

Ref: CSE/05/2024

18 April 2024

Mr Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 4-1 West Tower
World Trade Centre
Colombo 1

Dear Sir,

**DIALOG AXIATA PLC | CORPORATE DISCLOSURE | ACQUISITION OF SHARES IN
BHARTI AIRTEL LANKA (PRIVATE) LIMITED**

Further to the Corporate Disclosure made on 02 May 2023 under and in terms of Section 8.1 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of Dialog Axiata PLC (**"DIAL"** or the **"Company"**) has resolved to acquire, subject to obtaining the necessary corporate and regulatory approvals, permissions, consents and authorizations therefor, the entirety of the issued shares of Bharti Airtel Lanka (Private) Limited (**"Bharti Airtel Lanka"**), a company engaged in providing mobile telecommunications services. Bharti Airtel Lanka is a subsidiary of Bharti Airtel Limited (the **"Selling Shareholder"**), a global communication service provider with over 500 million customers in 17 countries across South Asia and Africa.

Pursuant thereto, the Company has entered into a Share Sale Agreement (**"SSA"**) with the Selling Shareholder for the acquisition of the entirety of the issued shares of Bharti Airtel Lanka (**"the Transaction"**). The completion of the Transaction is subject to the completion of conditions precedent to the Transaction as stipulated in the SSA.

DIAL will acquire the entirety of the issued shares of Bharti Airtel Lanka (**"Airtel Sale Shares"**) in consideration of which the Company will issue, subject to obtaining the necessary corporate and regulatory approvals, permissions, consents and authorizations therefor, 952,694,689 ordinary voting shares (**"Consideration Shares"**), by way of a share swap, to the Selling Shareholder. Once issued, the Consideration Shares will amount to 10.355% of the total issued shares of the Company which results in, *inter alia* the absorption of the proportionate net debt of Bharti Airtel Lanka on acquisition of Bharti Airtel Lanka by the Company.

For the purpose of section 58(2) of the Companies Act No. 7 of 2007 as amended (the **"Companies Act"**), the Board of Directors of the Company has determined the total cash value of the Airtel Sale Shares to be acquired by the Company, in consideration of which the Consideration Shares that shall be issued, will be the product of:

- (a) the quantum of the Consideration Shares; and
- (b) the price equal to the prevailing 90-day volume weighted average price of all the issued and outstanding ordinary shares in the capital of the Company as at the date of on which the transfer of the Airtel Sale Shares and the issuance of the Consideration Shares shall take place (**"Completion Date"**).

For the purpose of the above paragraph, the 90-day volume weighted average price means as of the Completion Date, the volume weighted average price per share on the Colombo Stock Exchange from 9.30 a.m. on the trading day that is ninety (90) trading days preceding such date to 2:30 p.m. on the last trading day immediately preceding such date.

The cash value of the Airtel Sale Shares was determined by the Board of Directors of the Company, based on relative share of revenue, net investment, and additional spectrum contribution brought by Bharti Airtel Lanka after adjusting for proportionate share of debt absorbed by the Company.

The Board of Directors of the Company has resolved that the aforementioned consideration is fair and reasonable to the company and to the existing shareholders of the Company.

The stated capital of the Company as of 31 March 2024, is LKR 29,349,706,104.60.

The issue of the Consideration Shares by the Company by way of the aforementioned share swap is subject to the Colombo Stock Exchange approving in principle the issue and listing of such shares and the obtaining of shareholder approval at an extraordinary general meeting of the Company.

The Company is in the process of obtaining all corporate and regulatory approvals that are required to carry out the acquisition of shares in Bharti Airtel Lanka and the completion of the acquisition as above mentioned.

Yours sincerely

DIALOG AXIATA PLC



Viranthi Attygalle
Group Company Secretary