DIALOG FINANCE PLC

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2026

Financial review for the nine months ended 30 September 2026

Dialog Finance PLC reported a strong financial performance for the nine months ended 30 September 2026, recording a Net Profit After Tax (NPAT) of Rs. 179.1 million, marking a significant turnaround from a profit of Rs. 124.5 million in the previous year. Operating income surged by 48.9% year-on-year to Rs. 2,475.7 million, reflecting the Company's continued focus on scalable, technology-led financial solutions.

Profit before taxes rose sharply to Rs. 314.6 million, an increase of 44.8% compared to the previous year, driven by strong core business momentum, disciplined cost management, and improved margins. The growth in operating income was largely underpinned by strategically structured fee income from key growth engines such as Device Financing and the payments business, supported by steady improvements in asset quality and net interest margins.

Total assets expanded by 20.5% to Rs. 14.4 billion compared to December 2025, while the net loan book grew by a robust 22.6% to Rs. 11.2 billion. Net Interest Income increased by 52.8% to Rs. 1,407 million, supported by prudent pricing strategies and effective asset-liability management, resulting in a healthy Net Interest Margin of 13.9%.

Operating expenses grew at a moderated pace of 47.8%, resulting in a slight improvement in the cost-to-income ratio to 69.4% from 69.9% in the previous year. This reflects the company's continued focus on maintaining operational efficiency while supporting business growth and expansion. Impairment charges increased to Rs. 270.4 million, in line with the expansion of the loan portfolio. Despite this, asset quality remained sound, with gross impairment ratio being at 6.7% and a strong stage 3 impairment coverage ratio of 66.6%.

The Company's capital position remained strong, with both Tier I and Total Capital Adequacy ratios reported at 14.05%, comfortably above the minimum regulatory requirements, reinforcing balance sheet resilience.

Dialog Finance PLC, a subsidiary of Dialog Axiata PLC, is a registered finance company in Sri Lanka offering innovative, technology-driven financial services, digital lending, and payment solutions. The Company is rated 'AA(lka)' by Fitch Ratings with a stable outlook.

DIALOG FINANCE PLC

Statement of financial position
(all amounts in Sri Lanka Rupees thousands)

	30 Sept 2026 (Unaudited)	31 Dec 2025 (Audited)
ASSETS		
Cash and cash equivalents	779,145	602,236
Placements with banks and financial institutions	401,303	161,800
Securities purchased under repurchase agreements	284,992	625,521
Financial assets at fair value through profit or loss	2,940	3,976
Financial assets at amortised cost - loans and advances	11,226,223	9,158,595
Financial assets at fair value through other comprehensive income	2,505	2,505
Financial investments at amortised cost	459,573	400,714
Other assets	547,961	496,161
Right-of-use assets	89,202	92,624
Property, plant and equipment	125,123	58,115
Intangible assets	412,928	303,626
Deferred tax assets	66,430	45,994
Total assets	**14,398,325**	**11,951,867**
LIABILITIES		
Financial liabilities at amortised cost - due to customers	8,008,304	5,896,562
Financial liabilities at amortised cost - due to banks	955,548	2,109,980
Financial liabilities at amortised cost - due to other borrowings	1,029,570	-
Lease liabilities	98,367	97,457
Retirement benefit obligations	20,241	14,241
Current tax payable	134,806	69,283
Other liabilities	1,209,541	1,001,456
Total liabilities	**11,456,377**	**9,188,979**
EQUITY		
Stated capital	2,934,582	2,934,582
Statutory reserve fund	24,674	24,674
Fair value through other comprehensive income reserve	3,102	3,102
Accumulated losses	(20,410)	(199,470)
Total equity	**2,941,948**	**2,762,888**
Total equity and liabilities	**14,398,325**	**11,951,867**
Net assets per share (Rs.)	25.06	23.53
Commitments and contingencies (Note 3)	177,657	112,842

The notes on pages 7 to 9 form an integral part of these financial statements.

CERTIFICATION

We certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No: 7 of 2007 and give true and fair view of its financial position of the entity as at 30 September 2026 and of its financial performance for the period ended 30 September 2026.

Head of Financial Reporting
Date: 11/11/2026

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

Director/CEO
Date: 11/11/2026

Director
Date: 11/11/2026

DIALOG FINANCE PLC

Statement of profit or loss and other comprehensive income
(all amounts in Sri Lanka Rupees thousands)

	Nine months ended 30 September			Three months ended 30 September		
	2026 (Unaudited)	2025 (Unaudited)	Change %	2026 (Unaudited)	2025 (Unaudited)	Change %
Interest income	1,962,644	1,197,341	64	698,739	459,779	52
Less: Interest expense	(555,609)	(276,623)	101	(215,453)	(102,318)	111
Net interest income	**1,407,035**	**920,718**	**53**	**483,286**	**357,461**	**35**
Net fee and commission income	1,016,490	640,765	59	365,668	261,557	40
Net gain / (loss) from trading	(1,036)	1,444	(172)	(223)	1,176	(119)
Other operating income	53,182	99,366	(46)	22,521	80,697	(72)
Total operating income	**2,475,671**	**1,662,293**	**49**	**871,252**	**700,891**	**24**
Less: Impairment charges and other losses	(270,366)	(165,418)	63	(83,735)	(61,547)	36
Net operating income	**2,205,305**	**1,496,875**	**47**	**787,517**	**639,344**	**23**
Less: Operating expenses						
Personnel expenses	(561,180)	(360,385)	56	(219,529)	(130,029)	69
Depreciation and amortization	(93,919)	(61,139)	54	(36,168)	(26,393)	37
Other expenses	(1,063,856)	(741,738)	43	(406,815)	(285,746)	42
Operating Profit before taxes on financial services	**486,350**	**333,613**	**46**	**125,005**	**197,176**	**(37)**
Taxes on financial services	(171,777)	(116,434)	48	(56,524)	(54,207)	4
Profit before tax for the period	**314,573**	**217,179**	**45**	**68,481**	**142,969**	**(52)**
Income tax expense	(135,513)	(92,697)	46	(36,292)	(41,170)	(12)
Profit for the period	**179,060**	**124,482**	**44**	**32,189**	**101,799**	**(68)**
Other comprehensive income items that will not be reclassified to profit or loss:						
Changes in the fair value of equity investments at fair value through other comprehensive income:	-	-	-	-	-	-
Remeasurement of defined benefit obligations:	-	-	-	-	-	-
Deferred tax effect on other comprehensive income:	-	-	-	-	-	-
Other comprehensive income, net of tax	**-**	**-**	-	**-**	**-**	-
Total comprehensive income for the period, net of tax	**179,060**	**124,482**	**44**	**32,189**	**101,799**	**(68)**
Earnings per share (Rs.)	1.53	1.06		0.27	0.87	

DIALOG FINANCE PLC

Statement of changes in equity
(all amounts in Sri Lanka Rupees thousands)

	Stated capital	Statutory reserve fund	Retained earnings / accumulated losses	Fair value through other comprehensive income reserve	Total
Balance at 1 January 2026	**2,934,582**	**24,674**	**(199,470)**	**3,102**	**2,762,888**
Profit for the period	-	-	179,060	-	179,060
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**179,060**	**-**	**179,060**
Transfer to Statutory reserve fund	-	-	-	-	-
Rights issue during the period	-	-	-	-	-
Rights issue expenses	-	-	-	-	-
Balance at 30 September 2026	**2,934,582**	**24,674**	**(20,410)**	**3,102**	**2,941,948**
Balance at 1 January 2025	**2,934,582**	**16,688**	**(351,628)**	**3,301**	**2,602,943**
Profit for the period	-	-	124,482	-	124,482
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**124,482**	**-**	**124,482**
Transfer to Statutory reserve fund	-	-	-	-	-
Rights issue during the period	-	-	-	-	-
Rights issue expenses	-	-	-	-	-
Balance at 30 September 2025	**2,934,582**	**16,688**	**(227,146)**	**3,301**	**2,727,425**
Balance at 1 October 2025	**2,934,582**	**16,688**	**(227,146)**	**3,301**	**2,727,425**
Profit for the period	-	-	35,245	-	35,245
Other comprehensive income, net of tax	-	-	417	(199)	218
Total comprehensive income for the period	**-**	**-**	**35,662**	**(199)**	**35,463**
Rights issue during the period	-	-	-	-	-
Rights issue expenses	-	-	-	-	-
Transferred to statutory reserve fund	-	7,986	(7,986)	-	-
Balance at 31 December 2025	**2,934,582**	**24,674**	**(199,470)**	**3,102**	**2,762,888**

DIALOG FINANCE PLC

Statement of cash flows
(all amounts in Sri Lanka Rupees thousands)

	Nine months ended 30 September	
	2026 (Unaudited)	**2025 (Unaudited)**
Cash flows from operating activities		
Profit before income tax	314,573	217,179
Adjustments for		
Interest expenses	555,609	276,623
Gain on disposal of property, plant and equipment	-	(71,153)
Impairment charges and other losses	270,366	165,418
Provision for retirement benefits obligation	9,476	8,192
Depreciation on property plant and equipment	28,600	12,219
Depreciation for right-of-use assets	29,344	18,935
Amortization on intangible assets	35,975	29,985
Interest on lease liabilities	7,647	4,479
Dividend income	(90)	(291)
Net losses / (gains) on financial assets at fair value through profit or loss	1,036	(1,444)
Operating profit before changes in operating assets and liabilities	**1,252,536**	**660,142**
Increase in loans and advances	(2,337,993)	(3,218,619)
Decrease in inventories	17,598	-
Increase in other assets	(51,801)	(156,979)
Increase in amounts due to customers	2,111,742	1,621,031
Increase in other liabilities	208,429	259,251
Cash generated from / (used in) operations	**1,200,511**	**(835,174)**
Interest paid	(214,422)	(276,623)
Retirement benefits paid	(3,819)	(1,636)
Income tax paid	(90,426)	-
Net cash generated from / (used in) operating activities	**891,844**	**(1,113,433)**
Cash flows from investing activities		
Acquisition of property plant and equipment and intangible assets	(258,482)	(153,435)
Proceeds from sale of property plant and equipment	-	86,000
Net Investment in treasury bills	(58,859)	(4,916)
Net placements with financial institutions	(239,502)	109,201
Dividend received	90	291
Net investment in unit trust	-	253,998
Net cash flows from securities purchased under repurchased agreement	340,529	509,924
Net cash (used in) / generated from investing activities	**(216,224)**	**801,063**
Cash flows from financing activities		
Net proceed from bank borrowings	(1,154,433)	752,989
Repayment of lease liabilities	(32,659)	(19,401)
Net proceed from other borrowings	1,029,570	-
Net cash (used in) / generated from financing activities	**(157,522)**	**733,588**
Net increase in cash and cash equivalents	**518,098**	**421,218**
Cash and cash equivalents at the beginning of the period	662,532	311,570
Cash and cash equivalents at the end of the period	**1,180,630**	**732,788**
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	779,225	557,529
Add: Placements with financial Institutions (less than 90 days)	401,405	175,259
	1,180,630	**732,788**
Less: Impairment provision	(182)	(120)
	1,180,448	**732,668**

DIALOG FINANCE PLC

Financial reporting by segment
(All amounts in Sri Lanka rupees thousands)

For the nine months ended 30 September	Consumer Segment		MSME Segment		Treasury/Investments		Unallocated		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Interest income	1,130,266	632,161	748,500	486,401	83,878	78,779	-	-	1,962,644	1,197,341
Interest expenses	(189,707)	(99,474)	(176,500)	(97,162)	(189,402)	(79,987)	-	-	(555,609)	(276,623)
Net interest income	**940,559**	**532,687**	**572,000**	**389,239**	**(105,524)**	**(1,208)**	**-**	**-**	**1,407,035**	**920,718**
Net Fee & commission income	728,394	419,599	291,868	221,166	(3,772)	-	-	-	1,016,490	640,765
Other income	42,164	25,942	9,892	3,424	90	291	-	71,153	52,146	100,810
Total operating income by segment	**1,711,117**	**978,228**	**873,760**	**613,829**	**(109,206)**	**(917)**	**-**	**71,153**	**2,475,671**	**1,662,293**
Impairment (expense) / reversal	(206,785)	(114,579)	(63,558)	(51,120)	(23)	281	-	-	(270,366)	(165,418)
Net operating income	**1,504,332**	**863,649**	**810,202**	**562,709**	**(109,229)**	**(636)**	**-**	**71,153**	**2,205,305**	**1,496,875**
Operating expenses	(294,941)	(188,068)	(237,461)	(169,373)	-	-	(531,454)	(384,297)	(1,063,856)	(741,738)
Segment result	**1,209,391**	**675,581**	**572,741**	**393,336**	**(109,229)**	**(636)**	**(531,454)**	**(313,144)**	**1,141,449**	**755,137**
Personnel expenses									(561,180)	(360,385)
Depreciation and amortization									(93,919)	(61,139)
Profit / (Loss) from operations									**486,350**	**333,613**
VAT on financial services									(171,777)	(116,434)
Income tax expense									(135,513)	(92,697)
Profit / (loss) for the period									**179,060**	**124,482**
Other information										
Balance at 30 September										
Segment assets	5,645,997	4,152,642	5,580,226	4,071,894	1,930,458	1,132,571	1,241,644	794,138	14,398,325	10,151,245
Total assets	**5,645,997**	**4,152,642**	**5,580,226**	**4,071,894**	**1,930,458**	**1,132,571**	**1,241,644**	**794,138**	**14,398,325**	**10,151,245**
Segment liabilities	5,940,861	3,757,167	5,515,516	3,666,653	-	-	-	-	11,456,377	7,423,820
Total liabilities	**5,940,861**	**3,757,167**	**5,515,516**	**3,666,653**	**-**	**-**	**-**	**-**	**11,456,377**	**7,423,820**

DIALOG FINANCE PLC

Notes to the condensed interim financial statements
(all amounts in the notes are in Sri Lanka Rupees thousands unless otherwise stated)

1 Basis of preparation

The condensed interim financial statements for the nine months ended 30 September 2026 of the Company have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34, 'Interim Financial Reporting'. The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2025.

There were no changes to the accounting policies since the publication of the audited financial statements for the year ended 31 December 2025.

2 Events after the reporting period

No circumstances have arisen since the statement of financial position date which requires adjustments to or disclosures in the financial statements.

3 Contingent liabilities

The Commitments and Contingencies as at 30th September 2026 and 31st December 2025 was as follows.

Commitments	30 September 2026	31 December 2025
Commitment to unutilized facilities		
Factoring and revolving loans	-	2,713
Capital commitments	177,657	110,129
Total commitments	**177,657**	**112,842**

4 Fair value of financial instruments

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	Measurement criteria and the fair value					
	Level 1		Level 3		Total	
	30 Sep 2026	31 Dec 2025	30 Sep 2026	31 Dec 2025	30 Sep 2026	31 Dec 2025
Financial assets						
Financial assets at fair value through profit or loss	2940	3,976	-	-	2940	3,976
Financial assets at fair value through other comprehensive income	-	-	2,505	2,505	2,505	2,505

DIALOG FINANCE PLC

Notes to the condensed interim financial statements (Continued)

5 Market price per share

For the three months ended 30 September	2026 Rs.	2025 Rs.
- Highest	145.00	91.00
- Lowest	120.00	39.00
- Last traded	120.75	69.80

6 Twenty largest shareholders of the company

	Name of Shareholders	No. of shares	% Holding
1	Dialog Axiata PLC	116,290,376	99.05
2	Hatton National Bank PLC / Dawi Investment Trust (Pvt) Ltd	180,176	0.15
3	Mr. P. Poongunaseelan	97,777	0.08
4	GF Capital Global Limited	81,376	0.07
5	Senkadagala Finance PLC / G.B.R.P.Gunawardana	51,968	0.04
6	Commercial Bank of Ceylon PLC / P. Gajendra	27,301	0.02
7	Golden Top Far East Limited	25,000	0.02
8	J.B. Cocoshell (Pvt) Ltd	24,203	0.02
9	Mrs. K.S.R.D. Fernando	24,000	0.02
10	Mr. N.V.S.N. Chirantha	23,261	0.02
11	Mr. R.J.K.I. Ranathunga	21,714	0.02
12	Senkadagala Finance PLC / A.N.S.Bandara	20,959	0.02
13	Seylan Bank PLC / Goluhewage Bindu Rasitha Poojitha Gunawardana	20,143	0.02
14	People'S Leasing & Finance PLC / C.D.Kohombanwickramage	19,452	0.02
15	Mr. M.A.T. Raaymakers	16,030	0.01
16	Citizens Development Business Finance PLC / K.D.C. Somalatha and K. Nandasiri	15,850	0.01
17	Senkadagala Finance PLC / A.K.G. Indika	15,100	0.01
18	Mr. S.S. Thangarajah	12,500	0.01
19	Mrs. A.P.L.D.D.N. Fernando	10,000	0.01
20	Mr. C. Thamotharampillai	10,000	0.01
		116,987,186	99.63
	Others	412,680	0.37
	Total	**117,399,866**	**100.00**

7 Directors' shareholdings

None of the Directors and their close family members held any shares in the company as at 30 September 2026.

8 Public shareholdings

Information pertaining to public shareholding is as follows:

	30 Sept 2026	30 Sept 2025
Public holding percentage	0.95%	0.95%
Number of public shareholders	1,153	1,023
Float adjusted market capitalization (Rs.)	134,672,321.29	77,847,851

(a) The Company is not compliant with the Minimum Public Holding requirement under option 2 of Rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange ('CSE'). Accordingly, the Company was transferred to the Second Board on 10 February 2020.

DIALOG FINANCE PLC

Notes to the condensed interim financial statements (Continued)

Selected performance indicators

Item	As at 30 Sep 2026	As at 30 Sep 2025
Regulatory capital adequacy		
Tier I capital base, Rs. '000' (After adjustments)	2,438,949	2,395,025
Total capital base, Rs. '000	2,438,949	2,395,025
Risk weighted assets, Rs. '000	17,354,220	12,351,486
Tier I capital adequacy ratio (As a % of risk weighted assets - Minimum requirement – 8.5%)	14.05%	19.39%
Total capital adequacy ratio (As a % of risk weighted assets - Minimum requirement – 12.5%)	14.05%	19.39%
Capital funds to deposit liabilities ratio (Minimum requirement, 10%)	29.44%	41.84%
Assets quality (quality of loan portfolio)		
Gross non-performing accommodations, Rs. '000	1,056,686	458,269
Gross non-performing accommodations ratio, %	8.67%	5.27%
Net-non-performing accommodations ratio, %	2.65%	1.24%
Profitability		
Net Interest margin, %	13.92%	14.82%
Return on assets (before taxes), %	4.93%	5.07%
Return on equity (after taxes), %	8.29%	6.33%
Regulatory liquidity (Rs. '000)		
Required minimum amount of liquid assets	1,107,544	764,723
Available amount of liquid assets	1,411,495	1,399,863
Required minimum amount of government securities	458,605	253,784
Available amount of government securities	746,359	445,738
Memorandum information		
Number of employees	308	158
Number of branches	1	1

DIALOG FINANCE PLC

Corporate Information

Name of the Company

Dialog Finance PLC

Legal Form and Stock Exchange Listing

A Public Quoted Company with Limited Liability which was quoted on the Diri Savi Board of the Colombo Stock Exchange on 4th October 2011 and subsequently transferred to the Second Board on 10 February 2020.

Date of Incorporation

25 November 1981

Company Registration No.

PB 765 PQ

Board of Directors

Ms. Renuka Fernando (Chairperson)
Mr. Supun Weerasinghe
Ms. Lim Li San
Mr. Alexander Lowback
Mr. Shivaan Kanag-Isvaran
Mr. Uditha Chinthana Jayasinghe
Mr. Nazeem Mohamed

Registered Office

No. 475, Union Place, Colombo 02

Principal Office

1st Floor, 57, Srimath Anagarika Dharmapala Mawatha, Colombo 03.

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Bankers

Seylan Bank PLC
Commercial Bank of Ceylon PLC
Nations Trust Bank PLC
Bank of Ceylon
Cargills Bank Ltd
People's Bank
Hatton National Bank PLC
National Development Bank PLC
DFCC Bank PLC
Sampath Bank

Auditors

Messrs. Deloitte partners
Chartered Accountants
100, Braybrooke Place
Colombo 02
Sri Lanka

Credit Rating

AA (lka), stable outlook was affirmed by Fitch Ratings Lanka Ltd

Taxpayer Identification Number (TIN)

104079687