Merkanti Holding p.l.c.
Junction Business Centre
Sqaq Lourdes, St. Julian's
SWQ 3334 Malta

Merkanti Holding
p.l.c.

COMPANY ANNOUNCEMENT

Reference: (12/2026)

This is a company announcement issued by Merkanti Holding p.l.c. (C 70823) (the "**Company**" or "**MH**") pursuant to the Capital Markets Rules of the Malta Financial Services Authority.

Approval of the Company's Interim Financial Statements

MH announces that at a board meeting held on 31 August, 2026, the board of directors of the Company approved the Company's unaudited interim financial statements for the six (6) month period ended 30 June 2026. A copy of the interim financial statements is attached to this announcement and is also available on the Company's website at: https://merkantiholding.com/Investor%20Relations/#companyannouncements

Annual General Meeting held

MH announces that at the Annual General Meeting held on 31 August 2026, all proposed Ordinary Resolutions were unanimously approved by all of the Company's shareholders.

The following extraordinary resolution was also considered and unanimously approved at the Annual General Meeting:

Extraordinary Resolution:

"That subject to the provisions of article 85 of the Companies Act, the Board of Directors of the Company be hereby authorised to exercise the power of the Company to issue and allot Equity Securities at such times and on such terms as they think fit, up to the maximum amount of the authorised but unissued share capital of the Company.

Unless previously renewed, varied or revoked by the Company in general meeting, the authority granted to the Board of Directors under this resolution shall be valid until the date of the annual general meeting to be held in 2031, provided that the Members may, by ordinary resolution, renew such authority for further maximum periods of five years each. This authority supersedes any previous authority granted by the shareholders under Article 85 of the Companies Act."

Martin Ware

Martin Ware
Director

Pages

Directors' Report

This half-yearly report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority (the "MFSA") and the Prevention of Financial Market Abuse Act, 2005.

The condensed interim consolidated financial statements included in this report have been extracted from Merkanti Holding p.l.c. and its subsidiaries' (collectively, the "Group") unaudited financial information for the six months ended 30 June 2026, prepared in accordance with International Financial Reporting Standards as adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This half-yearly report gives a true and fair view of the assets, liabilities, equity and profit and other comprehensive income of the Group and the undertakings included in the consolidation taken as a whole. This report has not been audited or reviewed by the company's independent auditors.

The Company

Merkanti Holding p.l.c. is a holding and finance company that does not carry on any trading activities apart from raising capital and advancing same to the Group. Accordingly, the company is economically dependent on the Group. The principal activities of the Group comprise the activities of the Bank, currently in the process of converting to an unregulated entity, the Property Companies and their management company, and will be explained further in the 'Group Performance' section below.

The Merkanti Holding plc. group's material subsidiaries include Merkanti Bank Limited (the "Bank"), Merkanti (A) International Limited (94.9%), Merkanti (D) International Limited (94.9%), Altmark Industrie Management GmbH (100%), (together the "Property Companies").

Group Performance

The Group's profit/(loss) after tax attributable to the owners of the parent for the six-month period ended June 30, 2026 decreased to EUR (1,655,264) the loss includes transition related expenses of EUR 1,028,852 for the conversion of the Bank into an unregulated entity.

Total assets and equity of the Group stood at EUR 83,120,498 and EUR 52,062,255 as at 30 June, 2026 compared to EUR 96,206,029 and EUR 53,793,601 as at December 31, 2025.

The Bank is a credit institution licensed by the MFSA under the Banking Act (Chapter 371 of the laws of Malta) that previously provided merchant banking and trade financing services. The Bank's operations began in February 2016 after the ECB and MFSA approval of the acquisition.

On 2 January 2026, the Company announced that its Board of Directors and the Board of Directors of Merkanti Bank Ltd. had formally approved the Bank's conversion into an unregulated entity, subject to receiving regulatory approval and any additional instructions from the MFSA. As a result of this, the Bank has provided notice to its employees and incurred one-time charges during the period, including an impairment of the Bank's intangible assets and the costs of severance for its employees.

The Property Companies are property holding companies that operate in the industrial real estate leasing sector in Germany. The real estate owned by the Property Companies is currently leased out to a number of tenants, none of whom have delayed payment on their obligations to date.

Various global conflicts and other economic challenges continued to cause economic uncertainty during the period though did not have a negative impact in terms of late payments, impairments or similar adverse developments on the Bank's credit loan portfolio or the Property Companies' tenants.

During the period under review, the Company carried out a cost reduction exercise, the results of which have been implemented and will reduce the overall cost profile of the Company going forward. The Bank ceased all banking activity in February, the timing for the surrender of the banking license is unknown, with costs continuing to be incurred, the Group did not suffer any disruptions to operations.

Recent Business & Corporate Developments

Due to the Bank's decision to pursue a conversion to an unregulated entity, the Company is exposed to risks and uncertainties relating to the timing, execution and outcome of such conversion. The completion of this process is subject to a number of factors, many of which are outside the Company's control, including obtaining any required regulatory approvals, satisfying applicable legal and operational requirements, and managing stakeholder expectations. There can be no assurance as to the timing of such conversion, or that it will be completed within any anticipated timeframe, or at all. Any delays, changes in regulatory stance, or failure to meet applicable conditions could result in the Bank remaining subject to the existing regulatory framework for a longer period than expected, which may increase compliance costs, constrain strategic flexibility, and impact the Company's operations and financial condition. Furthermore, the transition process itself may give rise to operational, legal and reputational risks.

As announced to the Market in Company Announcement 08/2026 at an extraordinary general meeting held on 19th August 2026, the board of the Company was restructured and now comprises of 5 directors with all appointments being effective from 28 July 2026.

The board:

Pradeep Kumar	Executive director
Silke Stenger	Independent director
Milica Moravcevic	Independent director
Michael Smith	non-executive director
Martin Ware	non-executive director

Directors' statement pursuant to Listing Rule 5.75.3

We hereby confirm that to the best of our knowledge:

1. The condensed half-yearly report gives a true and fair view of the interim consolidated financial position of the group as at 30 June 2026 and of its financial performance, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).

2. The interim Director's report includes a fair review of the information required in terms of Listing Rule 5.81.

Martin Ware
Non-Executive Director

Silke Stenger
Independent Director

Registered office:
Merkanti Holding p.l.c.,
Junction Business Centre,
Sqaq Lourdes,
St. Julian's,
SWQ 3334
Malta

Condensed interim consolidated statements of financial position (unaudited)

	Unaudited As at 30 June 2026 €	Audited As at 31 December 2025 €
ASSETS		
Cash and cash equivalents	13,181,575	27,887,197
Loans & advances	31,039,818	29,432,800
Investments	792,600	984,660
Investment property	32,374,000	32,374,000
Property, plant & equipment	129,734	175,116
Right-of-use assets	538,288	608,499
Other receivables	5,064,483	4,743,757
Total assets	**83,120,498**	**96,206,029**
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent	51,263,789	52,917,612
Non-controlling interests	798,466	875,989
Total equity	**52,062,255**	**53,793,601**
Borrowings	24,555,379	24,527,680
Lease liabilities	524,279	582,390
Deferred tax liabilities	2,368,743	2,368,743
Other payables	3,609,841	14,933,615
Total liabilities	**31,058,243**	**42,412,428**
Total equity and liabilities	**83,120,498**	**96,206,029**

Cash and cash equivalents include loans and advances to banks

The notes on page 9 are an integral part of this condensed interim consolidated financial information.

The condensed interim consolidated financial information on pages 5 to 9 were authorised for issue by the board of directors on 31 August 2026 and were signed on its behalf by:

Martin Ware
Non-Executive Director

Silke Stenger
Independent Director

Condensed interim consolidated statements of profit and loss and other comprehensive (loss) income (unaudited)

	Six months ended 30 June	
	2026	2025
	€	€
Interest and similar income	623,276	1,880,582
Interest and similar expense	(793,552)	(895,030)
Net interest expense	**(170,276)**	**985,552**
Fee and commission income	103,075	133,388
Net fee income	**103,075**	**133,388**
Rental income from investment property	919,645	740,317
Other operating income	338,727	1,783,214
Operating income	**1,191,171**	**3,642,471**
Administrative expenses	(2,859,516)	(3,941,002)
Profit before tax	**(1,668,345)**	**(298,531)**
Income tax (expense) / credit	(64,442)	(249,495)
Profit for the period	**(1,732,786)**	**(548,026)**
Attributable to:		
Equity holders of the parent company	(1,655,264)	(554,195)
Non-controlling interests	(77,522)	6,169
Profit for the period	**(1,732,786)**	**(548,026)**
Other comprehensive income:		
Profit for the period	**(1,732,786)**	**(548,026)**
Net change in fair valuation of financial assets measured at fair value through other comprehensive income, net of income taxes	1,441	29,332
Total comprehensive income for the period	**(1,731,345)**	**(518,694)**

The notes on page 9 are an integral part of this condensed interim consolidated financial information

Condensed interim consolidated statements of changes in equity (unaudited)

	Share Capital €	Contributed reserve €	Fair Value reserve €	Translation reserve €	Retained earnings €	Total €	Non-controlling interests €	Total equity €
Balance at 1 January 2025	1,667,333	50,892,669	(90,201)	0	4,576,993	57,046,794	1,016,809	58,063,603
Profit / (Loss) for the period	0	0	0	0	(554,195)	(554,195)	(16,781)	(570,976)
Net changes in fair value	0	0	29,332	0	43,684	73,016	(43,684)	29,332
Shares cancelled	(667)	(19,334)	0	0	0	(20,001)	0	(20,001)
Balance at 30 June 2025	**1,666,666**	**50,873,335**	**(60,869)**	**0**	**4,066,482**	**56,545,614**	**956,344**	**57,501,958**
Balance at 1 January 2026	1,666,666	50,873,335	(1,441)	0	379,052	52,917,612	875,989	53,793,601
Profit for the period	0	0	0	0	(1,655,264)	(1,655,264)	(77,523)	(1,732,787)
Net changes in fair value	0	0	1,441	0	0	1,441	0	1,441
Shares cancelled	0	0	0	0	0	0	0	0
Balance at 30 June 2026	**1,666,666**	**50,873,335**	**0**	**0**	**(1,276,212)**	**51,263,789**	**798,466**	**52,062,255**

The notes on page 9 are an integral part of this condensed interim consolidated financial information.

Condensed interim consolidated statements of cash flows (unaudited)

	Six months ended 30 June	
	2026	2025
	€	€
Net cash flows provided by (used in) operating activities	(14,786,082)	(2,740,312)
Net cash flows provided by (used in) investing activities	213,122	4,992,197
Net cash flows (used in) financing activities	(58,110)	593,467
Exchange rate effect on cash and cash equivalents	(74,552)	90,257
Net movement in cash and cash equivalents	(14,705,622)	2,935,609
Cash and cash equivalents at the beginning of period	27,887,197	12,746,027
Cash and cash equivalents at end of period	13,181,575	15,681,636

Cash and cash equivalents include loans and advances to banks and other financial institutions.

The notes on page 9 are an integral part of this condensed interim consolidated financial information.

Notes to the condensed interim financial statements

1. Basis of preparation

This condensed interim consolidated financial information for the six-month period ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting' and in terms of the Malta Financial Services Authority Listing Rules 5.81 to 5.84.

The financial information has been extracted from the group's unaudited interim financial statements for the six-month period ended 30 June 2026. The comparative amounts reflect the unaudited position of the group as at 30 June 2025.

The preparation of these condensed interim consolidated financial statements is consistent with the accounting policies used in the preparation of the 31 December 2025 audited financial statements.

2. Share capital

	30-Jun 2026 €	30-Jun 2025 €
Authorised		
33,333,334 Ordinary A Shares of €3 each	100,000,002	100,000,002
33,333,334 Ordinary B Shares of €3 each	100,000,002	100,000,002
Issued and fully paid up		
16,673,333 Ordinary A Shares of €0.10 each	**1,666,666**	**1,667,333**
6,667 Ordinary A Share of €0.10 each cancelled	**0**	-667
1 Ordinary B Share of €0.10 each	**0**	0
	1,666,666	1,666,666