390,635)
Other Comprehensive Loss	-	313,415,167	(111,912)	313,303,255
Total Comprehensive Loss	37,262,606	313,415,167	(502,547)	312,912,620
Total Comprehensive Loss	37,262,606	313,415,167	39,171,344	389,849,117
Balance as at 31 March 2026				

Company	Stated Capital	Revaluation Reserve	Retained Earnings/ (Losses)	Total Equity
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2024	37,262,606	-	29,722,816	66,985,422
Loss for the Year	-	-	(944,383)	(944,383)
Other Comprehensive Loss	-	-	(126,700)	(126,700)
Total Comprehensive Loss	37,262,606	-	(1,071,083)	(1,071,083)
Balance as at 31 March 2025	37,262,606	-	28,651,733	65,914,339
Balance as at 01 April 2025	37,262,606	-	28,651,733	65,914,339
Loss for the Year	-	-	(255,208)	(255,208)
Other Comprehensive Profit/(Loss)	-	313,415,167	(111,912)	313,303,255
Total Comprehensive Loss	37,262,606	313,415,167	(367,120)	313,048,047
Balance as at 31 March 2026	37,262,606	313,415,167	28,284,613	378,962,386

The Notes to the Financial Statements on page 7 and page 9 form an integral part of Interim Financial Statements.

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

31 March	Group		Company	
	2026 Rs. Unaudited	2025 Rs. Audited	2026 Rs. Unaudited	2025 Rs. Audited
Cash Flows from/(used in) Operating Activities				
Profit/(Loss) before tax	1,232,608	(506,408)	1,368,035	(405,108)
Adjustment For				
Depreciation	2,601,648	2,580,473	2,601,648	2,580,473
Fair Value Adjustment of Investments	64,260	5,712	64,260	5,712
Finance Cost	30,337	177,464	30,337	177,464
Finance Income	(3,445,524)	(3,817,724)	(3,445,524)	(3,817,724)
Provision for Gratuity	265,227	206,394	265,227	206,394
Dividend Income Received	(30,345)	(83,691)	(30,345)	(83,691)
Operating Profit/(Loss) before Working Capital Changes	718,211	(1,437,780)	853,638	(1,336,480)
(Increase)/Decrease in Trade and Other Receivables	1,209,542	(195,037)	1,209,542	(195,037)
(Increase)/Decrease in Advance and Prepayment	(171,922)	(36,701)	(171,922)	(36,701)
Increase/(Decrease) in Trade and Other Payables	(703,666)	1,869,413	(839,093)	1,768,112
Cash Generated from/(Used in) Operations	1,052,165	199,895	1,052,165	199,894
Finance Cost Paid	(30,337)	(177,464)	(30,337)	(177,464)
Income Tax (Paid)/Credit	(2,062,607)	(1,984,248)	(2,062,607)	(1,984,248)
Net Cash Generated from/(Used in) Operating Activities	(1,040,779)	(1,961,817)	(1,040,779)	(1,961,818)
Cash Flows from/(used in) Investing Activities				
Finance Income Received	3,432,182	5,099,503	3,432,182	5,099,503
Investment in Fixed Deposits	(3,074,097)	1,413,287	(3,074,097)	1,413,287
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	190,580	6,596,481	190,580	6,596,481
Cash Flows used in Financing Activities	-	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(850,199)	4,634,664	(850,199)	4,634,663
Cash and Cash Equivalents at the beginning of the period	890,113	(3,744,551)	811,223	(3,823,441)
Cash and Cash Equivalents at the end of the period	39,914	890,113	(38,976)	811,223
Cash and Bank Balances	388,513	890,113	309,623	811,223
Bank Ovedraft	(348,599)	-	(348,599)	-
	39,914	890,113	(38,976)	811,223

The Notes to the Financial Statements on page 7 and page 9 form an integral part of Interim Financial Statements.

MERCANTILE SHIPPING COMPANY PLC
Notes to the Interim Financial Statements for the period ended 31 Marck 2026

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 March 2026 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 March 2026 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 other than the change of the valuation method of investment properties from cost method to revalued method on 31 March 2026 (Refer Note No 06 on page No 08).

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.

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√ 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.

06.	INVESTMENT PROPERTY	Group / Company	
		31.03.26	31.03.25
06.1	Cost Model	Rs.	Rs.
	As at 1 April 2025	96,427,747	96,427,747
	As at 31 March 2026	96,427,747	96,427,747
	Depreciation		
	As at 1 April 2025	61,847,973	59,332,246
	Charge for the Year	2,515,727	2,515,727
	As at 31 March 2026	64,363,700	61,847,973
	Net Book Value Before Revaluation	32,064,047	34,579,774
06.2	**Revaluation Model**		
	As at 1 April 2025(Cost)	96,427,747	
	Accumulated Depriciation	(64,363,700)	
	Surplus due to Revaluation on 31.03.2026	447,735,953	
	As at 31 March	479,800,000	
	Depreciation		
	As at 1 April	61,847,973	
	Charge for the Year	2,515,727	
	Transfer	(64,363,700)	
	As at 31 March	-	
	Net Book Value after Revaluation	479,800,000	

06.3 The company decided to change its accounting policies from cost method to revaluation method from 31 March 2026 to better reflect the true value of assets in the Company. The fair values of the investment property is ascertained by an independent Chartered valuer Mr.S.N.Tennakoon on 31, March 2026 and such fair value is determined from market based evidence amounting to Rs.479,800,000 (31 March 2025 Rs 444,200,000 as per Note No 12.5). The carrying amount of Investment Property was adjusted to its fair value on 31.03.2026 and effect of such Revaluation Gain is amounting to Rs. 447,735,953.

Significant valuation input:

	Property located at,	
	No.441, K Cyril C Perera Mawatha, Colombo 13.	No.108, Aluthmawatha Road, Colombo 15.
Land and Building - Value	Rs. 123,000,000	Rs. 356,800,000
Fair Value per perch	Rs.6,500,000/-	Rs. 9,000,000/-
Fair Value per square ft.	Rs. 6,200/-	Rs.9,000/-

Notes to the Interim Financial Statements for the period ended 31 March 2026

07 SHARE INFORMATION

07.1 STATED CAPITAL

Fully Paid Ordinary Shares	2026		2025	
	Number	**Rs.**	**Number**	**Rs.**
As at 31 March	2,844,990	37,262,606	2,844,990	37,262,606

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

	2026	**2025**
	Rs.	**Rs.**
Highest Price during the Quarter-06.01.2026	550	227
Lowest Price during the Quarter-17 .03.2026	195	153
Last traded price - 31.03.2026	209.75	181.75

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

31March	**31.03.2026**	**31.03.2025**
	Rs.	**Rs.**
Float adjusted market capitalisation (Rs)	294,938,914	196,377,603
Public Holding	49.43%	37.98%
Nubmber of Public shareholders	1483	909

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

08 Ratios		**31.03.2026**	**31.03.2025**
Net Asset Value Per share	**Rs.**	27.16	27.02
Return on Equity	%	0.00	(0.02)
Return on Assets	%	0.00	(1.00)
Current Ratio		3.83	3.67
Gearing Ratio	%	25.80	22

09 Other Current Financial Assets	**31.03.2026**	**31.03.2025**
	Rs.	**Rs.**
	Group/Company	**Group/Company**
Term Deposits	49,329,340	46,241,896
Quoted Shares	656,880	721,140
	49,986,220	46,963,036

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

SHARE INFORMATION -

Top 20 Shareholders List as at 31 March 2026

	Name of the Shareholder	No of Shares	%
1	REEDEREI EUGEN FRIEDERICH GMBH SCHIFFAHRTSGESELLSCHAFT	840,103	29.53
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.TISSA ELEPERUMA	24,120	0.85
7	NATURUB EXPORTS INTERNATIONAL (PRIVATE) LIMITED	23,398	0.82
8	MRS. DANTHANARAYANA BADALMESTRIGE DON DEEPANI DANTHANARAYANA	11,500	0.40
9	PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	9,056	0.32
10	MR.HORANAGE NILANANDA SENAKA KUMARA	9,000	0.32
11	MR. PRIYANKA MANJULA PATHIRAJA / MRS.D.A.O. KANDAMUDALI	8,444	0.30
12	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC/MOHAMED UWAIS FAREEHA HASHIM	8,036	0.28
13	MR.HEWA COLAMBAGE DAMITH SRILAL	8,014	0.28
14	MR. ROSHAN DE SILVA	7,000	0.25
15	PEOPLE S LEASING AND FINANCE PLC/M.K.P.N.A.PERERA	6,469	0.23
16	MR. LEVWANDUWA LIYANAGE DON DINUSHA SAMPATH	6,361	0.22
17	SAMPATH BANK PLC/NAVARA CAPITAL LIMITED	6,000	0.21
18	MR. PONNAMPERUMAGE DUSHANTA KUMAR FERNANDO	5,691	0.20
19	MR. WARNAKULASURIYA DIROSHAN SANJIKA THAMEL	5,517	0.19
20	HETTIGODA CITY (PVT) LTD	5,000	0.18

Directors Shareholding as of 31 March 2026

Capt. Klaus Kriwat	Nil
Thomas Kriwat	Nil
Hettiarachchige Ranjith Kumara Wickramatileka	1,000
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 March 2026			No of Shares	%
Issued Share Capital			2,844,990	100%
Directors and their Spouses				
Mr. H.A.R.K Wickrematileka	(1,000)			
Capt. R E G Codipilly	(4,162)	(5,162)		0.18%
More than 10%				
REEDEREI EUGEN FRIEDERICH	(840,103)			29.53%
MERCANTILE MARINE MANAGEMENT LTD	(593,580)	(1,433,683)		20.86%
Non public shareholding			(1,438,845)	**50.57%**
Public shareholding			1,406,145	**49.43%**

MERCMARINE
GROUP OF COMPANIES

To : The Colombo Stock Exchange/SEC
Date : 25 May 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 March 2026

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	**50.57%**

Public Shareholders

Public Shareholding %	Total No. of shareholders who hold the Public Holding
49.43%	**1483**

Floated Adjusted Market Capitalization	Option
LKR 294,938,913.75	**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

Mercantile Shipping Company PLC
No. 108, Aluthmawatha Road, Colombo 15, Sri Lanka.
T:+94 11 4489900 | F : +94 11 4489999 | E: info@mercmarine.net

MERCANTILE SHIPPING COMPANY PLC

MERCMARINE

GROUPOF COMPANIES

Propelled by Passion