HEMAS

Enriching Lives Through

PURPOSEFUL PROGRESS

Performance Review for the Six Months Ended 30th September 2026

We are pleased to report a strong second quarter, marking a clear recovery from a challenging first quarter. Q2 FY27 revenue grew 17.0% YoY to LKR 37.8 Bn, taking H1 FY27 revenue to LKR 66.6 Bn, up 9.5% YoY. EBITDA rebounded sharply to LKR 4.5 Bn, nearly double the Q1 level, driving a more than twofold increase in Group Earnings to LKR 2.0 Bn. We chose to absorb much of the higher input, energy and currency costs arising from the Middle East war rather than pass the full burden on to consumers, while disciplined cost management supported profitability during the quarter.

Nearly half of Group revenue is derived from businesses subject to regulated pricing, which limits our ability to recover cost increases through price corrections. In the consumer business, we have implemented pricing corrections judiciously to ensure that volumes continue to grow. Experience has shown that volume erosion costs a business far more over the long term than a temporary adjustment to margins during a period of high inflation. Our approach, particularly for mass market consumers, has therefore been to leverage technology and innovation to lower our cost base, by accessing global technologies to reformulate our products and by increasingly automating our factories to reduce manufacturing costs.

On the strategic front, the Group completed its first international acquisition on 17 August 2026, acquiring a 75% stake in Twiga Stationers & Printers Limited, Kenya. As a leading stationery manufacturer and exporter in East Africa, Twiga strengthens the Group's position as a leading learning solutions provider while establishing a platform for long term growth across the region.

Economic indicators presented a mixed picture during the quarter. Average inflation, as measured by the Colombo Consumer Price Index (CCPI), rose to 7.7%, with nearly 80% of the increase attributable to higher food, electricity, gas and fuel prices. While the LKR appreciated 1.7% against the USD during the quarter, it remains 5.0% weaker on a YTD basis, continuing to exert pressure on imported input costs.

Brent crude prices moderated from their April peak to a low in July before rebounding as tensions in the Middle East intensified. Local fuel prices followed a similar trajectory, with LP92 declining before returning to LKR 414 per litre, while LAD increased by LKR 10 to LKR 392 per litre during the quarter. Electricity tariffs remained unchanged; however, both fuel and power costs remained elevated relative to the beginning of the financial year.

Financial and Operating Performance

In Q2 FY27, Group revenue increased 17.0% YoY to LKR 37.8 Bn, with all four sectors contributing to growth, led by Hospitals (+19.3%) and Consumer Brands (+18.3%). The quarter marked a strong recovery from Q1: revenue rose 31.4% QoQ, EBITDA nearly doubled to LKR 4.5 Bn with margin up 4.1 pp QoQ to 11.9%, and Group Earnings increasing 113.4% to LKR 2.0 Bn.

Compared with Q2 FY26, gross margin remained under pressure, declining 3.1 pp to 29.7%, a further 0.7 pp lower than Q1. Tighter cost management and operating leverage kept selling, distribution and administrative expenses growing slower than revenue, enabling EBITDA to grow 10.5% YoY with margin only 0.7 pp lower. Performance was mixed across sectors, with margin expansions in Hospitals and Mobility partly offsetting lower earnings in Consumer Brands and Life

Sciences, underscoring the benefits of the Group's diversification. Below EBITDA, net finance costs rose to LKR 249 Mn from approximately LKR 56 Mn on higher borrowings, and together with a higher tax charge, Group Earnings declined 3.0% YoY.

For H1 FY27, revenue grew 9.5% YoY to LKR 66.6 Bn. The strong second quarter, which delivered approximately two-thirds of H1 earnings, turned a 14.1% YTD EBITDA decline at the end of Q1 into growth of 0.9%, to LKR 6.8 Bn. Group Earnings declined 9.7% to LKR 2.9 Bn, primarily reflecting the weaker first quarter.

While profitability recovered strongly in Q2, cash generation was constrained by higher working capital requirements. The Group recorded an operating cash outflow of LKR 8.4 Bn in H1 FY27, driven primarily by an LKR 12.3 Bn increase in net working capital to support revenue growth, a seasonal inventory build-up at Atlas and Twiga, and higher receivables from extended distributor payment terms in Consumer Brands and Pharmaceuticals. These working capital requirements, together with funding for the Twiga acquisition, contributed to net gearing increasing to 16.6%, compared with a net cash position in the corresponding period last year. Management is prioritising tighter inventory management, improved collections and tighter distributor credit control to strengthen cash conversion.

		Q2 FY27	YoY	QoQ	H1 FY27	YoY
Group Revenue	LKR Mn	37,792	17.0%	31.4%	66,563	9.5%
Consumer Brands	LKR Mn	15,572	18.3%	71.3%	24,661	13.4%
Life Sciences	LKR Mn	18,365	16.2%	14.0%	34,472	5.9%
Hospitals	LKR Mn	3,205	19.3%	7.3%	6,192	15.1%
Mobility	LKR Mn	646	3.7%	10.8%	1,229	9.9%
GP	LKR Mn	11,217	5.8%	28.1%	19,970	4.0%
GP margin		29.7%	(3.1%)	(0.7%)	30.0%	(1.6%)
EBITDA	LKR Mn	4,498	10.5%	99.2%	6,756	0.9%
EBITDA margin		11.9%	(0.7%)	4.1%	10.2%	(0.9%)
EBIT	LKR Mn	3,777	8.1%	132.1%	5,404	(2.8%)
EBIT margin		10.0%	(0.8%)	4.3%	8.1%	(1.0%)
Net finance cost	LKR Mn	(249)	347.8%	135.5%	(354)	112.0%
Group Earnings	LKR Mn	2,000	(3.0%)	113.4%	2,937	(9.7%)
Earnings margin		5.3%	(1.1%)	2.0%	4.4%	(0.9%)

Business Unit Performance

Consumer Brands

		Q2 FY27	YoY	QoQ	H1 FY27	YoY
Revenue	LKR Mn	15,572	18.3%	71.3%	24,661	13.4%
EBITDA	LKR Mn	1,880	(18.1%)	174.2%	2,565	(19.5%)
EBITDA margin		12.1%	(5.4%)	4.5%	10.4%	(4.2%)
EBIT	LKR Mn	1,601	(24.1%)	230.6%	2,086	(26.0%)
EBIT margin		10.3%	(5.7%)	5.0%	8.5%	(4.5%)
Earnings	LKR Mn	1,114	(30.6%)	138.3%	1,582	(30.1%)
Earnings margin		7.2%	(5.0%)	2.0%	6.4%	(4.0%)

Home and Personal Care - Sri Lanka

During the quarter, Beauty recorded the strongest growth within Hemas' HPC portfolio, followed by Home Care and Baby Care, with all three categories achieving double digit growth. Beauty, a strategic priority, now accounts for 20% of the portfolio. Baby Care growth was volume led amid lower prices, while growth in Beauty and Home Care was predominantly price led, supported by single digit volume growth. Across the broader portfolio, new product launches and promotional initiatives contributed to improved volume performance. Feminine hygiene was the only category to record a continued volume decline, due to lower Thilinapath[1] contributions compared with Q2 FY26. Home Care's Q2 performance was encouraging following a weak Q1, although YTD revenue remains at a low single digit decline.

Gross margin erosion remained the key challenge, diluting EBITDA despite revenue growth. Higher raw material, energy and logistics costs reduced gross margin by 5.6 pp QoQ and 3.6 pp YoY. Higher overheads continued to weigh on profitability, although this was partially offset by a modest reduction in direct marketing expenditure. While finance income increased marginally, a higher tax charge more than offset this benefit, resulting in earnings declining broadly in line with EBITDA.

We adopted a balanced pricing approach during the period, absorbing a portion of the increase in input costs to protect long-term volumes and consumer affordability. Margin improvement continues to be driven through supply chain and manufacturing efficiencies, supported by the development of cost-effective advanced formulations. These efforts are further complemented by ongoing investments in digital capabilities, with several initiatives being rolled out during FY27 to enhance demand planning, commodity forecasting and overall operational effectiveness.

Home and Personal Care - Bangladesh

In HCB Bangladesh, value-added hair oil, which accounts for 74% of revenue, recovered YoY in the quarter ended September 2026, as price growth outweighed a volume decline to deliver single-digit growth. The male grooming category grew by nearly 50%, with double-digit growth in both volume and price. Revenue recorded single-digit growth in both the quarter and the YTD periods despite a challenging macroeconomic environment, while YTD earnings margin improved by a modest 0.5%.

Innovation and new category launches continue under our "Build for Bangladesh" strategy, with a focus on herbal and natural products aligned with local consumer preferences.

Learning

We continue our transformation into an activity-based learning company, supporting national education reforms and the shift towards experiential learning. The Edutoys category recorded significant growth in both the quarter and the YTD period, and its range was further strengthened by the launch of seven activity kits during H1 FY27.

Market leadership across our core categories remains firmly established, while newer adjacencies continue to gain traction. The Back-to-School and Bags categories, which now account for over 10% of the portfolio, recorded volume growth in excess of 50% YoY.

[1] Thilinapath is a government-led initiative launched in Sri Lanka by the Ministry of Education in June 2024 to provide free sanitary napkins to schoolgirls in Grade 6 and above

In preparation for the upcoming school season, inventory levels are being proactively built to ensure product availability to support peak demand.

The acquisition of a 75% stake in Twiga Stationers & Printers Limited, the Group's first international acquisition, was completed in August 2026 through Atlas Axillia. The ownership transition has progressed smoothly, with continuity across leadership, employees, customers and suppliers. Group governance and oversight structures are in place, and the Twiga Board has convened under the new ownership. Revenue has tracked in line with projections, and the business is well prepared for the upcoming school season, with adequate inventory and active engagement with customers across key regions. Together with our shared expertise in brand building and product development, Twiga provides a strategic platform for creating long-term value and accelerating growth across East Africa.

Life Sciences

		Q2 FY27	YoY	QoQ	H1 FY27	YoY
Revenue	LKR Mn	18,365	16.2%	14.0%	34,472	5.9%
EBITDA	LKR Mn	1,233	(8.1%)	10.2%	2,353	(15.9%)
EBITDA margin		6.7%	(1.8%)	(0.2%)	6.8%	(1.8%)
EBIT	LKR Mn	1,075	(11.0%)	11.8%	2,036	(19.4%)
EBIT margin		5.9%	(1.8%)	(0.1%)	5.9%	(1.9%)
Earnings	LKR Mn	623	(26.8%)	(3.4%)	1,267	(24.2%)
Earnings margin		3.4%	(2.0%)	(0.6%)	3.7%	(1.5%)

Pharmaceutical Distribution

Industry growth remained subdued, with the market recording a modest 0.5% QoQ expansion in the quarter ended June 2026. Hemas Pharmaceuticals sustained its market leadership and secured six new product registrations during the quarter, taking the YTD total to 14.

With pharmaceutical prices regulated by the National Medicines Regulatory Authority (NMRA), the industry continued to absorb the full impact of LKR depreciation pending regulatory approval of price revisions to partially offset the increased costs. Consequently, despite YoY revenue growth, margins remained under pressure, while elevated financing costs further weighed on earnings.

Challenges surrounding the NMRA pricing mechanism and approval delays, and their implications for the timely availability of medicines, persist. While the stay order on the pricing formula, effective 14 October, has provided temporary relief, the Group will continue to assess pricing decisions on a case-by-case basis, balancing the need to safeguard medicine affordability with ensuring sustainable market availability.

Pharmaceutical Manufacturing

Pharmaceutical manufacturing revenue grew 11% YoY in Q2 and a more modest 3% YTD, driven entirely by volumes, as prices declined 1% YoY in the quarter and remained flat YTD. Morison's own brand portfolio continued to perform strongly, with volumes up 23% YoY in Q2 and 33% YTD.

Price increases granted on Government buy-back contracts and across the portfolio, together with cost optimisation initiatives, are expected to provide partial relief from the margin pressure arising from the Middle East crisis such as elevated import costs, depreciation of the LKR and escalation in fuel and electricity prices. The core focus of the pharma manufacturing segment is to build our own brands and reach exports markets. In line with this, the initiatives with regard to new product development and exports are progressing as per plan.

Hospitals

		Q2 FY27	YoY	QoQ	H1 FY27	YoY
Revenue	LKR Mn	3,205	19.3%	7.3%	6,192	15.1%
EBITDA	LKR Mn	621	28.9%	6.6%	1,203	17.3%
EBITDA margin		19.4%	1.4%	(0.1%)	19.4%	0.4%
EBIT	LKR Mn	399	38.1%	9.7%	762	17.5%
EBIT margin		12.4%	1.7%	0.3%	12.3%	0.2%
Earnings	LKR Mn	265	26.9%	5.5%	515	14.8%
Earnings margin		8.3%	0.5%	(0.1%)	8.3%	0.0%

Hospitals delivered another quarter of strong performance, recording the highest YoY revenue and earnings growth within the Group's sectors. Overall admissions grew 4.4% during the quarter but remained broadly flat YTD. Growth in admissions was driven by medical admissions, in line with the patient profile during the period, and YTD occupancy across both hospitals stood at 73%. Channelling grew 4% in the quarter and at a more modest 2.8% YTD.

We continue to expand our diagnostics footprint and laboratory network to capitalise on the increasing importance of diagnostics in clinical decision making. Five new diagnostic centres were added during H1 FY27, bringing the network to 55 centres, further strengthening accessibility and supporting future growth.

Mobility

		Q2 FY27	YoY	QoQ	H1 FY27	YoY
Revenue	LKR Mn	646	3.7%	10.8%	1,229	9.9%
EBITDA	LKR Mn	573	25.3%	17.6%	1,061	39.1%
EBITDA margin		88.7%	15.3%	5.1%	86.3%	18.1%
EBIT	LKR Mn	558	24.4%	17.3%	1,034	38.5%
EBIT margin		86.5%	14.4%	6.7%	84.2%	17.4%
Earnings	LKR Mn	307	23.7%	(4.3%)	627	58.2%
Earnings margin		47.5%	7.7%	(7.5%)	51.0%	15.6%

The Middle East conflict resulted in the temporary suspension of a couple of routes, leading to a decline in Evergreen throughput for the quarter, although volumes remained positive on a YTD basis. Elevated freight rates supported revenue and operating performance, while a strategic shift towards higher-yield shipments to the US West Coast (USWC) and the Maldives is expected to partially offset the impact of the suspended routes.

In aviation, passenger and cargo volumes declined YoY in both Q1 and Q2; however, higher yields supported a marginal growth in overall revenue. On a QoQ basis, passenger and cargo volumes both grew, while passenger yields improved and cargo yields declined.

People, Culture & Future-Ready Skills

Following the rollout of the updated Group Values in August, Hemas launched **"Move with Courage"**, a company-wide people and culture initiative to align all employees behind our long-term growth ambitions and strategic priorities. Move with Courage translates the Group Long Range Plan 2030 (LRP) into everyday action by strengthening four critical behaviours, namely speed, ownership, ambition and collaboration, that are essential to achieving our LRP goals and sharpening our execution.

Leadership development momentum continued across the Group. The third cohort of **Transcend**, our flagship leadership development programme for senior managers, was launched. Transcend builds future-ready leaders by strengthening strategic thinking, people leadership and an enterprise-wide perspective. The third cohort of **ElevateHER**, our flagship women's leadership programme, is progressing through workshops and coaching. For the third consecutive year, Hemas was recognised among the Top 20 Most Outstanding Women-Friendly Workplaces, reflecting our continued commitment to building an inclusive workplace. Through **LinkedIn Learning**, we are curating learning paths for four priority future skills (Strategic Thinking, Project Management, AI and Change Management), supported by engagement initiatives to drive uptake.

Sustainability

The Group continued to advance its sustainability priorities during the quarter, embedding sustainability considerations into business operations while enhancing long-term resilience and regulatory preparedness.

Cumulative plastic recovery exceeded 3.5 million kilograms, supporting the Group's targets of recovering 62.5% of plastic placed on the market by FY27 and achieving 100% recovery by FY30. These efforts also contribute to the Group's preparedness for Sri Lanka's forthcoming Extended Producer Responsibility (EPR) regulations.

Water intensity improved to 1.5 m^3 from 1.6 m^3 in the previous quarter, reflecting improved water efficiency across operations. Targeted conservation measures and process optimisation initiatives continue to support resource efficiency.

Renewable energy accounted for 14.8% of total electricity consumption, compared with 13.6% in the previous quarter. This improvement reflects progress towards the Group's target of sourcing 25% of its electricity requirements from renewable energy.

During the quarter, the Group's purpose-led initiatives reached over 24,300 individuals across education, health and wellbeing, and community development. The Piyawara preschool network expanded access to quality early childhood education through the opening of five new preschools in Tissamaharama, Nawagampura, Kohombagasthalawa, Passara, and Hali-Ela, bringing its total network to 82 centres.

Strategy and Outlook

Q2 FY27 demonstrated the resilience of Hemas in a challenging environment. In a period shaped by the Middle East war, higher energy costs and a volatile currency, our teams protected consumers, ensured the continued availability of medicines and delivered a strong recovery in profitability from the first quarter. This resilience is the foundation on which we are building our next chapter.

Our Long Range Plan sets clear north stars: mid-teen compound annual growth in both revenue and earnings, with 15% of revenue to be derived from international markets by FY30. To achieve this, we have earmarked over USD 100 Mn for new growth platforms. We will deploy this capital with discipline, prioritising opportunities that build on our strengths, offer scalable growth and meet clear return thresholds.

Twiga represents our next step on the international journey. As it enters its school season, our priority is to deliver Twiga's plan and develop it into a platform for growth across East Africa, reducing our dependence on a single economy and extending our learning expertise to many more young learners.

In Sri Lanka, we expect the third stage of the public sector salary revision, amounting to LKR 110 Bn in 2027, to support affordability and volumes despite elevated inflation. Together with our relentless focus on cost and innovation, this gives us confidence in the momentum we carry into the second half.

Above all, we will continue to Move with Courage. With a clear strategy, trusted brands and talented people, we are determined to convert this quarter's recovery into sustained growth and lasting value for our shareholders, consumers and the communities we serve.



Ashish Chandra
Group CEO
5 November 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three Months Ended 30 September			Six Months Ended 30 September		
	2026	2025	Change %	2026	2025	Change %
Revenue from Contracts with Customers	**37,791,545**	32,286,945	17.0%	**66,563,030**	60,812,790	9.5%
Cost of Sales	**(26,574,819)**	(21,686,984)	22.5%	**(46,592,781)**	(41,612,014)	12.0%
Gross Profit	**11,216,726**	10,599,961	5.8%	**19,970,249**	19,200,776	4.0%
Other Operating Income	**279,775**	192,157	45.6%	**518,828**	417,119	24.4%
Selling and Distribution Expenses	**(2,728,082)**	(2,819,710)	-3.2%	**(5,432,709)**	(5,227,412)	3.9%
Administrative Expenses	**(4,949,256)**	(4,396,813)	12.6%	**(9,404,190)**	(8,699,452)	8.1%
Share of Results of Equity Accounted Investees (Net of Tax)	**(42,221)**	(80,304)	-47.4%	**(247,804)**	(131,741)	88.1%
Operating Profit	**3,776,942**	3,495,291	8.1%	**5,404,374**	5,559,290	-2.8%
Finance Cost	**(464,325)**	(186,191)	149.4%	**(809,886)**	(437,273)	85.2%
Finance Income	**215,665**	130,660	65.1%	**455,622**	270,162	68.6%
Profit Before Tax	**3,528,282**	3,439,760	2.6%	**5,050,110**	5,392,179	-6.3%
Income Tax Expense	**(1,405,302)**	(1,279,315)	9.8%	**(1,869,015)**	(1,976,454)	-5.4%
Profit for the Period	**2,122,980**	2,160,445	-1.7%	**3,181,095**	3,415,725	-6.9%
Attributable to:						
Equity Holders of the Parent	**1,999,839**	2,060,655	-3.0%	**2,936,863**	3,252,548	-9.7%
Non-Controlling Interests	**123,141**	99,790	23.4%	**244,232**	163,177	49.7%
	2,122,980	2,160,445	-1.7%	**3,181,095**	3,415,725	-6.9%

	LKR	LKR		LKR	LKR
Earnings Per Share					
Basic	**0.67**	0.69		**0.98**	1.09
Diluted	**0.66**	0.69		**0.98**	1.09
Dividend Per Share	**-**	-		**0.75**	0.70

All values are in LKR'000s, unless otherwise stated.
The above figures are provisional and subject to audit.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30 September		Six Months Ended 30 September	
	2026	2025	2026	2025
Profit for the Period	**2,122,980**	2,160,445	**3,181,095**	3,415,725
Other Comprehensive Income				
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods				
Exchange Differences on Translation of Foreign Operations	**(128,306)**	35,080	**(49,776)**	(10,305)
	(128,306)	35,080	**(49,776)**	(10,305)
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods				
Net Profit /(Loss) on Financial Assets at FVOCI (Equity)	**(10,507)**	8,355	**(1,668)**	8,133
	(10,507)	8,355	**(1,668)**	8,133
Other Comprehensive Income for the Period, Net of Tax	**(138,813)**	43,435	**(51,444)**	(2,172)
Total Comprehensive Income for the Period, Net of Tax	**1,984,167**	2,203,880	**3,129,651**	3,413,553
Attributable to:				
Equity Holders of the Parent	**1,861,026**	2,104,090	**2,885,419**	3,250,376
Non-Controlling Interests	**123,141**	99,790	**244,232**	163,177
	1,984,167	2,203,880	**3,129,651**	3,413,553

All values are in LKR'000s, unless otherwise stated.

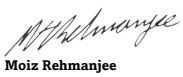
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September		As at 31 March
	2026	2025	2026
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	**31,201,900**	24,760,649	25,966,682
Investment Properties	**4,415,105**	4,305,782	4,415,106
Right-of-Use Assets	**2,657,241**	2,051,872	2,003,920
Intangible Assets	**5,162,263**	3,312,049	3,480,054
Investment in Equity Accounted Investees	**2,502,453**	2,210,353	2,786,257
Lease Receivables	**-**	10,508	2,635
Other Non-Current Financial Assets	**1,820,903**	300,834	301,930
Deferred Tax Asset	**193,954**	196,084	185,512
	47,953,819	37,148,131	39,142,096
Current Assets			
Inventories	**30,925,154**	23,190,800	23,006,773
Trade and Other Receivables	**37,048,452**	28,894,033	26,417,903
Tax Recoverable	**480,654**	281,836	308,422
Lease Receivables	**9,068**	13,922	14,897
Other Current Financial Assets	**264,481**	141,204	177,958
Cash and Short-Term Deposits	**13,280,976**	10,472,570	17,783,292
	82,008,786	62,994,365	67,709,245
Assets Held for Sale	**11,013**	11,224	11,013
Total Assets	**129,973,617**	100,153,720	106,862,354
EQUITY AND LIABILITIES			
Equity			
Stated Capital	**7,989,306**	7,824,276	7,989,306
Other Capital and Revenue Reserves	**150,691**	87,310	139,808
Other Components of Equity	**9,488,193**	8,469,122	9,539,638
Retained Earnings	**39,948,656**	34,571,222	39,342,550
Equity Attributable to Equity Holders of the Parent	**57,576,846**	50,951,929	57,011,302
Non-Controlling Interests	**2,071,082**	703,222	716,165
Total Equity	**59,647,928**	51,655,151	57,727,467
Non-Current Liabilities			
Interest-Bearing Loans and Borrowings	**8,622,985**	4,678,330	3,469,021
Other Non-Current Financial Liabilities	**1,810,535**	275,375	275,575
Deferred Tax Liability	**4,599,052**	3,625,685	4,094,685
Employee Benefit Liability	**1,979,766**	1,637,654	1,917,604
	17,012,338	10,217,044	9,756,885
Current Liabilities			
Trade and Other Payables	**36,132,749**	32,127,034	33,618,719
Income Tax Liabilities	**635,034**	989,960	1,692,826
Interest-Bearing Loans and Borrowings	**9,762,058**	4,504,361	2,676,904
Bank Overdraft	**6,781,490**	655,511	1,387,532
	53,311,331	38,276,866	39,375,981
Liabilities Associated with Assets Held for Sale	**2,021**	4,659	2,021
Total Equity and Liabilities	**129,973,617**	100,153,720	106,862,354
Net Assets per share - (LKR)	**19.22**	17.06	19.03

All values are in LKR'000s, unless otherwise stated.
The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Moiz Rehmanjee
Group Chief Financial Officer

The Board of Directors is responsible for these financial statements.
Signed for and on behalf of the Board by,



Ajith Fernando
Chairman



Ashish Chandra
Group Chief Executive Officer

Colombo
November 05, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent									
			Other Component of Equity						Non - Controlling Interest	Total Equity
	Stated Capital	Other Capital & Revenue Reserves	Revaluation Reserve	Foreign Currency Translation Reserve	Fair Value Reserve of Financial Assets at FVOCI	Cash Flow Hedge Reserve	Retained Earnings	Total		
As at 1 April 2025	**7,824,276**	**75,567**	**8,685,066**	**334,688**	**(20,533)**	**(527,926)**	**33,409,249**	**49,780,387**	**540,045**	**50,320,432**
Profit for the Period	-	-	-	-	-	-	3,252,548	3,252,548	163,177	3,415,725
Other Comprehensive Income	-	-	-	(10,305)	8,133	-	-	(2,172)	-	(2,172)
Total Comprehensive Income	-	-	-	(10,305)	8,133	-	3,252,548	3,250,376	163,177	3,413,553
Final Dividend - 2024/25	-	-	-	-	-	-	(2,090,576)	(2,090,576)	-	(2,090,576)
Share Based Payments	-	11,743	-	-	-	-	-	11,743	-	11,743
As at 30 September 2025	7,824,276	87,310	8,685,066	324,382	(12,400)	(527,926)	34,571,222	50,951,929	703,222	51,655,151
As at 1 April 2026	7,989,306	139,809	9,773,353	347,743	(30,492)	(550,967)	39,342,551	57,011,302	716,165	57,727,467
Profit for the Period	-	-	-	-	-	-	2,936,863	2,936,863	244,232	3,181,095
Other Comprehensive Income	-	-	-	(49,776)	(1,668)		-	(51,444)	-	(51,444)
Total Comprehensive Income	-	-	-	(49,776)	(1,668)	-	2,936,863	2,885,419	244,232	3,129,651
Final Dividend - 2025/26	-	-	-	-	-	-	(2,246,989)	(2,246,989)	(328,401)	(2,575,390)
Share Based Payments	-	10,882	-	-	-	-	-	10,882	-	10,882
Reclassification	-	-	-	-	-	-	(83,769)	(83,769)	83,769	-
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	1,355,318	1,355,318
As at 30 September 2026	**7,989,306**	**150,691**	**9,773,353**	**297,967**	**(32,160)**	**(550,967)**	**39,948,656**	**57,576,846**	**2,071,082**	**59,647,928**

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COMPANY STATEMENT OF PROFIT OR LOSS

	Three Months Ended 30 September			Six Months Ended 30 September		
	2026	2025	Change %	2026	2025	Change %
Revenue from Contracts with Customers	**995,520**	533,860	86.5%	**1,701,462**	973,165	74.8%
Cost of Sales	**-**	-	-	**-**	-	-
Gross Profit	**995,520**	533,860	86.5%	**1,701,462**	973,165	74.8%
Other Operating Income	**2,546,318**	1,381,594	84.3%	**2,549,265**	1,384,313	84.2%
Administrative Expenses	**(784,916)**	(542,620)	44.7%	**(1,275,608)**	(1,071,903)	19.0%
Operating Profit	**2,756,922**	1,372,834	100.8%	**2,975,119**	1,285,575	131.4%
Finance Cost	**(67,847)**	(65,757)	3.2%	**(147,837)**	(120,565)	22.6%
Finance Income	**282**	276	2.1%	**18,911**	784	2311.2%
Profit Before Tax	**2,689,357**	1,307,353	105.7%	**2,846,193**	1,165,794	144.1%
Income Tax Expense	**1,258**	(2,902)	-143.3%	**(542)**	(18,986)	-97.1%
Profit for the Period	**2,690,615**	1,304,451	106.3%	**2,845,651**	1,146,808	148.1%

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 30 September		Six Months Ended 30 September	
	2026	2025	2026	2025
Profit/ (Loss) for the Period	**2,690,615**	1,304,451	**2,845,651**	1,146,808
Other Comprehensive Income				
Net Gain/ (Loss) on Financial Assets at FVOCI	**(1,932)**	7,342	**(212)**	6,822
Other Comprehensive Income/(Loss) for the Period, Net of Tax	**(1,932)**	7,342	**(212)**	6,822
Total Comprehensive Income for the Period, Net of Tax	**2,688,682**	1,311,793	**2,845,438**	1,153,630

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COMPANY STATEMENT OF FINANCIAL POSITION

	As at 30 September		As at 31 March
	2026	2025	2026
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	**68,119**	73,501	71,009
Investment Properties	**1,300,098**	1,260,522	1,300,098
Right-of-Use Assets	**42,944**	128,831	85,887
Intangible Assets	**33,326**	27,566	26,204
Investment in Subsidiaries	**19,261,726**	19,261,226	19,261,726
Other Non-Current Financial Assets	**24,584**	35,606	25,784
	20,730,797	20,787,250	20,770,708
Current Assets			
Trade and Other Receivables	**1,078,243**	593,961	793,820
Tax Recoverable	**73,894**	19,547	37,387
Other Current Financial Assets	**2,882**	3,920	3,514
Cash and Short-Term Deposits	**711,098**	21,490	1,469,981
	1,866,118	638,918	2,304,702
Total Assets	**22,596,914**	21,426,168	23,075,410
EQUITY AND LIABILITIES			
Equity			
Stated Capital	**7,989,306**	7,824,276	7,989,306
Other Capital and Revenue Reserves	**372,041**	308,661	361,159
Other Components of Equity	**4,550**	13,810	4,762
Retained Earnings	**9,874,471**	8,604,383	9,275,810
Total Equity	**18,240,368**	16,751,130	17,631,037
Non-Current Liabilities			
Interest-Bearing Loans and Borrowings	**86,500**	298,041	173,000
Deferred Tax Liability	**313,801**	300,159	313,257
Employee Benefit Liability	**76,806**	63,014	69,708
	477,107	661,214	555,965
Current Liabilities			
Trade and Other Payables	**1,091,772**	1,076,322	1,139,119
Interest-Bearing Loans and Borrowings	**2,433,394**	2,802,661	3,197,197
Bank Overdraft	**354,274**	134,842	552,092
	3,879,440	4,013,825	4,888,408
Total Equity and Liabilities	**22,596,914**	21,426,168	23,075,410
Net Assets per share - (LKR)	**6.09**	5.61	5.88

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These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Moiz Rehmanjee
Group Chief Financial Officer

The Board of Directors is responsible for these financial statements.
Signed for and on behalf of the Board by,

Ajith Fernando
Chairman

Ashish Chandra
Group Chief Executive Officer

Colombo
November 05, 2026

COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Other Capital Reserves	Other Components Of Equity	Retained Earnings	Total Equity
			Fair Value Reserve of Financial Assets at FVOCI		
As at 1 April 2025	**7,824,276**	**296,918**	**6,988**	**9,548,151**	**17,676,333**
Profit for the Period	-	-	-	1,146,808	1,146,808
Other Comprehensive Income	-	-	6,822	-	6,822
Total Comprehensive Income	-	-	6,822	1,146,808	1,153,630
Share Based Payments	-	11,743	-	-	11,743
Final Dividend 2024/25	-	-	-	(2,090,576)	(2,090,576)
As at 30 September 2025	**7,824,276**	**308,661**	**13,810**	**8,604,383**	**16,751,130**
As at 1 April 2026	7,989,306	361,159	4,762	9,275,810	17,631,037
Profit for the Period	-	-	-	2,845,651	2,845,651
Other Comprehensive Income	-	-	(212)	-	(212)
Total Comprehensive Income	-	-	(212)	2,845,651	2,845,438
Share Based Payments	-	10,882	-	-	10,882
Final Dividend 2025/26	-	-	-	(2,246,989)	(2,246,989)
As at 30 September 2026	**7,989,306**	**372,041**	**4,550**	**9,874,471**	**18,240,368**

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STATEMENT OF CASH FLOWS

	Group		Company	
Six Months Ended 30 September	**2026**	**2025**	**2026**	**2025**
Operating Activities				
Profit/(Loss) Before Taxation	**5,050,110**	5,392,179	**2,846,193**	1,165,794
Adjustments for,				
Depreciation	**1,045,251**	905,871	**10,466**	13,518
Amortisation of Right-of-Use Assets	**248,202**	195,024	**42,944**	42,944
Gain on Disposal of Property, Plant and Equipment, Investment Properties	**(29,253)**	(37,783)	**(8,500)**	(13,644)
Provision for Share Based Payment Expense	**10,882**	11,743	**3,317**	4,358
Provision/ (Reversal) for Impairment of Trade and Other Receivables	**(5,637)**	14,144	**1,396**	(25,621)
Provision/ (Reversal) for Obsolete & Slow-Moving Stocks	**(18,066)**	(48,156)		-
Amortisation of Intangible Assets	**58,340**	36,229	**3,649**	3,145
Finance Cost	**809,886**	437,273	**147,837**	120,565
Finance Income	**(455,622)**	(270,162)	**(18,911)**	(784)
Share of Results of Equity Accounted Investees (Net of Tax)	**247,804**	131,741	**-**	-
Investment Income	**-**	-	**(2,537,573)**	(1,366,123)
Movement in Employee Benefit Liability	**151,090**	151,007	**9,292**	7,797
Operating Cash Flows before Working Capital Changes	**7,112,987**	6,919,110	**500,110**	(48,052)
Working Capital Adjustments				
(Increase)/Decrease in Inventories	**(2,580,491)**	(1,960,083)	**-**	-
(Increase)/Decrease in Trade and Other Receivables	**(9,766,498)**	(2,934,670)	**(278,255)**	(3,562)
Increase/(Decrease) in Trade and Other Payables	**36,063**	151,624	**(48,492)**	142,977
Cash Generated from Operations	**(5,197,940)**	2,175,981	**173,364**	91,363
Finance Cost Paid	**(647,421)**	(311,351)	**(145,168)**	(114,382)
Finance Income Received	**455,622**	265,720	**18,914**	745
Income Tax Paid	**(2,941,053)**	(2,226,763)	**(36,507)**	(1,539)
Employee Retirement Benefit Paid	**(88,969)**	(74,896)	**(1,050)**	(1,099)
Net Cash Flows From/(Used in) Operating Activities	**(8,419,761)**	(171,309)	**9,551**	(24,912)
Investing Activities				
Purchase of Property, Plant and Equipment	**(2,158,999)**	(1,301,045)	**(7,576)**	(4,475)
Investment in Intangible Assets	**(295,454)**	(15,443)	**(10,771)**	-
Net Movement in Financial Assets	**(60,404)**	18,311	**1,619**	17,500
Investment in Joint Ventures/ Associate	**-**	(155,000)	**-**	(145,000)
Acquisition of subsidiary, net of cash acquired	**(5,464,383)**	-	**-**	-
Dividend received from Equity Accounted Investees	**36,000**	-	**-**	-
Investment Income Received	**-**	-	**2,537,573**	1,366,123
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets	**58,290**	117,535	**8,500**	13,644
Net Cash Flows From/(Used in) Investing Activities	**(7,884,951)**	(1,335,642)	**2,529,345**	1,247,792
Financing Activities				
Interest-Bearing Loans and Borrowings (Net)	**8,885,505**	1,158,328	**(852,972)**	734,528
Proceeds from/to Non-Controlling Interest	**(218,440)**	-	**-**	-
Dividends Paid to Equity Holders of the Parent	**(2,246,989)**	(2,090,576)	**(2,246,989)**	(2,090,576)
Net Cash Flows From/(Used in) Financing Activities	**6,420,077**	(932,248)	**(3,099,961)**	(1,356,048)
Net Increase/(Decrease) in Cash and Cash Equivalents	**(9,884,635)**	(2,439,199)	**(561,064)**	(133,168)
Net Foreign Exchange Difference	**(11,638)**	(5,067)	**-**	-
Cash and Cash Equivalents at the Beginning of the Period	**16,395,759**	12,261,325	**917,889**	19,815
Cash and Cash Equivalents at the End of the Period	**6,499,486**	9,817,059	**356,825**	(113,353)

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SEGMENTAL INFORMATION

Six Months Ended 30 September	Consumer Brands		Lifescience		Hospitals		Mobility		Strategic Investments		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenue from Contract with Customers												
Segmental Revenue - Gross	24,748,453	21,846,895	37,463,327	36,467,804	6,192,458	5,378,419	1,256,845	1,140,889	2,035,639	1,256,810	71,696,722	66,090,818
Intra Segmental Revenue	(87,071)	(93,680)	(2,990,940)	(3,910,893)	-	-	(28,043)	(23,027)	(186,254)	(113,289)	(3,292,307)	(4,140,889)
Segment Revenue	24,661,383	21,753,215	34,472,388	32,556,912	6,192,458	5,378,419	1,228,802	1,117,862	1,849,385	1,143,521	68,404,414	61,949,929
Inter Segmental Revenue	-	-	-	-	-	-			(1,841,385)	(1,137,139)	(1,841,385)	(1,137,139)
Total Revenue from Contract with Customers	24,661,383	21,753,215	34,472,388	32,556,912	6,192,458	5,378,419	1,228,802	1,117,862	8,000	6,382	66,563,030	60,812,790
Results												
Segmental Results	2,091,017	2,817,531	2,035,684	2,526,028	761,895	648,463	1,022,461	732,860	(258,880)	(1,033,851)	5,652,178	5,691,031
Finance Cost	(173,090)	(58,052)	(455,993)	(211,207)	(118,661)	(116,189)	(3,057)	(3,609)	(59,085)	(48,216)	(809,886)	(437,273)
Finance Income	220,593	133,166	27,290	22,553	65,151	66,222	121,076	46,485	21,512	1,736	455,622	270,162
Share of Results of Equity Accounted Investees (Net of Tax)	(5,501)	(1,022)	-	-	-	-	11,937	14,029	(254,239)	(144,747)	(247,804)	(131,741)
Profit/(Loss) before Tax	2,133,020	2,891,622	1,606,982	2,337,374	708,385	598,496	1,152,417	789,766	(550,693)	(1,225,079)	5,050,110	5,392,179
Income Tax	(515,819)	(628,832)	(348,160)	(656,614)	(185,489)	(143,337)	(315,775)	(246,492)	(503,772)	(301,179)	(1,869,015)	(1,976,454)
Profit/(Loss) for the Period	1,617,201	2,262,790	1,258,822	1,680,761	522,896	455,159	836,642	543,273	(1,054,466)	(1,526,257)	3,181,095	3,415,725
Loss After Tax from Discontinued Operations (*Note 06*)	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the Period	1,617,201	2,262,790	1,258,822	1,680,761	522,896	455,159	836,642	543,273	(1,054,466)	(1,526,257)	3,181,095	3,415,725
Attributable to:												
Equity Holders of the Parent	1,581,931	2,262,790	1,267,073	1,670,756	515,297	448,979	627,027	396,281	(1,054,466)	(1,526,257)	2,936,863	3,252,548
Non-Controlling Interests	35,270	-	(8,252)	10,004	7,599	6,180	209,615	146,993	-	-	244,232	163,177
	1,617,201	2,262,790	1,258,822	1,680,761	522,896	455,159	836,642	543,273	(1,054,466)	(1,526,257)	3,181,095	3,415,725

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SEGMENTAL INFORMATION

	Consumer Brands			Lifescience			Hospitals			Mobility			Strategic Investments			Group		
As at	**30.09.2026**	**30.09.2025**	**31.03.2026**	**30.09.2026**	**30.09.2025**	**31.03.2026**	**30.09.2026**	**30.09.2025**	**31.03.2026**	**30.09.2026**	**30.09.2025**	**31.03.2026**	**30.09.2026**	**30.09.2025**	**31.03.2026**	**30.09.2026**	**30.09.2025**	**31.03.2026**
ASSETS																		
Non-Current Assets																		
Property, Plant and Equipment	**11,186,758**	6,643,844	6,965,065	**7,713,864**	7,415,414	7,787,308	**8,379,170**	6,790,307	7,253,000	**84,891**	57,849	52,251	**700,687**	762,775	738,782	**28,065,370**	21,670,189	22,796,407
Right of Use Assets	**734,991**	597,271	503,345	**487,648**	286,619	226,853	**1,265,250**	1,248,096	1,335,644	**261,480**	115,627	107,250	**49,555**	178,294	99,109	**2,798,924**	2,425,908	2,272,200
Investment Property	**3,325**	3,000	3,325	**-**	-	-	**-**	-	-	**1,486,960**	1,441,350	1,486,960	**6,327,609**	6,166,204	6,327,609	**7,817,894**	7,610,554	7,817,894
Other Non Current Financial Assets	**1,588,979**	39,037	41,559	**976,971**	127,339	902,704	**25,554**	26,230	25,823	**3,603**	(0)	4,958	**160,489**	174,857	165,211	**2,755,596**	367,463	1,140,255
Other Non Current Assets	**6,484,927**	6,275,077	6,287,267	**467,130**	283,602	444,846	**1,430,881**	1,440,725	1,432,070	**1,229,207**	1,450,358	1,224,702	**27,733,162**	28,082,516	28,259,599	**37,345,307**	37,532,278	37,648,484
Segmental Non Current Assets	**19,998,981**	13,558,229	13,800,561	**9,645,613**	8,112,975	9,361,712	**11,100,856**	9,505,358	10,046,537	**3,066,141**	3,065,184	2,876,121	**34,971,501**	35,364,647	35,590,310	**78,783,092**	69,606,392	**71,675,240**
Deferred Tax Assets																**193,954**	196,085	185,512
Eliminations/Adjustments																**(31,023,227)**	(32,654,346)	(32,718,656)
Total Non Current Assets	**19,998,981**	13,558,229	13,800,561	**9,645,613**	8,112,975	9,361,712	**11,100,856**	9,505,358	10,046,537	**3,066,141**	3,065,184	2,876,121	**34,971,501**	35,364,647	35,590,310	**47,953,819**	37,148,131	**39,142,096**
Current Assets																		
Other Current Financial Assets	**1,440,449**	1,728,453	2,392,794	**154,170**	865,763	50,188	**41,581**	50,625	48,886	**79,606**	81,731	76,790	**562,121**	574,712	571,195	**2,277,927**	3,301,284	3,139,854
Segmental Current Assets	**33,833,654**	23,290,712	22,543,034	**38,181,926**	32,287,972	36,384,643	**2,675,535**	3,185,745	3,140,039	**7,078,319**	5,467,671	5,618,037	**2,464,184**	1,059,458	3,770,961	**84,233,618**	65,291,557	71,456,715
Tax Refunds																**480,654**	281,836	308,422
Eliminations/Adjustments																**(4,983,414)**	(5,880,312)	(7,195,747)
Total Current Assets	**35,274,104**	25,019,165	24,935,829	**38,336,096**	33,153,735	36,434,831	**2,717,115**	3,236,369	3,188,925	**7,157,925**	5,549,403	5,694,828	**3,026,305**	1,634,170	4,342,157	**82,008,785**	62,994,365	**67,709,245**
Assets Held for Sale	**11,013**	11,224	11,013	**-**		-	**-**		-	**-**		-	**-**		-	**11,013**	11,224	11,013
Total Assets	**55,273,085**	38,588,618	38,747,403	**47,981,708**	41,266,710	45,796,543	**13,817,971**	12,741,727	13,235,462	**10,224,066**	8,614,586	8,570,949	**37,997,806**	36,998,817	39,932,467	**129,973,617**	100,153,720	**106,862,354**
Non Current Liabilities																		
Segmental Non Current Liabilities	**8,225,278**	1,191,383	1,279,180	**1,358,055**	2,160,852	1,493,608	**2,156,249**	2,562,885	2,291,479	**256,815**	102,767	96,605	**1,079,731**	424,142	1,060,184	**13,076,128**	6,442,030	6,221,056
Other Non-current Financial Liabilities		-	-		-	-	**240**	40	240	**335**	335	335	**275,000**	275,000	275,000	**275,575**	275,375	275,575
Deferred Tax Liability																**4,599,052**	3,625,685	4,094,685
Eliminations/Adjustments																**(938,417)**	(126,046)	(834,431)
Total Non Current Liabilities	**8,225,278**	1,191,383	1,279,180	**1,358,055**	2,160,852	1,493,608	**2,156,489**	2,562,925	2,291,719	**257,150**	103,102	96,940	**1,354,731**	699,142	1,335,184	**17,012,338**	10,217,044	**9,756,885**
Current Liabilities																		
Segmental Current Liabilities	**12,697,838**	10,608,636	8,099,932	**29,544,916**	22,534,765	25,279,279	**2,207,707**	1,680,541	1,974,223	**4,390,544**	3,336,422	3,194,307	**4,299,150**	5,031,558	5,920,788	**53,140,155**	43,191,921	44,468,530
Income Tax Liability																**635,034**	989,960	1,692,826
Eliminations/Adjustments																**(463,858)**	(5,905,015)	(6,785,375)
Total Current Liabilities	**12,697,838**	10,608,636	8,099,932	**29,544,916**	22,534,765	25,279,279	**2,207,707**	1,680,541	1,974,223	**4,390,544**	3,336,422	3,194,307	**4,299,150**	5,031,558	5,920,788	**53,311,331**	38,276,866	**39,375,981**
Liabilities associated with assets held for sale	**2,021**	4,658	2,021	**-**		-	**-**		-	**-**		-	**-**		-	**2,021**	4,659	2,021
Total Liabilities	**20,923,115**	11,804,677	9,381,134	**30,902,971**	24,695,618	26,772,887	**4,364,196**	4,243,466	4,265,942	**4,647,694**	3,439,524	3,291,247	**5,653,881**	5,730,700	7,255,972	**70,325,689**	48,498,569	**49,134,887**
Total Segment Assets	**55,273,085**	38,577,394	38,747,403	**47,981,708**	41,266,710	45,796,543	**13,817,971**	12,741,727	13,235,462	**10,224,066**	8,614,586	8,570,949	**37,997,806**	36,998,815	39,932,467	**165,294,637**	138,199,233	146,282,824
Total Segment Liabilities	**20,923,115**	11,800,019	9,381,134	**30,902,971**	24,695,618	26,772,887	**4,364,196**	4,243,466	4,265,942	**4,647,694**	3,439,524	3,291,247	**5,653,881**	5,730,700	7,255,972	**66,491,858**	49,909,326	50,967,182
Other Segmental Information																		
Acquisition Cost of property plant and equipment	**508,210**	519,172	831,354	**158,881**	204,613	425,705	**1,438,235**	562,448	1,121,545	**42,345**	7,083	9,408	**11,329**	7,729	21,343	**2,158,999**	1,301,045	2,409,354
Depreciation of segmental assets	**411,732**	323,990	680,813	**231,397**	218,331	441,854	**309,862**	267,652	545,544	**9,092**	8,037	15,951	**83,169**	87,861	143,784	**1,045,251**	905,871	1,827,946
Provision for Employee Benefit Liability	**52,077**	58,828	117,417	**63,650**	54,499	108,998	**16,794**	21,877	45,109	**5,966**	6,484	6,316	**12,602**	9,320	21,712	**151,090**	151,007	299,552
Impairment/Amortization of Intangible Assets	**11,257**	5,887	19,150	**26,763**	11,158	21,684	**15,401**	15,969	74,321	**123**	52	104	**4,796**	3,164	6,504	**58,340**	36,229	121,762
Amortisation of Right-of-Use Assets	**56,486**	40,291	95,230	**59,035**	43,223	89,124	**115,613**	92,657	200,871	**17,068**	7,602	20,940	**0**	11,251	8,467	**248,202**	195,024	414,632

All values are in LKR'000s, unless otherwise stated.

The above figures are provisional and subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of Preparation

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS - 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2026. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

Management is currently not aware of any material uncertainties that may cast significant doubt upon the Group's continuing performance.

1.1 Change in Reportable Segments

With effect from 1 April 2026, the Group reorganised its internal reporting structure, changing the composition of its reportable segments to Consumer Brands, Life Science, Hospitals, Mobility and Strategic Investments, based on the information regularly reviewed by the Board of Management.

In accordance with SLFRS 8 – Operating Segments, comparative segment information has been re-presented to conform to the revised structure. These changes affect the presentation of segmental information only and have no impact on the Group's previously reported consolidated results, assets or liabilities.

2 Employee Share Option Scheme (ESOS)

(a) Employee Share Option Scheme (ESOS) - 2021

The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 30 June 2021, to create an Employee Share Option Scheme (ESOS) to offer 13,500,000 ordinary shares being 2.26% of the total issued and fully paid ordinary voting shares of the Company. The ESOS 2021 is applicable to Eligible Employees, who are employees of a company in the Hemas Group (i.e. the Company and subsidiaries of the Company as identified by the Board whose employees are eligible to participate in the Scheme).

The Grant Period under the ESOS 2021 shall commence on 20 July 2021 and end on 19 July 2026.

	Date Of Grant	No of Shares Granted	Grant Price (LKR)	Vesting Period	No of Shares Vested	Exercise Period
Grant 1	20.07.2021	3,538,112	82.46	1 Year	1,156,726	5 Years
Grant 2	20.07.2022	3,071,647	43.84	1 Year	927,454	5 Years
Grant 3	20.07.2023	3,375,000	71.02	1 Year	-	5 Years
Grant 4	01.10.2024	5,850,000	72.23	1 Year	5,600,000	5 Years
Grant 5	20.07.2025	5,000,000	29.79	1 Year	4,850,000	5 Years

Subsequent to the share split approved by the shareholders on 28 April 2025, the number of shares granted shall be multiplied by five, while the original exercise price shall be divided by five, in order to determine the post-split number of shares and the corresponding post-split exercise price.

Under the Group's Employee Share Option Scheme (ESOS), share options of the parent are granted to executives of the Group/ Company generally with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vested after period of one year from the date of grant and it depends on the performance criteria and time criteria. The fair value of the share options is estimated at the grant date using the Black Scholes option pricing model taking into account the terms and conditions upon which the share options were granted.

(b) Employee Share Option Scheme (ESOS) - 2026

The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 26 June 2026, to create an Employee Share Option Scheme (ESOS) to offer 33,500,000 ordinary shares being 1.12% of the total issued and fully paid ordinary voting shares of the Company. The ESOS 2026 is applicable to "Eligible Employees", which means and refers to an employee of a Company in the Hemas Group and as decided by the Board.

The Grant Period under the ESOS 2026 shall commence on 20th July 2026 and end on 20th July 2028.

	Date Of Grant	No of Shares Granted	Grant Price (LKR)	No of Shares Vested
Grant 1	20.07.2026	8,267,018	32.41	N/A

Vesting Period

Options granted under the ESOS 2026 shall vest over a period of three (03) years from grant date in three (03) equal tranches, with one-third (1/3) of the total options vesting at the end of each year.

Exercise Period

The exercise period will commence on the day immediately following the vesting period and expiring on the: (i) the sixth (6) year from the last date of the vesting period or (ii) 19 July 2033, whichever comes first.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

NOTES TO THE FINANCIAL STATEMENTS

3 Acquisition of subsidiary

On 17 August 2026, the Group obtained control of Twiga Stationers and Printers Limited ("Twiga"), a company incorporated in Kenya, through the acquisition of a 75% equity interest by its subsidiary, Atlas Axillia Company (Private) Limited ("Atlas").

The transaction has been accounted for provisionally as a business combination in accordance with SLFRS 3 – Business Combinations and has been consolidated in these interim financial statements from the acquisition date.

The Group is in the process of identifying and separately measuring identifiable intangible assets. Pending the completion of independent valuations, the fair values of the identifiable net assets acquired have been measured on a provisional basis. Accordingly, the excess of the consideration transferred over the provisional fair value of the identifiable net assets acquired has been recognised as provisional goodwill.

3.1 Measurement Period

In accordance with SLFRS 3, the Group has a measurement period of up to twelve months from the acquisition date (i.e., up to 17 August 2027) within which to finalise the accounting for the business combination. The Group expects to complete the purchase price allocation within the measurement period. Any adjustments to the provisional amounts identified during this period will be accounted for in accordance with SLFRS 3.

3.2 Identifiable assets acquired and liabilities assumed – Provisional fair values

The following table summarises the recognised amounts (provisional fair values) of identifiable assets acquired and liabilities assumed at the acquisition date.

ASSETS	**(LKR '000)**	**(LKR '000)**
Non-Current Assets	4,481,416	
Current Assets	6,514,636	
Total Identifiable Assets Acquired		**10,996,052**
LIABILITIES		
Non-Current Liabilities	2,072,631	
Current Liabilities	3,502,151	
Total Identifiable liabilities Assumed		**5,574,782**
Net Identifiable Assets Acquired		**5,421,270**

3.3 Goodwill

The provisional goodwill arising from the acquisition has been recognised as follows.

	(LKR '000)
Consideration transferred for 75% equity interest	5,464,421
Less: Group's share (75%) of the provisional fair value of net identifiable assets acquired (Note 3.2)	(4,065,953)
Provisional goodwill	**1,398,469**

3.4 Put and Call Option

On 17 August 2026, Atlas entered into a Put and Call Option Agreement with the holder of the remaining 25% equity interest in Twiga (the "non-controlling shareholder"). Under this agreement, the non-controlling shareholder has the right to require Atlas to purchase, and Atlas has the right to require the non-controlling shareholder to sell, the entire 25% equity interest. The financial asset and financial liability arising from the put and call options have been recognised in these interim financial statements.

4 Events After The Reporting Date

The Board of Directors of the Company has declared a dividend of LKR 0.25 per share for the financial year ending 31 March 2027 as required by section 56 (2) of the companies Act No 07 of 2007 , the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the companies Act No. 07 of 2007, and has obtained a certificate from the Auditors, prior to declaring the interim dividend which is to be paid on or before 04 December 2026. In accordance with the Sri Lanka Accounting Standard (LKAS 10) - Events after the reporting date, the interim dividend has not been recognised as a liability in the Financial Statements as at 30 September 2026.

Other than those mention above, no circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the financial statements.

5 Other than those mentioned in Note 3.4, there have been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Financial Statements for the year ended 31 March 2026.

INVESTOR INFORMATION

	Six Months Ended 30 September	
	2026	**2025**
Market Value of Shares		
Closing Price on 30 September (LKR)	**31.00**	32.90
Last Traded Price on 30 September (LKR)	**31.00**	32.90
Highest Price During the Period (LKR)	**33.30**	33.70
Lowest Price During the Period (LKR)	**30.00**	29.50
Market Capitalisation on 30 September (LKR Mn)	**92,876**	98,257
**Highest price recorded during the comparative period is prior to the share subdivision.*		
Ratios		
Net Asset Per Share on 30 September (LKR)	**19.22**	17.06
Share Trading		
No of Transactions During the Period	**9,700**	32,726
No of Shares Traded During the Period	**54,538,616**	214,925,262
Value of Shares Traded During the Period (LKR Mn)	**1,742**	6,656
Number of Shares	**2,995,985,015**	2,986,537,000

SHARE INFORMATION

List of 20 Major Shareholders as at 30 September	2026		2025	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	470,461,525	15.70	470,461,525	15.75
2 Amagroup (Pvt) Ltd.	457,136,665	15.26	457,136,665	15.31
3 Saraz Investments (Pvt) Ltd.	447,826,385	14.95	447,826,385	14.99
4 Blueberry Investments (Pvt) Ltd.	444,639,700	14.84	444,639,700	14.89
5 Employee's Provident Fund	161,488,491	5.39	-	-
6 Mr. E.D. Pieris	100,000,000	3.34	66,000,000	2.21
7 Mrs. R.G. Abdulhussein	50,058,310	1.67	50,058,310	1.68
8 J.B. Cocoshell (Pvt) Ltd	40,000,000	1.34	44,753,808	1.50
9 BBH-Tundra Sustainable Frontier Fund	35,009,640	1.17	35,009,640	1.17
10 BBH-Kopernik Global All Cap Fund	34,600,510	1.15	57,884,765	1.94
11 BBH-Kopernik Global All Cap Equity Fund	30,705,975	1.02	42,672,210	1.43
12 Hatton National Bank PLC/Phantom Investments (Pvt) Ltd	26,944,305	0.90	-	-
13 Akbar Brothers (Pvt) Ltd	26,534,103	0.89	21,798,222	0.73
14 Rubber Investment Trust Ltd Account 1	22,595,990	0.75	30,935,990	1.04
15 Mr. D.C. Fernando	16,344,480	0.55	-	-
16 Ceylon Investment PLC A/C #02	14,933,595	0.50	14,933,595	0.50
17 Amana Bank PLC/ Mr. Mohomed Nayaz Deen	12,596,305	0.42	-	-
18 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	12,217,105	0.41	-	-
19 MR. A. Esufally	12,125,000	0.40	-	-
19 Miss. Z. Esufally	12,125,000	0.40	12,125,000	0.41

Directors' Shareholding as at 30 September	2026	2025
	No. of Shares	No. of Shares
DIRECTORS' INDIRECT SHAREHOLDING		
A Z Holdings (Pvt) Ltd.	470,461,525	470,461,525
Amagroup (Pvt) Ltd.	457,136,665	457,136,665
Saraz Investments (Pvt) Ltd.	447,826,385	447,826,385
Blueberry Investments (Pvt) Ltd.	444,639,700	444,639,700
DIRECTORS' DIRECT SHAREHOLDING		
Mr. A. Fernando (Chairman)	-	-
Mr. M. A. H. Esufally (Deputy Chairman)	2,913,165	2,913,165
Mr. A. Chandra (Group CEO)	-	-
Mr. A. N. Esufally	86,765	86,765
Mr. I. A. H. Esufally	431,420	431,420
Ms. S. Esufally (appointed w.e.f. 01 July 2026)	1,295,850	1,295,850
Mr. R. P. Pathirana	-	-
Mr. S. Weerasinghe	-	-
Ms. T. Perera	-	-
	1,824,791,475	1,824,791,475

Public Holding as at 30 September	2026	2025
Issued Share Capital (No. of Shares)	2,995,985,015	2,986,537,000
Public Holding as a % of Issued Share Capital	37.51%	36.84%
Total Number of Shareholders	20,146	13,642
Number of Shareholders representing the Public Holding	20,132	13,625

Minimum Public Holding Requirement as per Listing Rules 7.13.1

	Float Adjusted Market Capitalisation - (LKR)	Public Holding Percentage	No of Shareholders	Option
Minimum Public Holding as at 30 September 2026	34,832,969,576	37.51%	20,132	1

CORPORATE INFORMATION

Legal Form

A Limited Liability Company incorporated in Sri Lanka and listed on the Colombo Stock Exchange on 15th October 2003.

Date of Incorporation

10 December 1948

Date of Registration

30 May 2007

Company Registration Number

PQ 6

Accounting year end

31 March

Registered Office

Hemas House
No. 75, Braybrooke Place,
Colombo 2.

Website

www.hemas.com

Telephone

+ 94 11 4731731

Auditors

Ernst & Young
Chartered Accountants
Rotunda Towers, No.109, Galle Road, P.O. Box 101, Colombo 03.

Directors

Mr. A. Fernando (Chairman)
Mr. M. A. H. Esufally (Deputy Chairman)
Mr. A. Chandra (Group CEO)
Mr. A. N. Esufally
Mr. I. A. H. Esufally
Ms. S. Esufally (appointed w.e.f. 01 July 2026)
Mr. R. P. Pathirana
Mr. S. Weerasinghe
Ms. T. Perera

Secretaries

Hemas Corporate Services (Pvt) Ltd.
'Hemas House' No. 75, Braybrooke Place, Colombo 2
Telephone: +94 11 4731731 (hunting)
Facsimile: +94 11 4731777

Registrars

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Email: sspsec@sltnet.lk

Lawyers to the Company

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Investor Relations

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Telephone: +94 11 4731731
Email: ir@hemas.com

Bankers

Bank of Ceylon
Citi Bank N.A.
Commercial Bank of Ceylon PLC
Deutsche Bank AG
DFCC Bank PLC
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Standard Chartered Bank
Seylan Bank PLC
The Hongkong & Shanghai Banking Corp. Ltd.
Union Bank PLC