

30 September 2025

Mercantile Ports & Logistics Limited

("MPL", the Group or the "Company")

Interim Results

Mercantile Ports & Logistics Limited (AIM: MPL), which is operating a port and logistics facility in Navi Mumbai, Maharashtra, India announces its interim results for the period ended 30 June 2025.

Management Statement:

As previously announced, the Company's performance during the period was impacted by the Company's ongoing negotiations with its lenders, given that the Company has been engaged for nearly two years with its banks to refinance the debt held by its Indian lenders. In May 2025 the company made a one-time settlement offer ("OTS") offer to lenders to settle the debt at GBP 43mn. The lenders ran a process for price discovery, wherein they received a bid from the third party to settle the debt at GBP 46.5mn. In exercising its right of first refusal, the company offered a settlement amount of GBP 47.1 million and was subsequently declared as the successful bidder by the consortium. Between June and July 2025, sanctioning authorities of two of the three lenders approved the OTS proposal for the Company's term debt, with approval from the third lender pending. In September 2025, the Company was informed that the OTS had been annulled, as the third lender's approval had not been received. It was further understood that an arbitrary bid had been received by the lenders which offered to settle the debt at GBP 52 million.

The Company maintains that it has met all of its obligations under the agreed terms and has taken steps to safeguard its position. Legal proceedings have been initiated before the High Court of Delhi, where interim protection has been granted. The Company is represented in these proceedings by senior legal counsel, including a former Attorney General of India.

Through the continued support of its shareholders and the sustained efforts of the Company, a strategically important and valuable port and logistics asset has been developed. However, business operations on the ground have been constrained by the uncertainty and the time taken to conclude the debt settlement process.

The Board remains fully committed to safeguarding the Company's core asset and protecting the interests of all stakeholders.

At present, the court is due to deliver its interim ruling on 6 October 2025. Should the ruling be adverse to MPL, the Company will have the opportunity to appeal against the verdict as per legal advice. The Board will continue to act in the best interests of the Company and will keep shareholders informed of material developments.

The Board firmly believes that there is significant inherent value in MPL's listing on the London Stock Exchange. The Board is determined to ensure that MPL remains a going concern and that this value is preserved.

The original purpose of MPL's listing in London was to provide a platform to invest in and develop niche infrastructure and logistics assets across India and internationally. That strategic objective remains unchanged. The Board's priority is to safeguard the existing asset base and to position the Company to deliver on its long-term strategy once the current challenges are resolved.

Trading and Financial update:

The protracted resolution of lender-related matters has weighed heavily on business operations and profitability. For 1H 2025, revenues fell by approximately 7% year-on-year, while operating profit at Indian level declined by about 80%, largely due to higher legal and administrative costs associated with the debt negotiations. 1H 2025 consolidated operating loss before depreciation and impairment loss amounted to GBP 6.3 million primarily as a result of advances write off.

The uncertainty has also presented challenges in sustaining confidence among customers, suppliers, and employees. This environment has led to delays in signing of new customer contracts until greater clarity emerges on the company's financial position.

One-Time Items

Beyond operating performance, financial results were affected by specific one-time charges, including:

- i. A write-off of approx. GBP 6 million in advances provided in FY2019/20 to an EPC contractor for quarry booking and development. The contractor subsequently entered liquidation, with the order finalized by the court in 2025.
- ii. A GBP 6.9 million impairment following a review of actual results versus budgeted revenues and profitability.

It is important to note that, given the current debt situation, the Company reclassified borrowings to current liabilities and has prudently refrained from any new capital expenditure in 2025, focusing instead on stabilizing operations and safeguarding resources.

Outlook

As and when the position with the Company's lenders is resolved, the Board remains confident in the prospects of its facility and the Board looks forward to updating investors in due course.

For further information, please visit www.mercpl.com or contact:

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2025 Unaudited £000	6 months ended 30 June 2024 Unaudited £000	Year ended 31 Dec 2024 Audited £000
CONTINUING OPERATIONS			
Revenue	976	1,050	4,352
Operating costs	(473)	(790)	(2,330)
Advances Given Written Off	(5,658)	-	-
Administrative expenses	(1,157)	(1,284)	(2,841)
Operating (loss) / profit before depreciation and impairment loss	(6,287)	(1,024)	(819)
Depreciation	(1,998)	(2,360)	(4,740)
Impairment loss	(6,488)	-	(6,772)
Other income	182	935	921
OPERATING LOSS	(14,591)	(2,449)	(11,410)
Finance income	13	18	34
Finance cost	(3,380)	(3,590)	(7,291)
NET FINANCING COST	(3,367)	(3,572)	(7,257)
LOSS BEFORE TAX	(17,958)	(6,021)	(18,667)
Tax expense for the period	-	-	-
LOSS FOR THE PERIOD	(17,958)	(6,021)	(18,667)
Loss for the period attributable to:			
Non-controlling interest	(33)	(12)	(37)
Owners of the parent	(17,924)	(6,009)	(18,630)
Loss for the period / year	(17,958)	(6,021)	(18,667)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurement of net defined benefit liability	-	-	1
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations	2,256	708	(460)
Other comprehensive income / loss for the period / year	2,256	708	(459)
Total comprehensive income / loss for the period / year	(15,702)	(5,313)	(19,126)
Total comprehensive income / loss for the period / year attributable to:			

year attributable to:

Non-controlling interest

Owners of the parent

	(33)	(12)	(38)
	(15,668)	(5,302)	(19,088)
	(15,872)	(5,313)	(19,126)

Loss per share (consolidated):

Basic and diluted, for the period attributable to ordinary equity holders

(£0.050p)	(£0.017p)	(£0.052p)
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FOR THE PERIOD ENDED 30 JUNE 2025
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Period ended 30 June 2025 Unaudited	Period ended 30 June 2024 Unaudited	Year ended 31 Dec 2024 Audited
	£000	£000	£000
Assets			
Property, plant and equipment	85,236	104,553	93,543
Intangible asset	4	49	33
Non-current tax assets	-	-	-
Total non-current assets	85,240	104,602	93,576
Inventory of traded goods	26	-	323
Current tax assets	299	2,995	2,879
Trade and other receivables	5,801	15,953	13,296
Investments	171	179	180
Cash and cash equivalents	480	937	911
Total current assets	6,777	20,065	17,589
Total assets	92,017	124,667	111,165
Liabilities			
Non-current			
Employee benefit obligations	37	24	42
Borrowings	-	35,320	28,461
Lease liabilities payables	1,235	1,242	1,206
Non-current liabilities	1,272	36,586	29,709
Current			
Employee benefit obligations	54	128	259
Borrowings	48,415	15,531	22,037
Current tax liabilities	47	26	17
Leases Liabilities payable	473	533	590
Trade and other payables	2,955	3,546	4,048
Current liabilities	51,944	19,763	26,951
Total liabilities	53,216	56,349	56,660
Net assets	38,801	68,318	54,505
Equity			
Share capital and share premium	152,354	152,354	152,354
Retained earnings	(83,770)	(53,226)	(65,846)
Translation reserve	(29,650)	(30,736)	(31,093)
Equity attributable to owners of parent	38,934	68,392	54,605
Non-controlling interest	(133)	(74)	(100)
Total equity and liabilities	38,801	68,318	54,505

CONDENSED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2025

	6 months ended 30 June 2025 Unaudited £000	6 months ended 30 June 2024 Unaudited £000	Year ended 31 Dec 2024 Audited £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax for the period / year	(17,958)	(6,021)	(18,667)
Non cash flow adjustments	12,358	5,831	18,664
Net cash generated/(used in) operating activities	(5,600)	(190)	(3)
Net changes in working capital	5,205	25	1,116
Taxes paid	–	(869)	(765)
Net cash from operating activities	(395)	(1,034)	348
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	-	(870)	518
Sale proceeds of property, plant and equipment	8	4	25
Finance income	7	14	34
Net cash generated/(used in) investing activities	15	(852)	577
CASH FLOWS FROM FINANCING ACTIVITIES			
Subscription money received (from the previous fund raise)	-	-	290
Repayment of bank borrowing principal	-	-	(3094)
Interest paid on borrowing	-	(2)	-
Repayment of leasing liabilities principal (net)	-	(22)	(54)
Interest payment on leasing liabilities	-	(16)	(31)
Net cash generated / (used in) from financing activities	-	(40)	(2,890)
Net change in cash and cash equivalents	(380)	(1,926)	(1,965)
Cash and cash equivalents, beginning of the period	911	2,881	2,881
Exchange differences on cash and cash equivalents	(51)	(18)	(5)
Cash and cash equivalents, end of the period	480	937	911

Note:

- The adjustments and working capital movements have been combined in the above Statement of Cash Flows.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025**

	Stated Capital £000	Translation Reserve £000	Retained Earnings £000	Other Components of equity £000	Non- controlling Interest £000	Total Equity £000
Balance at 1 January 2024	152,354	(31,444)	(47,217)	–	(62)	73,631
Issue of share capital	–	–	–	–	–	–
Share issue cost	–	–	–	–	–	–
Transactions with owners	152,354	(31,444)	(47,217)	–	(19)	73,631
Loss for the year	–	–	(18,630)	–	(37)	(18,667)
Foreign currency translation differences for foreign operations	–	(459)	–	–	(1)	(460)
Re-measurement of net defined benefit pension liability	–	–	–	1	–	1
Re-measurement of net defined benefit pension liability transfer to retained earning	–	–	1	(1)	–	–
Total comprehensive income for the year	–	(459)	(18,629)	–	(38)	(19,126)
Balance at 31 December 2024	152,354	(31,903)	(65,846)	–	(100)	54,505

	2025	2024	2023	2022	2021	2020
Balance at 1 January 2025	152,354	(31,903)	(65,846)	—	(100)	54,505
Loss for the period	—	—	(17,924)	—	(33)	(17,958)
Foreign currency translation differences for foreign operations	—	2,253	—	—	—	2,253
Total comprehensive income for the period	—	2,263	(17,924)	—	(33)	(15,705)
Balance at 30 June 2025	152,354	(29,650)	(83,770)	—	(133)	38,801

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