LANKA REALTY INVESTMENTS PLC

THE POWER TO ANTICIPATE

INVESTOR COMMUNICATION

12 NOVEMBER 2026

Strengthening Financial Performance & Repositioning for Growth.

Dear Investors,

Lanka Realty Investments PLC has strengthened its earnings and liquidity while developing a high-quality property investment platform. Our portfolio combines recurring commercial rental income, a strategic land bank and a leisure arm, supported by active asset management and disciplined capital allocation.

SIX MONTHS ENDED 30 SEPTEMBER 2026 | CSE: ASCO.N0000

GROUP REVENUE	GROSS PROFIT	GROUP PROFIT AFTER TAX	CASH + BANK DEPOSITS
LKR **721.63** Mn	LKR **439.46** Mn	LKR **195.07** Mn	LKR **2,701.71** Mn
FY25/26: **455.80 Mn**	FY25/26: **206.46 Mn**	FY25/26: **(125.57) Mn loss**	31 MAR 2026: **1,631.51 Mn**
CHANGE +58.3%	CHANGE +112.9%	TURNAROUND TO PROFIT	CHANGE: +65.6%

CSE MARKET SNAPSHOT

CLOSING PRICE	MARKET CAP	SHARES IN ISSUE	NAV / SHARE	PRICE / NAV	ASPI
LKR **51.00**	LKR **10.78** Bn	**211.37** Mn	LKR **48.47**	**1.05x**	**20,812.93**

01 PROFITABILITY RECOVERY AND EARNINGS MOMENTUM

Group revenue increased **58.3%** to LKR 721.63 Mn (2025: LKR 455.80 Mn), while gross profit rose **112.9%** to LKR 439.46 Mn. Six-month profit after tax reached **LKR 195.07 Mn**, reversing a LKR 125.57 Mn loss in 2025; Q2 profit after tax was **LKR 146.65 Mn** (2025: LKR 52.59 Mn loss).

02 MAJOR TRANSACTIONS & STRATEGIC ASSET REALISATION

Under LRI PLC's strategic direction, the Group successfully executed major property transactions to unlock asset value and strengthen its investment portfolio. Lee Hedges PLC completed the off market sale of one of its Colombo 3 commercial properties to Amana Bank PLC for **LKR 2.70 Bn**, enhancing financial flexibility. Lee Hedges PLC also acquired **100% of Lanka Realty Developments (Pvt) Ltd for LKR 3.16 Bn**, bringing HQ Colombo into its commercial property portfolio. In addition, LRI PLC transferred its **50.886% controlling stake in On'ally Holdings PLC to Lee Hedges PLC for LKR 2.26 Bn**, further consolidating the Group's income-generating commercial assets. These transactions demonstrate effective strategic oversight, asset monetisation and disciplined capital allocation to support long-term shareholder returns. Lee Hedges PLC is now set up to lead in the Sri Lankan REIT (Real Estate Investment Trust) space.

03 STRONG CASH POSITION AND INVESTMENT CAPACITY

LRI PLC has strategically reorganised its commercial property holdings under Lee Hedges PLC, creating a more focused platform for asset management, rental income growth and future investment. The restructuring consolidates HQ Colombo and Unity Plaza within Lee Hedges PLC while retaining LRI PLC's indirect controlling interests in these properties. The **LKR 2.70 Bn external property disposal** has enhanced Group liquidity and strengthened its capacity for debt optimisation and investment opportunities. As at 30 September 2026, the Group reported **LKR 2.70 Bn in cash and bank deposits** and total assets of **LKR 28.66 Bn**, reflecting its substantial asset base and financial resources. These initiatives position the Group to optimise capital efficiency, strengthen recurring earnings and pursue sustainable long-term shareholder value creation.

04 DEBT REDUCTION, FINANCE COST SAVINGS & STRATEGIC GROWTH

The Group has strengthened its financial position through the full settlement of the **LKR 675.00 Mn Mulberry Residences bank facility** and redemption of **LKR 800.00 Mn in LRD preference share capital**. Through successful negotiations led by the Executive Director, the Group secured a **LKR 166.85 Mn finance-cost waiver**, delivering significant savings and a one-off improvement in Q2 profitability. These achievements reflect disciplined financial management, reduced debt exposure and improved financial flexibility. The Group continues to prioritise lower funding costs, value-accretive acquisitions and unlocking the potential of its strategic Colombo land bank. Going forward, enhancing returns from the Weligama and Ahangama leisure properties remains a key priority in delivering long-term shareholder value.

05 STRONG CASH POSITION AND INVESTMENT CAPACITY

Cash at bank and in hand increased to LKR 1,117.73 Mn (March 2026: LKR 164.83 Mn). Including LKR 1,583.98 Mn of current and non-current fixed deposits, gross cash and deposits totalled LKR 2.70 Bn. **Group assets were LKR 28.66 Bn**, including LKR 21.24 Bn in investment property, strengthening financial flexibility for selective investment.

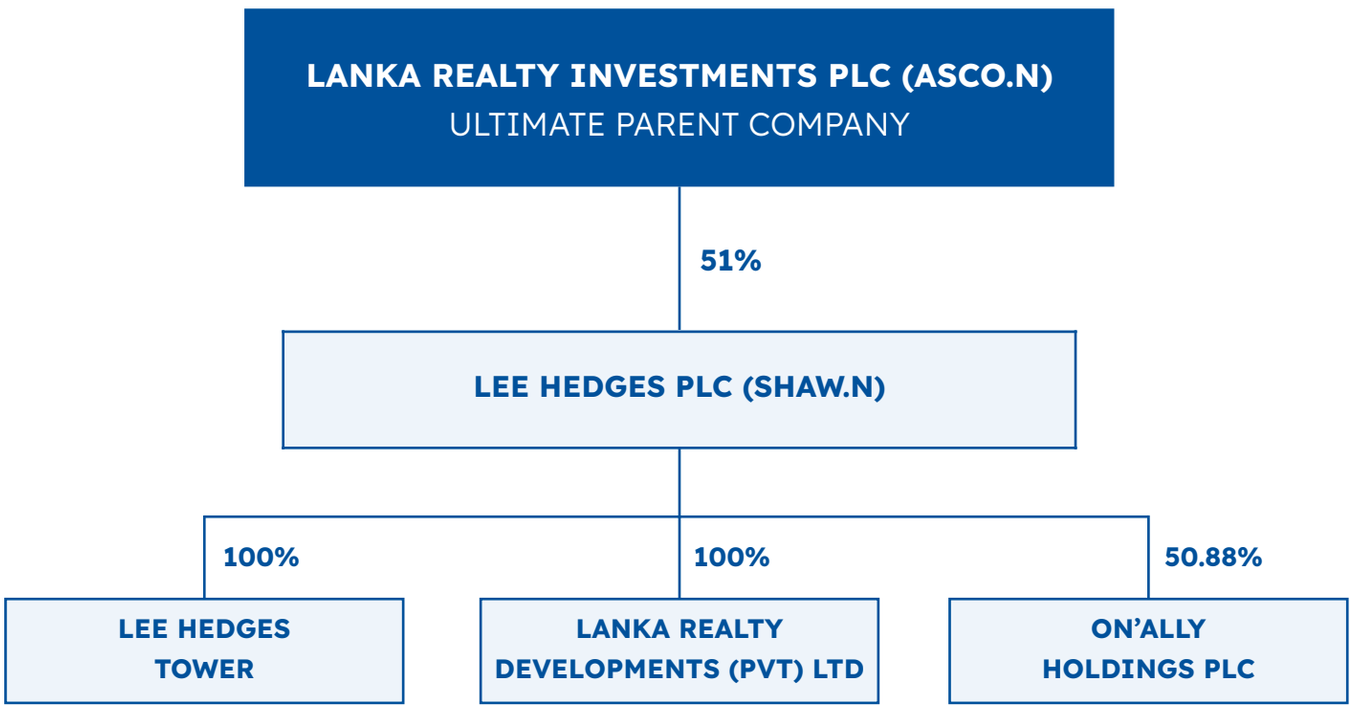
06 COMMERCIAL RENTAL INCOME AND TENANT-FOCUSED MANAGEMENT

The Group currently manages a diversified portfolio of **210 tenants across On'ally (175), HQ Colombo (22), and Lee Hedges PLC (13)**, comprising a mix of office and retail spaces, supported by **LED advertising facilities**, with a dedicated and experienced asset management team ensuring proactive tenant care, efficient property management, strong occupancy levels, and sustainable recurring rental income.

07 STRATEGIC LAND BANK, LEISURE AND VALUE-ACCRETIVE ACQUISITIONS

Strategically located land in high-value areas provides development, partnership and value-realisation opportunities. Weligama and Ahangama leisure properties offer potential for improved returns. With a strong cash position, the Group is evaluating attractively priced, income-producing assets, including potential bargain purchases, to strengthen its portfolio and long-term shareholder value.

GROUP OWNERSHIP STRUCTURE | COMMERCIAL PROPERTY PLATFORM



Ownership chart reflects the restructuring transactions completed in 2026. LRI PLC acquired its 51% controlling stake in Lee Hedges PLC on 8 January 2026.