MERCANTILE SHIPPING COMPANY PLC

Interim Financial Statements
For the Quarter ended 30 June 2026

Corporate Information

Company Name
Mercantile Shipping Company PLC

Company Registration Number
PQ 148

Legal Form
A Quoted Public Company with Limited liability incorporated under the Companies Act No. 17 of 1982 on 17th March 1981 and re-registered under the Companies Act No. 07 of 2007 on 12th May 2008.

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

Company Secretary
Managers & Secretaries (Pvt) Ltd
No.10, Gothami Road, Colombo 08.

Auditors
Messrs. Ernst & Young - Chartered Accountants
Rotunda Towers, No109, Galle Road,
Colombo 03.

Lawyers
Co-Serv (Private) Limited
(Attorneys-at-law)
No 02, Hunupitiya Cross Road, Colombo 02.

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			Company		
	03 Months			03 Months		
For the Quarter ended 30 June	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %
Revenue	6,338,460	5,648,474	12	6,338,460	5,648,474	12
Cost of Sales	(200,016)	(763,651)	(74)	(200,016)	(763,651)	(74)
Gross Profit	6,138,444	4,884,823	26	6,138,444	4,884,823	26
Other Income	41,907	72,392	(42)	41,907	72,392	(42)
Administrative Expenses	(5,999,215)	(5,499,231)	9	(5,999,215)	(5,482,981)	9
Operating Loss	181,136	(542,016)	(133)	181,136	(525,766)	(134)
Finance Cost	(47,101)	(3,823)	1,132	(47,101)	(3,823)	1,132
Finance Income	709,776	825,691	(14)	709,776	825,691	(14.04)
Profit before Tax	843,811	279,852	202	843,811	296,102	184.97
Total Income Tax Charge/(Reversal) for the Period	(317,000)	-		(317,000)	-	100
Profit for the Quarter	526,811	279,852	88	526,811	296,102	78
Other Comprehensive Income/(Loss)						
Acturial (Gain)/loss	29,376	-		29,376	-	
Deferred tax on Acturial (Gain)/loss	(8,813)	-		(8,813)	-	
Other Comprehensive Income for the Quarter, net of tax	20,563	-		20,563	-	
Total Comprehensive Income/(Loss) for the Quarter, net of tax	547,374	279,852	96	547,374	296,102	-
	526,811	279,852		526,811	296,102	
Total comprehensive Income/(Loss) attributable to Equity Holders of the parent	547,374	279,852		547,374	296,102	
Basic/Diluted (Loss)/Earnings per Share*	0.19	0.10		0.19	0.10	

*Computation based on the weighted average number of shares outstanding during the interim period.

The Notes to the Financial Statements on page 6 and page 7 form an integral part of Interim Financial Statements .

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at	Group Unaudited 30.06.2026	Group Unaudited 31.03.2026	Company Unaudited 30.06.2026	Company Unaudited 31.03.2026
ASSETS	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Non-Current Assets				
Property, Plant and Equipment	136,021	148,388	136,021	148,388
Investment Property	479,800,000	479,800,000	479,800,000	479,800,000
Investments in Subsidiaries	-	-	15,000,060	15,000,060
Refundable Deposit	738,750	738,750	738,750	738,750
	480,674,771	480,687,138	495,674,831	495,687,198
Current Assets				
Other Receivables	12,065,705	9,689,757	12,065,705	9,689,757
Advances and Prepayments	1,350,159	1,223,461	1,350,159	1,223,461
Other Current Financial Assets	50,691,015	49,986,220	50,691,015	49,986,220
Cash and Cash Equivalents	407,903	388,513	329,013	309,623
	64,514,782	61,287,951	64,435,893	61,209,062
Total Assets	545,189,553	541,975,089	560,110,724	556,896,260
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	37,262,606	37,262,606	37,262,606	37,262,606
Retained Earnings	353,133,885	352,586,511	342,247,154	341,699,780
Total Equity	390,396,491	389,849,117	379,509,760	378,962,386
Non-Current Liabilities				
Retirement Benefit Liability	2,133,980	2,072,696	2,133,980	2,072,696
Deferred Tax Liabilities	133,858,855	133,850,042	133,858,855	133,850,042
Refundable Rental Deposit	5,400,000	5,400,000	5,400,000	5,400,000
	141,392,835	141,322,738	141,392,835	141,322,738
Current Liabilities				
Tade and Other Payables	8,399,212	7,992,362	34,207,114	33,800,263
Interest Bearing Loans and Borrowings	2,221,742	348,599	2,221,742	348,599
Income Tax Payable	2,779,273	2,462,273	2,779,273	2,462,273
	13,400,227	10,803,234	39,208,129	36,611,135
Total Equity and Liabilities	545,189,553	541,975,089	560,110,725	556,896,260
Net Assets/(Liability) per Share	137.22	137.03	133.40	133.20

Earnings

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

P S K Watawala
Director

Colombo
13 August 2026

The Notes to the Financial Statements on page 6 and page 7 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	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01 April 2025	37,262,606	39,673,891	76,936,497
Profit for the Quarter	-	279,852	279,852
Other Comprehensive Profit	-	-	-
Total Comprehensive Profit	-	279,852	279,852
Balance as at 30 June 2025	37,262,606	39,953,743	77,216,349
Balance as at 01 April 2026	37,262,606	352,586,511	389,849,117
Profit for the Quarter	-	526,811	526,811
Other Comprehensive Profit	-	20,563	20,563
Total Comprehensive Profit	37,262,606	547,374	547,374
Balance as at 30 June 2026	37,262,606	353,133,885	390,396,491

Company	Stated Capital	Retained	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01 April 2025	37,262,606	28,651,734	65,914,340
Profit for the Quarter	-	296,103	296,103
Other Comprehensive Profit/Loss	-	-	-
Total Comprehensive Profit	37,262,606	296,103	296,103
Balance as at 30 June 2025	37,262,606	28,947,837	66,210,443
Balance as at 01 April 2026	37,262,606	341,699,780	378,962,386
Profit for the Quarter	-	526,811	526,811
Other Comprehensive Profit	-	20,563	20,563
Total Comprehensive Profit	37,262,606	547,374	547,374
Balance as at 30 June 2026	37,262,606	342,247,154	379,509,760

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS	Group		Company	
For the Quarter 30 June	2026 Rs. Unaudited	2025 Rs. Unaudited	2026 Rs. Unaudited	2025 Rs. Unaudited
Cash Flows from/(used in) Operating Activities				
Profit/(Loss) before tax	843,811	279,853	843,811	296,103
Adjustment For				
Depreciation	12,366	652,506	12,366	652,506
Fair Value Adjustment of Investments	(9,996)	(22,848)	(9,996)	(22,848)
Finance Cost	47,101	3,823	47,101	3,823
Finance Income	(709,776)	(825,691)	(709,776)	(825,691)
Provision for Gratuity	90,660	-	90,660	-
Dividend Income Received	-	(30,345)	-	(30,345)
Operating Profit/(Loss) before Working Capital Changes	274,166	57,298	274,166	73,548
(Increase)/Decrease in Trade and Other Receivables	(2,074,405)	96	(2,074,405)	96
(Increase)/Decrease in Advance and Prepayment	(126,698)	(175,975)	(126,698)	(175,975)
Increase/(Decrease) in Trade and Other Payables	406,851	142,253	406,851	126,003
Cash Generated from/(Used in) Operations	(1,520,086)	23,672	(1,520,086)	23,672
Finance Cost Paid	(47,101)	(3,823)	(47,101)	(3,823)
Income Tax (Paid)/Credit	(301,543)	(444,026)	(301,543)	(444,026)
Net Cash Generated from/(Used in) Operating Activities	(1,868,730)	(424,177)	(1,868,730)	(424,177)
Cash Flows from/(used in) Investing Activities				
Finance Income Received	149,776	141,787	149,776	141,787
Investment in Fixed Deposits	(134,799)	(123,388)	(134,799)	(123,388)
Acquisition of Property, Plant & Equipment	-	(197,850)	-	(197,850)
Dividend Received	-	30,345	-	30,345
Net Cash Generated from/(Used in) Investing Activities	14,977	(149,106)	14,977	(149,106)
	-	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,853,753)	(573,283)	(1,853,753)	(573,283)
Cash and Cash Equivalents at the beginning of the Quarter	39,914	890,113	(38,976)	811,223
Cash and Cash Equivalents at the end of the Quarter	(1,813,839)	316,830	(1,892,729)	237,940
Cash and Bank Balances	407,903	374,769	329,013	295,879
Bank Ovedraft	(2,221,742)	(57,939)	(2,221,742)	(57,939)
	(1,813,839)	316,830	(1,892,729)	237,940

The Notes to the Financial Statements on page 6 and page 7 form an integral part of Interim Financial Statements.

MERCANTILE SHIPPING COMPANY PLC
Notes to the Interim Financial Statements for the period ended 30 June 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 30 June 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. Where necessary, comparative figures have been re-classified to conform with the current period's presentation

03 BASIS OF PREPARATION

3.1 Basis of preparation
The interim condensed consolidated financial statements for the Year ended 30 Junes 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.

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 Quarter ended 30 June 2026

07 SHARE INFORMATION

07.1 STATED CAPITAL

Fully Paid Ordinary Shares	2026		2025	
	Number	Rs.	Number	Rs.
As at 30 June	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-08.05.2026	239	350
Lowest Price during the Quarter-06 .05.2026	186.25	172
Last traded price - 30.06.2026	205	306.75

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

30 June		30.06.2026	30.06.2025
		Rs.	Rs.
Float adjusted market capitalisation (Rs)		293,909,730	286,597,851
Public Holding		50.39%	37.98%
Nubmber of Public shareholders		1516	857
Net Asset Value Per share	Rs.	137.22	27.14

08 Ratios

		30.06.2026	30.6.2025
Return on Equity	%	0.00	0.00
Return on Assets	%	0.00	0.00
Current Ratio		3.47	65.13
Gearing Ratio	%	39.77	1%

09 Other Current Financial Assets

	30.06.2026	30.6.2025
	Rs.	Rs.
	Group/Company	Group/Company
Term Deposits	50,024,139	47,049,188
Quoted Shares	666,876	743,988
	50,691,015	47,793,176

The Notes to the Financial Statements on page 6 and page 7 form an integral part of Interim Financial Statements.

MERCANTILE SHIPPING COMPANY PLC

Related Party Transactions Review Committee Meeting - 13 August 2026

Nature of Transaction	Quarter ended 30.06.26		Quarter ended 31.03.26	
	Subsidiary	Earnings	Subsidiary	Affiliates
	Mercantile Global Shipping Ltd	Mercantile Marine Management Ltd	Mercantile Global Shipping Ltd	Mercantile Marine Management Ltd
Balance as at beginning of the Qtr	(25,807,839)	-	(25,807,839)	-
Rent Charged	-	4,988,460	-	4,298,475
Rent Received	-	(2,579,085)	-	(3,868,627)
Settlement of Liabilites by the Company	-	-	-	-
10% W H T Charge on Rent	-	(286,565)	-	(429,848)
Transfer of Other Payables	-		-	
As at 30 June 2026	(25,807,839)	2,122,810	(25,807,839)	-

Investment Property at 108, Aluthmawatha Road Colombo 15 leased to Mercantile Marine Management for 05 Years with effect from 1.4.2026 and it's aggregate value of the new agreement is Rs. 105,867,593.

Outstanding balances are unsecured and interest free settlement in cash.

Disclosure in terms of Section 9.14.8 (2) of the Listing Rules of Colombo Stock Exchange

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.4,998,460	79% of Company's Revenue	Normal commercial terms.

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

SHARE INFORMATION -

	Name of the Sha Earnings	No of Shares	%
1	REEDEREI EUGEN FRIEDERICH GMBH SCHIFFAHRTSGESELLSCHAFT	812,542	28.56
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	NATURUB EXPORTS INTERNATIONAL (PRIVATE) LIMITED	25,135	0.88
7	MR.TISSA ELEPERUMA	23,411	0.82
8	MRS. DANTHANARAYANA BADALMESTRIGE DON DEEPANI DANTHANARAYA	11,500	0.40
9	MR.HORANAGE NILANANDA SENAKA KUMARA	23,411	0.82
10	MR. LEVWANDUWA LIYANAGE DON DINUSHA SAMPATH	9,807	0.34
11	PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	9,056	0.32
12	MR. PRIYANKA MANJULA PATHIRAJA / MRS.D.A.O. KANDAMUDALI	7,798	0.27
13	MR. SUBRAMANIYAM INDRAKUMAR	7615	0.27
14	MR. PANDUWAWALA KANKANAMALAGE AMENDRA DINUKA PERERA	7610	0.27
15	MR.HEWA COLAMBAGE DAMITH SRILAL	7,056	0.25
16	MR. WEERASINGHE ARACHCHIGE SARATH WEERASINGHE	6,692	0.24
17	DR. MERENNEGE DILAN ANUSH FERNANDO	6,300	0.22
18	SAMPATH BANK PLC/NAVARA CAPITAL LIMITED	6,000	0.21
19	MR. PONNAMPERUMAGE DUSHANTA KUMAR FERNANDO	5,691	0.20
20	MR. WARNAKULASURIYA DIROSHAN SANJIKA THAMEL	5,517	0.19

Directors Shareholding as of 30 June 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
Curren Prasanna Saman Kumara Watawala	
Sachini Nathasha Egodage	
Walimuni Devage Lal Jayantha Kulasooriya	Nil
Chintaka Parakrama Punyajith Gamalath Hapudeniya	Nil

Non public shareholding as at 30 June 2026	**No of Shares**	**%**
Issued Share Capital	2,844,990	100%
Directors and their Spouses		
Mr. H.A.R.K Wickrematileka	1,000	0.00
Capt. R E G Codipilly	4,162	0.15%
	5,162	
The N **More than 10%**		
REEDEREI EUGEN FRIEDERICH	812,542	28.56%
MERCANTILE MARINE MANAGEMENT LTD	593,580	20.86%
	1,406,122	
Non public shareholding	1,411,284	**49.61%**
Public shareholding	1,433,706	**50.39%**

MERCMARINE
GROUP OF COMPANIES

To : The Colombo Stock Exchange/SEC
Date :13 August 2026

Report on Distribution of Shares
(In terms of Rule 7.13 of the CSE listing Rules)
The information set out below is at : 30 June 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	**49.61%**

Public Shareholders

Public Shareholding %	Total No. of shareholders who hold the Public Holding
50.39%	**1516**

Floated Adjusted Market Capitalization	Option
LKR 293,909,780	**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
(H.A.R.K.Wickramatileka)