

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
CONTINUING OPERATIONS			
Revenue	4	1,397	4,352
Cost of sales	5	(1,407)	(2,330)
Gross margin		(10)	2,022
Administrative expenses	6	(10,530)	(2,841)
Other income		188	921
Depreciation	11(a)	(5,480)	(4,740)
Impairment loss	11(a)	(6,342)	(6,772)
OPERATING LOSS		(22,174)	(11,410)
Finance income	7(a)	16	34
Finance cost	7(b)	(6,632)	(7,291)
NET FINANCING COST		(6,616)	(7,257)
LOSS BEFORE TAX		(28,790)	(18,667)
Tax income /(expense) for the year	8	--	--
LOSS FOR THE YEAR		(28,790)	(18,667)
Loss for the year attributable to:			
Non-controlling interest		(57)	(37)
Owners of the parent		(28,733)	(18,630)
LOSS FOR THE YEAR		(28,790)	(18,667)
<u>Other Comprehensive (Loss)/income:</u>			
<u>Items that will not be reclassified subsequently to profit or (loss)</u>			
Re-measurement of net defined benefit liability	24	-	1
<u>Items that will be reclassified subsequently to profit or (loss)</u>			
Exchange differences on translating foreign operations			
Exchange difference on translating foreign operations attributable to:			
Non-controlling interest		(57)	(1)
Owners of the parent		(28,733)	(459)
Other comprehensive expense for the year		(3,970)	(459)
Total comprehensive expense for the year		(32,760)	(19,126)
Total comprehensive expense for the year attributable to:			
Non-controlling interest		(57)	(38)
Owners of the parent		(32,703)	(19,088)
Total Comprehensive Expense for the year		(32,760)	(19,126)
<u>Earnings per share (consolidated):</u>			
Basic & Diluted, for the year attributable to ordinary equity holders	10	(0.081p)	(0.052p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	Year ended 31 Dec 25	Year ended 31 Dec 24
		£000	£000
Assets			
Property, plant and equipment	11(a)	71,479	93,543
Intangible asset	11(b)	3	33
Total non-current assets		71,482	93,576
Current tax assets	19(a)	311	2,879
Inventory of traded goods		-	323
Trade and other receivables	12	4,696	13,296
Investments	13	169	180
Cash and cash equivalents	14	460	911
Total current assets		5,636	17,589
Total assets		77,118	111,165
Liabilities			
Non-current			
Employee benefit obligations	17	25	42
Borrowings	18	-	28,461
Lease liabilities payable	20	-	1,206
Non-current liabilities		25	29,709
Current			
Employee benefit obligations	17	270	259
Borrowings	18	50,042	22,037
Current tax liabilities	19 (b)	17	17
Lease liabilities payable	20	1,987	590
Trade and other payable	20	3,032	4,048
Current liabilities		55,348	26,951
Total liabilities		55,373	56,660
Net assets		21,745	54,505
Equity			
Stated Capital	16	152,354	152,354
Retained earnings	16	(94,579)	(65,846)
Translation Reserve	16	(35,874)	(31,903)
Equity attributable to owners of parent		21,901	54,605
Non-controlling Interest		(156)	(100)
Total equity		21,745	54,505

1. The consolidated financial statements have been approved and authorized for issue by the Board on 30 June 2026.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(28,790)	(18,667)
Non cash flow adjustments	22	<u>27,671</u>	<u>18,664</u>
Operating (loss) before working capital change		(1,119)	(3)
Net changes in working capital	22	769	1,116
Taxes paid		<u>2,568</u>	<u>(765)</u>
Net cash used in operating activities		<u>2,218</u>	<u>348</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Used in purchase of property, plant and equipment (PPE)		--	518
Sale proceeds of PPE		--	25
Finance Income	7(a)	<u>16</u>	<u>34</u>
Net cash used in investing activities		<u>16</u>	<u>577</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Subscription money received (from the previous fund raise)		--	290
Redemption of investments		11	--
Repayment of borrowings		(2,645)	(3,094)
- Principal repayment of lease liabilities		(31)	(54)
Interest payment on leasing liabilities principal		(20)	(31)
Net cash from financing activities		<u>(2,685)</u>	<u>(2,890)</u>
Net change in cash and cash equivalents		(451)	(1,965)
Cash and cash equivalents, beginning of the year		911	2,881
Exchange difference on cash and cash equivalents		<u>--</u>	<u>(5)</u>
Cash and cash equivalents, end of the year		<u>460</u>	<u>911</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Stated Capital	Translation Reserve	Retained Earnings	Other Components of equity	Non- controlling Interest	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at						
1 January 2025	152,354	(31,904)	(65,846)	--	(99)	54,505
Transaction with owners	152,354	(31,904)	(65,846)	--	(99)	54,505
Loss for the year	--	--	(28,733)	--	(57)	(28,790)
Foreign currency translation difference for foreign operations	--	(3,970)	--	--	--	(3,970)
Re-measurement of net defined benefit liability	--	--	--	--	--	--
Re-measurement of net defined benefit liability transfer to retained earning	--	--	--	--	--	--
Total comprehensive income for the year	--	(3,970)	(28,733)	--	(57)	(32,760)
31 December 2025	152,354	(35,874)	(94,579)	--	(156)	21,745
Balance at						
1 January 2024	152,354	(31,444)	(47,217)	--	(62)	73,631
Issue of share capital	--	--	--	--	--	--
Share Issue cost	--	--	--	--	--	--
Transaction with owners	152,354	(31,444)	(47,217)	--	(62)	73,631
Loss for the year	--	--	(18,630)	--	(37)	(18,667)
Foreign currency translation difference for foreign operations	--	(459)	--	--	(1)	(460)
Re-measurement of net defined benefit liability	--	--	--	1	--	1
Re-measurement of net defined benefit liability transfer to retained earnings	--	--	1	(1)	--	--
Total comprehensive income for the year	--	(459)	(18,629)	--	(38)	(19,126)
Balance at						
31 December 2024	152,354	(31,904)	(65,846)	--	(99)	54,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Mercantile Ports & Logistics Limited (the "Company") was incorporated in Guernsey under The Companies (Guernsey) Law, 2008 with registered number 52321 on 24 August 2010. Its registered office and principal place of business is 1st Floor, Tudor House, Le Bordage Rd, Guernsey GY1 1DB. It was listed on the Alternative Investment Market ('AIM') of the London Stock Exchange on 7 October 2010.

The consolidated financial statements of the Company comprise of the financial statements of the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements have been prepared for the year ended 31 December 2025 and presented in UK Sterling (£).

The principal activities of the Group are to develop, own and operate a port and logistics facilities. As of 31 December 2025, the Group had 42 (Forty-two) (2024: 46 (Forty-Six)) employees.

2. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION AND ACCESS TO FINANCIAL INFORMATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), and in compliance with the Companies (Guernsey) Law, 2008 and the AIM Rules for Companies. These have been prepared on the historical cost basis, except where otherwise stated.

The Group's principal operating activities are conducted exclusively through KTLPL, which constitutes the Group's sole operating CGU. During the financial year, KTLPL was admitted to CIRP proceedings under the provisions of IBC. Pursuant to the CIRP, the management and administration of KTLPL are conducted by a court-appointed Resolution Professional in accordance with applicable Indian insolvency legislation.

In preparing these consolidated financial statements, management has utilized the Trial Balance, Statement of Profit and Loss, and Statement of Financial Position of KTLPL which management was able to obtain directly. Whilst this financial information has been made available for consolidation purposes, access to certain underlying accounting records, primary source documentation, third-party confirmations, and other information ordinarily required in the preparation of IFRS-compliant consolidated financial statements has been subject to procedural limitations arising from the ongoing CIRP proceedings.

Accordingly, these consolidated financial statements have been prepared based on information presently available to management at the date of approval. These limitations are pervasive in nature and affect multiple areas of the financial statements. As a result, the Group's auditors have been unable to obtain sufficient appropriate audit evidence and have issued a Disclaimer of Opinion on these financial statements.

Any matters requiring reassessment as and when additional information becomes available will be evaluated and reflected in the financial statements of the relevant future reporting period in accordance with applicable IFRS requirements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Climate Change and its impact on Karanja Port

Introduction

Climate change poses a significant threat to global sea ports, which are critical nodes in international trade and transportation. The rising sea levels, increased frequency and intensity of storms, and shifting weather patterns associated with climate change present multifaceted challenges to port operations and infrastructure.

The company has anticipated following key impacts of climate change for its operational activity:

1. Sea Level Rise:

- Inundation of Port Facilities: Rising sea levels may inundate low-lying port areas, causing structural damage to port infrastructure such as berth, open and covered storage yard, storm water drains and road.
- Increased Flooding: Higher sea levels exacerbate the risk of flooding, particularly during high tides and storm surges, leading to operational disruptions and increased maintenance costs. This may lead to a significant downtime for revival and smooth operation.

2.. Extreme Weather Events:

- Storm Surges: More frequent and severe storms can cause significant damage to port infrastructure, delay shipping schedules, and increase the risk of accidents and cargo loss. In 2020, Karanja Port was impacted severely by cyclone named "Nisarga" which led to financial loss of approximately 0.7 million (₹7 Crore). Similar natural catastrophic situations can be anticipated in future with major financial implication.
- High Winds and Heavy Rainfall: These conditions can disrupt loading and unloading operations, damage cargo, and pose safety risks to port employees/workers. However, this is covered in the Port insurance.

3. Temperature Changes:

- Thermal Expansion: Higher temperatures cause thermal expansion of sea water, contributing to sea level rise, leading to additional maintenance cost.

4. Infrastructure Stress:

- Wear and Tear: Increased exposure to saltwater and extreme weather conditions accelerates the wear and tear on port infrastructure leading to increase in maintenance cost and significant stress to capital cost.
- Adaptation and Resilience Costs: Ports need to invest in resilient infrastructure and adaptive measures, such as raising berth levels in future and improving drainage systems.

Karanja Port has adopted following strategies to mitigate the above anticipated challenges:

1. Infrastructure Upgrade:

- **Elevating Structures:** Raising the height of berth, ground level of open and covered storage yard and other critical infrastructure can help mitigate the risk of flooding. This will increase the expected lifespan on the project and ROI.
- **Storm Surge Drainage:** Constructing storm surge drainage can protect Karanja port from water logging or flood caused due to rising sea levels and storm surges.

2. Operational Changes:

- **Flexible Scheduling:** Emergency management plan for such extreme climate changes are already in place in Karanja Port for implementing flexible scheduling of the operational vessels to compensate the delays caused by extreme weather and can help the port to maintain operational efficiency.
- **Enhanced Monitoring:** The operations team is already vigilant and has adopted advanced weather forecasting and sea level monitoring systems to provide early warnings and improve preparedness for extreme events.

3. Environmental and Regulatory Measures:

- **Adopting and complying to Environmental Regulations:** Karanja Port is already complying with all the relevant environmental regulations and international guidelines to ensure that ports contribute to global climate mitigation efforts.
- **Sustainable Practices:** Karanja Port has adopted sustainable practices, such as waste management, water stewardship, efficient use of power, optimum vessel and equipment operations to reduce emissions from port operations to help mitigate the port's environmental footprint.

4. Collaborative Efforts:

- **Stakeholder Engagement:** Karanja Port promotes involvement of internal and external stakeholders for example improvement of local community by preferring engagement of local contractors and candidates for employment. Out of the total staff strength, the company has employed 34% locals at the port currently and implementing the policies in the benefit of employees.

CONCLUSION

Since Karanja Port is on the frontline of climate change impacts, facing such significant challenges requires immediate and sustained action. MPL board has been in serious discussion internally to address this concern through strategic planning, infrastructure investment, and collaborative efforts. Karanja Port, can enhance its resilience to climate change and ensure the continuity of trade and transportation. Addressing these challenges proactively will be critical in safeguarding the economic and operational stability of the port. However, the Management has secured the port with a full coverage by insuring the asset to mitigate from all risk of uncertainties and eventualities.

Going Concern

The Directors have considered the going concern status of the Group in preparing these consolidated financial statements for the year ended 31 December 2025.

The Group's sole operating Cash Generating Unit ('CGU') is its Indian subsidiary, Karanja Terminal and Logistics Private Limited ('KTLPL'). During the financial year, KTLPL was admitted to a Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 of India ('IBC'). As a consequence of the CIRP, the management and administration of KTLPL are conducted by a Resolution Professional appointed in accordance with applicable Indian insolvency legislation, and the Group's ability to direct the operating and financial policies of KTLPL has been materially curtailed.

In assessing the going concern status of the Group, the Directors have had regard to the following material circumstances:

- The Group has no independent revenue-generating operations outside of its interest in KTLPL;
- The outcome of the CIRP proceedings, including whether a resolution plan will be approved or whether KTLPL will proceed to liquidation, cannot be determined with certainty at the date of approval of these financial statements;
- The Group's access to assets, funds and information held by KTLPL is subject to the restrictions imposed under the IBC framework and the supervision of the Resolution Professional; and
- There are material uncertainties regarding the recoverability of the Group's investment in and amounts receivable from KTLPL.

These circumstances represent a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the foregoing, the Directors have prepared these consolidated financial statements on the going concern basis, having considered all available information regarding the CIRP proceedings and the Group's financial position at the date of approval. The Directors will continue to monitor developments in the CIRP and reassess the going concern status in future reporting periods as appropriate.

These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate. If the Group were unable to continue as a going concern, adjustments would be required to the carrying values of assets and liabilities, the classification of assets and liabilities and the nature and level of disclosures made in these financial statements.

b) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) up to 31 December 2025. Subsidiaries are entities over which the Company has the power to control the financial and operating policies. The Company obtains and exercises control through holding more than half of the voting rights. The financial statements of the subsidiaries are prepared for the same period as the Company using consistent accounting policies. The fiscal year of Karanja Terminal & Logistics Private Limited (KTLPL) ends on March 31 and its accounts are adjusted for the same period for consolidation.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

c) INTERESTS IN SUBSIDIARIES, CONTROL ASSESSMENT AND RESTRICTIONS

IFRS 10 requires consolidation of an investee when the investor has power over the investee, exposure to variable returns, and the ability to use power to affect those returns. IFRS 12 requires disclosure of significant restrictions on the investor's ability to access assets of, or receive, funds from, consolidated subsidiaries.

Details of the Group's subsidiaries which are consolidated into the Company's financial statements are as follows:

Subsidiary	Immediate Parent	Country of Incorporation	% Voting Rights	% Economic Interest
Karanja Terminal & Logistics (Cyprus) Ltd	Mercantile Ports & Logistics Limited	Cyprus	100.00	100.00
Karanja Terminal & Logistics Private Limited*	Mercantile Ports & Logistics Limited	India	8.49	8.49
Karanja Terminal & Logistics Private Limited*	Karanja Terminal & Logistics (Cyprus) Ltd.	India	91.30	91.30

Karanja Terminal & Logistics (Cyprus) Ltd is wholly owned subsidiary of Mercantile Ports and Logistics Limited. Karanja Terminal & Logistics (Cyprus) Ltd holds 91.30% shares, Mercantile Ports & Logistics Limited holds 8.11% shares in Karanja Terminal & Logistics Private Limited and the balance 0.22% (50,000 shares out of 23,321,176) is held by various other minority shareholders.

* Financial year end for Karanja Terminal & Logistics Private Limited ("KTLPL") is April to March, as same is governed by Companies Act 2013, but for preparing group financials we have considered January to December period.

Control Assessment

Management has assessed whether the Group retains control of KTLPL within the meaning of IFRS 10 notwithstanding the CIRP proceedings. Under the IBC framework, upon commencement of CIRP in November 2025, the powers of the Board of Directors of the corporate debtor are suspended and vest in the Resolution Professional. As a consequence, the Group's ability to direct the financial and operating policies of KTLPL has been materially constricted.

Management has considered whether this transfer of administrative authority constitutes a loss of control under IFRS 10. Having regard to the Group's existing legal ownership interest in KTLPL, the expectation that management authority may be restored upon conclusion of the CIRP, and the terms of applicable Indian insolvency legislation, management has concluded, as a matter of judgement, that the Group retains de jure control of KTLPL for IFRS 10 consolidation purposes at the reporting date.

The Directors acknowledge that this conclusion involves significant judgement and that future developments in the CIRP proceedings — including the including the pending challenge before the NCLT in relation to arbitrary and unlawful rejection of the plan submitted by the promoters for repayment and withdrawal of CIRP, any change in ownership structure, subject to the outcome of pending proceedings before NCLT— could necessitate reassessment of whether control is retained. In the event that control of KTLPL is determined to be lost, IFRS 10.25 would require deconsolidation and recognition of any retained interest at fair value at the date of loss of control, which could result in a material adjustment to these financial statements.

Restrictions on Assets and Transfers of Funds

In accordance with IFRS 12.13, the Group discloses the following significant restrictions arising from the CIRP proceedings:

- The Group is unable to access cash and assets held by KTLPL without the approval of the Resolution Professional;
- The transfer of funds from KTLPL to the Group is restricted and subject to the applicable provisions of the IBC and directions of the Resolution Professional and the relevant adjudicating authority;
- The Group has limited ability to participate in operational and financing decisions of KTLPL during the subsistence of the CIRP; and
- Access to financial records, supporting documentation and counterparty information maintained by KTLPL is subject to procedural limitations under the CIRP framework.

The above restrictions are considered pervasive and have materially affected the preparation of these consolidated financial statements

Non-controlling interest

Non-controlling interest, presented as part of equity, represents the portion of a subsidiary's profit or loss and net assets that are not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

d) FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in UK Sterling (£), which is the Company's functional currency. The functional currency for all the subsidiaries within the Group is as detailed below:

- Karanja Terminal & Logistics (Cyprus) Ltd ("KTLCL") - Euro
- Karanja Terminal & Logistics Private Limited ("KTLPL") - Indian Rupees

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the date of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary items denominated in foreign currency at the year-end exchange rates are recognized in the Consolidated Statement of Comprehensive Income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date). In the Group's financial statements, all assets,

liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation.

On consolidation, the assets and liabilities of foreign operations are translated into GBP at the closing rate at the reporting date. The income and expenses of foreign operations are translated into GBP at the average exchange rate over the reporting period. Foreign currency differences are recognized in other comprehensive income in the translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserves shall be transferred to the profit or loss in the Consolidated Statement of Comprehensive Income.

e) REVENUE RECOGNITION

Revenue mainly consists of services relating to use of the port by customers and includes services such as hiring of land, wharfage, hiring of equipment, loading/unloading, stevedoring, storage and from value added activities i.e. trading activities which is incidental to providing port services.

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Performance obligations are satisfied on handing over the land and / or equipment to the customer / lessee, completion of loading/unloading, stevedoring services, providing storage facilities and shipment of goods on customers' vehicle.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue as and when performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative standalone selling prices. The transaction price for a contract excludes any amount collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Contract asset – The Group's recognizes contract asset i.e. right to consideration in exchange for goods or services that the Group has transferred to a customer,

Contract liability – The Group's obligation to transfer goods and services to a customer for which the Group has received consideration (or the amount is due) from the customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives consideration, the

Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Invoicing for services is set out in the contract.

The group does not believe there are elements of financing in the contracts. There are no warranties or guarantees included in the contract.

The specific recognition criteria described below must also be met before revenue is recognised.

Port operation and logistics services

Revenue from port operation services including cargo handling, storage, other ancillary port and logistics services including the end-to-end value-added services with respect to coal supply and delivery are measured based upon cargo handled at rates specified under the contract and charged on a per metric ton basis.

The performance obligation is satisfied using the output method; this method recognises revenue based on the value of services transferred to the customer, for example, quantity of cargo loaded and unloaded and/or transported.

Revenue is recognized in the accounting period in which the services are rendered and completed till reporting date. Amounts are invoiced based on the estimated arrival date of the vessel provided by the customer, and revenue recognised when the service is provided.

Management determines if there are separate performance obligations from which customer are being able to benefit from, for example, barging, stevedoring or transportation.

Performance obligations are considered on a contract-by-contract basis against the requirements of IFRS 15. For each service the customer can benefit from the good or service with “resources that are readily available to the customer”. The nature of the promise to the customer is considered within the context of the individual customer contract and whether the promise to transfer a combined item of overall port services, which can vary on a per customer basis.

Revenue from sale of traded goods

Revenue from sale of traded goods i.e. coal is recognized on transfer of control to the customers, which is generally on dispatch of goods to the customer. The delivery is handled by the customer and therefore control is deemed to have been transferred to the customer at this point and is invoiced on delivery.

Sales are stated exclusive of Goods and Service Tax (“GST”).

Income from long-term leases

As a part of its business activity, the Group sub-leases land on a short-term basis to its customers.

The head lease is not a short-term lease and thus the sublease must be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the economic useful life of the underlying asset.

As a part of its business activity, the Group sub-leases land on a short-term basis to its customers. It is concluded that the subleases are an operating lease because none of the indicators for a finance lease in IFRS 16 are present.

The lease income is recognised from the sublease on a straight-line basis over the period of lease / sub-lease agreement / date of memorandum of understanding takes effect over lease period and annual lease rentals are recognised on an accrual basis.

Amounts are invoiced as the service provided, on either a monthly or ad hoc usage basis depending on the customer.

Interest income

Interest income is reported on an accrual basis using the effective interest method.

f) Borrowing cost

Borrowing costs directly attributable to the construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they are incurred and reported under finance costs.

g) Share based payments

The Group has entered an equity-settled share-based arrangement with its service provider in 2023.

All services received in exchange for the grant of any share-based payment are measured at the fair value of services received. The service provider is rewarded with share-based payments, the number of shares issued in exchange for the services received based on the fair values of services.

All share-based payments is recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to Share Capital up to the nominal value of the shares issued with any excess being recorded as Share Premium.

h) EMPLOYEE BENEFITS

i) Defined contribution plan (Provident Fund)

In accordance with Indian Law, eligible employees receive benefit from Provident Fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, which is administrated by the government authorities, each equal to the specific percentage of employee's basic salary. The Group has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Consolidated Statement of Comprehensive Income when incurred.

ii) Defined benefit plan (Gratuity)

In accordance with applicable Indian Law, the Group provides for gratuity, a defined benefit plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, and amount based on respective last drawn salary and the years of employment with the Group. The Group's net obligation in respect of the Gratuity Plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is a yield at reporting date on risk free government bonds that have maturity dates approximating the term of the Group's obligation. The calculation is performed annually by a qualified actuary using the

projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service cost and the present value of the economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan.

The Group recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presents them within equity.

iii) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

i) Leases

As a lessee

The Company mainly has lease arrangements for converting the waterfront into reclamation of land for construction of Port for terminal and logistics operations. The land thus reclaimed consist of the open space and offices, warehouse spaces and equipment.

The Group assesses whether a contract contains a lease at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability in the statement of financial position for all lease arrangements where it is the lessee, except for short-term leases with a term of twelve months or less and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments from the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, the asset and company specific incremental borrowing rates. Lease liabilities are recognized within borrowings on the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group re-measures the lease liability, with a corresponding adjustment to the related right-of-use assets, whenever:

- The lease term changes or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to the changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate;
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The right-of-use assets are initially recognised on the SOFP at cost, which comprises the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at

or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred, and expected costs for obligations to dismantle and remove right-of-use assets when they are no longer used. Right-of-use assets are recognised within property, plant and equipment on the statement of financial position. Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term.

As a lessor

The Group enters into lease arrangements as a lessor with respect to some of its time charter vessels. Leases for which the Group is an intermediate lessor are classified as finance or operating leases by reference to the right-of-use asset arising from the head lease. Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Amounts due from lessee under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of these leases.

As a lessor the Group classifies its leases as either operating or finance leases. The Group assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Group has currently not entered into any lease that is classified as finance lease.

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless a systematic basis more representative of the pattern in which benefit from the use of the underlying asset is diminished is suitable

j) INCOME TAX

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been substantively enacted by the end of the reporting period.

Deferred tax

The income tax is being accounted under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Deferred tax assets are recognized to the extent that management believes that these assets are more probable than not to be realized. In making such a determination, it considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that it would be able to realize the deferred tax assets in the future in excess of the net recorded amount, the necessary adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income tax.

k) FINANCIAL ASSETS

The Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI").

In the periods presented, the corporation does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost:

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IFRS 9.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IFRS 9's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

l) FINANCIAL LIABILITIES

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9, the Group's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). In the periods presented, the corporation does not have any financial liabilities categorised as FVTPL or FVOCI.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

m) PROPERTY, PLANT AND EQUIPMENT

MPL's balance sheet contains significant property, plant and equipment, and right-of-use assets primarily comprising of assets relating to port, office, plant and machinery, vehicles and other movable assets. Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

All the expenditures directly attributable in respect of the port and logistics facility under development are carried at historical cost under Capital Work in Progress as the Board believes that these expenses will generate probable future economic benefits. These costs include borrowing cost, professional fees, construction costs and other direct expenditure. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Cost includes expenditures that are directly attributable to the acquisition of the asset and income directly related to testing the facility is offset against the corresponding expenditure. The cost of constructed asset includes the cost of materials, sub-contractors and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Parts of the property, plant and equipment are accounted for as separate items (major components) on the basis of nature of the assets.

The Indian subsidiary has constructed and developed the port which is now fully operational. The basic infrastructure is ready, however, depending on the specification of the customer and cargo dimension, the ground improvement etc. will be carried out and made worthy for operation and once complete will be accordingly transferred from Capital Work-in-Progress to Property, Plant and Equipment when the assets deemed ready to use. Hence, the Group has been prudently transferring the assets to Property, Plant and Equipment on the basis of utilisation of space for operations.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets are recognised in profit or loss within other income or other expenses.

Right-of-use assets:

Right-of-use assets, the cost is equivalent to the present value of the future lease payments relating the leased assets. This note also details any additions and disposals during the year, and shows depreciation, which is an expense in the income statement to reflect the usage of these assets.

Right of use assets are initially measured at cost, which is an amount equal to the corresponding lease liabilities (present value of future lease payments) adjusted for any lease payments made at or before the commencement date, less any lease incentives received. (See note on lease liabilities accounting policy).

Depreciation is calculated by estimating how many years the asset is expected to be in use, which is also known as the useful economic life (UEL) of the asset. The depreciation charge reduces the initial value of the assets over the time and spread evenly over their UELs. The value after deducting accumulated depreciation is known as the net book value.

No depreciation is charged during the course of construction on the Port Assets. Depreciation is calculated for all other assets to write off the cost or valuation, less residual value, on a straight-line basis over the following expected UELs:

Useful economic lives

The estimated useful lives for the current year are as -

Assets	Estimated Life of assets
Lease hold Land Development	Over the period of Concession Agreement by Maharashtra Maritime board (MMB).
Marine Structure, Dredged Channel	Over the period of Concession Agreement by Maharashtra Maritime board (MMB).
Non-Carpeted Road other than RCC	3 Years
Office equipment	3-5 Years
Computers	2-3 Years
Computer software	5 Years

Plant & machinery	15 Years
Furniture	5-10 Years
Vehicles	5-8 Years

Depreciation methods, useful lives and residual value are reassessed at each reporting date.

Right-of-use assets depreciated over the shorter of the lease period and estimated useful life.

Impairment Of Non-Financial Assets

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that the property, plant and equipment may be impaired. When impairment indicators exist, Management compares the carrying value of the property, plant and equipment with the fair

value determined as the higher of fair value less cost of disposal or value in use, “refer to the Critical Accounting Estimates section before Note 3 to the financial statements”.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

MPL has a sole Cash Generating Unit (CGU) namely, Karanja Port in India since inception. The Port Assets are reviewed for evidence of a trigger for potential impairment at least annually or whenever events or circumstances indicate that the value on the balance sheet may not be recoverable. Impairment testing is performed on cash generating units (CGUs) which is the Port itself, this being the lowest level of separately identifiable cash flows.

IAS 36 requires the Group to assess at each reporting date whether there are indicators that an asset or CGU may be impaired, and where such indicators exist, to estimate the recoverable amount of the relevant asset or CGU.

The Group has considered the requirements of IAS 36 in relation to the carrying amounts of assets attributable to its sole operating CGU, being KTLPL. The commencement of CIRP proceedings represents a significant indicator of impairment under IAS 36.12, requiring the Group to estimate the recoverable amount of the CGU.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal ('FVLCD') and its value in use ('VIU'). In undertaking the impairment assessment, management considered all financial information made available in respect of KTLPL, including the Trial Balance and financial statements which management was able to obtain directly, together with all relevant facts and circumstances existing at the reporting date, including the status of the CIRP proceedings.

Due to the limitations in access to underlying accounting records, third-party valuations, future cash flow projections and other information ordinarily required to support a reliable estimate of recoverable amount, management has been unable to determine a sufficiently reliable recoverable amount for the CGU at the reporting date.

Accordingly, management has been unable to quantify the impairment loss, if any, attributable to the CGU. This represents a scope limitation of a pervasive nature, and the carrying amounts of non-financial assets attributable to KTLPL as reflected in these financial statements may not represent their

recoverable amount. The auditors have been unable to obtain sufficient appropriate audit evidence in respect of the impairment assessment, which forms part of the basis for the Disclaimer of Opinion on these financial statements.

Management will reassess the impairment position in future reporting periods as additional information arising from the CIRP proceedings becomes available, in accordance with IAS 36.

n) Trade receivables and payables

Trade receivables are financial assets at amortised costs, initially measured at the transaction price, which reflects fair value, and subsequently at amortised cost less impairment. In measuring the impairment, the Group has applied the simplified approach to expected credit losses as permitted by IFRS9. Expected credit losses are assessed by considering the Group's historical credit loss experience, factors specific for each receivable, the current economic climate and expected changes in forecasts of future events. Changes if any in expected credit losses are recognised in the Statement of Comprehensive Income.

Trade receivables are stated at their carrying amounts. As the Company is currently under the CIRP, the recovery of these receivables is being actively pursued by the Resolution Professional. The realization of these balances is subject to the regular course of business operations as maintained by the Resolution Professional under the going concern assumption. Any potential impairment or write-off necessitated by the resolution process will be accounted for upon the final determination and reconciliation of assets towards the end of the CIRP assessment.

Trade payables are financial liabilities at amortised cost, measured initially at fair value and subsequently at amortised cost using an effective interest rate method.

Trade payables include amounts due to various operational creditors. The Company is currently undergoing the CIRP under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC), which prohibits the institution or continuation of suits or proceedings against the Corporate Debtor. The claims of all creditors are being invited and is being verified by the Resolution Professional in accordance with the CIRP regulations. The final settlement of these trade payables is subject to the approval of the Resolution Plan by the Adjudicating Authority, and accordingly, the liabilities are reflected at their book values, subject to the outcome of the CIRP.

o) Advances

Advances paid to the contractor and suppliers for construction of the facility are categorized as advances and will be offset against future work performed by the contractor.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits that can easily be liquidated into known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Share capital and reserves

Shares have 'no par value'. Stated capital includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from stated capital, net of any related income tax benefits.

Foreign currency translation differences are included in the translation reserve. Retained earnings include all current and prior year retained profits.

r) New standard and interpretation

There are no accounting pronouncements, which have become effective from 1 January 2025 that have a significant impact on the Group's consolidated financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have

not been adopted early by the group.

CRITICAL ACCOUNTING ESTIMATE

a) Impairment

The Group has considered the requirements of IAS 36 in relation to the carrying amounts of assets attributable to its sole operating CGU in India.

In undertaking this assessment, management considered the financial information available in respect of the Indian subsidiary, together with all relevant facts and circumstances existing at the reporting date, including the commencement and status of the CIRP proceedings.

The assessment of recoverable amounts involves significant judgement and estimates regarding future outcomes and assumptions. Such assessment has been performed using information available to management at the reporting date.

The carrying amounts recognised in these financial statements reflect management's assessment based on information presently available and will be reassessed in future reporting periods should additional relevant information become available.

b) Recognition of income tax assets in respect of tax

MPL group's Indian subsidiary had filed a writ petition in Hon'ble High court for seeking relief against the order passed by the Income Tax Appellate Tribunal (ITAT) for the two assessment years 2011- 12 and 2012-13, which was decided in favor of the group's Indian subsidiary. During the year, the company received Income Tax refund along with Interest thereon, in full for the two assessment years viz. 2011-12 & 2012-13.

As per these orders, the matter was sent back to the files of Principal Commissioner of Income Tax (Appeals) for re-adjudication following the ITAT orders for assessment years 2013-14 to 2015-16. The status of open litigations for AY 2013-14 to AY 2015-16 remain unchanged during FY 2025 i.e., the matter is yet to be adjudicated and the outcome of appeal before Hon'ble Bombay High Court is pending.

c) Going Concern Assessment

Management has exercised significant judgement in concluding that the going concern basis of preparation remains appropriate notwithstanding the CIRP proceedings affecting the Group's sole CGU. This judgement is based on available information at the date of approval and involves inherent uncertainty regarding the outcome of the CIRP. The Board continues to monitor developments closely and remains actively engaged in pursuing all available avenues to protect shareholder value and achieve a favourable resolution of the CIRP proceedings.

d) Control Assessment over KTLPL

Management has exercised judgement in assessing whether the Group retains control of KTLPL within the meaning of IFRS 10, notwithstanding the appointment of a Resolution Professional and the associated restrictions on management's ability to direct the financial and operating policies of KTLPL.

e) Recoverability of Intercompany and Financial Assets; Expected Credit Losses

Management has applied judgement in assessing the recoverability of financial assets held by the Group in relation to KTLPL, including intercompany loan balances and other receivables. Given the CIRP status of KTLPL, these assets are assessed as credit-impaired (Stage 3 under IFRS 9), and the measurement of expected credit losses ('ECL') involves significant estimation uncertainty regarding future cash recoveries.

f) Completeness and Accuracy of Consolidated Balances

Due to limitations in access to underlying accounting records and supporting documentation of KTLPL, management has been unable to fully verify the completeness and accuracy of all balances and transactions consolidated into these financial statements. This represents a pervasive source of estimation uncertainty affecting multiple line items in the consolidated financial statements.

The estimates and assumptions described above are based on information available at the reporting date. They will be reviewed and revised in future reporting periods as additional information becomes available, with any changes recognised in the period in which the revision is made, in accordance with IAS 8.

3. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors are the Chief operating decision maker. The Group has only one operating and geographic segment, being the project on hand in India and hence no separate segmental report presented.

4. REVENUE FROM OPERATION

	Year ended 31 Dec 25	Year ended 31 Dec 24
Sale of goods	444	1,410
Cargo handling income	268	2,178
Other operating income	543	357
Lease income	143	408
	1,397	4,352

Revenue from Sale of goods is "Point in time" and other revenue heads are "Over the time". Other operating incomes relate to income from dredging, coal handling and distribution income and wharf age.

Certain portions of the port have been designated for leasing portions. The lease has been classified as operating lease because it does not transfer substantially all the risks and rewards incident to ownership and it does not fulfil other conditions mentioned in IFRS 16 applicable to be classified as finance lease.

Currently the Major Contributor to Lease Income is Esquire Shipping & Trading Pvt. Ltd.

5. COST OF SALES

	Year ended 31 Dec 25	Year ended 31 Dec 24
	£000	£000
Wharf-age expense	298	412
Other operating expense	806	2,171
Changes in inventory	304	(253)
	1,407	2,330

6. ADMINISTRATIVE EXPENSES

Balances written off	6,984	--
Employee costs	76	518
Directors' remuneration and fees	484	302
Foreign exchange loss	13	7
Provision for doubtful debts	--	26
Other administration costs	2,973	1,988
	10,530	2,841

7. (a) FINANCE INCOME

	Year ended 31 Dec 25	Year ended 31 Dec 24
--	-------------------------	-------------------------

Interest on bank deposits	16	34
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7. (b) FINANCE EXPENSES

	Year ended 31 Dec 25	Year ended 31 Dec 24
--	-------------------------	-------------------------

Interest on term loan	6,631	5,432
Interest others	1	1,859
	6,632	7,291

Since the consortium of banks have classified the Indian Subsidiary as a non-performing asset due to default in instalments, the interest is currently stopped being levied on the said loan as the IBC proceedings are ongoing.

8. INCOME TAX

	Year ended 31 Dec 25	Year ended 31 Dec 24
Loss Before Tax	(28,790)	(18,667)
Applicable tax rate in India*	26.00%	26.00%
Expected tax credit	(7,485)	(4,853)
Reconciling items		
Non-deductible losses of MPL and Cyprus entities	630	308
Un-recognised deferred tax asset on tax losses	6,855	4,545
	--	--

* Considering that the Group's operations are presently based in India, the effective tax rate of the Group of 26% (prior year 26%) has been computed based on the current tax rates prevailing in India. In India, income earned from all sources (including interest income) are taxable at the prevailing tax rate unless exempted. However, administrative expenses are treated as non-deductible expenses until commencement of operations.

The Company is incorporated in Guernsey under The Companies (Guernsey) Law 2008, as amended. The Guernsey tax rate for companies is 0%. The rate of withholding tax on dividend payments to non-residents by companies within the 0% corporate income tax regime is also 0%. Accordingly, the Company will have no liability to Guernsey income tax on its income and there will be no requirement to deduct withholding tax from payments of dividends to non-resident shareholders.

In Cyprus, the tax rate for companies is 12.5% with effect from 1 January 2014. There is no tax expense in Cyprus.

As at 31st December 2025 due to uncertainty that Indian entity will generate sufficient future taxable income to offset business losses incurred to realise deferred tax assets, the management has not recognised the Deferred Tax Asset and hence calculation is unascertainable.

As a result of amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' deferred tax has been recognised in respect of IFRS 16 leases. In applying the standard at the beginning of the earliest comparative period presented, a deferred tax asset has been recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised resulting in an amendment to the amounts recognised at 31st December 2025.

9. AUDITORS' REMUNERATION

The following are the details of fees paid to the auditors, Mc Millan Woods Audits Limited and Indian auditors, in various capacities for the year:

	Year ended 31 Dec 25	Year ended 31 Dec 24
Audit Fees		
Audit fees payable to McMillan Woods Audits Limited for the Group accounts audit	45	85
Audit fees payable to auditors of subsidiary companies *	10.8	8
Non-audit service:		
Interim Financial Statement Review	0	5
	<u>55.8</u>	<u>98</u>

* Audit fees for the Subsidiary companies for the year 2025: –

Indian entity is	£.9988
Cyprus entity is	£.811
Total	£.10799

10. EARNINGS PER SHARE

Both basic and diluted earnings per share for the year ended 31 December 2025 have been calculated using the loss attributable to equity holders of the Group of £28.73 million (prior year loss of £18.62 million).

	Year ended 31 Dec 25	Year ended 31 Dec 24
Loss attributable to equity holders of the parent	£ (28,733,038)	£ (18,629,522)
Weighted average number of shares used in basic and diluted earnings per share	356,312,692	356,312,692
EARNINGS PER SHARE	(0.0081p)	(0.0052p)

11 (a). PROPERTY, PLANT AND EQUIPMENT

Details of the Group's property, plant and equipment and their carrying amounts are as follows:

	Computers	Office Equipment	Furniture	Vehicles	Plant & Machinery	Port Asset	Right of use Asset	Capital Work in Progress	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross carrying amount									
Balance 1 Jan 2025	48	595	347	522	81	110,867	1,618	16,622	130,705
Net Exchange Difference	(1)	7	(87)	(7)	(1)	(1,638)	(21)	261	(1,487)
Additions	--	--	--	--	--	--	--	--	--
Transfers from CWIP ^	--	--	--	--	--	--	--	--	--
Disposals	--	--	--	--	--	--	--	(9,244)	(9,244)
Balance 31 Dec 2025	47	602	260	520	80	109,229	1,597	7,639	119,974
Depreciation									
Balance 1 Jan 2025	(44)	(435)	(146)	(412)	(16)	(35,670)	(440)	--	(37,163)
Net Exchange Difference	1	(9)	4	5	--	449	11	--	461
Charge for the year	(3)	(109)	(23)	(26)	(6)	(5,220)	(64)	--	(5,480)
Disposals	--	--	--	--	--	--	--	--	--
Impairment	--	--	--	--	--	(6342)	--	--	(6342)
Balance 31 Dec 2025	(46)	(553)	(165)	(434)	(22)	(46,783)	(493)	--	(48,495)
Carrying amount 31 Dec 2025	1	49	95	86	58	62,446	1,104	7,639	71,479

Group has leased various assets including land and buildings. As at 31 December 2025, the net-book value of recognised right-of-use assets relating to land and buildings was £ 1.10 million (2024: £ 1.18 million). The depreciation charge for the period relating to those assets was £ 0.06 million (2024: £ 0.03 million)

Amounts recognised in the statement of income are detailed below:

Particular	£000 31 Dec 2025	£000 31 Dec 2024
Depreciation on right-of-use assets	64	66
Interest expense on lease liabilities	--	161
Expense relating to short-term leases	--	--
	64	227

	Computers	Office Equipment	Furniture	Vehicles	Plant & Machinery	Port Asset	Right of use Asset	Capital Work in Progress	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gross carrying amount									
Balance 1 Jan 2024	47	579	434	569	59	104,171	1,659	24,057	131,575
Net Exchange Difference	(1)	7	(87)	(7)	(1)	(1,63,838)	(21)	261	(1,487)
Additions	2	9	--	--	23	8,333	--	639	9,007
Transfers from CWIP ^	--	--	--	--	--	--	--	(8,335)	(8,335)
Disposals	--	--	--	(35)	--	--	(20)	--	(55)
Balance 31 Dec 2024	48	595	347	527	81	110,867	1,618	16,622	130,705
Depreciation									
Balance 1 Jan 2024	(41)	(320)	(122)	(420)	(12)	(24,902)	(403)	--	(26,220)
Net Exchange Difference	1	(9)	4	5	--	449	11	--	461
Charge for the year	(3)	(106)	(29)	(28)	(4)	(4,475)	(66)	--	(4,711)
Disposals	--	1	--	32	--	--	18	--	50
Impairment	--	--	--	--	--	(6,742)	--	--	(6,742)
Balance 31 Dec 2024	(44)	(435)	(146)	(412)	(16)	(35,670)	(440)	--	(37,162)
Carrying amount 31 Dec 2024	4	160	201	115	65	75,197	1,178	16,622	93,543

Particular	£000 31 Dec 2024	£000 31 Dec 2023
Depreciation on right-of-use assets	66	177
Interest expense on lease liabilities	161	173
Expense relating to short-term leases	--	--
	227	350

The Group has leased various assets including land and buildings. As at 31 December 2024, the net book value of recognised right-of use assets relating to land and buildings was £ 1.18 million (2023: £ 1.26 million). The depreciation charge for the period relating to those assets was £ 0.03 million (2023: £ 0.18 million).

All other immovable and movable property with a carrying value of £ 77,466,000 (2024: £ 93,895,239) is under hypothecation in favour of the “Term lenders”.

11 (b). Intangible Asset

	Intangible Asset Software
	£000
Gross carrying amount	
Balance 1 Jan 2025	95
Exchange Difference	(1)
Additions	--
Transfers from CWIP ^	--
Disposals	--
Balance 31 Dec 2025	94
Depreciation	
Balance 1 Jan 2025	(62)
Exchange Difference	--
Charge for the year	(29)
Disposals	--
Balance 31 Dec 2025	(91)
Carrying amount 31 Dec 2025	3

	Intangible Asset Software
	£000
Gross carrying amount	
Balance 1 Jan 2024	96
Exchange Difference	(1)
Additions	--
Transfers from CWIP ^	--
Disposals	--
Balance 31 Dec 2024	95
Depreciation	
Balance 1 Jan 2024	(33)
Exchange Difference	--
Charge for the year	(29)
Disposals	--
Balance 31 Dec 2024	(62)
Carrying amount 31 Dec 2024	33

12. TRADE AND OTHER RECEIVABLES

	Year ended 31 Dec 25	Year ended 31 Dec 24
Deposits	145	805
Advances		
- Related Party	4,102	3,823
- Others	158	6,142
Accrued Interest of fixed deposits	6	6
Debtors		
- Related Party	--	--
- Prepayment	45	45
- Trade Debtors	240	2,502
Less: Provision for doubtful debts	--	(26)
	4,696	13,296

'Advances to Related Party' include receivables towards share application money of £ 3.82 million (Dec 2024: £ 3.82 million).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivable. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and aging. The assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted to reflect current and forward-looking information, any known legal and specific economic factors, including the credit worthiness and ability of the customer to settle the receivables.

In accordance with IFRS 9, the Group is required to measure ECL on financial assets. Given that KTLPL is subject to CIRP proceedings under the IBC — which constitutes objective evidence of credit impairment — all financial assets of the Group that are receivable from or relate to KTLPL have been assessed as credit-impaired.

Due to the limitations in access to financial information of KTLPL arising from the CIRP, a reliable lifetime ECL estimate could not be determined at the reporting date. Accordingly, the ECL provision recognised in these financial statements is based on management's best estimate using available information and involves significant estimation uncertainty. The ultimate ECL may differ materially from amounts currently recognised.

13. INVESTMENTS

	Year ended 31 Dec 25	Year ended 31 Dec 24
Deposits*	169	180
	169	180

*Deposits are placed under lien against Bank Guarantees issued by bank on behalf of the group to various Government Authorities and the Debt Service Reserve (DSR) as per the loan agreement with lenders. The fair value of short-term deposits is £ 0.17 million (2024: £ 0.18 million).

14. CASH AND CASH EQUIVALENTS

	Year ended 31 Dec 25	Year ended 31 Dec 24
Cash at bank and in hand	460	911
	460	911

Cash at bank earns interest at floating rates based on bank deposit rates. The fair value of cash at bank and in hand is £ 0.46 million (2024: £ 0.91 million).

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

The Group's principal exposures to financial risk arise from its interests in and transactions with KTLPL, being the Group's sole operating CGU. The Group's financial assets comprise primarily its investment in KTLPL and intercompany receivables due from KTLPL.

(a)Market Risk

The Group's exposure to market risk, including foreign currency risk and interest rate risk, arises principally from financial assets and liabilities denominated in Indian Rupees. Given the restrictions on the transfer of funds from KTLPL to the Group, and the uncertainty regarding the outcome of the CIRP proceedings, the financial impact of market risk exposures may differ materially from those indicated by the carrying amounts of financial instruments in these financial statements.

Due to the limitations in access to underlying financial information of KTLPL, the Group has been unable to fully quantify all financial risk exposures as at the reporting date.

(i)Translation risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market foreign exchange rates. The Company's functional and presentation currency is the UK Sterling (£). The functional currency of its subsidiary Karanja Terminal & Logistics Private Limited (KTLPL) is INR and functional currency of Karanja Terminal & Logistics (Cyprus) Ltd. is Euro.

The exchange difference arising due to variances on translating a foreign operation into the presentation currency results in a translation risk. These exchange differences are recognised in other comprehensive income. As a result, the profit, assets and liabilities of this entity must be converted to GBP in order to bring the results into the consolidated financial statements. The exchange differences resulting from converting the profit and loss account at average rate and the assets and liabilities at closing rate are transferred to the translation reserve.

While consolidating the Indian subsidiary accounts the group has taken closing rate of GBP 1: INR 121.0237 for SOFP items and for profit and loss item GBP 1: INR 114.2441.

Translation risk sensitivity

The foreign currency risk management are referring to is the translation of the Indian subsidiary from INR to GBP, which impacts on the translation reserve through OCI. As such this is not considered relevant to the disclosure requirements of IFRS 7.

The amounts included in KTLPL are all denominated in INR (including the loan) which is disclosed as the functional currency and the amounts in MPL parent in GBP which is disclosed. As such there isn't considered to be any material foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The base rate set by the bank may be changed periodically as per the discretion of the bank in line with Reserve Bank of India (RBI) guidelines. Based on the current economic outlook and RBI Guidance, management expects the Indian economy to enter a lower interest rate regime as moderating inflation will enable RBI and the banks to lower the base rate in the near future.

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Group determines credit risk by checking a company's creditworthiness and financial strength both before commencing trade and during the business relationship at initial recognition and subsequently. Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

The Group's policy is to deal only with creditworthy counterparties. The Group has no significant concentrations of credit risk.

The Group considers default to be when there is a breach of any of the terms of agreement.

The Group writes off a financial asset when there is no realistic prospect of recovery and all attempts to recover the balance have been exhausted. An indication that all credit control activities have been exhausted and where the asset due is greater than 365 days old or where there are insolvency issues relating to the trade and other receivables.

The Group does not concentrate any of its deposits in one bank. This is seen as being prudent and credit risk is managed by the management having conducted its own due diligence. The balances held with banks are on a short-term basis. Management reviews quarterly bank counter-party risk on an on-going basis.

(c) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its financial obligations. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

As a consequence of the CIRP proceedings, the Group is unable to access cash and other liquid assets held by KTLPL without the approval of the Resolution Professional. The Group's ability to service its own obligations at the parent entity level is therefore dependent on resources available independently of KTLPL. Management monitors the Group's liquidity position and takes into account the restrictions arising from the CIRP framework in assessing the adequacy of available liquid resources.

The debt that is outstanding is not classified into current and non-current as the consortium of banks has classified Indian subsidiary as NPA, hence the total debt is classified as current liabilities.

Financial Instruments

Fair Values

The different levels per the IFRS 13: Fair Value Measurement fair value hierarchy have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either

directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Set out below is a comparison by category of carrying amounts and fair values of the entire Group's financial instruments that are carried in the financial statements.

	Note	Year ended 31 Dec 25	Year ended 31 Dec 24
Financial Assets at Amortised Cost			
Trade and other receivables	12	240	6,492
Investments	13	169	180
Cash and cash equivalents	14	460	911
		<u>869</u>	<u>7,583</u>
Financial Liability at Amortised Cost			
Borrowings	19	50,042	50,498
Trade and other payables	20	3,032	4,048
Lease liabilities	20	1,987	1,796
		<u>55,061</u>	<u>56,342</u>

All the financial assets and financial liabilities are considered to be level 1, except for borrowings which are level 2.

The fair value of the Group's financial assets and financial liabilities significantly approximate their carrying amount as at the reporting date.

The carrying amount of financial assets and financial liabilities are measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

16. EQUITY

16.1 Issued Capital

The share capital of MPL consists only of fully paid ordinary shares of no-par value. The total number of issued and fully paid-up shares of the Company as on each reporting date is summarised as follows:

Particulars	Year ended 31 December 25		Year ended 31 December 24	
	No of shares	£000	No of shares	£000
Shares issues and fully paid: Beginning of the year	356,312,692	152,354	356,312,692	152,354
Addition in the year#	--	--	--	--
Share issue cost	--	--	--	--
Closing number of shares	<u>356,312,692</u>	<u>152,354</u>	<u>356,312,692</u>	<u>152,354</u>

The issued capital amounts to £152.35 million (2024: £152.35 million) after reduction of share issue costs. Holders of the ordinary shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting. During the year the Company has allotted Nil (2024: Nil) equity shares to various institutional and private investors, by way of a rights issue.

16.2 Other Components of Equity

Retained Earnings

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Opening Balance	(65,846)	(47,217)
Addition during the year	(28,733)	(18,630)
Re-measurement of net defined benefit liability	--	1
Closing balance	<u>(94,579)</u>	<u>(65,846)</u>

Accumulated losses of £ 95.58 million (2024: £ 65.85 million) include all current year retained profits.

Translation Reserve

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Opening Balance	(31,904)	(31,444)
Addition during the year	(3,970)	(460)
Closing balance	<u>(35,874)</u>	<u>(31,904)</u>

The translation reserve of £ 35.87 million (2024: £ 31.90 million) is on account of exchange differences relating to the translation of the net assets of the Group's foreign operations which relate to subsidiaries, from their functional currency into the Group's presentational currency being Sterling.

17. EMPLOYEE BENEFIT OBLIGATIONS

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Non- Current		
Pensions – defined benefit plans	25	42
	<u>25</u>	<u>42</u>
Current		
Wages, salaries	262	250
Pensions – defined benefit plans	8	9
	<u>270</u>	<u>259</u>

18. BORROWINGS

Borrowings consist of the following:

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Non-Current		
Bank loan (refer note 26)	--	28,461
Loan from others *		--
	<u>--</u>	<u>28,461</u>
Current		
Bank loan (refer note 26)	35,896	11,851

Interest payable	14,146	10,186
	50,042	22,037

Borrowing

The borrowings done by the Indian subsidiary from the consortium of bankers has been classified as non-performing assets as per the IBC and the interest on the same is stopped and recovery proceedings are underway through CIRP. Hence the total non-current borrowings are classified as current liabilities.

19 (a). CURRENT TAX ASSETS

	31 Dec 25 £000	31 Dec 24 £000
Income tax *	311	2,879
Current tax assets	311	2,879

(Refer Note 25 for disclosure of Contingent liabilities in respect of these matters)

19 (b). CURRENT TAX LIABILITIES

Current tax liabilities consist of the following:

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Duties & taxes	17	17
Current tax liabilities	17	17

The Group recognises liabilities for anticipated tax issues based on assessment of whether additional taxes will be due, and whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

Where the outcome of assessment by the Income Tax department on these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made. The Group discharges the tax liability based on income tax assessment.

20. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Non-Current		
Lease liability (refer note 26)	--	1,206
Current		
Lease Liability – (refer note 26)	1,987	590
Trade creditors	3,032	4,048
	3,032	4,048

Because of ongoing CIRP proceedings against the Indian subsidiary the lease liability is classified as current liability.

21. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name	Country of Incorporation	Field Activity	Ownership Interest	Type of share Held
<u>HELD BY The Company (MPL):</u>				
Karanja Terminal & Logistics (Cyprus) Ltd.	Cyprus	Holding Company	100%	Ordinary
Karanja Terminal & Logistics Private Ltd.	India	Operating company - Terminal Project	8.49%	Ordinary
<u>HELD BY Karanja Terminal & Logistics (Cyprus) Ltd:</u>				
Karanja Terminal & Logistics Private Ltd.	India	Operating company - Terminal Project	91.30%	Ordinary

The Group has the following related parties with whom it has entered into transactions with during the year.

a) Shareholders having significant influence

The following shareholders of the Group have had a significant influence during the year under review:

- Jay Mehta holds 0.97% of issued share capital as on 31 December 2025 (as on 31 December 2024 – 0.99%) of Mercantile Ports & Logistics Limited at the year end.
- John Fitzgerald holds 0.35% of issued share capital as on 31 December 2025 (as on 31 December 2024 – 0.18%) of Mercantile Ports & Logistics Limited at the year end.
- Jeremy Warner Allen holds 1.08% of issued share capital as on 31 December 2025 (as on 31 December 2024 – 1.08%) of Mercantile Ports & Logistics Limited at the year end.
- Dimitry Tsvetkov holds 0.26% of issued share capital as on 31 December 2025 (as on 31 December 2024 – 0.26%) of Mercantile Ports & Logistics Limited at the year end.
- Karanpal Singh via Hunch Ventures and Investments Private Limited holds 38.40% of issued share capital as on 31 December 2025 (as on 31 December 2024 – 38.40%) of Mercantile Ports & Logistics Limited at the year end.

b) Key Managerial Personnel of the parent

Non-executive
Directors

- Mr. John Fitzgerald
- Mr. Jeremy Warner Allen
- Mr. Amit Dutta
- Mr. Dmitri Tsvetkov
- Mr. Stefan Passantino

**Executive
Directors**

- Mr. Jay Mehta (CEO)
- Mr. Pavan Bakshi (Managing Director)

c) Transaction with related parties

The following transactions took place between the Group and related parties during the year ended 31 December 2025

	Nature of transaction	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Athos Hq Group Bus. Ser. Cy Ltd	Administrative fees	23	23
		23	23

The following table provides the total amount outstanding with related parties as at year ended 31 December 2025:

Transactions with Key Managerial Personnel of the subsidiaries

See Key Managerial Personnel Compensation details as provided below -

Advisory services fee

None

Compensation to Key Managerial Personnel of the parent

Fees accrued to persons or entities considered Key Managerial Personnel of the Group include:

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Non-Executive Directors fees		
– John Fitzgerald	45	45
– Jeremy Warner Allen	40	40
– Amit Dutta	35	35
– Dmitri Tsvetkov	45*	45*
	340	165
Executive Directors Fees		
– Jay Mehta	144	144
– Pavan Bakshi	175	
	319	144
Total compensation paid to Key Managerial Personnel	484	309

Compensation to Key Managerial Personnel of the subsidiaries

	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Directors' fees		
KTLCL – Cyprus	3	3

Transactions with shareholders / entity having significant influence

	Nature of transaction	Year ended 31 Dec 25 £000	Year ended 31 Dec 24 £000
Provision created for doubtful advances for advance given to SKIL Infrastructure Ltd.	Provision for doubtful advances	--	--
Shares issued to Hunch Ventures and Investment Limited	Share subscription	--	--
Shares issued to Jay Mehta	Share subscription	-	--

*At the time of the placing and subscription in August 2021, the Company intended for the proceeds of the fundraising to be held in the Company's bank account in Guernsey. The subscription monies from Hunch Ventures required Reserve Bank of India ("RBI") approval in order to be remitted to Guernsey. However, at the time of the Company's General Meeting on 9th September 2021, the Company confirmed that it had directed Hunch Ventures to transfer the subscription monies to one of the Company's Indian bank accounts and that was done.

Subsequently, the Board resolved that it did wish the funds to be transferred to Guernsey and, as a result, requested that Hunch Ventures pursue the "RBI approval" route once more. In pursuing this, Hunch Venture's bank required the subscription monies to be transferred to Hunch Venture's account so that application could be made for the funds to be moved to Guernsey.

The Company is able to rely on the support documentation to the RBI process, put in place at the time of Hunch Ventures' original investment in 2018. It should be noted that the Company continues to have access to the Subscription monies and, since the period end, has accessed these funds.

Given the time being taken to receive RBI approval, the Company and Hunch Ventures have received advice on an alternative structure to achieve the Company's desired treasury requirements, without the requirement to receive RBI approval.

Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party.

22. CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

	Year ended 31 Dec 25	Year ended 31 Dec 24
	£000	£000
Non-cash flow adjustments		
Depreciation	5,480	4,740
Impairment loss	6,342	6,772
Finance Income	(16)	(34)
Finance cost	6,632	7,291
Re-measurement of net defined benefit liability	--	(1)
Provision for Gratuity	(11)	9
Loss on disposal of PPE	--	1
Balances written back		(87)
Provision for doubtful advances		(26)
PPE Written off	9,244	--
	27,671	18,664
Increase/(Decrease) in trade and other payables	(817)	422
Decrease/(Increase) in trade and other receivables	1,274	* 952
Current investments (deposits with bank)	(11)	(7)
Increase/(Decrease) in inventory	323	(251)
	769	1,116

* Excludes £ Nil (2024: £ 0.3 million) receivable towards share application money.

23. CAPITAL MANAGEMENT POLICIES AND PROCEDURE

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern
- To provide an adequate return to shareholders

Capital

The Company's capital includes share premium (reduced by share issue costs), retained earnings and translation reserve which are reflected on the face of the Statement of Financial Position and in Note 16.

24. EMPLOYEE BENEFIT OBLIGATIONS

a. Defined Contribution Plan:

The following amount recognized as an expense in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

	31 Dec 25 £000	31 Dec 24 £000
Contribution to Provident Fund	8	9
Contribution to ESIC	1	1
	9	10

b. Defined Benefit Plan:

The Company has an unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's tenure of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of INR 2 million with effect from 29 March 2018.

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each period-end by reference to market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience. The assumptions used for the valuation of the defined benefit obligation are as follows:

Key Assumptions			
Particulars	31 Dec 24	31 Dec 23	
Discount rate	6.90% p.a.	7.40% p.a.	
Salary growth rate	6.00% p.a.	6.00% p.a.	
Withdrawal rate	2.00% p.a. at younger ages reducing to 7.00% p.a. at older ages	2.00% p.a. at younger ages reducing to 7.00% p.a. at older ages	

The actuarial valuation could not be arranged from an external agency as the data required for the same could not be arranged from the Indian subsidiary due to CIRP ongoing proceedings, hence, ascertainment of comprehensive income, movements in benefit obligation and impact on the Consolidated Statement of Financial Position as well as bifurcation into current and non-current liabilities could not be ascertained.

25. CONTINGENT LIABILITIES

Particulars	As at 31 Dec 25 £000	As at 31 Dec 24 £000
Bank guarantee issued to Maharashtra Pollution Control Board towards issuing the consent to operate the Port	30	30
The Commissioner of Customs - Jawaharlal Nehru Custom House towards the collateral for acting as a custodian of the Cargo handled at the Port	100	100
<p>There is an ongoing arbitration proceeding initiated by the Indian subsidiary with the dredging sub-contractor for claiming damages for non-performance under dredging contract to the tune of ₹214 crores (£19.91 million) and a counter claim made by the sub-contractor for ₹74.11 crores (£6.90 million) plus additional interest @18% p.a. considered as contingent.</p> <p>The matter is under arbitration act in the jurisdiction of Mumbai. Based on the legal opinion obtained, management is confident that the outcome will be in favour of the Company.</p> <p>The counter claim made by the sub-contractor on the Company is considered as a contingent liability.</p> <p>As of the Balance sheet date the cross examination of the witnesses of the Claimant is completed and the cross examination of the witnesses of the respondent is underway.</p>	10,458	10,458
<p>The Income tax liability to the tune of ₹30.94 crores (£2.88 million) (exclusive of any interest or penalties) for the Assessment years from 2013-14 to 2024-25.</p> <p>As per the orders, the matter was sent back to the files of Principal Commissioner of Income Tax (Appeals) for re-adjudication following the ITAT orders for assessment years 2013-14 to 2015-16. The status of open litigations for AY 2013-14 to AY 2015-16 remain unchanged during FY 2024-25 i.e., the matter is yet to be adjudicated and the outcome of appeal before Hon'ble Bombay High Court is pending.</p> <p>Cash outflows, if any, is determinable on receipt of judgments pending at respective authorities.</p>	2,879	2,879

27. EVENTS OCCURRING AFTER REPORTING PERIOD

IAS 10 requires the Group to consider events occurring between the reporting date of 31 December 2025 and the date on which the financial statements are approved for issue, and to distinguish between adjusting events (which provide evidence of conditions existing at the reporting date) and non-adjusting events (which are indicative of conditions that arose after the reporting date).

During January 2026, the National Company Law Appellate Tribunal (“NCLAT”) upheld the admission order of the NCLT. Thereafter, KTLPL and certain stakeholders pursued various legal remedies and settlement proposals with a view to resolving the outstanding indebtedness of KTLPL and seeking withdrawal of the CIRP proceedings.

In February 2026, an application under Section 12A of the IBC was submitted proposing a settlement of the claims forming the basis of the insolvency proceedings. The proposal contemplated repayment of the financial indebtedness owed to the relevant creditor and withdrawal of the CIRP, subject to the approvals required under applicable law. The proposal was considered during the CIRP but was not approved.

The CIRP continued throughout the period subsequent to the reporting date, including the invitation of expressions of interest from prospective resolution applicants and the evaluation of resolution plans in accordance with the provisions of the IBC. The Committee of Creditors subsequently approved a resolution plan, which remains subject to the applicable approval process under the IBC.

28. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 were approved and authorized for issue by the Board of Directors as on 30 June 2026.