MERCANTILE SHIPPING COMPANY PLC

Interim Financial Statements
For the period ended 30 September 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
W D L J Kulasooriya
C P P G Hapudeniya
Ms. S N Egodage (Resigned w e f 08.04.26)

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	06 Months			03 Months		
For the period ended 30 September	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %
Revenue	12,676,920	11,296,949	12	6,338,460	5,648,474	12
Cost of Sales	(400,032)	(1,527,302)	(74)	(200,016)	(763,651)	(74)
Gross Profit	12,276,888	9,769,647	26	6,138,444	4,884,823	26
Other Income	3,459	103,555	(97)	(38,448)	31,163	(223)
Administrative Expenses	(11,460,235)	(10,675,072)	7	(5,461,020)	(5,175,841)	6
Operating Profit/(Loss)	820,112	(801,870)	(202)	638,976	(259,855)	(346)
Finance Cost	(127,675)	(19,363)	559	(80,574)	(15,540)	418
Finance Income	1,910,408	1,780,101	7	1,200,632	954,410	25.80
Profit/(Loss) before Tax	2,602,845	958,868	171	1,759,034	679,015	159.06
Total Income Tax Charge for the Period	(982,000)	(650,000)		(665,000)	(650,000)	2
Profit for the period	1,620,845	308,868	425	1,094,034	29,015	3,671
Other Comprehensive Income/(Loss)						
Acturial loss	(213,592)	-		(242,968)	-	
Deferred tax on Acturial loss	64,078	-		72,891	-	
Other Comprehensive Income for the Period, net of tax	(149,514)	-		(170,077)	-	
Total Comprehensive Income/(Loss) for the Period, net of tax	1,471,331	308,868	376	923,957	29,015	3,084
Basic/Diluted (Loss)/Earnings per Share*	0.52	0.11		0.32	0.01	

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

The Notes to the Financial Statements on page 7 and page8 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	06 Months			03 Months		
For the period ended 30 September	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %	Unaudited 2026 Rs.	Unaudited 2025 Rs.	Variance %
Revenue	12,676,920	11,296,949	12	6,338,460	5,648,474	12
Cost of Sales	(400,032)	(1,527,302)	(74)	(200,016)	(763,651)	(74)
Gross Profit	12,276,888	9,769,647	26	6,138,444	4,884,823	26
Other Income	3,459	103,555	(97)	(38,448)	31,163	(223)
Administrative Expenses	(11,460,235)	(10,640,272)	8	(5,461,020)	(5,157,291)	6
Operating Profit/(Loss)	820,112	(767,070)	(207)	638,976	(241,305)	(365)
Finance Cost	(127,675)	(19,363)	559	(80,574)	(15,540)	418
Finance Income	1,910,408	1,780,101	7	1,200,632	954,410	25.80
Operating Profit/(Loss)	2,602,845	993,668	162	1,759,034	697,565	152.17
Total Income Tax Charge for the Period	(982,000)	(650,000)	51	(665,000)	(650,000)	2
Profit/(Loss) for the period	1,620,845	343,668	372	1,094,034	47,565	2,200
Other Comprehensive Income/(Loss)						
Acturial (Gain)/loss	(213,592)	-		(242,968)	-	
Deferred tax on Acturial (Gain)/loss	64,078	-		72,891	-	
Other Comprehensive Income for the period, net of tax	(149,514)	-		(170,077)	-	
Total Comprehensive Income/(Loss) for the period, net of tax	1,471,331	343,668	328	923,957	47,565	1,843
Basic/Diluted (Loss)/Earnings per Share*	0.52	0.12		0.32	0.02	

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

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	30.09.2026	31.03.2026	30.09.2026	31.03.2026
ASSETS	Rs.	Rs.	Rs.	Rs.
Non-Current Assets				
Property, Plant and Equipment	123,657	148,388	123,657	148,388
Investment Property	479,800,000	479,800,000	479,800,000	479,800,000
Investments in Subsidiary	-	-	15,000,060	15,000,060
Refundable Deposit	738,750	738,750	738,750	738,750
	480,662,407	480,687,138	495,662,467	495,687,198
Current Assets				
Other Receivables	15,016,043	9,689,757	15,016,043	9,689,757
Advances and Prepayments	958,919	1,223,460	958,919	1,223,460
Other Current Financial Assets	51,618,513	50,056,777	51,618,513	50,056,777
Cash and Cash Equivalents	402,631	388,513	323,741	309,623
	67,996,106	61,358,509	67,917,216	61,279,617
Total Assets	548,658,513	542,045,647	563,579,683	556,966,815
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	37,262,606	37,262,606	37,262,606	37,262,606
Retained Earnings	353,991,728	352,520,397	343,105,050	341,633,719
Total Equity	391,254,334	389,783,003	380,367,656	378,896,325
Non-Current Liabilities				
Retirement Benefit Liability	2,507,026	2,104,489	2,507,026	2,104,489
Deferred Tax Liability	133,627,495	133,691,573	133,627,495	133,691,573
Refundable Rental Deposit	5,400,000	5,400,000	5,400,000	5,400,000
	141,534,521	141,196,062	141,534,521	141,196,062
Current Liabilities				
Tade and Other Payables	7,537,724	8,153,104	33,345,571	33,960,949
Interest Bearing Loans and Borrowings	4,785,053	348,599	4,785,053	348,599
Income Tax Payable	3,546,881	2,564,879	3,546,881	2,564,879
	15,869,658	11,066,582	41,677,505	36,874,427
Total Equity and Liabilities	548,658,513	542,045,647	563,579,683	556,966,815
Net Assets per Share	137.52	137.01	133.70	133.18

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 Interim Financial Statements. Signed for and on behalf of the Board by;

H.A.R.K.Wickramatileka
Chairman

P A Nandasena
Director

Colombo
09 November 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	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01 April 2025	37,262,606	39,673,891	76,936,497
Profit for the period	-	308,868	308,868
Other Comprehensive Profit/(Loss)	-	-	-
Total Comprehensive Profit	-	308,868	308,868
Balance as at 30 September 2025	37,262,606	39,982,759	77,245,365
Balance as at 01 April 2026	37,262,606	352,520,397	389,783,003
Profit for the period	-	1,620,845	1,620,845
Other Comprehensive Loss	-	(149,514)	(149,514)
Total Comprehensive Profit	37,262,606	1,471,331	1,471,331
Balance as at 30 September 2026	37,262,606	353,991,728	391,254,334

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 period	-	343,668	343,668
Other Comprehensive Profit/Loss	-	-	-
Total Comprehensive Profit	37,262,606	343,668	343,668
Balance as at 30 September 2025	37,262,606	28,995,402	66,258,008
Balance as at 01 April 2026	37,262,606	341,633,719	378,896,325
Profit for the period	-	1,620,845	1,620,845
Other Comprehensive Loss	-	(149,514)	(149,514)
Total Comprehensive Profit	37,262,606	1,471,331	1,471,331
Balance as at 30 September 2026	37,262,606	343,105,050	380,367,656

The Notes to the Financial Statements on page 7 and page8 form an integral part of Interim Financial Statements .

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the period ended 30 September	Group		Company	
	2026 Rs. Unaudited	2025 Rs. Unaudited	2026 Rs. Unaudited	2025 Rs. Unaudited
Cash Flows from/(used in) Operating Activities				
Profit/(Loss) before tax	2,602,845	958,868	2,602,845	993,668
Adjustment For				
Depreciation	24,731	1,305,012	24,731	1,305,012
Fair Value Adjustment of Investments	35,700	(35,700)	35,700	(35,700)
Finance Cost	127,675	19,363	127,675	19,363
Finance Income	(1,910,408)	(1,780,101)	(1,910,408)	(1,780,101)
Provision for Gratuity	188,944	-	188,944	-
Dividend Income Received	-	(30,345)	-	(30,345)
Operating Profit/(Loss) before Working Capital Changes	1,069,487	437,097	1,069,487	471,897
(Increase)/Decrease in Trade and Other Receivables	(4,468,470)	84	(4,468,470)	84
(Increase)/Decrease in Advance and Prepayment	264,541	158,365	264,541	158,365
Increase/(Decrease) in Trade and Other Payables	(615,378)	(365,118)	(615,378)	(399,918)
Cash Generated from/(Used in) Operations	(3,749,820)	230,428	(3,749,820)	230,428
Finance Cost Paid	(127,675)	(19,363)	(127,675)	(19,363)
Income Tax (Paid)/Credit	(857,812)	(1,183,446)	(857,812)	(1,183,446)
Net Cash Generated from/(Used in) Operating Activities	(4,735,307)	(972,381)	(4,735,307)	(972,381)
Cash Flows from/(used in) Investing Activities				
Finance Income Received	3,129,709	3,237,510	3,129,709	3,237,510
Investment in Fixed Deposits	(2,816,738)	(2,909,369)	(2,816,738)	(2,909,369)
Acquisition of Property, Plant & Equipment	-	(197,850)	-	(197,850)
Dividend Received	-	30,345	-	30,345
Net Cash Generated from/(Used in) Investing Activities	312,971	160,636	312,971	160,636
Net Cash Generated from/(Used in) Financing Activities	-	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,422,336)	(811,745)	(4,422,336)	(811,745)
Cash and Cash Equivalents at the beginning of the period	39,914	890,113	(38,976)	811,223
Cash and Cash Equivalents at the end of the period	(4,382,422)	78,368	(4,461,312)	(522)
Cash and Cash Equivalents	402,631	377,153	323,741	298,263
Bank Ovedraft	(4,785,053)	(298,785)	(4,785,053)	(298,785)
	(4,382,422)	78,368	(4,461,312)	(522)

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 30 September 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 Mercantile Shipping Company PLC for the period ended 30 September 2026 comprises of the Company and its fully owned subsidiary, Mercantile Global Shipping Limited (together "Group). 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 period ended 30 September 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 2026 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 annual consolidated financial statements as at 31 March 2026.

3.2 Fair value measurement and related fair value disclosures

The following methods and assumptions were used to estimate the fair values-Investment Properties, Quoted Investment Cash and short-term deposits, trade and other receivables and trade payable approximate their carrying amounts largely due to the short-term maturities of these instruments except Investment Properties which are valued on every 31st March.

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:

. √ Group has legal claim of INR 58,153,46 against the Chennai Port Trust, which includes the recovery of a deposit with applicable interest, repair cost and loss of charter hire made in 2004. The Madras High Court ruled in favour of the Group in 2021.The Chennai Port Trust has filed an appeal against the judgement, which remains pending at the reporting date.

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 Interim Financial Statements.

Notes to the Interim Financial Statements for Quarter ended 30 September 2026

06 SHARE INFORMATION

06.1 STATED CAPITAL

Fully Paid Ordinary Shares	2026		2025	
	Number	**Rs.**	**Number**	**Rs.**
As at 30 September	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

	2026	**2025**
	Rs.	**Rs.**
Highest Price during the Quarter-20.08..2026	210.00	820.50
Lowest Price during the Quarter-06.08.2026	176.50	252.25
Last traded price - 30.09.2026	194.50	607.25

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

		30.09.2026	**30.09.2025**
		Rs.	**Rs.**
Float adjusted market capitalisation (Rs)		277,855,817	656,122,694
Public Holding		50.39%	37.98%
Nubmber of Public shareholders		1478	852
Net Asset Value Per share	**Rs.**	137.52	27

07 Ratios

		30.09.2026	**30.09.2025**
Return on Equity	%	0.01	0.00
Return on Assets	%	0.00	1%
Current Ratio		4.3	3.88
Gearing Ratio	%	40.2	18%

08 Other Current Financial Assets

	30.09.2026	**30.09.2025**
	Rs.	**Rs.**
	Group/Company	**Group/Company**
Term Deposits	50,997,333	47,693,857
Quoted Shares	621,180	756,840
	51,618,513	48,450,697

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

MERCANTILE SHIPPING COMPANY PLC

Related Party Transactions Review Committee Meeting - 09 November 2026

Nature of Transaction	Quarter ended 30.09.26		Quarter ended 30.06.26	
	Subsidiary	Affiliates	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)	2,122,810	(25,807,839)	-
Rent Charged	-	4,988,460	-	4,988,460
Rent Received	-	(2,324,520)	-	(2,579,085)
Settlement of Liabilites by the Company	-	-	-	-
10% W H T Charge on Rent	-	(258,280)	-	(286,565)
Transfer of Other Payables	-		-	
Balance as at end of the Qtr	(25,807,839)	4,528,470	(25,807,839)	2,122,810

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 remaing Lease rental value is Rs. 95,890,672 at the end of the period.

Outstanding balancesas at the period end 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 period	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.9,976,920	79% of Company's Revenue	Normal commercial terms.

Mercantile Shipping Company PLC

INTERIM FINANCIAL STATEMENTS

SHARE INFORMATION

Top 20 Shareholders List as at 30 September 2026

	Name of the Shareholder	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 DANTHANARAYANA	11,500	0.40
9	MR.HORANAGE NILANANDA SENAKA KUMARA	10,300	0.36
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	7,625	0.27
14	MR. PANDUWAWALA KANKANAMALAGE AMENDRA DINUKA PERERA	7,611	0.27
15	MR.HEWA COLAMBAGE DAMITH SRILAL	7,058	0.25
16	DR. MERENNEGE DILAN ANUSH FERNANDO	6,828	0.24
17	MR. PALLAWALA MOHOTTIGE CHAMINDA NISHANTHA PALLAWALA	6,796	0.24
18	MR. WEERASINGHE ARACHCHIGE SARATH WEERASINGHE	6,692	0.24
19	SAMPATH BANK PLC/NAVARA CAPITAL LIMITED	6,000	0.21
20	MR. PONNAMPERUMAGE DUSHANTA KUMAR FERNANDO	5,941	0.21
	SUB TOTAL	**2,518,779**	**88.53**
	OTHERS	**326,211**	**11.47**
	GRAND TOTAL	**2,844,990**	**100.00**

Directors Shareholding as of 30 September 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
Walimuni Devage Lal Jayantha Kulasooriya	Nil
Chintaka Parakrama Punyajith Gamalath Hapudeniya	Nil

Non Public Shareholding as at 30 September 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	
More than 10%		
REEDEREI EUGEN FRIEDERICH GMBH SCHIFFAHRTSGESELLSCHAFT	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 :09 November 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 September 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%	**1478**

Float adjusted Market Capitalization	Option
Rs. 277,855,817	**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)