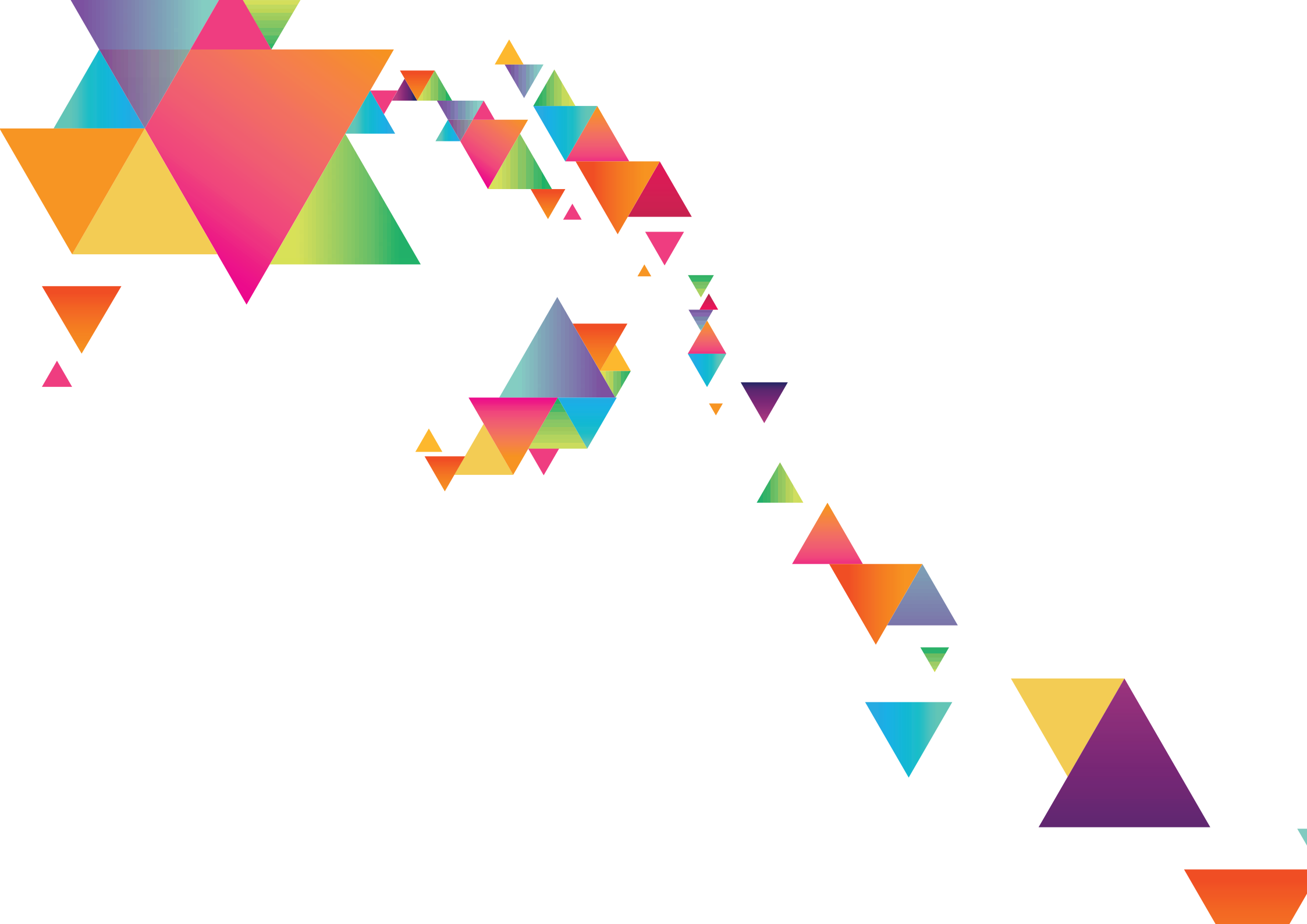




Dialog Axiata PLC
Annual Report 2024



Empowering and Enriching Sri Lankan Lives and Enterprises

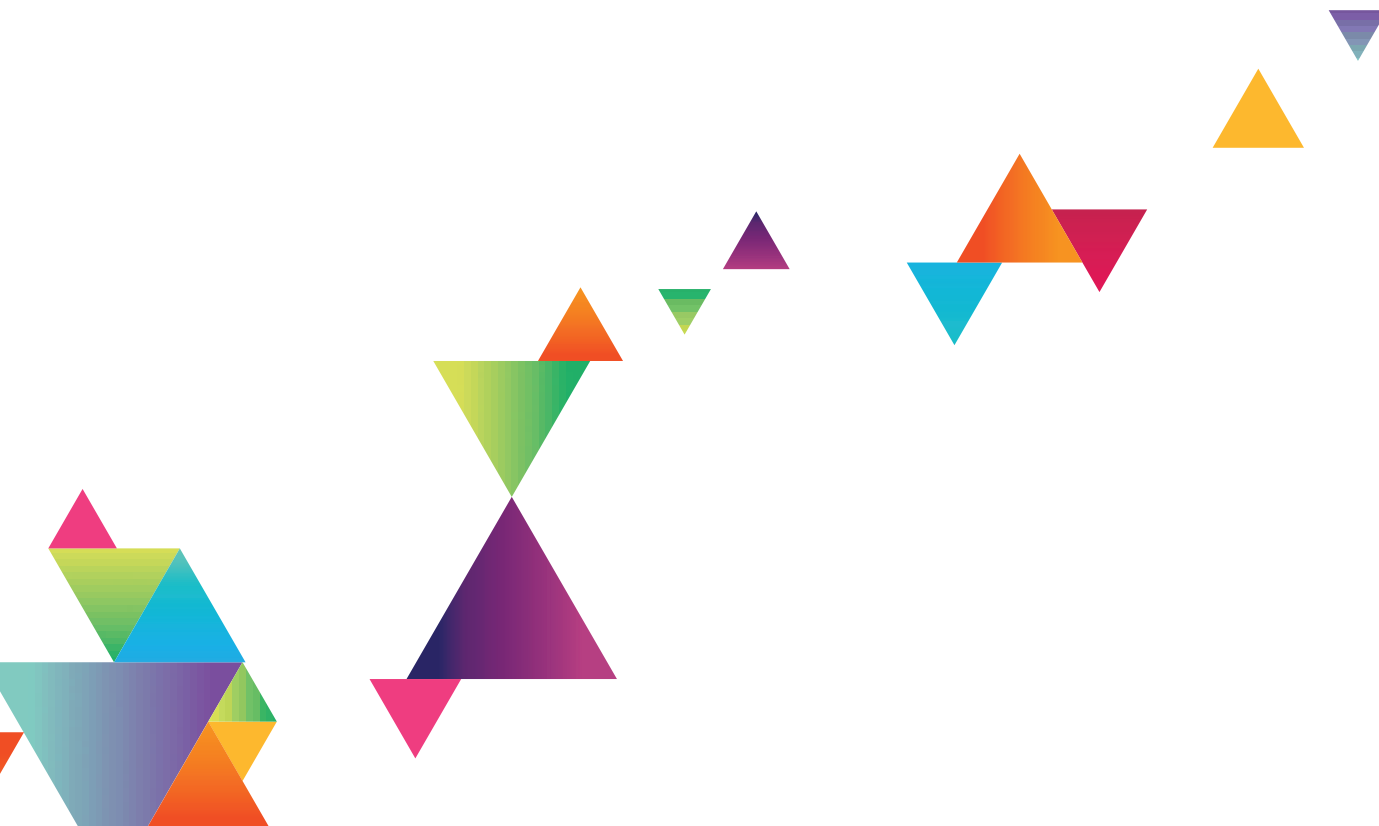
At Dialog, our purpose is to empower and enrich Sri Lankan lives and enterprises by delivering 'The Future.Today.' We are committed to redefining connectivity—not just as a service, but as a transformative force that uplifts communities, supports businesses, and bridges societal divides.

We believe that technology has the power to open doors—to new possibilities, meaningful opportunities, and brighter futures. Through inclusive and innovative digital solutions, we strive to ensure that no one is left behind—strengthening connections, enabling progress, and empowering individuals in ways that make a real difference in everyday life.

Towards this end, we are equipping individuals and businesses with next-generation technologies that spark growth, foster resilience, and elevate our nation's standing in an increasingly digital world.

As we look to the future, our mission remains clear: through innovation, inclusion, and impact, we are not just imagining tomorrow—we are bringing it to life, today.

This report stands as a testament to our unwavering commitment to advancing Sri Lanka on its digital journey.



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About This Report



Scan the QR Code to directly access
the Dialog Annual Report 2024 online

Welcome to Our Inaugural Integrated Annual Report

This Report marks a significant milestone in our corporate reporting journey and reflects our long-standing commitment to reporting excellence. The Report presents a balanced and concise account of how we created value during the year and our strategic direction going forward. In preparing this Report, we have adopted the concept of materiality by focusing on aspects that are deemed to have the greatest impact on the economy, environment, and people. The process for determining materiality is described on page 42 of this Report.

Reporting Frameworks

Our reporting process and disclosures are guided by regulatory requirements as well as a range of internationally accepted reporting frameworks.

Regulatory

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- Companies Act No. 7 of 2007 (as amended)
- Listing Rules of Colombo Stock Exchange
- SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures

Voluntary

- Global Reporting Initiative (GRI) Standards (2023)
- <IR> Framework of the International Integrated Reporting Council
- Sustainability Accounting Standards Board (SASB) Standards – Telecommunication Services
- Global System for Mobile Communications Association (GSMA) ESG Metrics for Mobile (June 2024)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Transparency in Corporate Reporting (TRAC) Assessment by Transparency International Sri Lanka (TISL)
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2023)

About This Report

Scope and Boundary

The Report covers the operations of Dialog Axiata PLC and its wholly owned and non-wholly owned subsidiaries (collectively referred to as the "Group") for the period from 1st January 2024 to 31st December 2024. While the triple-bottom-line performance of subsidiaries is not reported on an exhaustive basis, Dialog remains committed to strengthening disclosures of non-wholly owned subsidiaries of which Dialog is the majority shareholder. The Group adopts an annual reporting cycle for both its financial and sustainability reporting. While we have been presenting sustainability-related information in a separate Sustainability Report for the past 16 years, this year, we are presenting a single Integrated Report that combines our previously separate Annual Report and Sustainability Report. During the year, we successfully completed the amalgamation of Bharti Airtel Lanka ("Airtel Lanka") into Dialog, enhancing our scale and capabilities. There were no material restatements of information published in last year's reports.

Assurance

We adopt a combined assurance model to ensure the integrity of the information provided in this Report. Assurance on the Company's financial statements has been provided by Deloitte Partners, Sri Lanka (refer to pages 135-141 for the Assurance Statement on Financial Information). Non-financial information has been independently assured by Deloitte Partners, Sri Lanka, to a limited level of assurance as defined by the SLSAE 3000 (revised) Assurance Standard (refer to page 257 for the Assurance Statement on Non-Financial Information). The Standards Deloitte has given assurance for are the <IR> Framework, GRI Standards, GSMA, SASB, and SLFRS S1 and S2.

Forward-looking Statements







This Report contains forward-looking statements based on our current assumptions and expectations about our future performance, including statements regarding our ESG targets, goals, and commitments, alongside our business plans and

objectives. Such statements reflect the expectations of the Group and may or may not transpire as predicted, given the constantly evolving macro-environment our business operates in, which itself continues to be subject to uncertainties that could cause actual results to differ.

Navigating Our Report

In keeping with the principle of connectivity of information prescribed in the <IR> Framework, we have used the following navigation icons across the Report to highlight the interconnectivity of our value creation process.

Capitals

	Financial Capital
	Manufactured Capital
	Human Capital
	Social and Relationship Capital
	Intellectual Capital
	Natural Capital

Strategic Priorities

	Value Leadership
	Product and Quality Leadership
	Market Leadership
	Corporate Leadership

Outlook and Way Forward

Feedback

We are committed to consistently improving the quality and readability of our Annual Report and welcome your suggestions and comments for improvement.

Please direct your feedback to,

Dialog Axiata PLC,
475, Union Place,
Colombo 2, Sri Lanka.
Direct: +94 77 708 8806
Email: ir@dialog.lk

Board Responsibility on Corporate Reporting

The Board of Directors acknowledges its responsibility in ensuring the integrity of this Report. We hereby confirm that the 2024 Annual Report addresses all relevant material matters and fairly represents the Group's integrated performance. We also confirm that the Report has been prepared in line with the guidance provided in the Integrated Reporting Framework of the International Integrated Reporting Council.

Signed on behalf of the Board,



Mr. Supun Weerasinghe
Group Chief Executive/
Non-Independent, Executive Director

About Us

Our Vision

To be the undisputed leader in the provision of multi-sensory connectivity resulting always, in the empowerment and enrichment of Sri Lankan lives and enterprises.



Our Mission

To lead in the provision of technology enabled connectivity touching multiple human senses and faculties, through committed adherence to customer-driven, ethical, responsive and flexible business processes, and through the delivery of quality service and leading edge technology unparalleled by any other, spurred by an empowered set of dedicated individuals who are driven by an irrepressible desire to work as one towards a common goal in the truest sense of team spirit.



Corporate Values

Service from the Heart
Create the Future
Champions of Change
Exceptional
Performance

Uncompromising
Integrity
Responsible Leadership
One Team



Dialog has been at the forefront of innovation and digitisation in the mobile industry in Sri Lanka since the late 90's, propelling the nation's mobile telephony infrastructure to a level of advancement on par with the developed world.

Dialog Axiata PLC, a subsidiary of Axiata Group Berhad (Axiata), operates as Sri Lanka's leading quad-play connectivity provider. Dialog is also Sri Lanka's largest Foreign Direct Investor (FDI), with investments totalling USD 3.37 billion.

The winner of six Global Mobile Awards, Dialog has had the distinction of being voted by Sri Lankan consumers as the 'Telecommunication Brand of the Year' for a record thirteenth consecutive year at the SLIM-KANTAR People's Awards 2024. Dialog was awarded 'Sri Lanka's Most Valuable Brand' from 2019 to 2023 and 'Most Valuable Telecommunications Brand' for the sixteenth consecutive year by Brand Finance, UK.

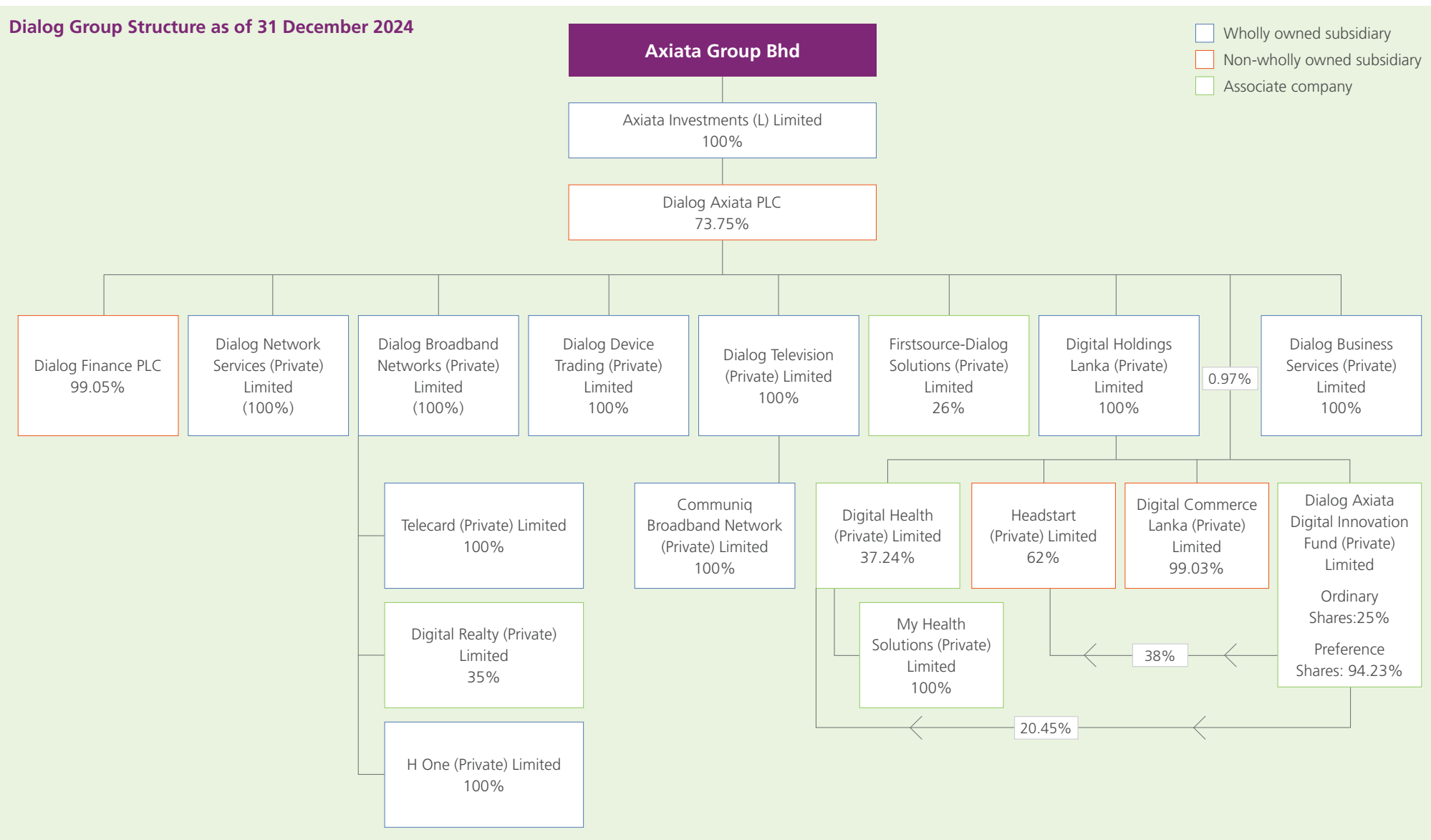
Dialog is certified for ISO 9001:2015 Quality Management System, ISO 27001:2022 Information Security Management System, and ISO 14001:2015 Environmental Management System. The Company became the first telecommunications service provider in the country to be awarded the ISO 27701:2019 certification for Privacy Information Management Systems. Dialog has received numerous local and international awards, including the National Quality Award and Sri Lanka Business Excellence Award.

The Company was recognised at the ACCA Sustainability Awards and e-Swabhimani Awards for its outstanding digital inclusion and community investment initiatives. Dialog endorses the worldwide Sustainable Development Goals (SDGs), which aim to build a sustainable future for all by 2030.

Dialog has been at the forefront of innovation and digitisation in the mobile industry in Sri Lanka since the late 90s, propelling the nation's mobile telephony infrastructure to a level of advancement on par with the developed world. The Company delivers advanced mobile telephony and high-speed mobile broadband services to a subscriber base of over 20 million Sri Lankans. Dialog is rated as the fastest mobile network, with the Company being adjudged the overall winner across multiple dimensions, including Video Experience, Live Video Experience, Games Experience, Voice App Experience, Download Speed Experience, Upload Speed Experience, Availability, 4G Availability, and Consistent Quality by a leading third-party crowdsourced network experience measuring agency.

As the market leader in Pay Television and Home Broadband sectors, Dialog provides world-class entertainment services and superior fixed connectivity to millions of households across Sri Lanka. The Company also has a strong international footprint, including roaming partnerships with over 650 operators across over 200 destinations and investments in multiple subsea cables across Asia. The Company forayed into new digital frontiers, spearheading technology firsts in South Asia and Sri Lanka with the commissioning of South Asia's first fully functional and standards-compliant 5G pilot transmission.

Dialog Axiata supplements its market-leading position in the Mobile Telecommunications sector with a robust footprint and market presence in Sri Lanka's Fixed Telecommunications, Digital Pay Television, Digital Services, and Financial Services through its subsidiaries, Dialog Broadband Networks (Private) Limited (DBN), Dialog Television (Private) Limited (DTV), Digital Holdings Lanka (Private) Limited, Dialog Finance PLC, H One (Private) Limited, Dialog Network Services (Private) Limited, and Dialog Business Services (Private) Limited.



Our Socio-Economic Impact

In 2024, we further strengthened our market position by successfully merging with Airtel Lanka. This strategic integration has enhanced operational efficiencies, and expanded our service capabilities to deliver superior connectivity solutions nationwide.

As Sri Lanka's #1 connectivity provider, our activities and performance play a vital role in driving the country's digital transformation, thereby directly impacting the socio-economic development of the country. We have therefore continued to play a pivotal role in the country's recovery efforts by ensuring uninterrupted connectivity and introducing cutting-edge digital solutions to drive a faster recovery. In 2024, we further strengthened our market position by successfully merging with Airtel Lanka. This strategic integration has enhanced operational efficiencies and expanded our service capabilities to deliver superior connectivity solutions nationwide.



Dialog is Sri Lanka's largest Foreign Direct Investor (FDI), with investments totalling USD 3.37 Bn.



Listed on the Colombo Stock Exchange (CSE) with a market capitalisation of Rs.107.6 Bn as at 31 December 2024.



Over 1 Mn benefited through employment opportunities and community investments.



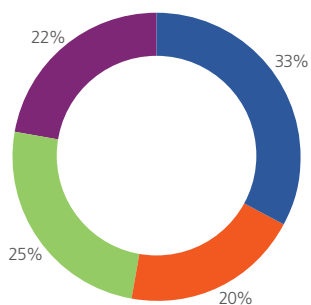
Rs. 47.3 Bn in tax payments to the government in 2024.

Direct Economic Value Generated and Distributed (Group)

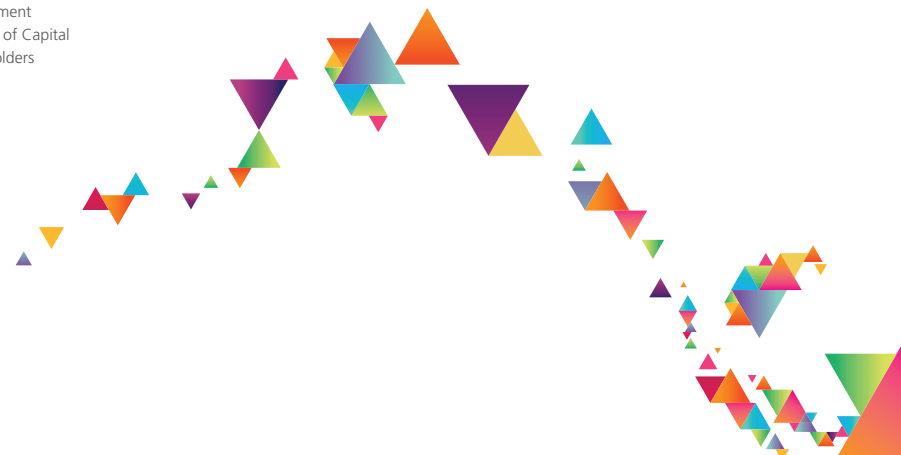
(all amounts are in Sri Lanka Rupees thousands)

	FY 2024	FY 2023
(a) Revenue from financial investments and sales of assets	172,895,647	184,369,159
(b) Economic value distributed (Group)	130,607,220	139,182,529
(c) Operating costs (Payments to suppliers, non-strategic investments, royalties, and facilitation payments)	84,839,207	103,502,216
(d) Employee wages and benefits (Total monetary outflows for employees: current payments, not future commitments)	14,870,823	13,054,076
(e) Payments to providers of capital (All financial payments made to the providers of the Organisation's capital)	10,949,411	9,995,038
(f) Payments to Government (Gross taxes)	8,862,032	6,500,100
(g) Community investments (Voluntary contributions and investment of funds in the broader community, include donations)	33,908	89,916
(h) Economic value retained (Calculated as economic value generated less economic value distributed) – Investments, equity release, etc.	42,322,335	51,227,812

Distribution of Value Added



- To Employees
- To Government
- To Lenders of Capital
- To Shareholders



Awards and Recognition



'Telecommunication Brand of the Year' for a record thirteenth year at the SLIM-KANTAR People's Awards 2024



Recognised as 'Sri Lanka's Largest FDI Contributor' at the Board of Investment Awards 2024



Winner of the **Non-Financial Services Category** at ACCA Sustainability Reporting Awards 2024



'Most Loved Service Brand of the Year' and 'Most Loved Telecommunications Brand of the Year' at LMD Brands Annual 2024

Adjudged **Sector Winner** and among **Top 5 Most Respected Entities in Sri Lanka** at LMD Most Respected 2024




'Technology Resilience Award' by ISACA at Digital Trust Awards 2024








Sri Lankan consumers voted Dialog Genie as the '**Most Popular Digital Payment Product**' and the '**Best Mobile Application for Retailer Payments via Lanka QR**' in the Fintech Category at the LankaPay Technnovation Awards 2024

Dialog Finance PLC received a Gold award for '**Financial Institution of the Year for Best Digital Payment Strategy**', Silver awards for '**Excellence in Digital Payments**' and '**Excellence in Customer Convenience**' in the Non-Bank Financial Institutions category, and a Merit award for '**Financial Inclusivity**' at the LankaPay Technnovation Awards 2024

Financial Highlights

		Group		
		2024	2023	
<div></div> <div>Financial Capital</div>	Financial Performance			
	Revenue	Rs. Million	171,170	181,722
	Gross profit	Rs. Million	72,695	65,759
	Operating profit	Rs. Million	20,779	20,874
	Pre-tax profit	Rs. Million	16,140	22,945
	Taxation	Rs. Million	3,705	2,832
	Profit for the year	Rs. Million	12,435	20,113
	GP margin	%	42.47	36.19
	OP margin	%	12.14	11.49
	Net profit margin	%	7.26	11.07
	Return on equity	%	15.89	30.32
	Return on assets	%	4.02	7.03
	Return on capital	%	13.68	18.98
	Financial Position			
	Total assets	Rs. Million	309,147	286,247
	Non-current assets	Rs. Million	222,256	192,594
	Current assets	Rs. Million	86,892	93,653
	Shareholders' funds	Rs. Million	78,354	66,381
	Borrowings	Rs. Million	107,694	122,765
	Debt to equity ratio	Times	1.38	1.85
	Equity to assets ratio	Times	0.25	0.23
	Interest cover	Times	2.53	2.53
	Current ratio	Times	0.51	0.71
	Investor Information			
	Earnings per share	Rs.	1.43	2.44
	Dividend per share	Rs.	1.00	1.34
	Net asset value per share	Rs.	8.51	8.04
	Market Value per Share			
	Highest value	Rs.	12.1	12.2
	Lowest value	Rs.	8.6	8.5
	Closing value	Rs.	11.7	9.0
	Market capitalisation	Rs. Million	107,643.9	74,228.8
	Dividend pay out ratio	%	74	55
	Dividend yield	%	8.5	14.9
	Price earnings ratio	Times	8.18	3.69
	Return on capital employed	%	14.92	13.52

Non-Financial Highlights

			2024	2023
	Property, plant and equipment	Rs. Million	158,120	151,278
	Manufactured Capital			
	Total employees	No.	1,552	1,752
	Employee retention rate	%	74	47
	Female representation	%	24.18	24.09
	New recruits	No.	158 (Inclusive of active and inactive)	358 (inclusive of active and inactive)
	Investment in training	Rs. Million	60	34
	Average training hours/employee	Hours	22.33	21.9
	Workplace injuries	No.	0	1
	Total customer base	Million	21.8	19.6
	Payments to suppliers	Rs. Million	142,649	143,755
	Proportional spending to local suppliers	%	87%	86%
	Community investment	Rs. Million	100	127
	Average length of employee service	Years	10	9
	Intellectual Capital			
	Energy consumption	GJ	810,069.405	739,129.85
	Energy intensity	GJ per GB	0.000404	0.000532
	Water consumption	M ³	44,786.82	79,699.79
	Solid waste generation	Tonnes	658.47	2,028.61
	Carbon footprint	MTCO ₂ e	128,699.19	139,526.11
	Natural Capital			

*The employee count pertains to Dialog Axiata PLC ("DAP"), Dialog Broadband Networks ("DBN"), and Dialog Television ("DTV"), and excludes other subsidiaries, interns and outsourced personnel.





Leadership

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Chairman's Message

Dear Shareholders,

Sri Lanka entered a phase of renewed economic momentum in 2024, supported by stabilising financial conditions and reform-oriented policies that created a more conducive environment for business confidence and investment. While inflation eased and currency movements stabilised, challenges such as elevated interest rates, cautious consumer spending, and evolving fiscal frameworks continued to shape the business landscape. In this context, Dialog Axiata remained agile—realigning strategies, optimising operations, and advancing its digital ecosystem to meet the evolving needs of Sri Lankan individuals and enterprises.

As a key enabler of the national economy, the telecommunications sector continued to drive productivity, financial inclusion, and digital access. Throughout the year, Dialog sustained its market leadership by investing in network expansion, enhancing service quality, and strengthening digital capabilities, all while maintaining affordability, accessibility, and a strong sustainability focus. The successful integration of Airtel Lanka into Dialog Axiata PLC, together with advancements in 5G, international connectivity, and AI-powered platforms, further reinforced our role in shaping Sri Lanka's digital future.

Financial Performance

In this backdrop, your Company delivered a resilient performance across all business segments—Mobile, Fixed, Digital Pay Television, and Infrastructure. Group headline revenue stood at Rs. 171.2 billion, a 7% decline largely due to our decision to scale down low-margin international wholesale operations in favour of long-term value creation. Core revenue, excluding low margin wholesale, reached Rs. 151.3 billion, reflecting a 10% year-to-date ("YTD") growth.

EBITDA rose to Rs. 66.3 billion, an 8% YTD increase, driven by cost optimisation and operational efficiency initiatives. Our EBITDA margin strengthened to 38.7%, reflecting disciplined execution and a focus on sustainable profitability. Group Net Profit After Tax (NPAT) was Rs. 12.4 billion, a 38% decline, largely due to

A defining milestone in 2024 was the successful acquisition and amalgamation of Airtel Lanka with Dialog. This strategic partnership brought together the capabilities of both networks, expanding our subscriber base beyond 20 million and significantly enhancing customer experience and network coverage.

exceptional forex gains recorded in the prior year. Excluding forex impact, the decline was contained at 12%, impacted by Airtel-related dilution and higher taxation. Excluding dilution from Airtel Lanka and adjusting for forex, NPAT increased by 2% YTD.

Dialog contributed Rs. 47.3 billion in direct and indirect taxes, reaffirming our role as a key contributor to the national economy. Capital expenditure totalled Rs. 30.3 billion, focused on expand in high-speed broadband, enhancing next-gen technology, and integrating Airtel Lanka's infrastructure.

Airtel Lanka Integration

A defining milestone in 2024 was the successful acquisition and amalgamation of Airtel Lanka with Dialog. This strategic partnership brought together the capabilities of both networks, expanding our subscriber base beyond 20 million and significantly enhancing customer experience and network coverage.

The combined network enabled more efficient spectrum use, streamlined infrastructure, and improved service resilience—while eliminating redundant systems. These synergies support long-term operational efficiency and sustainability, helping us deliver superior digital experiences across a wider base. While the Airtel brand continues under our umbrella, its customers now benefit from Dialog's advanced infrastructure and digital innovation.



Chairman's Message

Strengthening Global Connectivity

Recently, Dialog launched the India-Asia Xpress (IAX) submarine cable system—further strengthening Sri Lanka's role as a regional digital hub. This high-capacity, high-speed investment boosts our international connectivity, supporting data-intensive applications and growing demands for AI and 5G.

Developed with global partners, IAX integrates seamlessly into Dialog's subsea infrastructure and complements the Bay of Bengal Gateway (BBG) and Maldives Sri Lanka Cable system (MSC) cable systems, improving redundancy and network resilience.

As Sri Lanka's largest Foreign Direct Investor, with cumulative investments exceeding USD 3.29 billion to date, Dialog continues to invest in robust infrastructure, 5G expansion, and enterprise-grade solutions to support the nation's digital growth.

Driving Innovation and Digital Transformation

As the country's largest digital infrastructure provider, Dialog continued to pioneer advancements in connectivity and technology. Our 5G Trial Network surpassed 850,000 users, reaffirming our leadership in next-generation services. Building on early trials of 5G Standalone (SA) and Voice over New Radio (VoNR), we expanded 5G coverage and enhanced readiness for future deployment.

Dialog's 5G roaming services now span over 50 global destinations in partnership with 100+ international operators, delivering seamless high-speed experiences to our customers. In parallel, our AI-powered customer solutions and cloud-based enterprise platforms equipped businesses with scalable tools, automation, and actionable insights, contributing to a digitally empowered economy.

Delivering Sustainable Shareholder Value

Dialog Axiata PLC's share price increased by 30% over the year, rising from Rs. 9.00 to Rs. 11.70 by end 2024, while of 2024. Meanwhile, its market capitalisation improved by 45% to Rs. 107.6 billion, which includes the issuance of an additional 952.6

Our priorities remain clear: expanding digital services, deepening sustainability practices, and delivering value to all our stakeholders. With continued investment in next-generation technologies and a forward-looking approach, Dialog is poised to shape the next chapter of Sri Lanka's digital evolution.

million shares to Bharti Airtel Group as part of a share swap. In line with our financial strategy, the Board has proposed a dividend of Rs. 1.00 per share, translating to an 8.5% yield. The share price continues to grow in 2025 to around Rs. 14 at the time of this report, recognising the Company's commitment to delivering value to our shareholders through continuous disciplined reinvestment in growth, innovation, and network leadership.

Commitment to Sustainability and ESG Leadership

Environmental Sustainability

In 2024, we deepened our ESG commitments, guided by global sustainability frameworks. Our focus on responsible growth, climate action, and environmental stewardship led to tangible outcomes. We added 51 kW of solar energy capacity and advanced energy conservation initiatives across the Group. The integration of the Dialog-Airtel networks led to a 15% reduction in grid electricity usage and a 16% decrease in emissions by Q4 2024, in comparison to the 1H quarterly average on a national level—demonstrating the climate benefits of infrastructure consolidation.

Digital Inclusion

Dialog continued to promote inclusive digital access. We expanded Nenasa, increasing access to digital learning in rural schools, while supporting early education initiatives. Our agri-tech

solutions, Sayuru (for fishermen) and Govi Mithuru (for farmers), strengthened digital empowerment in underserved communities, helping to bridge economic and digital divides.

Responsible Governance and Transparency

In 2024, our Sustainability Report for the reporting year 2023 became the first in South Asia to be independently verified as Sri Lanka Accounting Standard SLFRS S1 and S2 compliant, reflecting our leadership in credible ESG disclosure. We further strengthened governance by updating policies and reconstituting Board committees to align with the new Corporate Governance Rules of the Colombo Stock Exchange.

Additionally, Dialog was selected as the only Sri Lankan organisation—and one of just 25 globally—to contribute to the UN Global Compact's Think Lab on Business Integrity, helping shape anti-corruption frameworks and advancing transformational governance globally.

Looking Ahead

With the Airtel Lanka integration complete, we step into 2025 on stronger footing—ready to unlock efficiencies, expand service capabilities, and deepen stakeholder engagement. As AI, 5G, and digital platforms continue to redefine industries, we remain focused on leveraging these tools to elevate performance and enhance customer outcomes.

Our priorities remain clear: expanding digital services, deepening sustainability practices, and delivering value to all our stakeholders. With continued investment in next-generation technologies and a forward-looking approach, Dialog is poised to shape the next chapter of Sri Lanka's digital evolution.

Changes to the Board

In January 2025, Dr. Hans Wijayasuriya stepped down from the Board following his appointment as the Chief Advisor to the President on Digital Economy. His visionary leadership and steadfast commitment over three decades have been

Chairman's Message

As we look ahead, I am confident in our shared commitment to advancing digital innovation, creating inclusive value, and enriching the lives of Sri Lankans and their enterprises, all while delivering 'The Future.Today.'

central to transforming Dialog from the fourth entrant to the mobile industry in 1995 into the market leader in Sri Lanka's communications sector. As a founding member of the leadership team, Dr. Wijayasuriya helped shape the Company's strategy, culture, and innovation mindset from the inception. On behalf of the Company and the Board, I extend my deepest appreciation for his extraordinary service and wish him continued success in his new national role.

I also wish to recognise Deshamanya Mahesh Amalean, who retired from the Board in June 2024 after a decade of dedicated service. A respected business leader and advocate for sustainable development, Mr. Amalean brought valuable insights on governance, leadership, and long-term strategy. His counsel enriched the Board's deliberations and contributed meaningfully to Dialog's journey over the past ten years.

I also express sincere gratitude to Dr. Indrajit Coomaraswamy and Mr. Soumen Ray, who stepped down from the Board the last quarter of 2024, respectively. Dr. Coomaraswamy, with his distinguished background in economic policy and governance, brought invaluable macroeconomic insight that strengthened the Board's deliberations during a critical period of national recovery. Mr. Ray, in his role as Chief Financial Officer of Bharti Airtel

Limited, brought a wealth of cross-sector financial expertise and provided strong guidance on financial discipline and investment efficiency. Their contributions were instrumental in shaping Dialog's financial and strategic resilience.

As we welcome the next phase of our journey, I am pleased to introduce Mr. Vish Govindasamy, Mr. Randeep Singh Sekhon, and Mr. Vivek Sood, who joined the Board between October 2024 and January 2025. Their collective experience in telecommunications, finance, and corporate leadership will be vital as we navigate a rapidly evolving digital landscape. I look forward to working alongside them as we continue to drive innovation, expand stakeholder value, and uphold the highest standards of governance.

Lastly, I wish to extend my sincere appreciation to my fellow Board members, past and present, for their continued commitment, stewardship, and strategic counsel. Their dedication has been critical in upholding the trust placed in us by shareholders and stakeholders alike and ensuring that Dialog remains a resilient, responsible, and future-focused organisation.

Appreciation

I am deeply grateful to the Dialog team for their resilience, innovation, and commitment to excellence throughout the year. Under the leadership of the Group Chief Executive Mr. Supun Weerasinghe, our team has continuously evolved, adapted, and delivered meaningful outcomes in service of our customers and the nation.

To our partners, customers, and shareholders, thank you for your trust and continued support. I also wish to acknowledge the Government of Sri Lanka and regulatory agencies for their collaboration in enabling a vibrant, inclusive digital ecosystem.

As we look ahead, I am confident in our shared commitment to advancing digital innovation, creating inclusive value, and enriching the lives of Sri Lankans and their enterprises, all while delivering 'The Future.Today.'

Thank you.



Mr. David Nai Pek Lau

Chairman / Non-Independent, Non-Executive Director

30 April 2025

Group Chief Executive's Review of Operations

Dear Shareholders,

2024 proved to be a year of resilience, restructure, and recovery. Sri Lanka's economic rebound progressed gradually—the first half was marked by high inflation, persistent cost pressures, and subdued consumer confidence, with the pace of improvement slower than anticipated. Yet, thanks to the collective efforts of our team, your Company navigated these headwinds and delivered a robust all-round performance in 2024. We also achieved a transformative milestone with the successful amalgamation of Airtel Lanka into Dialog Axiata, enhancing our scale and capabilities as we work to advance the nation's digital infrastructure. Throughout this journey, we remain grounded in our purpose of empowering and enriching Sri Lankan lives, and we are deeply grateful to our customers, employees, partners, regulators, and you – our shareholders – for your unwavering support and confidence. As we look ahead, we commit to serve with humility and a renewed sense of purpose to deliver 'The Future.Today.' and to be the driving force in Sri Lanka's digital economy.

Operational and Financial Performance Highlights

Despite the challenging macroeconomic backdrop, Dialog Axiata delivered strong operational and financial results in 2024. Key highlights include:

- **Revenue Growth:** Core revenue grew by 10% year-on-year ("YoY") to Rs. 151.3 billion (FY2024), driven by strong demand across Mobile, Fixed Broadband, Digital Pay TV, Enterprise services, and the consolidation of the Airtel business in 2H'24. Group headline revenue was Rs. 171.2 billion, which represents a 5.8% YoY decline due to the deliberate scale-down of low-margin international wholesale transit revenue (~Rs. 24.3 billion). This strategic pruning of low-yield segments enabled us to sharpen our focus on high-value businesses. Notably, we closed the year on a high note—Q4 2024 revenue reached Rs. 45.8 billion, up 7% quarter-on-quarter and 6% YoY, signalling accelerating momentum into 2025.

Throughout this journey, we remain grounded in our purpose of empowering and enriching Sri Lankan lives, and we are deeply grateful to our customers, employees, partners, regulators, and you —our shareholders— for your unwavering support and confidence.

- **Earnings and Profitability:** Earnings before interest, tax, depreciation and amortisation (EBITDA) grew 8% to Rs. 66.3 billion, supported by the uplift in core revenue and aggressive cost rescaling efforts despite negative EBITDA consolidation of Airtel Lanka. The Group EBITDA margin expanded to 38.7% (up 5.4 percentage points from the prior year), reflecting improved operating leverage and efficiency. Encouragingly, Q4 EBITDA was 18% higher than the previous quarter, underscoring the stronger operational execution in the latter part of the year and the success of our cost optimisation initiatives. Group Net Profit After Tax (NPAT) was Rs. 12.4 billion for FY2024—underscoring the remarkable turnaround in Dialog's financial performance over the past two years. On a normalised basis (excluding foreign exchange effects), underlying NPAT was approximately Rs. 8.7 billion, a contained 12% decline year-on-year even after absorbing higher tax outflows and dilution from the Airtel Lanka acquisition. The fact that we delivered healthy profitability despite increased taxes and losses from Airtel merger-related costs highlights the effectiveness of our revenue-focus and cost management strategy.
- **Shareholder Returns:** In light of the strong performance and improved cash generation, the Board has recommended a dividend of Rs. 1.00 per share for FY2024. This reflects the Board's confidence in the Company's earnings trajectory and financial stability. Operating Free Cash Flow for 2024 was Rs. 23.6 billion, which comfortably covered our capital expenditure and enables both continued strategic investments



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We sustained our role as Sri Lanka's largest foreign direct investor, with cumulative investments to date exceeding USD 3.37 billion. This continued investment—alongside our taxes, employment generation, and community initiatives—reaffirms Dialog's position as a key partner in Sri Lanka's socio-economic development.

and returns to shareholders. With strengthened cash flows and disciplined capital allocation, we are pleased to reward our shareholders again for their trust in Dialog.

- **Economic Contribution:** Dialog remained one of the largest contributors to the national economy and exchequer. Total taxes and levies remitted to the Government in 2024 amounted to Rs. 47.3 billion—comprising Rs. 10.6 billion in direct taxes and levies, and Rs. 36.7 billion in indirect taxes (VAT, duties, and other consumption taxes). This brings Dialog's cumulative contribution to Rs. 328 billion in taxes and levies over the past 10 years. We also sustained our role as Sri Lanka's largest foreign direct investor, with cumulative investments to date exceeding USD 3.37 billion. This continued investment—alongside our taxes, employment generation, and community initiatives—reaffirms Dialog's position as a key partner in Sri Lanka's socio-economic development.
- **Network Investments:** We made substantial investments to improve and expand our digital infrastructure. Capital expenditure in 2024 was Rs. 30.3 billion, directed towards expanding high-speed broadband infrastructure, accelerating our network rollout, upgrading IT platforms to enhance customer experience, and the Airtel Lanka integration. These investments ensure that Dialog's network remains the widest and most advanced in the country, capable of meeting growing demand while providing a superior experience to customers.

These results demonstrate Dialog's resilience and return to steady growth amid an improving macroeconomic backdrop. Through proactive portfolio adjustments and disciplined execution, we have taken meaningful steps toward becoming an agile, more efficient organisation, laying a solid foundation for future expansion. We were especially encouraged by the positive trajectory in the second half of 2024, as momentum built across the business. The broad-based growth in revenue and earnings, coupled with ongoing investments, positions Dialog well as we enter 2025 on a footing of stability and optimism.

Successful Integration of Airtel Lanka— Strengthening Market Leadership and Extracting Synergies

FY2024 was marked by a transformative milestone with the acquisition and amalgamation of Bharti Airtel Lanka (Private) Limited into Dialog Axiata PLC. In June 2024, we completed the share-swap transaction to acquire 100% of Airtel Lanka's share capital, issuing new Dialog shares to Bharti Airtel as consideration. Bharti Airtel Ltd. now holds a strategic 10.355% stake in Dialog post-transaction. The consolidation, first announced in 2023, received all necessary regulatory approvals—including from the Telecommunications Regulatory Commission of Sri Lanka, the Colombo Stock Exchange, and the Board of Investment of Sri Lanka. Consequently, the acquisition of Airtel Lanka took place on 26 June 2024, and the two entities were legally amalgamated by 30 August 2024, with Dialog remaining as the surviving entity upon merger. This merger was executed on time and with seamless operational integration, bolstering Dialog's strategic goal of sector consolidation and long-term value creation. We welcome Airtel Lanka's team and subscribers into the Dialog family and are already witnessing the multi-faceted benefits of this combination. The integration significantly strengthens Dialog's market position and unlocks substantial synergies, as outlined below:

- **Market Leadership and Scale:** Dialog absorbed approximately 3 million Airtel mobile customers through the merger, expanding our subscriber base to over 20 million and solidifying our position as Sri Lanka's largest mobile network.

This enhanced our scale and provided a platform for improved competitive positioning, supporting price stability and greater market penetration. By uniting two customer bases, we aim to deliver better value and broadened service offerings while benefiting from economies of scale that will ultimately enhance returns to shareholders.

- **Network Expansion and Efficiency:** Airtel Lanka's network assets added over 2,400 telecom towers and base stations to Dialog's nationwide footprint. Immediately upon the merger, we commenced network integration and optimisation efforts. Notably, Dialog and Airtel Lanka's Radio Access Network (RAN) consolidation was completed within 100 days, making it one of the fastest merger integrations in Asia. Overlapping cell sites are being rationalised, eliminating duplicate infrastructure and reducing operating costs, while equipment and spectrum are reallocated to increase coverage and capacity with minimal new capital outlay. This efficient utilisation of spectrum and shared tower infrastructure is accelerating the rollout of high-speed broadband services in rural and underserved areas. By leveraging the combined strengths of both networks, Dialog is extending coverage and improving network quality across the island, bringing superior connectivity to more Sri Lankans. The integration also yields environmental benefits by reducing the overall energy and resource usage of the network—for example, fewer duplicate towers and lower energy consumption.
- **Synergies and Cost Savings:** We have identified opportunities to streamline duplicate functions and achieve economies of scale, and unifying support services are expected to generate significant savings in operating expense. We are also avoiding redundant capital expenditure by utilising Airtel Lanka's existing infrastructure instead of building new sites, which will bolster our margins and cash flows in the coming years. We have targeted substantial cost savings and capex avoidance post-merger. Synergy realisation is tracking ahead of merger plan. These integration synergies will drive margin expansion and profitability, reinforcing Dialog's financial strength.

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- **Customer Benefits and Experience:** Most importantly, the amalgamation brings together the complementary strengths of two operators to deliver superior value to Sri Lankan customers. Both Dialog and Airtel brands continue to operate, ensuring continuity and choice for Airtel's existing subscribers while we harmonise products and services. Customers are already benefiting from the expanded network coverage and capacity—enjoying improved voice quality, faster data speeds, and access to a richer portfolio of services across the combined entity. As we gradually unify platforms and offerings, all 20+ million users in the Dialog network can look forward to a world-class digital connectivity experience, from advanced 4G/5G mobile broadband to diverse value-added services. This merger positions us to drive substantial growth—not just in customer experience and innovation, but also by enabling the digital economy of Sri Lanka.

We are confident that the combined entity will set new benchmarks in service excellence and digital innovation for consumers and enterprises alike, establishing Dialog as the unequivocal leader in the market.

Overall, the Airtel Lanka integration has been a resounding success, executed smoothly and with minimal disruption. It bolsters Dialog's market leadership and strengthens our platform for future growth. We have increased our customer base, network assets, and talent pool—all of which will serve to accelerate our strategic ambitions. As one company, we are now better equipped than ever to deliver a world-class digital telco experience and drive the growth of Sri Lanka's connectivity landscape in the years ahead. We view this consolidation as a win-win for customers, shareholders, and the industry, and it will remain a cornerstone of our value creation story moving forward.

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Driving Customer Value Through Innovation and Service Excellence

Throughout 2024, Dialog placed a strong emphasis on enriching our service offerings and improving product yield—ensuring that every rupee of revenue is earned by delivering superior value to our customers. We pursued a multi-pronged strategy of innovation, customer experience enhancement, and smart pricing, which yielded positive outcomes in terms of higher usage, customer loyalty, and revenue per user. Key initiatives and results included:

- **Innovative Digital Services:** We introduced and expanded a range of new products and digital services tailored to customer needs, reinforcing Dialog's reputation as an industry innovator. Notably, Dialog became the first operator in South Asia to implement eSIM Quick Transfer for Apple devices, making it effortless for customers to switch their mobile profiles between iPhones. We also launched 'Dialog Suraksha,' a parental control and child tracking service that empowers families

with safety tools in the digital age. In HealthTech, Dialog introduced Sri Lanka's first AI-based Health Scan, allowing users to monitor key health indicators—such as blood pressure, heart rate, and stress levels—directly from their smartphones. In the enterprise and IoT space, we rolled out a cutting-edge 4G-based vehicle tracking solution for fleet management, serving both business and retail customers. Dialog's Genie platform made several firsts in the FinTech space, including Sri Lanka's first-ever live transaction on India's UPI payment network, enabling local merchants to accept payments from Indian UPI apps. It also introduced a self-service facility to obtain loans against fixed deposits—giving customers instant digital access to funds. Beyond product innovation, we also leveraged AI across network operations, marketing, and customer support to improve service delivery and enhance operational efficiency. These initiatives underscore Dialog's commitment to continuous innovation—providing our users with the latest technology, convenient digital solutions, and compelling service bundles that enrich their digital lifestyles.

- **Enhancing Usage and ARPU:** Our focus on value-added, customer-centric packages and smart monetisation strategies enabled us to grow core revenues even in a mature market. We implemented tactical pricing adjustments and promotional offers in segments like Pay TV and mobile broadband, carefully balancing yield improvement with customer affordability. For instance, in mobile, effective churn management and attractive service bundles contributed to higher customer retention and usage, evidenced by a double-digit (~20% in FY 2024) surge in core mobile data revenue in 2024. Across the Group, average revenue per user (ARPU) and overall monetisation improved. All our operating segments saw market share gains and ARPU uplift through better pricing and product mix. These trends indicate that our strategy to enhance product value—offering the right mix of price, quality, and innovative features—is resonating with customers and translating into greater wallet share.

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- Focusing on High-Value Segments:** We consciously exited or scaled down low-margin businesses in order to concentrate on profitable, high-growth segments. This is reflected in the phasing out of the low-yield international voice and wholesale transit business, which (while reducing top-line revenue) boosted overall margins. We redeployed resources to core connectivity services and new digital offerings where Dialog enjoys competitive strengths. In particular, we expanded our portfolio of enterprise ICT services—including cloud computing, cybersecurity, and IoT solutions—and saw encouraging uptake from corporate and SME clients. As a result, Dialog Enterprise ICT Vertical achieved over 20% YoY revenue growth in 2024, underscoring the potential of these high-value segments. Meanwhile, on the consumer side, we leveraged analytics and personalisation to tailor offerings (for example, targeted data bundles and loyalty rewards) that improved customer lifetime value. By reallocating our efforts to these core and high-value areas, we ensured that growth was sustainable and margin-accretive.
- Network Quality and Customer Experience:** Underpinning our product leadership is Dialog's continuous investment in network excellence. In 2024, we sustained our status as Sri Lanka's widest and fastest network, which was validated by independent benchmarks—from being voted Sri Lanka's 'Telecommunication Brand of the Year' for the 13th consecutive year, to being named the 'Most Loved Service Brand' and the 'Most Loved Telecommunications Brand', and ranking #1 in multiple mobile network experience metrics. We ensured our 4G coverage exceeded 95% of Sri Lanka's population, significantly enhanced fibre broadband speeds, and maintained high service availability across all platforms. This superior network quality enables us to offer a premium connectivity experience and strengthens customer loyalty—both vital for maintaining healthy ARPU in a competitive market. Our dedication to delivering an unmatched customer experience remains central to our value proposition. It not only justifies the trust our customers place in us but also

solidifies Dialog's brand as the go-to digital lifestyle provider in the country. In line with this commitment, we proactively addressed customer concerns through focused service enhancements such as process simplification, digitisation, and automation, among others, resulting in a 30% reduction in call volume during the year.

By executing on these fronts—innovation, smart monetisation, focusing on core segments, and ensuring top-notch network quality—Dialog achieved organic revenue growth while enhancing product yield in 2024. We have been able to gain market share and improve revenue per user in key segments, validating our customer-centric strategy. Offering an unbeatable combination of advanced technology, superior service quality, and tailored value has improved our financial performance and strengthened our market position. We will continue to innovate and put customers at the centre of our strategy, as we believe this is the key to long-term profitable growth in the digital era.

Cost Rescaling and P&L Turnaround

Dialog's return to profitability is rooted in an aggressive and ongoing cost transformation programme that has structurally reset our cost base over the past two years. Throughout 2023 and 2024, we took proactive steps to streamline operations, rescale costs, and reinforce financial discipline, and these efforts are now clearly reflected in our earnings trajectory. In 2024, we further accelerated our Group-wide cost optimisation drive, building on the gains achieved in 2023. Key elements of this cost rescaling and its impact on our financial turnaround were as follows:

- Cost Rescaling Initiatives:** We implemented stringent cost containment and efficiency measures across the board. As a result, our operating costs were tightly controlled, rising only ~3% YoY in 2023 despite a high-inflation environment. We focused on areas such as procurement (leveraging better volume discounts and strategic sourcing), network operating costs (through site sharing and greater energy efficiency),

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and staff and process optimisations (including workflow automation and leaner staffing models). Notably, improved national power availability and our own solar initiatives allowed us to cut diesel usage for generators, significantly reducing energy expenses. We also benefited from the sharp appreciation of the Sri Lankan Rupee in 2024, which lowered LKR costs for dollar-denominated inputs. Collectively, these factors helped reduce our cost base and were instrumental in reversing the losses of 2022. By the third quarter of 2024, the impact of cost rescaling was evident: Group EBITDA jumped 33% quarter-on-quarter in Q3 2024, and the EBITDA margin reached 42% for that quarter—reflecting much higher operating leverage. We achieved this by eliminating duplicative spend (especially after the Airtel Lanka merger), renegotiating vendor contracts, and embracing digitalisation to improve internal process efficiency. Additional contributors included sales and distribution cost optimisation, reduced customer support costs via volume management, lower net finance costs through USD exposure reduction and loan renegotiations, and international bandwidth savings from the operationalisation of the India Asia Xpress (IAX) cable. The benefits of these savings are continuing to flow into 2025 and beyond, providing a solid boost to our profitability.

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- **Structural Reorganisation:** Alongside tactical cost optimisation, we undertook structural changes to make Dialog a leaner and more agile organisation. During the year, we completed a strategic reorganisation of our Dialog Business Services and Dialog Network Services units, integrating their functions more closely with our core operations. The aim was to eliminate silos, reduce management layers, and align support services directly with customer-facing segments for better agility. We also centralised or outsourced certain non-core activities and leveraged synergies within the Axiata Group to lower costs. These structural moves have improved our operating model, yielding permanent cost benefits and faster decision-making. As a result, Dialog today is far nimbler and more cost-efficient than it was prior to the crisis. The combination of immediate cost rescaling and longer-term structural reforms has fundamentally strengthened our competitive position.
- **Turnaround in Profitability:** The outcome of these efforts is a remarkable turnaround in Dialog's profit and loss over two years. After incurring a Group net loss of Rs. 33.4 billion in 2022 amid Sri Lanka's economic crisis, Dialog swung to a net profit of Rs. 20.1 billion in 2023—one of the fastest corporate recoveries in the region. This was achieved through a combination of broad-based revenue growth and the aggressive cost rescaling described above, which boosted Group EBITDA by 19% in 2023. Building on that recovery, we sustained profitability in 2024 with a net profit of Rs. 12.4 billion (or ~Rs. 8.7 billion on a normalised basis excluding the large forex gains of the prior year). It is noteworthy that Dialog's earnings rebound has been maintained despite higher taxes and merger-related costs, highlighting the robustness of our turnaround strategy. The Group's operating profit margin (EBIT margin) improved significantly as well, reflecting the combined impact of stronger revenues and restructured costs.

Dialog's financial restructuring and cost management over the past two years have placed the Company on a much stronger footing. We have embedded a culture of continuous cost improvement, ensuring that efficiency gains are sustained and enhanced over time.

- **Strong Financial Ratings:** Dialog's improved financial profile has been recognised by independent credit rating agencies. Fitch Ratings reaffirmed Dialog's rating at AAA (lka), citing our EBITDA growth and substantial cost rationalisation as key factors supporting our credit strength. Dialog continues to be rated among the strongest corporates in Sri Lanka, which is a testament to the effectiveness of our restructuring and the financial resilience we have rebuilt. We have comfortable headroom in our debt covenants and strong backing from our parent Axiata Group, ensuring we maintain a solid credit foundation.

In summary, Dialog's financial restructuring and cost management over the past two years have placed the Company on a much stronger footing. We have embedded a culture of continuous cost improvement, ensuring that efficiency gains are sustained and enhanced over time. This relentless focus on cost optimisation will enable us to maintain healthy margins and cash flows, even as we invest in new growth areas. The speed and success of our turnaround give us confidence that we can weather future challenges and continue delivering value to our stakeholders.

Strengthening Financial Resilience—Forex Risk Reduction and Balance Sheet Management

Given Sri Lanka's volatile financial environment in recent years, Dialog prioritised measures in 2024 to fortify our balance sheet and reduce exposure to currency risk. We made significant strides in de-risking our finances and improving liquidity, ensuring that our hard-earned turnaround is sustainable. Key steps included:

- **Reduction of USD Exposure:** We cut our USD-denominated debt and liabilities during the year, substantially lowering our net foreign currency exposure. Through a concerted effort to refinance or repay dollar borrowings using local currency funding and internally generated cash, we reduced our net foreign currency exposure from USD 164.3 million to USD 65.6 million over the course of 2024. By early 2024, we remain vigilant in managing currency mismatches – our goal is to keep foreign currency debt under 40% of total debt and continue shifting borrowings to longer-tenor, rupee-based instruments where possible. This will insulate our financials from exchange volatility to the greatest extent feasible.
- **Debt Profile and Liquidity:** In 2024, we actively refinanced short-term facilities and secured longer-term funding to improve our liquidity position and reduce refinancing risk. Dialog's gearing and leverage metrics remain healthy, with net debt to EBITDA moderating as EBITDA grew and USD debt fell. We have comfortable liquidity headroom, supported by strong operating cash flow and undrawn credit lines. During the year, we obtained new credit facilities—including local bank loans - to refinance maturing obligations at lower interest rates and extended tenors. As a result of these actions, the Company's balance sheet is now more robust: we have an optimal mix of LKR and FCY debt, and improved solvency ratios. Fitch Ratings in March 2024 highlighted Dialog's solid financial profile and expectation of maintaining net debt/EBITDA below 2.5X, underpinning our AAA (lka) credit rating. Our cash balances and committed facilities are sufficient to meet near-term obligations and fund planned capital expenditure. Overall, Dialog enters 2025 with strong liquidity and a prudent capital structure that can support growth.
- **Hedging and Cost Management:** We also strengthened our financial risk management practices to guard against external volatility. Dialog has implemented hedging strategies (where feasible) for foreign currency exposures related to USD debt repayments, vendor payments, and imported

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In 2024, we accelerated our sustainability agenda, launching major initiatives and earning accolades that reflect our commitment to responsible business and sustainable development. Our efforts spanned climate action, digital inclusion, community development, and governance, aligned with Sri Lanka's national priorities and the UN Sustainable Development Goals (SDGs).

capital equipment to buffer against any renewed currency depreciation. Additionally, we rebalanced our hard-currency denominated costs by negotiating more contracts in local currency or LKR-pegged terms and by leveraging group procurement to obtain better pricing and terms from suppliers. These steps, combined with our debt reduction, position us well to weather external shocks. The Company remains focused on preserving its post-crisis financial stability, ensuring that our ongoing recovery is durable and sustainable. By the end of 2024, Dialog had a leaner balance sheet with lower forex exposure, adequate liquidity, and reduced risk—giving us the confidence to pursue strategic investments in technology and growth, knowing that our financial foundation is sound.

In essence, 2024 was a year of fortifying the balance sheet and building resilience. We have significantly lowered our currency risk and improved our debt maturity profile, which together protect our profitability and cash flow from macro-economic swings. These prudent actions complement our operational improvements, enabling Dialog to move forward from a position of strength.

Sustainability and Social Responsibility

At Dialog, we believe that our success is not only measured by financial metrics, but also by the value we create for society and our stewardship of the environment. In 2024, we accelerated our sustainability agenda, launching major initiatives and earning accolades that reflect our commitment to responsible business and sustainable development. Our efforts spanned climate action, digital inclusion, community development, and governance, aligned with Sri Lanka's national priorities and the UN Sustainable Development Goals (SDGs). The following were some highlights of our sustainability and corporate responsibility performance:

- **Climate Action and Green Network:** As part of Axiata Group's net-zero carbon roadmap, Dialog made significant progress in reducing our carbon footprint and improving energy efficiency. During the year, we greatly expanded the use of renewable energy across our operations, deploying solar power solutions at many of our base station sites and switching to more energy-efficient technologies. As at the end of 2024, the Group operates a total of 1,059 solar-powered sites, following one new installation and capacity enhancements at three existing sites during the year—reflecting our continued progress toward a greener network. In addition, we implemented energy-saving features and installed advanced lithium-ion batteries for backup power, significantly reducing diesel generator usage. We also advanced our indoor-to-outdoor conversions project, investing Rs. 904 million in total (including supply and services), to improve energy efficiency by minimising reliance on power-intensive cooling. As a result of the Dialog-Airtel integration, grid electricity usage across the consolidated entity (Dialog and Airtel Lanka) decreased by 15%, while overall emissions dropped by 16% compared to operating two independent networks. Dialog is fully aligned with Axiata's climate goals—aiming to reduce greenhouse gas (GHG) emissions by 42% by 2030 and reach net-zero by 2050. Our initiatives in 2024 mark important steps toward these targets and demonstrate industry leadership in sustainable telecom operations. We also actively engaged our

employees and communities in environmental stewardship, for example through tree planting and conservation activities. In January 2025, Dialog launched Sri Lanka's first tech-driven tree-planting platform in partnership with EcoMatcher, enabling individuals and businesses to digitally plant and track trees for reforestation and carbon offsetting. This innovative initiative (aligned with UN SDG 13: Climate Action) provides a transparent way for customers and partners to join us in greening Sri Lanka, and exemplifies Dialog's commitment to environmental sustainability through technology.

- **Digital Inclusion:** As the country's #1 connectivity provider, Dialog embraces its responsibility to advance digital inclusion and community empowerment. In 2024, we continued programmes to extend connectivity to underserved regions, support education, and uplift communities through digital tools. Dialog partnered with government and industry stakeholders on initiatives to bridge the digital divide—for example, expanding 4G coverage to previously unconnected rural villages, and offering subsidised broadband packages to low-income students and SMEs. To support digital education, the Nenasa programme, in partnership with the Ministry of Education, continued to deliver high-quality content via Dialog Television, reaching over 2,500 schools and 1.7 million households. We also introduced DeafTawk, a real-time sign language interpretation service at Dialog Customer Care Centres, enabling hearing-impaired customers to communicate via on-demand video interpreters.
- **Community Care and Development:** Dialog's commitment to nation-building and community well-being was reflected in a broad range of initiatives across education, health, and inclusion. Through the Dialog Merit Scholarships Programme, we disbursed over Rs. 5.4 million to 103 students in 2024, and more than Rs. 130 million since inception. The Rally to Care initiative supported children affected by the Easter Sunday Crisis, awarding over Rs. 10.5 million in scholarships in 2024. We continued to drive healthcare engagement through initiatives such as supporting the "Little Hearts" paediatric

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hospital fundraiser, with customers donating Star Points toward paediatric healthcare infrastructure. Additionally, we expanded inclusion efforts through the Dialog-MAS Enabler Programme, which provides workplace readiness training for individuals with disabilities in collaboration with MAS Holdings. Together, these efforts reflect our mission to empower Sri Lankans through technology and ensure that no one is left behind. We are proud to have maintained our standing as one of Sri Lanka's most respected corporate citizens, widely recognised for our contributions to communities and alignment with the UN Sustainable Development Goals.

- **Excellence in Sustainability Reporting and Governance:** Dialog's commitment to transparency, good governance, and accountability in ESG (environmental, social, governance) matters was recognised with top honours in 2024. We were awarded the ACCA Sustainability Reporting Award 2024 (Non-Financial Services category), earning praise for our comprehensive and candid disclosure of ESG performance. The judges commended Dialog's integration of sustainability into its business strategy and the clarity of our reporting. Dialog is proud to be the first company in South Asia to publish an externally assured Sustainability Report compliant with the new IFRS S1 and S2 sustainability disclosure standards—underscoring our leadership in adopting global best practices in ESG reporting. We also topped Transparency International Sri Lanka's 2024 corporate transparency index, being ranked #1 in the country for Transparency in Corporate Reporting (TRAC), reflecting our unwavering commitment to integrity, ethics, and anti-corruption.

In summary, sustainability is at the heart of Dialog's strategy. We firmly believe that doing good for society and the planet goes hand-in-hand with creating shareholder value. We will continue to push the boundaries in reducing our environmental impact (through green innovation and emissions reduction), enhancing social well-being (through connectivity initiatives and community upliftment), and upholding the highest standards of governance

We see Dialog's 5G network as a crucial platform upon which industries can digitalise, entrepreneurs can build new digital services, and the government can implement e-governance and smart solutions for citizens. In essence, Dialog will deliver 'The Future.Today.' by bringing next-generation technology to Sri Lanka ahead of the curve.

and ethics. Our vision is to grow hand-in-hand with Sri Lanka's development, creating long-term shared value for all stakeholders and future generations. By integrating sustainability into every aspect of our business, Dialog is committed to building a sustainable and inclusive digital future for Sri Lanka.

Outlook for 2025 and Beyond

As we look ahead, Dialog Axiata remains focused on contributing to Sri Lanka's digital economy and exploring new frontiers through inclusive innovation. Our strategic priorities for 2025 and beyond are clear - we will continue to build on our strengthened market position, advanced technology capabilities, and the dedication of our team to enable long-term, innovation-led growth. The Company's future outlook is underpinned by a bold yet realistic vision centred on the following pillars:

- **5G Leadership and Digital Infrastructure:** Dialog is committed to leading the deployment of 5G in Sri Lanka and expanding digital infrastructure nationwide. Having conducted South Asia's first 5G Standalone trials and built a 5G-ready core network, we are prepared to scale up to commercial 5G services, upon regulatory approvals. In 2025, we plan to accelerate 5G rollout across urban and suburban areas, unlocking ultra-fast wireless broadband and low-latency

services for consumers and enterprises. Significant growth opportunities exist across both fixed and mobile broadband. Home Broadband usage in Sri Lanka remains modest at around 40GB per month—well below peer markets that average over 100GB—while unique home penetration is estimated to be below 30%. With economic recovery and rising digital adoption, 5G Fixed Wireless Access presents an affordable and scalable solution to meet growing demand for faster and more accessible home connectivity. In the mobile segment, 5G is expected to drive a step-change in data usage. Sri Lanka's current mobile data usage (~16GB per user) lags behind regional peers (~25–30GB), but with the 5G device ecosystem now maturing, operators globally have demonstrated success in leveraging 5G to boost ARPU and introduce experience-based, high-value services. Beyond consumer segments, 5G will unlock powerful enterprise and IoT applications—enabling smart city infrastructure, industrial automation, connected vehicles, and smart homes. Dialog is fully equipped to lead in this space, with a 5G Standalone-ready network, cloudified core, and 100% fibrised candidate sites—ensuring both capacity and scalability. We will also continue to invest in our fibre optic backbone and international connectivity—for example, submarine cable capacity—to ensure Sri Lanka has the robust infrastructure needed to be a regional digital hub. Our vision is to provide ubiquitous, high-quality connectivity that serves as the foundation of Sri Lanka's digital economy growth in the coming decade. We see Dialog's 5G network as a crucial platform upon which industries can digitalise, entrepreneurs can build new digital services, and the government can implement e-governance and smart solutions for citizens. In essence, Dialog will deliver 'The Future.Today.' by bringing next-generation technology to Sri Lanka ahead of the curve.

- **Digital Payments and Fintech Ecosystem:** Building on our recent successes in digital finance, Dialog aims to be the pioneering force in Sri Lanka's fintech revolution. With Dialog Finance PLC and our "Genie" platform, we have established a strong foothold in digital payments, mobile banking, and

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e-commerce enablement. Going forward, we will scale these services to reach more of the population—driving the adoption of cashless payments and digital financial solutions across both urban and rural markets. Our strategy includes expanding the merchant network for QR payments (leveraging the LANKAQR standard), introducing micro-credit and insurance services via mobile, and integrating our payment platforms to create a seamless digital financial marketplace for consumers and SMEs. By empowering Genie users and merchants, we aim to significantly grow transaction volumes and contribute to a “less-cash” economy in Sri Lanka. Additionally, we will capitalise on Dialog’s 20 million strong customer base and data insights to offer personalised financial services—for example, small-ticket loans and buy-now-pay-later plans (through our Lesi Pay device instalment programme), as well as innovative investment products like the digital fixed deposits we launched with great success in 2023. Dialog is uniquely positioned at the intersection of technology and finance to drive financial inclusion: our goal is to bring convenient digital banking to the masses, including segments that have traditionally been unbanked or underbanked. By doing so, we contribute to economic empowerment and entrepreneurship, while also unlocking new revenue streams for the Company in payments, lending, and fintech adjacencies. Our leadership in this space has also been recognised—Dialog Finance PLC won multiple awards at the LankaPay Technnovation Awards 2024, including Gold for “Best Digital Payment Strategy” and Silver for “Financial Inclusivity.” These accolades reflect our contribution toward building an inclusive digital financial ecosystem. In the years ahead, we envision Dialog’s fintech ecosystem growing into a core pillar of our business, complementing our connectivity services and establishing Dialog as a leader in digital payments and commerce enablement in Sri Lanka.

- **Innovation in Services and Platforms:** Beyond connectivity and fintech, Dialog will continue to expand its role as a digital solutions provider and an enabler of Sri Lanka’s broader digital transformation. We are fostering innovation through initiatives

Our commitment to ESG principles will remain unwavering, as we strive to build not just a profitable business but also a sustainable and inclusive one that uplifts the nation.

like the Dialog Innovation Challenge and partnerships with startups, universities, and global technology firms. Our aim is to incubate and scale up new digital services in areas such as e-learning, tele-health, cloud computing, and digital entertainment. For instance, Dialog will build on its enterprise cloud services – we were the first in South Asia to achieve VMware Sovereign Cloud certification—to offer secure, locally hosted cloud solutions for businesses and government, aiding data sovereignty and e-governance goals. We also see significant opportunity in IoT and Industry 4.0 applications—leveraging our connectivity to provide smart agriculture solutions, logistics and vehicle telematics (building on our 4G vehicle tracking platform), and smart energy management systems for enterprises. Additionally, Dialog’s digital television and entertainment platforms will evolve to deliver richer on-demand content and interactive services, keeping us at the forefront of digital media innovation. Underpinning all these efforts is a focus on artificial intelligence (AI) and data analytics—we will harness AI to personalise customer experiences, optimise our networks, and even drive the creation of new products (as we did with AI-generated personalised content for customers). These innovative approaches will differentiate Dialog’s offerings and create new value for our customers. We remain committed to ensuring that enterprises of all sizes have access to the advanced ICT tools—cloud, cybersecurity, IoT, and digital payment platforms—needed to compete in the modern economy, and that consumers in Sri Lanka enjoy access to the best digital services available globally.

- **Customer Experience and Service Excellence:** As we transform and grow, maintaining our hallmark of superior customer experience is paramount. Our future plans include deploying more AI-driven support channels (such as intelligent chatbots and voice assistants) and expanding our self-care app capabilities, so customers can manage their services easily at their fingertips. We are also proactively using big data analytics to identify and resolve network issues before they impact users, thus improving reliability. Equally, we will continue to invest in our people—equipping our teams with digital skills and a customer-first mindset—to ensure that Dialog remains synonymous with service excellence. Our Club Vision loyalty programme and other customer engagement initiatives will be enhanced to reward our customers’ trust and longevity. In essence, customer-centricity will guide us in every move, because a delighted customer base is the surest foundation for our growth ambitions. We believe that by consistently delivering an outstanding experience, we will earn lasting customer loyalty and advocacy that propels our business forward.
- **Supporting National Digital Agenda and Sustainability:** In the coming years, Dialog will play a key role in supporting Sri Lanka’s socio-economic development through digitisation. We align closely with the government’s “Digital Sri Lanka” Masterplan and will actively collaborate on initiatives that leverage our technology to improve public services—such as digital health platforms, online education networks, and smart infrastructure for cities. We also intend to extend our sustainability efforts even further: reducing our carbon footprint by increasing the use of renewable energy (including for our 5G rollout, which we plan to make as energy-efficient as possible), and expanding our community programmes in education, digital skills development, and disaster recovery to help prepare Sri Lankans for the digital economy. Our commitment to ESG principles will remain unwavering, as we strive to build not just a profitable business but also a

Group Chief Executive's Review of Operations

We have a clear roadmap to lead the next wave of digital advancement in Sri Lanka – from connecting every citizen and business with world-class 5G connectivity, to enabling the flow of digital transactions and services that underpin a modern economy.

sustainable and inclusive one that uplifts the nation. By serving as a trusted partner in Sri Lanka's digital journey, Dialog will ensure that our growth goes hand-in-hand with national progress and that we continue to create value for society at large.

Appreciation

As we reflect on this pivotal year, I wish to place on record my deepest appreciation to Dr. Hans Wijayasuriya, who stepped down from his role as a Director of the Board to take on a national leadership role to drive Sri Lanka's Digital Economy. Dr. Hans has been an architect of Dialog for over the past three decades—from launching South Asia's first GSM network to leading Axiata's regional expansion and spearheading Sri Lanka's digital journey. His visionary leadership, integrity, and dedication to national progress have left an indelible mark on our organisation, and we are confident he will continue to serve the country with distinction.

I would also like to extend my heartfelt gratitude to all those who contributed to Dialog's journey in 2024.

To our customers—over 20 million Sri Lankans—we are deeply thankful for your continued trust. Your confidence in our services inspires us to do better every day, and to push the boundaries of innovation, service, and excellence.

To our shareholders, including Axiata Group Berhad, thank you for your steadfast support, particularly during a year marked by transformation and consolidation. Your belief in our purpose and long-term vision continues to fuel our journey forward.

To the Government of Sri Lanka, the Telecommunications Regulatory Commission, the Central Bank, the Board of Investment, and other public institutions—thank you for your continued support and collaboration. Your commitment to policy stability, sector development, and digital advancement has enabled the progress we've made.

I also extend my sincere appreciation to our Board of Directors for their strategic counsel and governance, and to our many partners and vendors who have stood alongside us, sharing in our vision and contributing to the quality of services we provide.

Above all, I am grateful to the Dialog team—our Api Dialog family—whose resilience, commitment, and passion were the driving force behind our performance in 2024. Your unwavering dedication through a year of change and challenge is what sets Dialog apart.

In Conclusion

Dialog Axiata enters 2025 with renewed strength and optimism. Your Company has weathered a period of unprecedented challenges and emerged as a more resilient, innovative, and future-ready enterprise. We have a clear roadmap to lead the next wave of digital advancement in Sri Lanka – from connecting every citizen and business with world-class 5G connectivity, to enabling the flow of digital transactions and services that underpin a modern economy. Our core purpose remains to empower and enrich Sri Lankan lives and enterprises through technology, staying true to our vision of being the undisputed leader in driving a digitally inclusive and prosperous future for our country. With the support of our shareholders, the dedication of our employees, and the trust of millions of customers, Dialog will continue to

empower and enrich Sri Lanka, delivering on our brand promise and creating sustainable value for all stakeholders in the years ahead. We are confident that the coming period will see Dialog reach new heights as we deliver on our vision and leverage the opportunities of Sri Lanka's digital age.

Sincerely,



Mr. Supun Weerasinghe
Group Chief Executive, Dialog Axiata PLC

30 April 2025

Board of Directors



Mr. David Nai Pek Lau
Chairman/
Non-Independent,
Non-Executive Director



Mr. Supun Weerasinghe
Group Chief Executive/
Non-Independent,
Executive Director



**Mr. Willem Lucas
Timmermans**
Independent,
Non-Executive Director



Dr. Sharmini Coorey
Independent,
Non-Executive Director



**Ms. Komathi
Balakrishnan**
Non-Independent,
Non-Executive Director



Mr. Thomas Hundt
Non-Independent,
Non-Executive Director



**Mr. Visvanathamoorthy
Govindasamy**
Independent, Non-Executive
Director



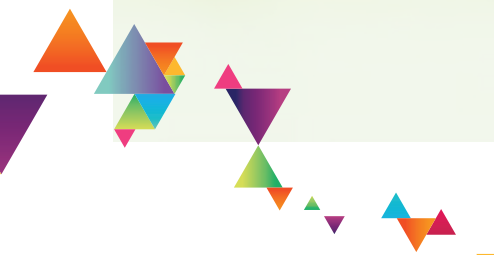
**Mr. Randeep Singh
Sekhon**
Non-Independent,
Non-Executive Director



Mr. Vivek Sood
Non-Independent,
Non-Executive Director



Mr. Chari TVT
Independent, Non-Executive
Alternate Director to
Mr. Willem Lucas Timmermans



Board of Directors

Mr. David Nai Pek Lau

Chairman/Non-Independent, Non-Executive Director

Mr. David Lau was appointed as the Chairman of the Board of Directors of Dialog Axiata effective 1 July 2020 and as a member of the Board with effect from 13 May 2020.

Mr. Lau has over 36 years of professional experience in finance and leading financial organisations in various locations including Australia, Brunei, China, Malaysia, New Zealand, the Netherlands, and the UK. Mr. Lau retired from Shell Malaysia in August 2011 after serving the Shell Group for about 30 years. His major assignments included the Finance Director for Shell Malaysia, Finance Director for Shell China, Global Controller for the Exploration and Production Division of Royal Dutch Shell, and Vice-President Finance for Shell International Exploration and Production B.V. in the Netherlands.

Mr. Lau served as an Independent, Non-Executive Director of Axiata Group Berhad from April 2008 to July 2020, with the last two years of his tenure as the Senior Independent Non-Executive Director. He was a member of the Investment Panel of the Malaysia Employees Provident Fund from June 2009 to October 2020 and held the position of Independent, Non-Executive Director at Malaysia Airlines Group from August 2011 to May 2023. He currently serves on the Boards of Heineken Malaysia Berhad and KKB Engineering Berhad. On 15 January 2024, Mr. Lau was appointed as an Independent, Non-Executive Chairman of Boost Bank Berhad.

Mr. Lau graduated from the Canterbury University, New Zealand with a Bachelor of Commerce and is a Member of the Malaysian Institute of Accountants.

Mr. Supun Weerasinghe

Group Chief Executive/Non-Independent, Executive Director

Mr. Supun Weerasinghe is the Executive Director and Group Chief Executive at Dialog Axiata PLC, a position he holds since 2017. His career in telecommunications began with Dialog in 1999, where he progressed through various key roles, including Head of Strategy, CEO of the Mobile Business, and Group Chief Operating Officer.

In 2013, Mr. Weerasinghe functioned as the Group Chief Strategy Officer at Axiata Group Berhad in Malaysia. He then led Robi Axiata Limited in Bangladesh as the CEO and Managing Director from 2014 to 2016.

Mr. Weerasinghe serves on the Boards of Hemas Holdings PLC, the Ceylon Chamber of Commerce, and UNGC Network, Sri Lanka.

He is a Fellow Certified Management Accountant, Sri Lanka, Fellow Member of the Chartered Institute of Management Accountants, UK, and holds a Bachelor of Science in Accountancy and Financial Management from the University of Sri Jayewardenepura, Sri Lanka. Mr. Weerasinghe holds an MBA from the University of Western Sydney, Australia, and is an alumnus of the Harvard Business School.

Mr. Willem Lucas Timmermans

Independent, Non-Executive Director

Mr. Willem Lucas Timmermans was appointed to the Board of Dialog Axiata on 10 May 2017.

Mr. Timmermans served as a Director of PT XL Axiata Tbk, a subsidiary of Axiata Group Berhad, from 2006 until March 2018.

Mr. Timmermans commenced his career in Finance at TVM Insurance Company Netherlands and held strategic positions in KPN Netherlands from 1988 until 1997. Mr. Timmermans furthered his career and served as the Finance Director of PT Bakrie Elektronik (Indonesia) and was appointed Vice President, Business Control and Investor Relations of PT Telkomsel (Indonesia) prior to his appointment as Director and Chief Financial Officer of PT XL Axiata Tbk (Indonesia) in 2006. In 2011, he served as a Director and Chief Operating Officer and in 2015 as Director and Chief Strategic and Transformation Officer of PT XL Axiata Tbk.

He also served as a Non-Executive Director of Celcom Axiata Berhad (Malaysia) from 2011 to 2017.

Mr. Timmermans currently serves as an Independent Commissioner to PT XL Smart Telecom Sejahtera, the Chairman of the BAC of PT XLS and a member of the BRCC. In addition, he is a member of the BAC of PT Buma Internasional Grup Tbk (Previously Known as Delta Dunia Makmur).

Mr. Timmermans holds degrees in Business Administration from the Business Administration and Economics School of the State University Groningen, Netherlands and Business Economics and Financing from the State University of Groningen, Netherlands. Additionally, he is a member of the Institute of Certified Management Accountants (CMA) Australia.

Board of Directors

Dr. Sharmini Coorey Independent, Non-Executive Director

Dr. Sharmini Coorey was appointed to the Board of Dialog Axiata on 15 October 2022.

Dr. Coorey is a former Department Director of the International Monetary Fund (IMF) and a former member of the Presidential Advisory Group on Multilateral Engagement and Debt Sustainability advising the Government of Sri Lanka during the economic crisis. Her 35-year experience at the IMF includes surveillance and program work in a range of advanced, emerging market, and developing countries in Africa, Asia, Europe, and the Western Hemisphere as well as Fund policy work.

Prior to her retirement in November 2021, Dr. Coorey served for almost nine years as the Director of the Institute for Capacity Development, the IMF's department for capacity building. As its first Director - the most senior staff-level position at the IMF - she was instrumental in establishing the department and providing strategic direction for the governance, management, and funding of the IMF's capacity building activities and overseeing the IMF's training of government officials in policy-oriented macroeconomics.

Dr. Coorey also served on the Investment Committee of the IMF Staff Retirement Plan and on the Editorial Committee of IMF Staff Papers. She was a visiting researcher at George Washington University's Elliott School of International Affairs and is currently an international policy fellow at Verite Research in Sri Lanka.

Dr. Coorey holds Ph.D. and bachelor's degrees in Economics from Harvard University. She has published papers on inflation and economic growth in transition and developing countries and edited a book on managing oil wealth in Central African countries.

Ms. Komathi Balakrishnan Non-Independent, Non-Executive Director

Ms. Komathi Balakrishnan was appointed to the Board of Dialog Axiata effective 7 July 2023. She is the Group Financial Controller, Axiata Group Berhad ("Axiata"), a position she has held since April 2019 to date.

Ms. Balakrishnan has 30 years of professional experience in accounting and finance in leading organisations. Prior to joining Axiata, she functioned as the Group Financial Controller at Sapura Energy Berhad and at Telekom Malaysia Berhad ("Telekom Malaysia"). Before that, Ms. Balakrishnan held senior finance leadership roles at Telekom Malaysia.

Ms. Balakrishnan holds a Bachelor of Accounting (Hons), First Class from the University of Malaya and a Master of Finance (High Distinction) from the Malaysia Institute of Management - RMIT (Australia) Programme. In addition, she holds professional qualifications from the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (CPA).

Mr. Thomas Hundt Non-Independent, Non-Executive Director

Mr. Thomas Hundt was appointed to the Board of Dialog Axiata effective 17 February 2024.

Mr. Hundt is the Group Chief Strategy and Technology Officer of Axiata Group Berhad ("Axiata"), a position he has held since October 2021.

Prior to this, from mid 2008 until October 2021, Mr. Hundt served as the Managing Director and CEO of Smart Axiata in Cambodia, the leading telecom operator. He was the founding CEO of Smart, which he grew from a greenfield, number eight position in the market to number one position, including through the acquisition of Star-Cell in 2011 and the merger with Hello Axiata in 2013. While continuing to serve as the CEO of Smart Axiata, Mr. Hundt also held the position of Executive Vice President for Technology of Axiata from January 2020.

Mr. Hundt further serves as Commissioner of PT Link Net Tbk, Indonesia, an Axiata company, the 2nd largest Internet Service Provider of Indonesia, as Director of EDOTCO Group Sdn Bhd, an Axiata company, a leading tower and telecom infrastructure company across South and South East Asia, and as the Chairman of Axiata Digital Labs (Private) Limited, Sri Lanka, an Axiata company, an innovative software platform and solutions provider who is providing telco-focused digital and IT services and solutions.

Mr. Hundt served as Director of Celcom Axiata Berhad, one of the largest telecom operators in Malaysia, an Axiata company, from March 2020 till its merger with Digi in November 2022, and of Ncell Private Limited, the leading mobile operator in Nepal, then an Axiata company, from June 2016 till March 2020.

Board of Directors

He gained his vast experience in the telecommunications industry during his tenure in key management positions with Siemens AG's Communication Division and Nokia Siemens Networks between 1996 and 2008, including an overseas stint in Shanghai, China.

Mr. Hundt is the Vice President of German Business in Cambodia (GBC) since January 2010 and a founding Board Member of the European Chamber of Commerce (Eurocham) Cambodia since January 2011, of which he serves as Vice President at present.

Mr. Hundt holds an Apprenticeship Cooperative Studies Program in Business Administration by the German Chamber of Industry and Commerce and Siemens AG, Germany ("Stammhauslehre") and holds a degree from IHK for Industrial Business Administration.

Mr. Visvanathamoorthy Govindasamy Independent, Non-Executive Director

Mr. Vish Govindasamy was appointed to the Board of Dialog Axiata on 1 October 2024.

Mr. Govindasamy serves as a Non-Executive, Non-Independent Director at Sunshine Holdings PLC and Watawala Plantations PLC. Additionally, he holds independent directorships at Softlogic Life Insurance PLC, United Motors Lanka PLC, Lanka Island Resort Ltd and Ceylon Business Development Limited.

Mr. Govindasamy's esteemed leadership extends beyond the corporate realm. He is an appointed member of the Governing Board of the Central Bank of Sri Lanka, the Immediate Past Chairman of the Ceylon Chamber of Commerce, and a former Chairman of the Employers' Federation of Ceylon.

He holds an MBA and a Bachelor of Science in Electrical Engineering from the University of Hartford, USA. Additionally, he is a Fellow of the Institute of Certified Professional Managers in Sri Lanka.

Mr. Randeep Singh Sekhon Non-Independent, Non-Executive Director

Mr. Randeep Singh Sekhon was appointed to the Board of Dialog Axiata effective 8 November 2024 as a Non- Independent, Non- Executive Director.

Mr. Sekhon is the Chief Technology Officer for Airtel India and South Asia. Headquartered in New Delhi, India, the company ranks among the top three mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 4G, and 5G wireless services, high-speed home broadband services using FTTH and FWA technologies, home entertainment using DTH, financial services through Airtel Bank, enterprise services including core connectivity, digital services like cloud, security, IOT, CPAAS etc., data centre services, and international long-distance services.

Mr. Sekhon leads the Airtel Network and Technology teams responsible for Technology Strategy and Innovation, Network Planning, Build and Operations for mobile, broadband, enterprise, and transport networks, Customer Experience and Digitisation.

Prior to this, Mr. Sekhon was the CEO of Hutchison Tri Indonesia based in Jakarta. He successfully drove customer-centricity, Digitisation-led efficiency, and business transformation for 3 in Indonesia.

Board of Directors

Mr. Vivek Sood

Non-Independent, Non-Executive Director

Mr. Vivek Sood was appointed to the Board of Dialog Axiata on 16 January 2025.

Mr. Sood has 34 years of extensive experience across Telecommunications, Finance, and FMCG industries, during which he has successfully led multi-disciplinary and multi-cultural teams.

Mr. Sood is the Group Chief Executive Officer and Managing Director of Axiata Group Berhad. Prior to this role, he served as the Group Chief Financial Officer. Axiata Group is a prominent regional telecommunications company with a presence in nine countries across South and Southeast Asia, serving 160 million customers.

He also serves as Chairman of Axiata Digital and Analytics Sdn Bhd, Boost Holdings Sdn Bhd, and SMART Axiata CO., Ltd. Additionally, he is a Board Member of CelcomDigi Berhad, Robi Axiata PLC, and Dialog Axiata PLC, as well as a Commissioner on the Board of PT XL Axiata Tbk, and the President Commissioner of PT Link Net Tbk.

Mr. Sood joined Axiata after spending over 6 years with Telenor Group, holding several key leadership roles as Executive Vice President and Group Chief Marketing Officer, CEO of Telenor India, CEO of Grameenphone Bangladesh, and EVP–Finance of Telenor India.

Mr. Sood held key positions as Chief Operating Officer and CFO of Tata AIA Life Insurance India. Prior to that, he served Hutchison Essar South Limited as VP of Finance–South Circles, and Tupperware as Director of Finance–India Operations. Vivek began his career at Hindustan level Limited, a Unilever subsidiary in India where his last position was Regional Commercial Manager.

Mr. Sood holds a Bachelor of Commerce from University of Delhi and is a qualified Chartered Accountant of India. He got his Accountancy and Audit Training with PricewaterhouseCoopers (PwC).

Mr. Chari TVT

Independent, Non-Executive Alternate Director to
Mr. Willem Lucas Timmermans

Mr. Chari TVT was appointed as an Alternate Director to Mr. Willem Lucas Timmermans on 1 January 2025.

Mr. Chari TVT is an experienced CFO with a demonstrated history of working in the Telecommunications, Technology, and Aviation industries. Skilled in Negotiation, M&A, Corporate Strategy, Portfolio Management, Corporate Treasury, Digital Transformation, Business Planning, GTM, and Operations Management.

Mr. Chari TVT served as the Group Chief Financial Officer of Axiata Group Berhad from January 2014 to December 2016. Prior to that, he served as the Chief Financial Officer of Celcom Axiata Berhad from 2009 to 2013. During his time in the Axiata Group, he served on the Boards of several subsidiaries, including Dialog Axiata PLC from 2014 to 2018.

Mr. Chari TVT holds an MBA from the State University of New York College at Buffalo. He is also a Fellow Member of the Chartered Institute of Management Accountants, UK and a Member of the Institute of Chartered Accountants of India.

Corporate Management Team



Munesh David

Group Chief Commercial
Officer and Acting Group
Chief Financial Officer



Sandra De Zoysa

Group Chief Customer Officer



Renuka Fernando

Group Chief Digital
Services Officer



Ranga Kariyawasam

Group Chief Technology Officer



Lim Li San

Group Chief Operating Officer



Shayam Majeed

Group Chief People Officer



Asela Perera

Group Chief Information Officer



Navin Pieris

Group Chief Officer -
Dialog Enterprise



Dr. Romesh Ranawana

Group Chief Analytics and
AI Officer



**Lasantha
Theverapperuma**

Group Chief Marketing Officer

Corporate Management Team

Munesh David

Group Chief Commercial Officer and Acting Group Chief Financial Officer

Munesh counts for over 30 years' experience in local and International corporates spanning across many diverse industries including Digital Telco, eCommerce, Plantation, Retail, Manufacturing, Distribution, Software, Consultancy, Agriculture, Aqua-culture, Trading, and Audit.

At present he serves as the Group Chief Commercial Officer and Acting Group Chief Financial Officer of Dialog Axiata PLC. His role involves functions of Group Finance Supply Chain Management, Programme Management, and Revenue responsibility for Tele-Infrastructure business.

Munesh is a Fellow Member of the Chartered Institute of Management Accountants UK (FCMA) and a Fellow Member of CPA Australia and holds an MBA from the University of Southern Queensland Australia. Further, he attended an Executive General Management Education programme conducted by INSEAD.

Previous positions Munesh has served includes; Vice President – Group Corporate Planning and Strategy of Dialog Axiata PLC, Group Chief Internal Auditor, Chief Financial Officer (CFO) of wow.lk (eCommerce business of Dialog), Head of Finance - edotco Sri Lanka (Tower business of Dialog), Head of Strategic Planning - Upstream Goodhope Asia - Plantation Company (Operating in Indonesia and Malaysia), Group Chief Financial Officer (GCFO) of ODEL PLC (Fashion Retailer), Finance Manager of OneSteel Group (currently known as Arrium) - a fully integrated, manufacturer and distributor of Steel in Australia, Head of Group Corporate Finance - Dialog Axiata PLC, Senior Accountant at John Keells Computer Services (Pvt) Ltd., Investment Analyst at CF Venture Fund, and commenced his career as an Audit Trainee at KPMG Sri Lanka.

Sandra De Zoysa

Group Chief Customer Officer

Sandra De Zoysa is the Group Chief Customer Officer of Dialog Axiata, Chairperson of the Digital Customer Experience Expert Working Group for Axiata and Managing Director of Dialog Business Services. In addition to her role at Dialog, she is a founding member and the first female Chairperson of SLASSCOM - the national IT/BPM chamber in Sri Lanka, a founding Board Member of the Women's Chamber for Digital Sri Lanka and a founding member and past Vice President of Sri Lanka Institute of Service Management, Inaugural Advisory Board Member and the Customer Advisory Board of CX Network, IQPC UK, a Fellow Member of the British Computer Society UK (BCS) and currently serves on the CXPA Asia Regional Leadership Council.

Sandra's experience spans over 30 years in the ICT Industry during which she has been the recipient of multiple global and local awards for her thought leadership and contribution in the sphere of Customer Experience, Women Technology and Business Leadership. Pursuing her passion to support women, children and encourage women tech-entrepreneurs, Sandra volunteers her time at the Global Mentorship Initiative, EQUALS Champions, SLASSCOM, Women in Management and HATCH Mentorship Programmes.

Sandra holds a Master's in Digital Transformation Leadership from the London Metropolitan University and an Executive MBA from the University of West London. She is the only Certified Customer Experience Professional and Recognised Training Provider in Sri Lanka for CXPA, Lean Six Sigma Black Belt practitioner and certified Scrum Master. Sandra is also a visiting lecturer at the University of Colombo School of Computing since 2009 and is an avid global speaker who has represented Dialog at over 450 global events.

Renuka Fernando

Group Chief Digital Services Officer

Renuka Fernando currently holds the position of Group Chief Digital Services Officer of Dialog Axiata PLC, playing a significant role in steering the Company's digital services initiatives. In addition, she was appointed as the Chairperson and a Member of the Board of Dialog Finance PLC, contributing her expertise to drive significant advancements in the financial sector.

Renuka is a highly experienced, successful, and well-regarded business leader who has very significant business experience spanning 40 years in the banking sector and vast expertise in growing and developing banking with a special focus on Digital Banking.

Prior to joining Dialog in April 2020, she headed Nations Trust Bank PLC (NTB) as the Director/Chief Executive Officer from 2012 and has played a pivotal role in bringing the organisation to where it is today. During her stint with NTB she played many senior leadership roles including Deputy Chief Executive Officer, DGM – Retail and Consumer Banking, and AGM- Corporate Financial Solutions. Prior to joining NTB, Renuka held the positions of Vice President / Head Global Transactional Services and Head of Consumer Banking at ABN AMRO Bank N.V., Sri Lanka. She has also worked at Banque Indosuez, Sri Lanka as Manager Corporate Banking and at Nederlandsche Middenstands Bank - Hong Kong.

In addition to playing key leadership roles in the corporate sector, Renuka has also functioned as the Vice President – American Chamber of Commerce and has previously served as Director of Lanka Clear (Pvt) Ltd. and Chairperson of the Sri Lanka Bankers Association.

Renuka is an Associate of the Chartered Institute of Bankers, UK. She is also an alumna of the Advanced Management Program at Harvard Business School.

Corporate Management Team

Ranga Kariyawasam

Group Chief Technology Officer

Ranga leads the Technology function of the Dialog Group. His portfolio spans strategising, planning, development, and operation of multiple networks and services, including but not limited to the Group's Mobile, Broadband, Fixed Line, Digital Television and International Telecommunications infrastructures, as well as leading the Information Security function for Network and IT.

Ranga joined Dialog Axiata in 2001 and was seconded to Axiata Group Berhad in Malaysia in 2013. Before joining back at Dialog Axiata as the Group Chief Technology Officer, Ranga was the Group Head of Network Strategy and Planning at Axiata, managing the Technology Strategy and Planning for its six operating companies. He holds a Bachelor of Science (First Class Honours) degree in Electronic and Telecommunication Engineering from the University of Moratuwa, Sri Lanka and a Master of Science in Wireless Networks (Merit) from Queen Mary, University of London, United Kingdom.

Ranga has over ten years of extensive international experience in Technology Planning and Management, both at operating company level as well as at Corporate Headquarters, managing the operation of multiple operating companies, where he developed a proven track record of leading and managing multi-cultural teams of knowledge workers. Over the course of his 23-year career in technology management Ranga has garnered extensive experience across multiple generations of mobile telephony and other telecommunications technologies.

Lim Li San

Group Chief Operating Officer

Li San has been with the Axiata Group of Companies since 2015. Before joining Dialog, Li San was the Group Head of Business Operations of Axiata Group Berhad, where she was responsible for portfolio performance management and board governance of all its operating companies. Within this role, she represented Axiata as part of the integration planning team for the Celcom-Digi merger in Malaysia and was Axiata's appointed Board Observer / Investment Manager for CelcomDigi Berhad. In addition, she led the initial post-acquisition integration of PT LinkNet Tbk, a fixed broadband player in Indonesia. She was also a Non-Executive Director and Board Audit Committee Member at Smart Axiata Co. Ltd., the leading mobile service provider in Cambodia.

Prior to this stint, Li San headed the Group CEO's Office where she supported the President and Group CEO in strategy development, target setting for senior leaders, stakeholder engagement and strategic project management. Preceding that, she spent three years in Group Strategy where she led Group Research and spearheaded the annual long-term strategy exercise, competitive analyses, strategic projects, and M&A evaluation.

Before joining Axiata, Li San spent the formative years of her career with British American Tobacco where she took on various roles within the Finance function.

Li San graduated in the top 0.5% from the University of South Australia with a Bachelor of Commerce and Applied Finance. She is a Certified Practising Accountant through CPA Australia and has completed her executive education with Harvard, INSEAD and IMD as part of the Axiata talent development program. Li San was awarded the Axiata Champion (Group CEO) Award in 2019 as well as the Axiata Senior Leadership Award in 2016 and again in 2021.

Shayam Majeed

Group Chief People Officer

Shayam currently holds the position of Group Chief People Officer and provides leadership to the People and Culture Function which encompasses Human Capital of the Dialog Group.

Shayam joined Dialog in 1997 and has previously served in the capacities of Group Chief Corporate and People Officer, Group Chief Corporate Officer, Group Chief Officer – Commercial and Programme Management, Group Chief Programme Officer, Group Senior Vice President - Access Network/Technology Resource Planning, and Head - Network Planning of the Company, prior to being appointed to his current role.

Shayam holds a Master of Science in Electrical Engineering specialising in Wireless Communications from the University of Texas – Arlington, USA and a Bachelor of Science in Computer Systems specialising in Telecommunications from the University of Houston - Clear Lake, Texas, USA. He is a Member of the Institute of Electrical and Electronic Engineers (IEEE) - USA, a member of the Institution of Engineering and Technology (IET) – UK, and a Chartered Engineer registered with the Engineering Council (UK).

Corporate Management Team

Asela Perera

Group Chief Information Officer

Asela leads the Information Technology (IT) function of the Dialog Group. In addition, he leads the Cloud Track under the Collective Brain Initiative of the Axiata Group. His portfolio spans the planning, development, and operations of IT Systems and Infrastructure for Telecommunications, Fintec, and Digital Services businesses driving convergence. He played a pivotal role in the success of the Digital Transformation drive at Dialog which resulted in modernising and migrating mission critical applications and its entire Analytics Ecosystem to Cloud.

Asela holds a Bachelor of Computer Science and Engineering Degree from the University of Moratuwa, Sri Lanka and an MBA from the University of Edith Cowan, Australia. He was awarded Leader of the Year at the Dialog Awards in 2019.

Navin Pieris

Group Chief Officer - Dialog Enterprise

Navin is an ICT and telecommunications professional and a business leader with 24 years of experience, spanning multiple ICT management and leadership roles.

He started his career at Dialog Axiata in 2005 after a career in Systems Integration with the Leading SI's of the time and has held multiple leadership roles in International carrier Business, Mobile Telecommunications, Mobile Broadband, and Fixed Telecommunications. At present he functions as the Group Chief Officer - Dialog Enterprise at Dialog Axiata PLC.

In his role as the Head of Fixed Telecommunications, he was part of the leadership team that launched Sri Lanka's and the region's first fixed 4G services and Sri Lanka's first uptime Tier III certified data centre.

Navin holds a dual masters in the fields of General Management and Management Information Systems from Boston University School of Management, and a Bachelor of Science (BSc) (Summa Cum Laude) in the fields of Business Administration, and Economics from Eastern Connecticut State University, USA.

Dr. Romesh Ranawana

Group Chief Analytics and AI Officer

Dr. Romesh Ranawana brings extensive experience in Analytics and Artificial Intelligence, having worked across multiple industries. Prior to joining Dialog Axiata, he co-founded and served as CTO and Managing Director of SimCentric Technologies (Pvt) Ltd., later founding and functioning as CTO of Tengri UAV. Following successful exits from these companies, he established Enterprise Machine Learning (Pvt) Ltd., a consultancy firm advising multinational organisations on AI transformation.

Since joining Dialog Axiata as Group Chief Analytics and AI Officer, Dr. Ranawana has led the expansion of AI and analytics capabilities across the organisation, driving the adoption of AI-driven decision-making, personalisation and automation across business verticals. Under his leadership, Dialog has significantly advanced its AI Factory program, operationalised large-scale AI deployments, and pioneered industry-first AI innovations. His role extends to shaping AI governance, building enterprise AI strategy, and fostering a culture of data-driven innovation.

Dr. Ranawana holds a DPhil in Artificial Intelligence from the University of Oxford and a First-Class Honours Degree in Computer Science from the University of Peradeniya. He also serves as the Chairperson of the National Committee for Formulating a Strategy for Artificial Intelligence in Sri Lanka.

Corporate Management Team

Lasantha Theverapperuma

Group Chief Marketing Officer

Lasantha assumed duties as the Group Chief Marketing Officer on 1st February 2024. He has over twenty-five years of experience in multiple functions including Finance, Operations, Business Control, Strategy, Transformation, and Business Management spanning a diverse range of industries which include Telecommunications, Leisure, Distribution, Shipping, Printing, Software, Consultancy, and Audit.

Lasantha started his career at Dialog in 2004 as Manager - Finance Operations and has held multiple roles including Head of Mobile Business and Vice President Corporate Planning before being seconded to Axiata Group Berhad in February 2017 as the Head of Strategy for the Axiata Group. Following his Axiata assignment, Lasantha was appointed as the Group Chief Digital Officer in November 2018, successfully leading Dialog's Digital Transformation. He played a key role in process transformation and driving digitisation while fostering agility and driving advanced analytics initiatives. In September 2020, Lasantha assumed the role of Group Chief Operating Officer, where he played a vital role in strengthening the leadership position across all Core Business Units during challenging times. He spearheaded a much-needed adaptive overhaul of Dialog's Core Business Units, to fortify its resilience for the future. Additionally, Lasantha led large-scale projects, including the successful 3G Network Shutdown, while concurrently guiding the Corporate Planning and Strategy team towards achieving strategic excellence.

In 2024 he was appointed as the Group Chief Marketing Officer, where he led the restructuring of the sales team, making it future-ready, and drove the Company's digital adoption efforts by integrating AI to optimise sales and marketing performance. In addition, he played an instrumental role in the Airtel integration and now heads the Airtel business.

Lasantha is a Fellow of the Institute of Chartered Accountants of Sri Lanka. He holds a Bachelor of Science Special Degree in Accountancy from the University of Sri Jayewardenepura, Sri Lanka and a MBA from the University of Edith Cowan, Australia. He also completed the Stanford Executive Programme in 2024. Lasantha was awarded as the Leader of the Year at the inaugural Dialog Awards in 2011 and once again in 2013.





Strategic Report

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Value Creation Model

The Group's value creation model depicts how our capital inputs were strategically leveraged during the year to create sustainable value for our key stakeholders.



Value Creation Model



Value Leadership

Deliver industry-leading returns to shareholders through best-in-class financial management and sustainable growth.



Product and Quality Leadership

Provide market-leading products by setting benchmarks in product quality, customer service, and technology adaptation.



Market Leadership

Maintain market leadership by building brand loyalty among strong subscriber base.



Corporate Leadership

Achieve leadership through strong management, internal capabilities, competitive resilience, and an empowered workforce-driven by best practices.

Governance Framework



Other

Enterprise ICT (Information Technology) Services such as Cloud and Data Centre solutions, Security, Internet of Things (IoT), Converged Communication, and Software solutions.

In addition, sale of devices, smart home solutions, and venture capital investment activities via Dialog Innovation Fund.

Outputs

Group Revenue

Rs. 171,170 Mn

Group PBT

Rs. 16,140 Mn

PPE Investments

Rs. 158,120 Mn

No. of New Employees

158

Training Hours

33,226.88

Growth in Subscribers

Mobile
13.2%

Fixed
1.3%

TV
Remained Flat

New Suppliers Onboarded During the Year

2,711

Renewable Energy Generated

20,725.33 GJ

Waste Generated

658.47 Tonnes

Total Carbon Footprint

128,682.71 MTCO₂e

Outcomes to Stakeholders

Dividend Payments

74% dividend payout, translating to
Rs. 1.0 per share and a dividend yield
of **11.45%**

Population Coverage

Mobile 4G	Fixed	TV
97%	72%	100%

Total Payments to Employees

Rs. 14,871 Mn

Touchpoint Net Promoter Score (TNPS)

44pp

Total Supplier Payments

Rs. 142,649 Mn

Reduction in Carbon Footprint
Compared to 2023

7.77%

Impact on SRROs and CRROs on Business Model

Telecom towers that supported connectivity island-wide can be impacted by extreme weather events (CRROs), impairing our ability to provide satisfactory service to customers for short periods of time.

Cyber threats can result in impaired actively levels and/ or breaches of customer privacy measures implemented.

The group's operations are highly reliant on energy resulting in significant emissions which presents both opportunities and risks as we transition to a low carbon economy.

Stakeholder Engagement

Engaging with our stakeholders on an ongoing basis enables us to understand evolving stakeholder concerns and priorities and better align our business and ESG goals to our stakeholder priorities and aspirations. Our stakeholder engagement process and the key stakeholder priorities identified through this process are depicted below.

Stakeholder Group	How We Engage	Key Stakeholder Expectations and Concerns in 2024	Our Response	Corresponding Material Topic
Customers	<ul style="list-style-type: none"> Digital Means (mobile app/web/social media) - Ongoing Customer interaction and support infrastructure - Ongoing Retail distribution network - Ongoing Customer loyalty and reward schemes (e.g. Club Vision, Star Rewards, Mega Wasana) - Ongoing Enterprise customer account managers - Ongoing Net Promoter Score Survey - Annually Independent Stakeholder Engagement Survey - Annually 	<ul style="list-style-type: none"> Performance and business continuity Ethical marketing and operations Product and service quality Product innovation Customer privacy Pricing and affordability Product and service choice Greater inclusivity Ethical use of PI data Ease of doing transactions 	Refer to Social and Relationship Capital on pages 71-75	<ul style="list-style-type: none"> Customer Satisfaction and Relationships Innovation Network Quality and Expansion Digital Inclusion Cybersecurity and Data Privacy Competitive Behaviour and Open Internet
Employees	<ul style="list-style-type: none"> Mobility and employee onboarding to exit interviews - Ongoing Employee communications (emails, shared portal, etc.) - Ongoing Quarterly town halls and annual staff engagement events (e.g. Dialog Awards/conventions/reward and recognition events/cultural celebrations/welfare society) Performance management and one-to-one engagements - Ongoing Whistleblower mechanism - Ongoing Learning and Development and mandatory training - Ongoing Talent development initiatives - Ongoing Employee engagement survey conducted by the Axiata Group - Annually Employee touch point surveys (ESAT, eNPS and Employee Effort Score) - Quarterly 	<ul style="list-style-type: none"> Job security Job satisfaction and opportunities for growth Training and development opportunities Fair remuneration and benefits Gender diversity and inclusivity in the workplace Employee health, safety, and well-being Work-life balance Financial aid for personal emergencies 	Refer to Human Capital on pages 66-70	<ul style="list-style-type: none"> Corporate Governance Economic Performance Diversity and Non-Discrimination Employee Competence Occupational Health, Safety, and Well-Being Labour Practices and Standards

Stakeholder Engagement

Stakeholder Group	How We Engage	Key Stakeholder Expectations and Concerns in 2024	Our Response	Corresponding Material Topic
Distributors, Retailers, and Suppliers	<ul style="list-style-type: none"> Distributor and supplier forums and recognition - Quarterly Retailer loyalty programmes - Ongoing Distributor, retailer, and supplier site assessments - Ongoing Independent Stakeholder Engagement Survey conducted locally - Annually Retailer and supplier communications and regular meetings - Ongoing Progress Review – Quarterly and Annually 	<ul style="list-style-type: none"> Performance and business continuity Timely payments Ease of doing business Effective grievance resolution Cybersecurity management Fair and transparent procurement practices Digitisation of operations and digital inclusion Policies on anti-corruption 	Refer to Social and Relationship Capital on pages 71-75	<ul style="list-style-type: none"> Compliance Innovation Economic Performance Responsible Procurement
Media, Civil Society Organisations and General Public	<ul style="list-style-type: none"> Regular one-on-one engagements - Ongoing Independent Stakeholder Engagement Survey conducted locally - Annually Entertainment and general events - Ongoing Press releases - Ongoing Social media and website - Ongoing 	<ul style="list-style-type: none"> Corporate governance and ethical corporate behaviour Environmental and social sustainability Ethical marketing Cybersecurity Customer privacy and digital responsibility Community investments Anti-corruption 	Refer to Social and Relationship Capital on pages 71-75	<ul style="list-style-type: none"> Corporate Governance Compliance Environmental Performance and Climate Action Community/Society
Shareholders	<ul style="list-style-type: none"> Annual General Meeting of Shareholders - Annually Investor Forum - Annually Earnings calls with local and foreign analysts - Quarterly CSE disclosures and media releases 	<ul style="list-style-type: none"> Performance and business continuity Corporate governance ESG integration into business Innovation 	Refer to Financial Capital on pages 61-63	<ul style="list-style-type: none"> Corporate Governance Compliance Economic Performance Environmental Performance and Climate Action Managing Systemic Risks from Technology Disruptions Competitive Behaviour and Open Internet
Regulators	<ul style="list-style-type: none"> Continuous active engagement across scope of operations - Ongoing Whitepapers and presentation - Need basis Regular reporting and information exchange License renewals Audit engagement 	<ul style="list-style-type: none"> Financial performance and business continuity Corporate governance Transparency and credibility of disclosures Ongoing shareholder engagement Tax revenue Inclusion and quality of service Risk management Consumer protection Industry sustainability and competition 	Refer to Social and Relationship Capital on pages 71-75	<ul style="list-style-type: none"> Corporate Governance Compliance Economic Performance Cybersecurity and Data Privacy Competitive Behaviour and Open Internet

Determining Materiality

Information is material if omitting, misstating, or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity.

~ SLFRS S1 ~

In determining the material topics that need to be included in the Annual Integrated Report, Dialog has been guided by the provisions set out in SLFRS S1 and GRI Universal Standard 3 to ensure that the report contains only information that is useful to investors and key stakeholders.

Our Process

Step 1: A comprehensive list of potential material topics is prepared using our knowledge of the business and sustainability context. This is supplemented and aligned to the requirements of voluntarily adopted sustainability reporting standards. We have used the following standards to prepare this list:

- GRI Standards
- SASB Standard for Telecommunication Services (new)
- GSMA Standards
- Bursa
- SLFRS S1 and S2

The list of potential material topics increased with the inclusion of the topics in the SASB Standard for Telecommunication Services and Bursa.

Step 2: This list of material topics is reviewed to determine the material topics closer to the reporting date. In determining the material topics to be included in the report, we have considered the following:

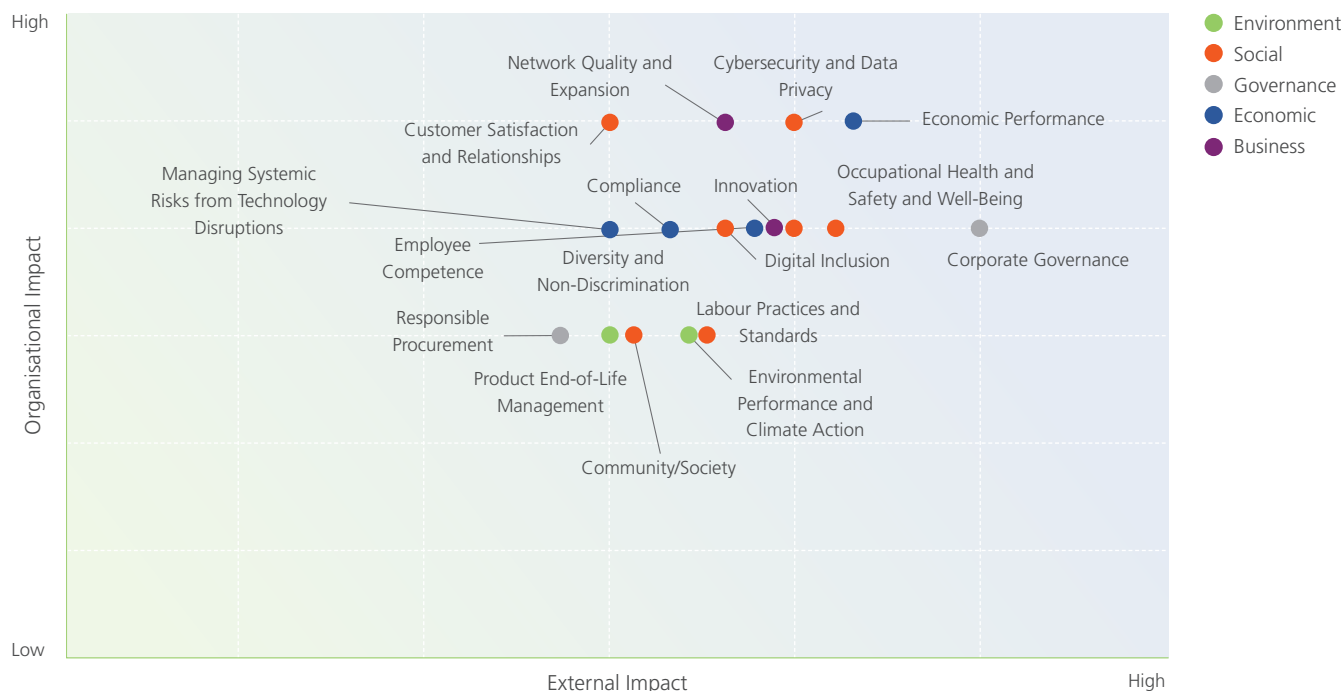
- Quantitative and qualitative factors
- The potential effects of the events on the amount, timing, and uncertainty of Dialog's financial position, performance and future cash flows over the short, medium, and long term
- Potential effects on stakeholders, including investors, with consideration of both the severity of impact and the likelihood of occurrence.
- Regulatory requirements
- Feedback from the Stakeholder Engagement Survey on Sustainability

Both positive and negative impacts were considered.

Step 3: The materiality topics were scored using the concept of double materiality.

Our Material Topics

Dialog's assessment of the potential list of material topics is set out below:



Determining Materiality

The mapping of potential material topics to the relevant standards is set out below:

2024	2023		Material Topics	GRI Standards	SASB Telecommunication Services	GSMA	Bursa
2	1	Governance	Corporate Governance	GRI 2			
12	2	Governance	Compliance	GRI 205 GRI 206			C1
3	3	Social	Customer Satisfaction and Relationships				
1	4	Economic	Economic Performance	GRI 201			
11	5	Environmental	Environmental Performance and Climate Action	GRI 302 GRI 305	TC-TL-130a.1	GSMAENV-02 GSMAENV-03	C4 C11
16	6	Social	Diversity and Non-Discrimination	GRI 405 GRI 406	TC-SI-330a.1 TC-SI-330a.3		C3
7	7	Social	Employee Competence	GRI 202 GRI 401 GRI 404			
4	8	Social	Occupational Health and Safety and Well-Being	GRI 403			C5
6	9	Social	Innovation	GRI 203			
9	10	Economic	Network Quality and Expansion				
8	11	Social	Digital Inclusion	GRI 203 GRI 413		GSMAINC-02 GSMAINC-03	
15	12	Social	Responsible Procurement	GRI 204 GRI 308 GRI 408 GRI 414			C7
5	13	Social	Cybersecurity and Data Privacy	GRI 418	TC-TL-230a.1 TC-TL-230a.3 TC-TL-230a.4		C8
10	New	Social	Labour Practices and Standards	GRI 401 GRI 402	TC-TL-550a.1 TC-TL-550a.2		C6
14	New	Governance	Managing Systemic Risks from Technology Disruptions				
13	New	Social	Community/Society	GRI 413			C2
18	New	Environmental	Product End-of-Life Management	GRI 306	TC-TL-440a.1	GSMA-ENV-04 GSMA-ENV-05 GSMA-ENV-06	C10
17	New	Governance	Competitive Behaviour and Open Internet	GRI 206	TC-TL-520a.1 TC-TL-520a.2		

Operating Environment

The Government of Sri Lanka is prioritising the transition to a digital economy, aiming to expand the digital sector to account for 12% of the country's economy over the next five years. The telecom sector, as a key stakeholder in the digital economy, will play a vital role in achieving this goal.

Gradual Recovery of the Sri Lankan Economy

The Sri Lankan economy continued on a steady path of recovery in 2024, supported by critical structural and policy reforms. Economic growth has averaged 4.3% since growth resumed in the third quarter of 2023, with GDP estimated to have grown by 4.7% (YoY) and 5.5% (YoY) during the second and third quarters of 2024, respectively. Meanwhile, headline inflation remained in the low single digits throughout 2024, facilitating further easing of monetary policy and continued reductions in market interest rates. The successful completion of the debt restructuring process, along with a stronger external sector, contributed to improved external reserves, reinforcing the stability of the Sri Lankan Rupee.

Telecommunications Sector Growth

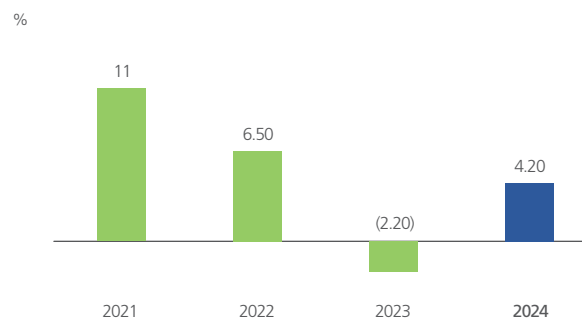
- The gradual recovery of the economy positively impacted disposable income levels, resulting in an increase in demand for mobile, broadband, and digital TV subscriptions.
- The increased level of economic activity, together with rising levels of business digitisation, has led to a greater demand for faster and more efficient digital infrastructure.
- National strategies for inclusive growth and digital transformation are driving growth in rural connectivity initiatives.

Telecommunications Sector Performance 2024

The telecommunications sector recorded a YoY growth of 4.2% in 2024, compared to a 2.2% decline in 2023. Mobile penetration levels, as measured by connections per 100 persons, have remained relatively flat, averaging at 131.9 during the period between 2020 and 2024.

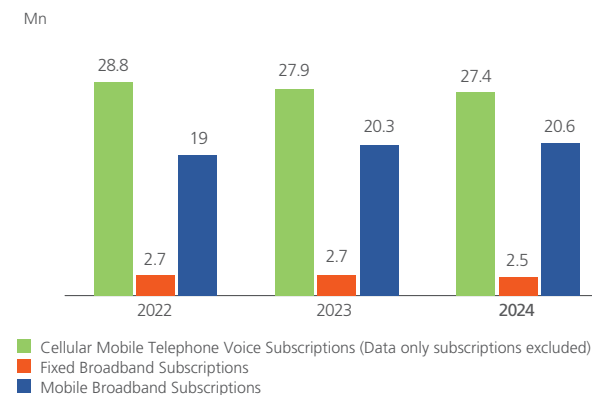
Meanwhile, Internet Penetration has shown steady growth, reaching 105.63 by the end of 2024, reflecting increasing levels of digitisation. In terms of total subscriptions, cellular mobile and fixed broadband witnessed a marginal decline, although mobile broadband subscriptions saw growth during the year. Mobile Broadband subscription percentage (3G, 4G) stands at 71.5%, reaching 20.6 million compared to 20.3 million in 2023. Fixed Broadband remains largely flat at 11.4% (per 100 inhabitants), translating to ~40% of Household Penetration. It is estimated that only around 30% of unique homes are penetrated with Home Broadband.

Telecommunication Sector Growth (at Constant Prices)



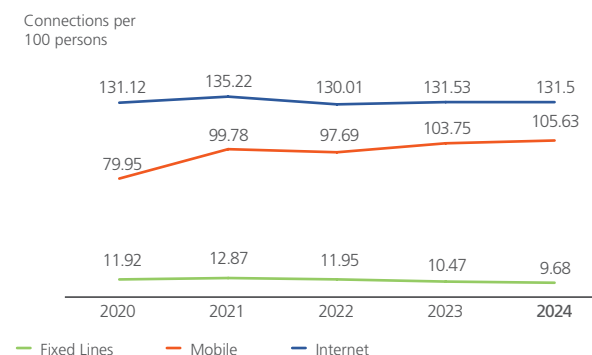
Source: Department of Census and Statistics

Total Subscriptions



Source: TRC

Penetration (Connections per 100 Persons)



Source: CBSL

Key Trends Impacting the Telecommunications Sector in Sri Lanka

Transition Towards a Digital Economy

The Government of Sri Lanka is prioritising the transition to a digital economy, aiming to expand the digital sector to account for 12% of the country's economy over the next five years.

Operating Environment

Achieving this ambitious target will require strong and reliable digital infrastructure, which serves as the foundation for a robust digital economy. The Government's commitment to digital transformation is reflected in the 2025 budget, which allocates Rs. 24 billion towards Digital Economy Acceleration across multiple ministries and initiatives. As a key enabler of the digital economy, the telecom sector will play a vital role in realising this vision.

Evolving Consumer Trends

An increasingly digitally savvy and tech-forward younger demographic is driving growth in the sector. These consumers are increasingly demanding seamless digital interactions, together with high-speed, low-latency internet access, prompting telecommunication companies to aggressively roll out advanced technologies such as 5G, cloud computing, and AI-driven customer service.

Emergence of 5G Technology

5G technology represents a revolutionary shift in telecommunications, offering significantly faster internet speeds, ultra-low latency, and greater network capacity compared to previous generations. The introduction of 5G is expected to revolutionise industries like tourism, healthcare, and e-commerce by enabling seamless communication and digital services such as the Internet of Things (IoT), smart cities, and advanced mobile applications. Reflecting global developments, Sri Lankan telecom operators have rolled out 5G trial networks, pending the allocation of commercial spectrum by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL). Full-scale commercial deployment is anticipated following the completion of the regulatory process.

The faster-than-expected recovery of the economy has increased investor confidence, with telecom companies accelerating their network expansion plans, in particular rolling out 5G technology in urban areas and increasing connectivity in rural areas.

Other Emerging Technologies

The telecommunications industry is undergoing a profound transformation driven by the rapid evolution of emerging technologies. The expansion in computing capacity and the growing prominence of quantum computing, artificial intelligence (AI), blockchain, and the Internet of Things (IoT) are revolutionising the telecommunications landscape. Hyper-connectivity, enabled by the Low Earth Orbit (LEO) satellite revolution, is poised to deliver near-global coverage, connecting billions of smartphones and remote devices with high-speed, low-latency internet. Immersive technologies such as augmented/virtual reality (AR/VR) and the metaverse, which blend physical and digital realities, are expected to significantly increase bandwidth demands—particularly for mobile and Fixed Wireless Access (FWA) networks. Additionally, innovations like naked-eye 3D displays and mixed reality are anticipated to drive the next wave of digital experiences. As AI adoption expands, particularly for real-time analytics and decision-making, the telecom sector is adapting rapidly to meet the demands of a hyper-connected, data-driven future.

Rural Connectivity Drive

The Sri Lankan government is actively advancing rural ICT connectivity through the National Digital Strategy 2030. This strategy focuses on expanding network coverage in rural and underserved areas by strengthening telecommunications infrastructure, promoting market growth, and ensuring equitable access to digital services. The goal is to bridge the digital divide and create a more inclusive digital economy.

Regulatory Developments

The Sri Lanka Telecommunications (Amendment) Act No. 39 of 2024 introduces significant changes to the principal enactment of 1991, strengthening regulatory oversight, promoting market competition, enhancing consumer protection, and improving the management of telecommunications infrastructure. Further, the introduction of Competition Rules by the regulator marks a major step in curbing anti-competitive practices and preventing the abuse of market power by operators.

The Government of Sri Lanka (GoSL) is also driving the implementation of Number Portability with urgency, with the Centralised Clearinghouse expected to commence operations in the coming months. Meanwhile, the Sri Lanka Data Protection Act No. 9 of 2022, which is due to become operational in late 2025, will impose significant compliance obligations on telecommunications providers and other public and private entities engaged in processing personal data.

Additionally, the rise in fraud and other financial crimes through digital platforms is prompting tighter regulatory oversight of digital financial services, requiring licensees to implement stringent mitigatory controls and conduct enhanced due diligence on customers and transactions.

Geo-political Developments

The escalating U.S.-China trade tensions and the uncertainty surrounding the potential resumption of tariffs after the 90-day pause present both risks and opportunities for Sri Lanka's telecommunications sector in the short to medium term. Rising costs of imported equipment, potential delays in infrastructure rollout, and increased operational expenses could pose significant challenges in the short run. Moreover, the potential economic implications of a global slowdown may influence broader macroeconomic trends, which in turn could affect the enterprises and livelihoods we serve. However, these same risks also create an opportunity for Sri Lanka to diversify its telecom supply chain, strengthen regional partnerships, and foster local innovation—positioning the sector for greater resilience and long-term growth.

Growing Challenges from Climate Change

Climate change presents significant challenges for telecom companies, affecting infrastructure, service reliability, and operational efficiency. Rising temperatures and extreme weather events increase the risk of network equipment damage, interrupt service delivery, and drive up costs for maintenance and emergency repairs. As climate-related risks intensify, telecom operators must adopt proactive strategies to strengthen their networks and ensure uninterrupted connectivity.

Our Strategy

Driven by our vision and mission, our strategy aims to remain the undisputed leader in Sri Lanka's telecommunication industry by excelling in innovation, quality, operational efficiency, and sustainable value creation for those we serve – our customers, shareholders, and the nation and its people.

Our strategic priorities and the progress achieved in each are discussed below.

Our Vision

To be the undisputed leader in the provision of multi-sensory connectivity resulting always, in the empowerment and enrichment of Sri Lankan lives and enterprises.

Our Mission

To lead in the provision of technology enabled connectivity touching multiple human senses and faculties, through committed adherence to customer-driven, ethical, responsive and flexible business processes, and through the delivery of quality service and leading edge technology unparalleled by any other, spurred by an empowered set of dedicated individuals who are driven by an irrepressible desire to work as one towards a common goal in the truest sense of team spirit.

Our Values

Service from the Heart

Create the Future

Champions of Change

Exceptional Performance

Uncompromising Integrity

Responsible Leadership

One Team

Value Leadership

Deliver industry-leading returns to shareholders through best-in-class financial management and sustainable growth.

Product and Quality Leadership

Provide market-leading products by setting benchmarks in product quality, customer service, and technology adaptation.

Market Leadership

Maintain market leadership by building brand loyalty among strong subscriber base.

Corporate Leadership

Achieve leadership through strong management, internal capabilities, competitive resilience, and an empowered workforce-driven by best practices.

Value Leadership

- Profitable Revenue Growth
- Best-in-class Cost and Margins
- Strong Balance Sheet
- Highest Return to Shareholder [IRR]

- **Acquisition and amalgamation of Airtel Lanka:** Completion of the Dialog–Airtel RAN consolidation within 100 days, making it the fastest merger integration in Asia.
- **Organisation-wide cost management initiatives** including Acquisition Engine Correction, Customer Support Cost Optimisation, Network and IT Optimisation, and IAX Cable Operationalisation.
- **Structural reorganisation for greater operational efficiencies.**
- **Tactical approach for growth hacking and market repair.**
- **Enhancing usage and ARPU while focusing on high-value segments.**
- **Strengthening the balance sheet by reducing USD exposure.**
- **Actively refinanced short-term facilities and secured longer-term funding to improve our liquidity position and reduce refinancing risk.**
- **Hedging and cost management**

Our Strategy



Product and Quality Leadership



Market Leadership



Corporate Leadership

Strategic Intent

- Network Leadership
- Customer Service Leadership

- #1 Market Leader in Mobile, Home, and Enterprise
- #1 and Most Loved Brand

- Most Preferred Employer
- Succession and Talent Development
- Scale Digital, Analytics, and AI
- Invest in Future Growth and Innovation
- Digital Enablement and inclusion
- Achieve Net Zero Target by 2050
- Create Positive Social Impact and Equitable Workplace
- Excellence in Corporate Governance

Key Developments During the Year

- **The Dialog-Airtel merger provided access to a wider spectrum**, leading to an improved customer experience.
- **Increased use of Analytics and AI** to provide a superior experience.
- **Went live on IAX.**
- Carried out a **Portfolio Cleanup** to remove outdated or underperforming service offerings.
- **Improvements to the MyDialog App, Dialog web platform, and DIA chatbot.**
- **Customer request, call volume, and complaint reduction** via proactive mitigation, process simplification, digitisation, and automation.

- **Landmark Dialog-Airtel Merger** provided access to a 3 million customer base, enabling Dialog to further consolidate its leadership position in Mobile.
- **Introduction of innovative and relevant products and offerings** catering to retail and enterprise segment needs.
- **Ongoing brand leadership initiatives**

- **Critical talent retention** through equitable compensation.
- **Focus on leadership development** through the Corporate Manager Development Programme, Tech Leader Development Programme, structured mentoring, and succession planning.
- **Increased use of AI and analytics** for network optimisation, energy leakage detection and virtual NOC management.
- **Dialog MyOffer unveiled enhanced AI-powered offers** for personalised user experiences providing 10x scale, a 95% reduction in execution time, 3x more offers, and High NPS.
- Dialog unveiled a **fully AI-generated TV commercial**, setting a new benchmark for AI-driven advertising in Sri Lanka, enabling a faster go-to-market (GTM) and reduced costs.
- Enhanced **self-diagnostic and resolution back-end BOT** with over 155 scenarios built with API level integrations to provide an E2E resolution (Pro-active).
- **Introduced several new products and offerings** including a parental control service and child tracking, an integrated Smart Home app, the revamped VIU platform, Sri Lanka's first AI-based health scan, new enterprise ICT Solutions, and FinTech expansion through Genie business - an integrated payment solution.
- **Dialog Innovation Challenge:** Over 1,200 innovations reviewed and 50 key digital innovations supported through a national awareness platform, technical guidance, and business mentoring.

Our Strategy



Value Leadership

- 10% YoY growth in overall core revenue
- Synergy achievement from the Dialog-Airtel RAN consolidation was 2.6 times the planned realisation
- 12% YoY reduction in bandwidth cost
- 60%+ reduction in net USD exposure
- Net Debt/EBITDA maintained at ~1.0X



Product and Quality Leadership

- Launched the world's first commercial Virtual Base Station Controller (vBSC) in 2024
- Achieved a >30% reduction in overall volume across all assisted service channels compared to 2023
- Over 1,000 legacy products removed
- 10% enhancement in digital care engagement

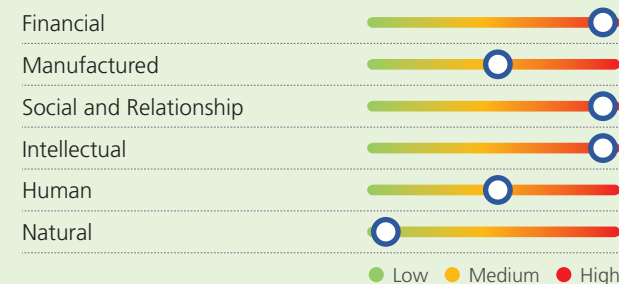
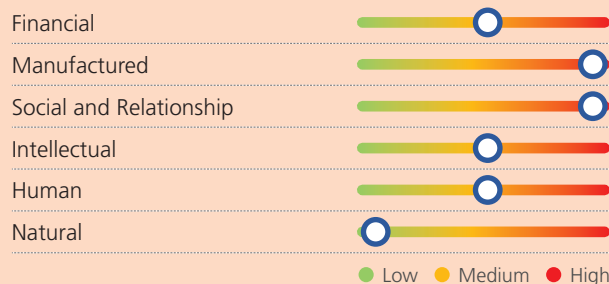
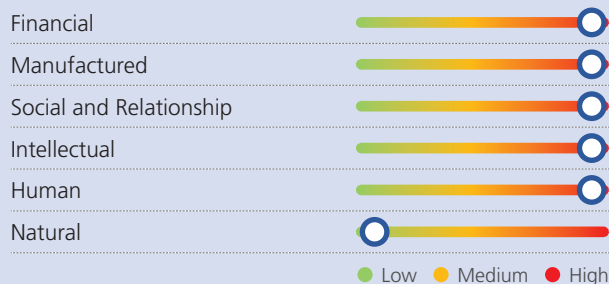


Market Leadership

- Received multiple awards for brand excellence, including being voted 'Telecommunication Brand of the Year' for the thirteenth consecutive year at the SLIM-KANTAR People's Awards 2024. A full list of accolades is available on page 10 of this report.
- Subscriber Growth
 - Mobile: 13.2%
 - Fixed: 1.3%
 - TV: Remained Flat

Key Performance Indicators

Impact on Capitals



Way Forward

Continue to focus on sustainable revenue growth, cost optimisation, and organisational transformation to deliver best-in-class returns. Maintain strong financial discipline while strategically investing in future growth.

Sustain network leadership and continue to be the first in the industry to introduce world-class technologies to the Sri Lankan market while continuously improving products, services, and processes to provide the best customer experience and support.

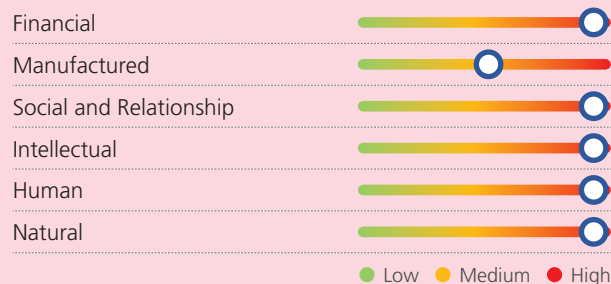
Deliver best-in-class personalised products and services and drive cross-selling and upselling to capture and retain market share. Simultaneously, strengthen the brand to become the most preferred and loved in the nation by executing and tracking the Brand Blueprint.

Our Strategy



Corporate Leadership

- 95% of customer queries BOT resolution
- 5X reduction in reaching associate support as As more customers opted for digital channels
- 7.77% reduction in emissions
- 74% employee retention rate
- 1,055,723 beneficiaries through community initiatives



Become an AI-powered organisation by investing in the right tools, platforms, infrastructure, and skills. This includes introducing best-in-class management practices, fostering continuous talent and leadership development, and driving employee engagement.

Integrating Sustainability

As a proud member of the United Nations Global Compact Network, Dialog Axiata places significant emphasis on working towards achieving the 17 Sustainable Development Goals (SDGs) and has aligned its corporate strategies with the aim of advancing sustainable development in Sri Lanka. Accordingly, Dialog's sustainability strategy — which revolves around the core themes of Digital Enablement, Green Economy, Equitable Workplace and Communities, and Excellence in Corporate Governance — is aimed at empowering and enabling not just its customers but all stakeholders.

Digital Enablement

Enabling communities with digital tools and technologies

Key Initiatives

Digital Inclusion of Underserved Communities

- We strive to provide affordable connectivity to all through a range of programmes and initiatives.



Green Economy

Promote climate action and circular economy
Achieving Net Zero Target by 2050

Key Initiatives

Climate Action

- Solarisation of towers in progress and receiving ISO certification.

Waste Management and Circularity

- e-Kunu, an initiative to transform e-waste management in Sri Lanka.
- E-bill initiatives.



Excellence in Corporate Governance

Excellence in corporate governance, reporting, and transparency

Key Initiatives

Reporting Excellence

Adherence to a wide range of global standards in reporting, in addition to preparing for full adoption of SLFRS S1 and SLFRS S2.



Robust Policies

Strong governance framework with robust policies and procedures that are regularly updated to reflect evolving trends.



Our Strategy



Equitable Workplace and Communities

Empowering and enriching Sri Lankan lives by creating a positive social impact for Dialog employees and the wider society

Key Initiatives

Equitable Workplace

- Collaboration with IFC – Respectful workplace initiatives to educate employees on gender-based violence.
- An ERG set up for women to discuss and collaborate on issues that women face - featured in Echelon magazine.
- Recognised by Parenthood Global for all the efforts and initiatives in the workplace to support and facilitate mothers.
- Committed to GSMA's Connected Women Commitment Initiative to empower digital inclusion.
- Ongoing initiatives to cross-skill, up-skill, and re-skill employees.
- Ongoing plans to hire PWD (Persons with Disabilities).
- Female empowerment platforms such as Yeheli, and IdeaMart.

Community Empowerment

- Support for the Ratmalana Audiology Centre and Nuffield School in Jaffna
- Digital and Mobile solutions to drive and support education-related services throughout the country through the Nenasa Programme.



Student Scholarships

- Scholarships for students affected by the Easter attack.
- Dialog Merit Scholarships.



A decorative graphic consisting of numerous triangles of various colors (orange, yellow, green, blue, purple, pink) arranged in a dynamic, overlapping pattern that flows from the bottom left towards the top right, creating a sense of movement and energy.

Management Discussion and Analysis

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Business and Financial Review

Performance of our core business lines are discussed below.

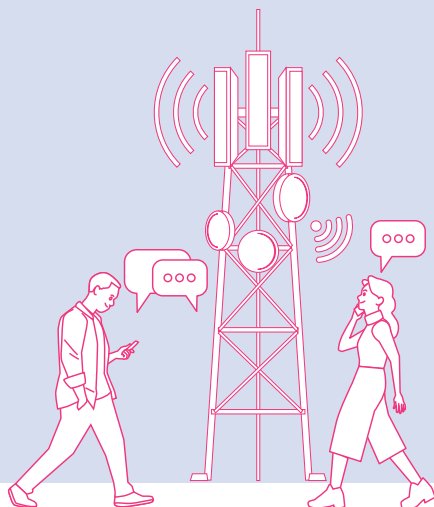
Mobile, Tele-infrastructure and Digital Services

Dialog Axiata PLC

Dialog Axiata PLC ("DAP") which accounted for 68% of Group revenue and 85% of Group Profit Before Tax is involved in the key business segments Mobile, Tele-infrastructure and Digital Services. The Company is the market leader, capturing well over half of the total market. The Company's market leadership position was further strengthened during the year due to the merger with Airtel Lanka.

Contribution to Group (as a % of Group Total)

	2024	2023
Revenue	68%	57%
PBT	85%	64%
Fixed Assets (PPE)	77%	74%



Performance Highlights 2024

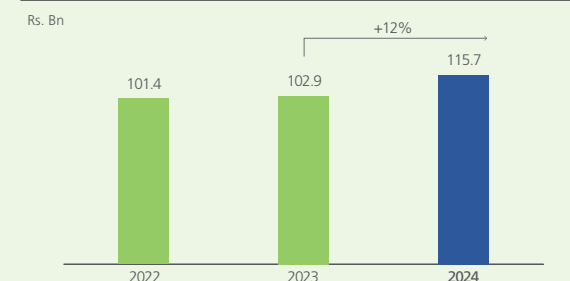
DAP continued to serve as the anchor of Group performance in 2024, delivering broad-based growth across core operations. The Company's mobile subscriber base grew by 13% to reach 19.0 million, reflecting improved momentum in the mobile business and the successful integration of Airtel Lanka. Consequently, revenue for the year increased by 12% to Rs. 115.7 billion driven mainly by the data segment.

The Company profitability continued to be impacted by elevated energy costs. However, with the traction gained on cost rescaling initiatives, Company EBITDA recorded a growth of 26% YTD to reach Rs. 48.3 billion for FY 2024. NPAT amounted to Rs. 11.1 billion for the year, an 8% decline compared to the previous year stemming from the relatively higher forex gain recorded in the previous year. Normalised for the forex loss NPAT recorded over 3.75x growth for the year.

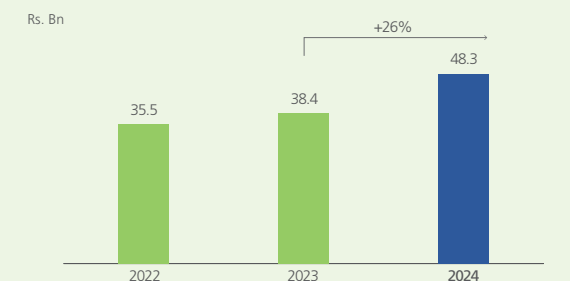
A key milestone during the year was the successful completion of the merger with Airtel Lanka. This strategic integration significantly strengthened Dialog's market position, improved operational efficiencies, and expanded our service capabilities, enabling us to deliver superior connectivity solutions nationwide. The operational integration has enabled us to streamline duplicate functions and unify support services to achieve economies of scale and significant operating expense savings. By leveraging Airtel's existing infrastructure, we are also avoiding redundant capital expenditure, in turn boosting margins and cash flow. These integration synergies are expected to continue to drive margin expansion and profitability, further reinforcing Dialog's financial strength.

The year also witnessed the launch of new products and plans tailored to meet the evolving needs of our customers, which strategically contributed to an increase in ARPU. In mobile, effective churn management and attractive service bundles contributed to higher customer retention and usage,

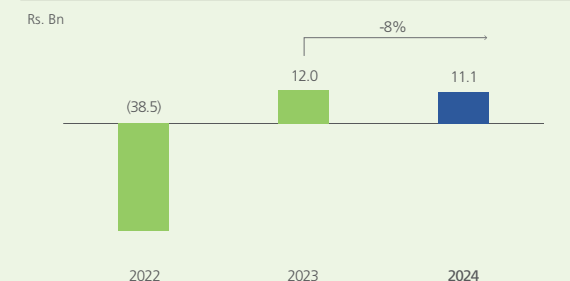
Revenue



EBITDA



NPAT

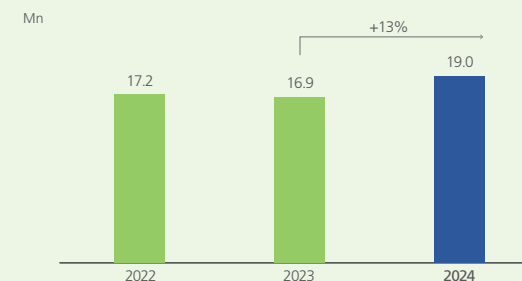


Business and Financial Review

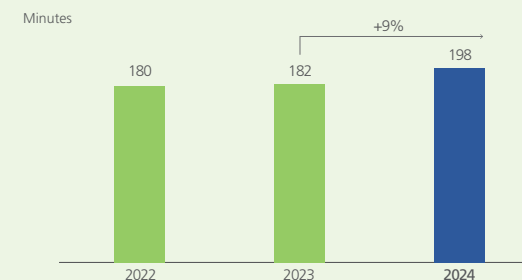
evidenced by a double-digit (~20%) surge in core mobile data revenue in 2024. Our ability to offer the right mix of price, quality, and innovation is strongly resonating with customers, leading to increased wallet share and deeper customer engagement. Furthermore, the rebound in tourism provided strong momentum to drive inbound roaming revenue, through curated plans, robust global partnerships, and a seamless user journey.

Profitability growth meanwhile was further supported by stringent cost control and efficiency initiatives. We targeted key areas such as procurement, network operating expenses, and workforce optimisation—including workflow automation, structural streamlining, and leaner staffing models. Additional gains came from optimising sales and distribution costs, reducing customer support expenses through effective volume management, and lowering net finance costs by minimising USD exposure.

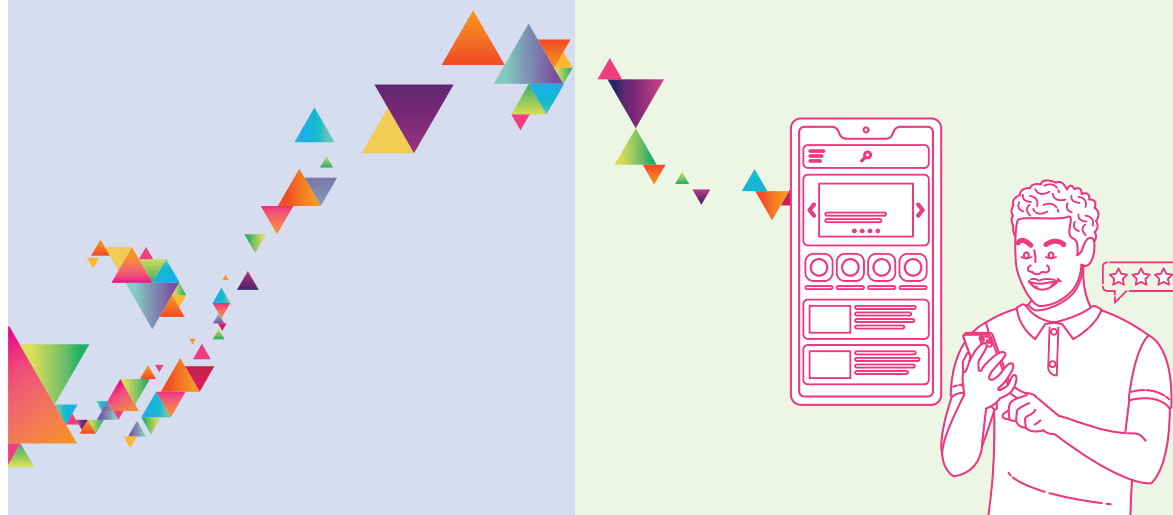
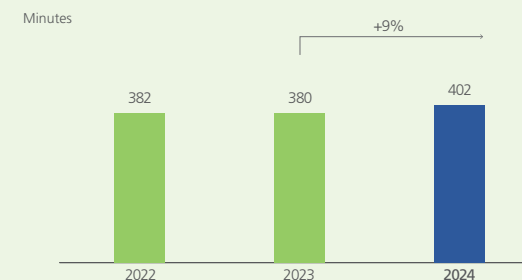
Mobile Subscribers



Blended MOUs



Blended ARPUs



Business and Financial Review

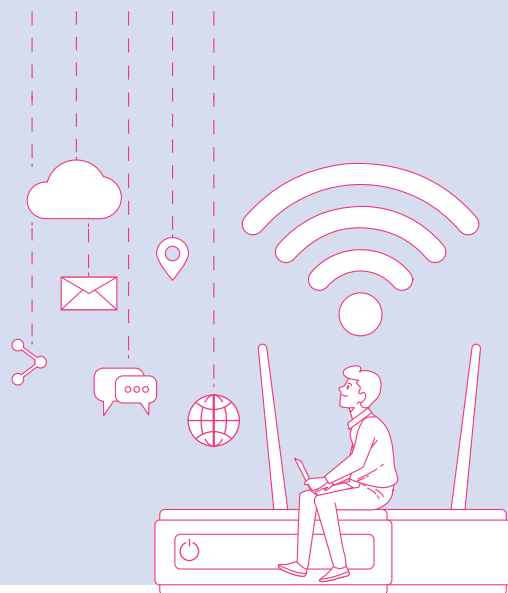
Broadband

Dialog Broadband Networks

Dialog Broadband Networks (“DBN”) operates the Group’s Fixed Telecommunications, Broadband and International Businesses. The operation accounted for 29% and 19% of revenue and PBT in 2024 respectively.

Contribution to Group (as a % of Group Total)

	2024	2023
Revenue	29%	41%
PBT	19%	25%
Fixed Assets (PPE)	23%	25%



Performance Highlights 2024

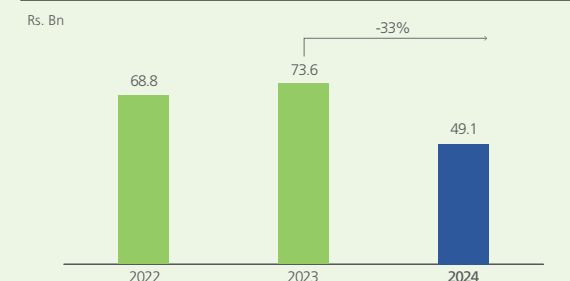
Fixed business grew 4% during the year on the back of revenue growth from Fixed broadband and Leased Lines businesses. The international business which contributed to 39% of DBN revenue however declined by 57% during the year primarily due to the strategic decision to scale down the low-margin Hubbing operations as part of the Group’s overall efforts to focus on sustainable and higher-quality revenue streams. Consequently, DBN reported a 33% drop in total revenue to Rs. 49.1 billion during the year.

EBITDA declined 14% to Rs. 15.2 billion for FY 2024, while the EBITDA margin improved by 6.9pp to 31% due to the down scaling of low-margin Hubbing business, while NPAT declined by 64% to Rs. 2.1 billion, due to higher taxation and rate card revision to reflect arm’s length pricing between DAP and DBN.

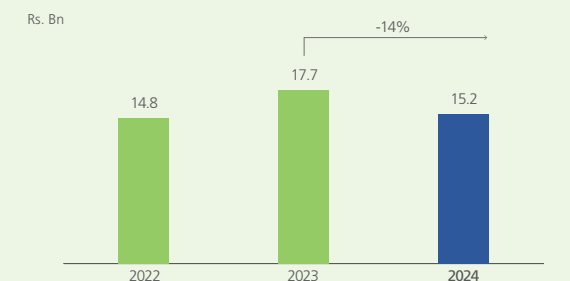
Throughout the year, DBN continued to focus on delivering resilient core broadband and enterprise services, while investing in infrastructure to support Sri Lanka’s long-term digital growth. In addition to strategic projects carried out to strengthen international capacity and improve network resilience, we continued to expand our portfolio of enterprise ICT services, including cloud computing, cybersecurity, and IoT solutions, with strong uptake from both corporate and SME clients. We also introduced Dialog Cyber Protect Cloud, a comprehensive security solution that integrates backup, AI-driven anti-malware, antivirus, and endpoint management into a cohesive system. Additionally, we launched video-based driver behavioural analytics for transportation fleets. By increasing its focus on enterprise services DBN continued to deliver cutting-edge ICT solutions and connectivity driving ICT business growth over 20% during the year.

The year also marked the introduction of a comprehensive smart-home solution that simplified home automation for customers. We also introduced new prepaid Home Broadband plans tailored for heavy social media and video users. DBN remains committed to enhancing service delivery and supporting the connectivity needs of enterprises, SMEs, and households across the country as part of the Group’s broader mission to empower the nation’s digital future.

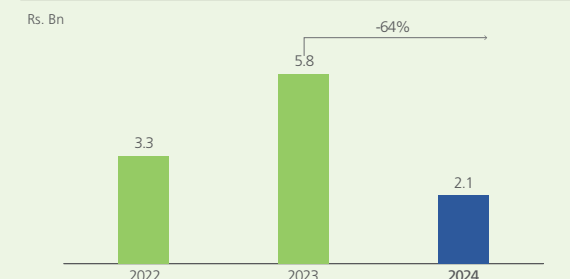
Revenue



EBITDA



NPAT



Business and Financial Review

Television

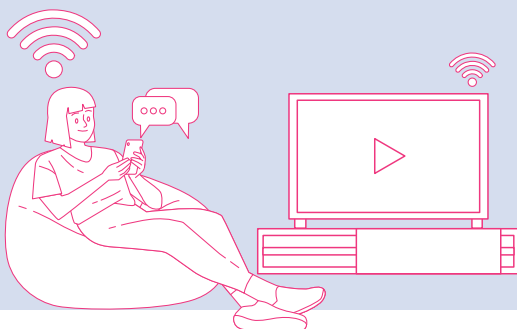
Dialog Television (DTV)

Dialog Television ("DTV") is Sri Lanka's #1 Pay-TV service provider, with a reach of over 1.6 million households across the country. Its offering includes over 120 local and international channels across a variety of genres—including movies, edutainment, kids, music, and sports—delivering world-class entertainment and an exceptional viewing experience to its audiences.

The company accounted for 7% of Group Revenue, and remains focused on delivering world-class entertainment and value-driven offerings in an increasingly dynamic entertainment landscape.

Contribution to Group (as a % of Group Total)

	2024	2023
Revenue	7%	7%
PBT	N/A	3%
Fixed Assets (PPE)	1%	1%



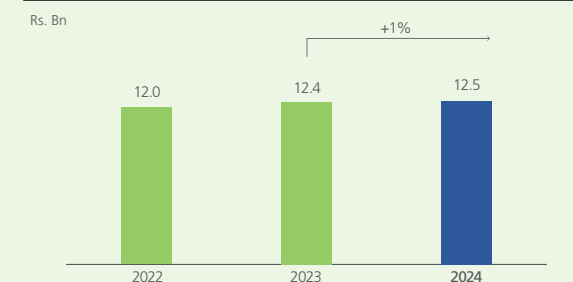
Performance Highlights 2024

DTV sustained its leadership position in the Digital Pay Television sector, despite a challenging environment marked by subdued consumer spending. The company's subscriber base was maintained at over 1.6 million during the year, supported by churn management initiatives while DTV revenue recorded a YoY growth of 1% to reach Rs. 12.5 billion in FY 2024 driven mainly by subscription revenue growth. Despite the global Pay TV industry experiencing revenue declines and increased cord-cutting, DTV has managed to grow its top line due to continuous commitment to improve value proposition, tactical value maximisation, and content monetisation.

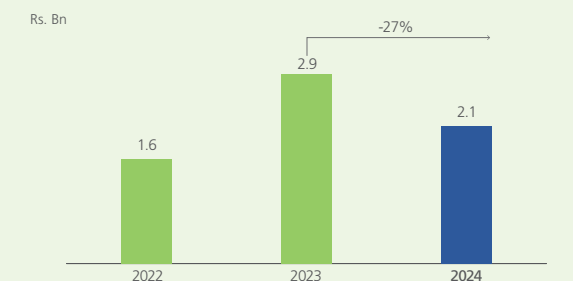
EBITDA witnessed a 27% reduction during the year to reach Rs. 2.1 billion as a result of moderate revenue growth and escalation in contractual satellite and content costs. Consequently, DTV NPAT turned negative to record a loss of Rs. 0.8 billion for FY 2024 compared to Rs. 0.6 billion profit the previous year.

During the year, DTV's content lineup was enriched with the addition of a new high-quality channel and a promotional free trial, enhancing the home entertainment experience and rewarding loyal TV customers with greater value. Meanwhile, the VIU platform was revamped to provide a world-class experience. DTV also made significant progress in sports content creation through its own Papare platform. We also focused on proactively addressing customer concerns through targeted service enhancements such as process simplification, digitisation, and automation, among others. This resulted in a more than 30% reduction in call volume during the year.

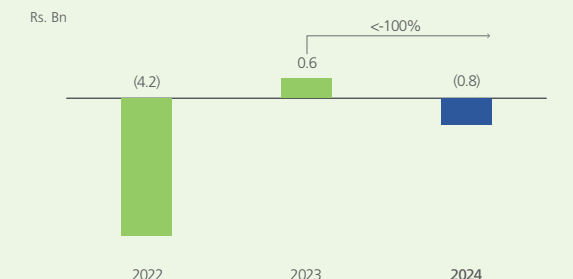
Revenue



EBITDA

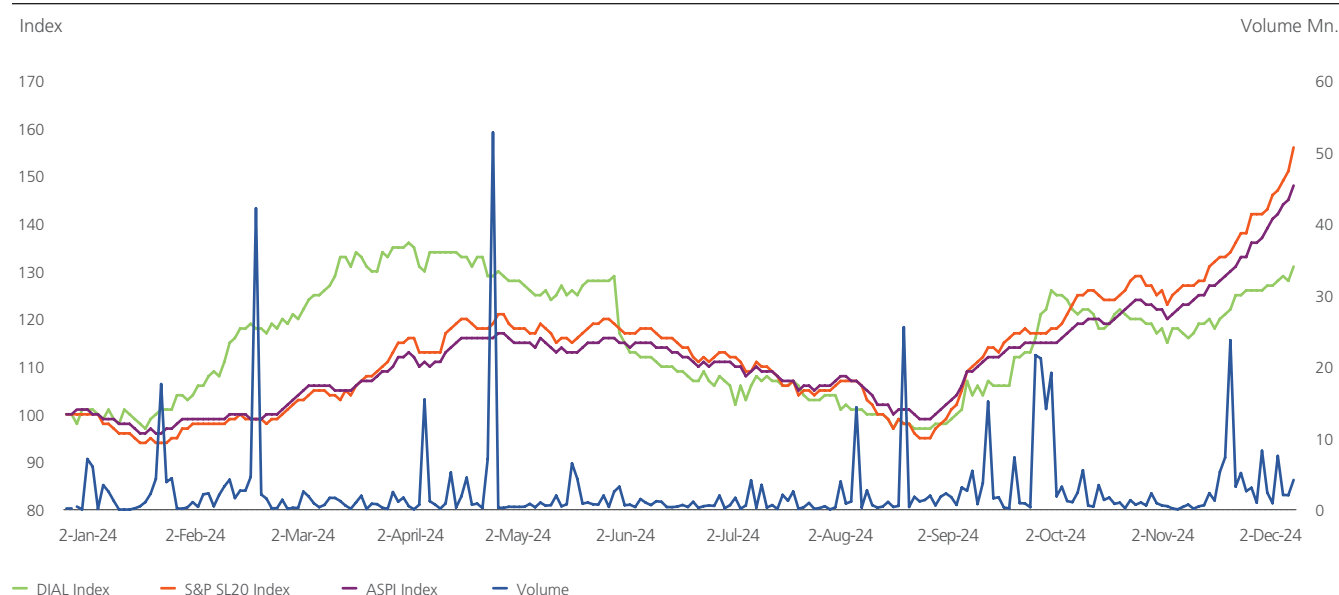


NPAT



DIAL Share Information

Share Performance



The DIAL Share

The main indices of the Colombo Stock Exchange (CSE), namely the All Share Price Index (ASPI) and the S&P Sri Lanka 20 (S&P SL20), experienced a robust rebound in 2024 as the country recovered from socio-economic challenges. The ASPI concluded 2024 with a remarkable growth of 49%, while the more liquid S&P SL20 index recorded an impressive 57% increase. The total return indices performed even better, with the All Share Total Return Index (ASTRI) and the Total Return Index on S&P SL20 achieving growth rates of 58% and 66%, respectively.

In the first half of 2024, the CSE's main indices experienced growth, followed by a temporary dip in the third quarter amid election uncertainty. However, the indices surged in the fourth quarter, closing the year on a strong note. Both indices reached peak levels towards the end of 2024, fuelled by the return of political stability, clarity on the continuation of IMF agreement and improvement in local and foreign investor confidence.

The DIAL share appreciated significantly during the year, reflecting a rebound in business performance, the acquisition of Airtel Lanka during the year and the overall positive sentiment at the CSE. The share closed at Rs. 11.7, marking a 30% increase for the year. The share traded within a range of Rs. 12.1 at its peak and Rs. 8.6 at its lowest. DIAL share remained a substantial contributor to the CSE's overall market capitalisation.

Market Capitalisation

The total market capitalisation of the Company increased by 45% to Rs. 107.6 billion during the year, while the contribution from DIAL to the overall market capitalisation of CSE increased to 1.9% by end 2024 compared to 1.7% the previous year, indicative of the strong growth in DIAL's market capitalisation exceeding that of the overall market for the year. DIAL's market capitalisation increase was also underpinned by the acquisition of Airtel Lanka, where the number shares in issue increased by 11.6% (~953 million new shares) due to the acquisition.

The DIAL share appreciated significantly during the year, reflecting a rebound in business performance, the acquisition of Airtel Lanka during the year and the overall positive sentiment at the CSE. The share closed at Rs. 11.7, marking a 30% increase for the year.

DIAL Share Information

Market Information on DIAL Share

	2024	Q4	Q3	Q2	Q1	2023
Share Information						
Highest Price (Rs)	12.1	11.7	9.8	12.1	11.9	12.2
Lowest Price (Rs)	8.6	9.4	8.6	9.8	8.6	8.5
Closing Price (Rs)	11.7	11.7	9.3	9.8	11.7	9.0
Trading Statistics						
Number of Transactions	39,756	11,849	12,103	9,653	6,151	21,251
% of Total Market Transactions	1.1%	0.8%	2.1%	1.1%	1.0%	0.6%
Number of Shares Traded (Mn)	626	230	111	139	146	397
% of Total Shares Traded	2.7%	2.1%	3.9%	2.5%	3.9%	2.3%
% of Public Float	42.9%	15.7%	7.6%	9.5%	10.0%	27.2%
Turnover (Rs Mn)	6,484	2,454	1,000	1,587	1,442	4,186
Avg. Daily Turnover (Rs Mn)	27.0	39.6	15.9	27.8	24.9	17.3
% of Total Market Turnover	1.2%	0.9%	1.4%	1.3%	1.7%	1.0%
Market Capitalisation (Rs Mn)	107,644	107,644	85,563	90,163	96,497	74,229
% of Total Market Capitalisation	1.9%	1.9%	2.0%	1.9%	2.1%	1.7%

Dividends

Dialog has maintained a progressively higher dividend over the years, after taking into consideration the Group performance and forward investment requirements to maintain a leadership position in the market.

Accordingly, guided by the Group's dividend policy, the Board of Directors resolved to propose for consideration by the Shareholders of the Company, a cash dividend to ordinary shareholders amounting to One Rupee (Rs. 1.0) per share for FY 2024.

The said dividend, if approved by shareholders, would translate to a payout of 74% of consolidated Group PATAMI for FY 2024, which is above the minimum payout stipulated (50%) by the dividend policy, corresponding to a total dividend of Rs. 9.2 billion and a dividend yield of 8.5%.

Total Shareholder Return

The Total Shareholder Return (TSR) for the share was at 38.5% in 2024 mainly due to the 8.5% yield on the declared dividend and capital appreciation of 30%. The market TSR based on ASPI gained 58%, while TSR based on S&P SL20 gained 66% in 2024.

Earnings per Share

The basic earnings per share (EPS) for the year stood at Rs 1.43 compared to an EPS of Rs. 2.44 recorded in FY2023, a decrease of 41.4% YoY. EPS is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue at the end of the year.

DIAL Share Information

Trading Multiples

	2024	2023	2022
Market Cap (Rs Bn)	107.6	74.2	70.1
Market Value Added (negative) / Positive - (Rs Bn)	33.4	4.1	(19.3)
Enterprise Value (Rs Bn)	174.2	147.4	132.2
EV/EBITDA (x)	2.6	2.4	2.6
Basic EPS (Rs)	1.43	2.44	-4.06
PER (x)	8.2	3.7	NA
Price to Book (x)	1.4	1.1	1.6
Dividend Yield (%)	8.5%	14.9%	NA

Price to Book Ratio

The price to book ratio of the Group as at 31st December 2024 was 1.4 times, compared to 1.1 times last year, mainly resulting from the steeper increase in share price relative to the increase of Net Assets of the Group.

Liquidity

The liquidity of the share improved by 54.9% during the year in line with the appreciation of the share price by 30% as alluded to earlier. Furthermore, the activity level of the share was high both in terms of share volume and number of trades. Accordingly, the share volume increased by 57.7% whilst the number of trades increased by 87.7%, indicating a lower weighted price for the share in 2024 compared to the previous year.

The free float of the share, the number of shares of the issued capital freely available for trading, calculated by excluding all strategic holdings and shares held by Directors of the Company was 15.82% by end 2024.

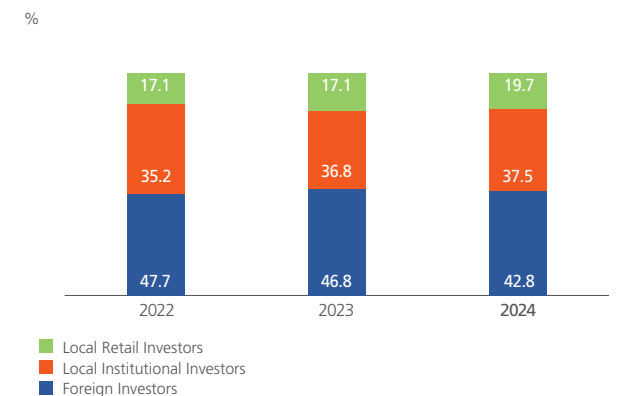
Composition of Shareholders

The total number of Shareholders of DIAL rose to 23,900 as of 31st December 2024 compared to 23,043 during the previous year.

The public float of DIAL was 15.82% as of 31st December 2024. In terms of the composition of the public float, foreign investors held 43% of the float, 37% was held by local institutional investors and 20% by local retail investors.

The year 2024 marked an increase in local investor participation in DIAL. Accordingly, overall local investor composition rose to 57% in 2024 from 53% recorded in the previous year.

Composition of Shareholders



DIAL Share Information

Distribution of Shareholders

Name of Shareholder	No. of Shareholders	%	No. of Shares Held	%	No. of Shareholders	%	No. of Shares Held	%
1 to 1,000 Shares	13,176	55.13	5,628,318	0.06	12,777	55.45	5,538,712	0.07
1,001 to 10,000 Shares	8,802	36.83	23,252,376	0.25	8,652	37.55	22,237,955	0.27
10,001 to 100,000 Shares	1,478	6.18	49,886,683	0.54	1,220	5.29	39,424,927	0.48
100,001 to 1,000,000 Shares	337	1.41	105,839,625	1.15	287	1.25	96,532,614	1.17
Over 1,000,000 Shares	107	0.45	9,015,727,992	97.99	107	0.46	8,083,906,097	98.01
Total	23,900	100	9,200,334,994	100	23,043	100	8,247,640,305	100

* The issued Ordinary Shares of Dialog Axiata PLC are listed on the Colombo Stock Exchange.

* Stock exchange ticker symbol for Dialog Axiata shares: DIAL

* Newswire codes

Bloomberg: DIAL.SL

Dow Jones: DIAL.SL

Reuters: DIAL.CM

DIAL Share Information

Twenty Largest Shareholders of the Company

No.	Name of Shareholder	No. of Shares as of 31-Dec-2024	% of Holding	No. of Shares as of 31-Dec-2023	% of Holding
1	AXIATA INVESTMENTS (LABUAN) LIMITED	6,785,252,765	73.75	6,785,252,765	82.27
2	BHARTI AIRTEL LIMITED	952,694,689	10.36	N/A	N/A
3	EMPLOYEES' PROVIDENT FUND	237,424,082	2.58	237,424,082	2.88
4	CITIBANK HONG KONG S/A HOSTPLUS POOLED SUPERANNUATION TRUST	148,192,628	1.61	84,476,152	1.02
5	BBH LUXFIDELITY FUNDS-PACIFIC FUND	128,421,604	1.40	147,311,909	1.79
6	SSBT-SUNSUPER PTY. LTD. AS TRUSTEE FOR SUNSUPER SUPERANNUATION FUND	113,229,230	1.23	87,288,612	1.06
7	J.B. COCOSHELL (PVT) LTD	63,601,750	0.69	41,980,399	0.51
8	NORTHERN TRUST COMPANY S/A HOSKING GLOBAL FUND PLC	55,110,524	0.60	36,393,681	0.44
9	BBH - FIDELITY FUNDS	53,560,648	0.58	53,560,648	0.65
10	EMPLOYEES' TRUST FUND BOARD	49,134,030	0.53	49,134,030	0.60
11	JPMCB NA-FIDELITY ASIAN VALUES PLC	38,530,079	0.42	38,530,079	0.47
12	FINCO HOLDINGS (PRIVATE) LIMITED	26,627,163	0.29	N/A	N/A
13	CACEIS BANK, LUXEMBOURG BRANCH-NEF	26,206,391	0.28	26,206,391	0.32
14	MR. D.P. PIERIS	22,496,254	0.24	22,496,254	0.27
15	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	18,063,421	0.20	123,779,336	1.50
16	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	12,075,277	0.13	11,143,441	0.14
17	MR. R.P. WEERASOORIYA	10,452,585	0.11	N/A	N/A
18	MR. R.C.D. DE SILVA	10,000,000	0.11	N/A	N/A
19	ODYSSEY CAPITAL PARTNERS (PRIVATE) LIMITED	9,500,000	0.10	N/A	N/A
20	MERCANTILE INVESTMENTS AND FINANCE PLC	9,300,000	0.10	9,300,000	0.11

Financial Capital

Proactive portfolio adjustments and disciplined cost rationalisation efforts, together with prudent financial and investment management, enabled us to strengthen our financial capital during the year, providing us with an efficient and solid foundation for future expansion.

Our Financial Capital



Equity

Rs. 78.3 Bn



Debt

Rs. 100.4 Bn

How We Created Value During the Year

- Dialog-Airtel Amalgamation
- Organisation-wide cost rationalisation initiatives, which resulted in an overall cost saving of almost Rs. 5.5 billion
- Strategic decision to scale down the low-margin international wholesale transit business in order to sharpen focus on high-value businesses
- Capex investments amounting to Rs. 30.3 billion

Value Created During the Year

+10%

Growth in Group
Core Revenue

8%

Growth in Total
Group Assets

Rs. 12.4 Bn

Group NPAT

The following is a discussion on the consolidated financial performance of Dialog Group, which comprises Dialog Axiata PLC ("the Company") and the Dialog Axiata Group (the "Group"). For individual segmental performance, please refer to "Business and Financial Review" on pages 52-55 of this report.

Group Financial Performance Revenue

The Group concluded the Financial Year with positive topline performance across business segments, including Mobile, Fixed, Digital Pay Television, Digital Platforms, and Tele-infrastructure businesses. The strong performance was further supported by the acquisition of Airtel Lanka and associated faster synergy realisation during the year. Despite the strong performance across sectors, Group consolidated revenue witnessed a 5.8% YoY decrease, to Rs. 171.2 billion for FY 2024. The decrease was due to the strategic decision to scale down the low-margin international wholesale transit business in order to sharpen focus on high-value businesses. The Group Core Revenue, however, increased by over 10% in FY 2024, largely driven by mobile and fixed broadband consumption.

Operating Costs

Group total operating costs declined by 12% YoY. This reduction was largely due to the decline in associated costs in the international wholesale transit business, in addition to the positive results yielded from cost rationalisation initiatives undertaken during FY 2024. As a result, the Group EBITDA and EBIT recorded growth for FY 2024 at a rate of 8% and 1% respectively. The cost rationalisation initiatives collectively yielded a significant realisation of cost savings amounting to Rs. 5.5 billion for FY 2024. The LKR appreciation against the USD also helped lower cost on USD denominated expenditure, further supporting the reduction in direct costs.

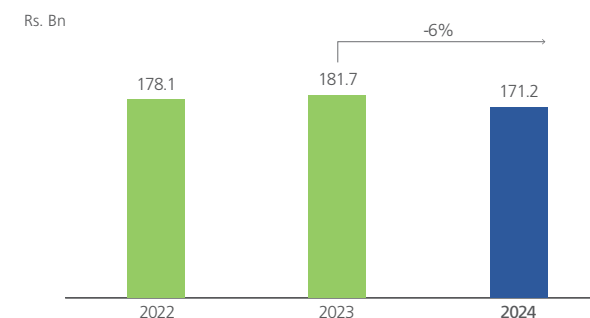
EBITDA

Supported by topline growth and aggressive cost rationalisation initiatives, Group Earnings Before Interest, Tax, Depreciation, and Amortisation ("EBITDA") recorded an 8% YoY growth to reach Rs. 66.3 billion for FY 2024. The achievement of this performance, amidst a challenging business environment, was the result of successful corrections in gross acquisition costs and realisation of cost rationalisation initiatives. The Group EBITDA margin increased to 38.7% in FY 2024 from 33.3% in FY 2023, reflecting improved operating leverage and efficiency.

Net Profit After Tax

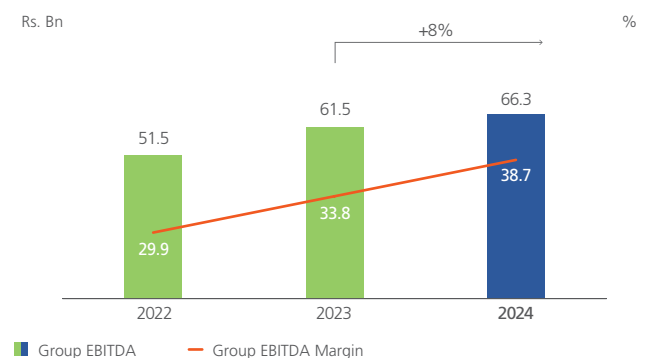
The Group Net Profit After Tax (NPAT) in FY 2024 was Rs. 12.4 billion compared to the record high NPAT of Rs. 20.1 billion in FY 2023 (on account of the one-off forex gain during the year). On a normalised basis (excluding foreign exchange effects), underlying NPAT was approximately Rs. 8.7 billion, a contained 12% decline YoY even after absorbing higher tax outflows and dilution from the Airtel acquisition. The forex gain in FY 2024 amounted to Rs. 3.8 billion.

Group Revenue

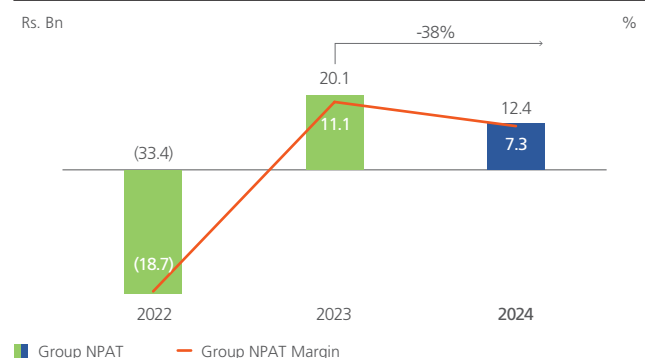


Financial Capital

Group EBITDA



Group NPAT



Tax Contribution

Dialog Group continued to be one of the largest contributors to state revenues, remitting a total of Rs. 47.3 billion to the GoSL during the financial year ended 31st December 2024. Total remittances included Direct Taxes and Levies amounting to Rs. 10.6 billion and Rs. 36.7 billion in indirect taxes (VAT, duties, and other consumption taxes) collected on behalf of the GoSL.

Inorganic Expansion

During FY 2024, Dialog successfully completed the acquisition and amalgamation of Bharti Airtel Lanka (Private) Limited ("Airtel Lanka"). This milestone strengthened Sri Lanka's digital

infrastructure, highlighting the combined commitment of Axiata and Bharti groups to deliver enhanced connectivity and more robust digital services. The consolidation of duplicated network infrastructure contributed to notable financial synergies in addition to other benefits.

Group Financial Position

Group capital expenditure ("Capex") for FY 2024 amounted to Rs. 30.3 billion and comprised of investments directed towards expanding high-speed broadband infrastructure, accelerating our 4G network capacity upgrades and coverage expansion in addition to upgrading IT platforms to enhance customer experience and service delivery. Capital expenditure was also expended for the integration of Airtel Network during the year. The Capex to Revenue ratio during the year amounted to 18%.

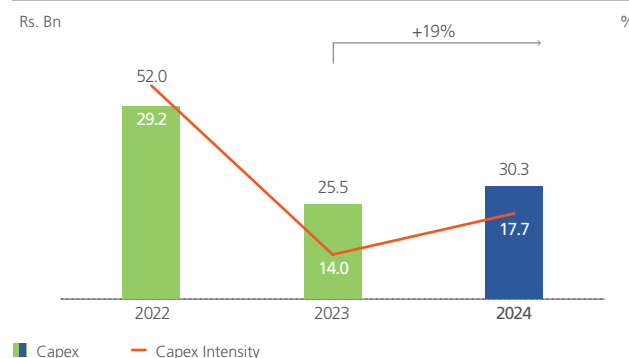
Liabilities and Gearing

The Group continued to exhibit a low-geared balance sheet, with the Net Debt to EBITDA ratio being maintained at a healthy 1.0x as of the end 2024.

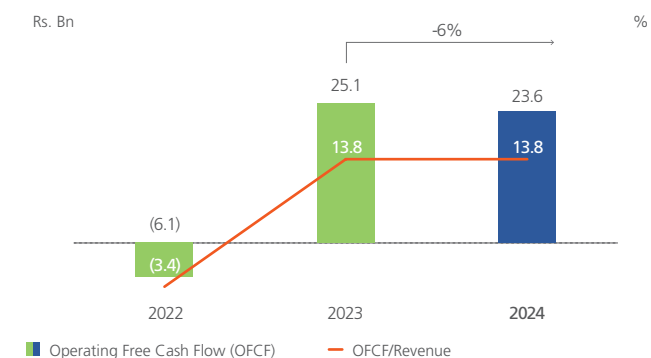
Operating Free Cash Flow

The Group's Operating Free Cash Flow (OFCF) was recorded at Rs. 23.6 billion in FY 2024, driven by stronger business performance and carefully managed capital expenditure throughout the year.

Capex



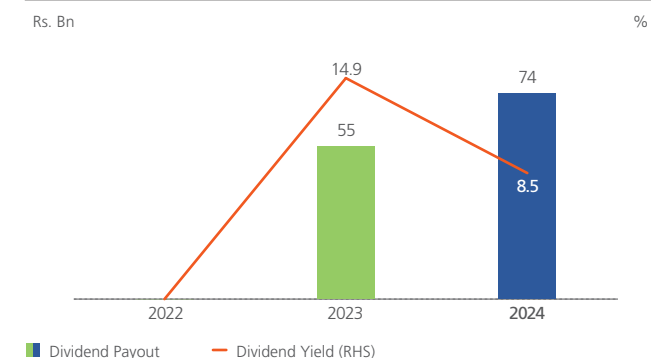
Operating Free Cash Flow (OFCF)



Shareholder Returns

In line with the dividend policy and financial performance of the Group and taking into account the forward investment requirements to serve the nation's demand for Broadband and Digital services, the Board of Directors of Dialog Axiata PLC at its meeting held on 14th February 2025 resolved to propose for consideration by the Shareholders of the Company, a dividend to ordinary shareholders amounting to Rs. 1.00 per share. The said dividend, if approved by shareholders, would translate to a Dividend Yield of 8.5% based on the share closing price for FY 2024.

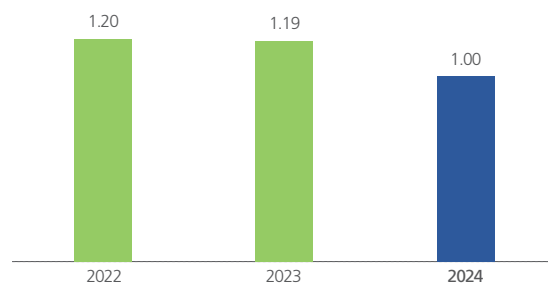
Dividend Payout and Dividend Yield



Financial Capital

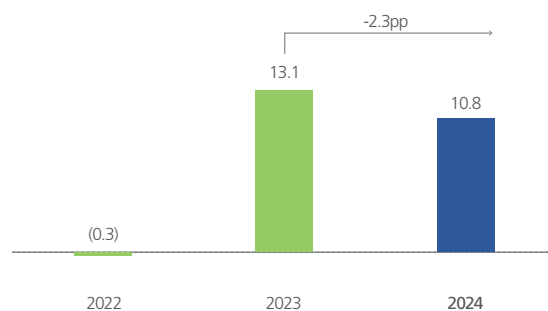
Net Debt to EBITDA

Times (x)



ROIC

%



External Rating

During FY 2024, Fitch Ratings reaffirmed the National Long-Term Rating of 'AAA (lka)' for the Group. This rating of 'AAA (lka)' with a stable outlook denotes the highest rating assigned by the agency in its National Rating Scale for Sri Lanka. Fitch does not envisage any negative rating action in the medium term due to the standalone strength of the business profile, low financial leverage, and implied support from the stronger parent.

Manufactured Capital

Our manufactured capital comprises our physical and digital infrastructure that supports the delivery of telecommunication services. We continue to invest in our manufactured capital in order to remain at the forefront of our industry.

Our Manufactured Capital



Network Infrastructure

No. of Sites: 5,494
Fibre: 6,484km
Submarine Cables: 3



Telecommunication Equipment

Base Stations:
2G – 5,283
4G Mobile Broadband – 5,462
4G Home Broadband – 2,566
5G – 85
5G SA Cloudified Core Network
Enterprise Cloud Platforms



Operational Facilities

Tier III Data Centres: 2
Other Data Centres: 5
Submarine Cable
Landing Stations: 2

How We Created Value During the Year

- The completion of the 100% acquisition of Airtel Sri Lanka in 2024 represents a significant milestone in the telecommunications industry in Sri Lanka, bringing together the strengths and expertise of two leading companies. The acquisition has significantly strengthened our manufactured capital.
- The IAX (India-Asia Expressway) submarine cable was completed with the 2nd cable landing station at Matara, improving the status as an international connectivity hub.
- Rs. 26.67 billion spent on Infrastructure development
- Continued investments in network automation and security resulted in key advancements such as implementing Network Operations Centre (NOC) automation initiatives and achieving a Network Infrastructure Security Threshold (NIST) score of 3.4.

Value Created During the Year

11%

Growth of 4G
Base Stations

4%

Growth in Fibre
Network

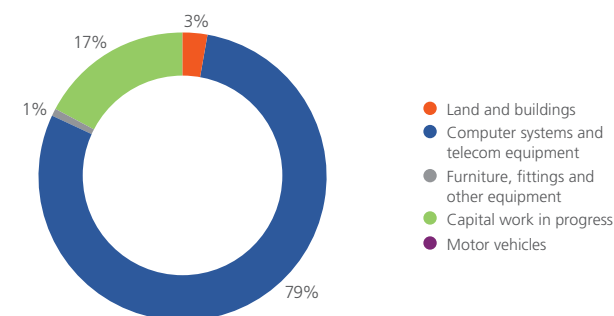
1Tbps

International Bandwidth
via IAX Submarine Cable

Our Manufactured Capital

Our manufactured capital comprises our network infrastructure, telecommunication equipment, operational facilities, digital platforms, and IT systems. Net book value of Property, Plant and Equipment of the Group as at 31.12.2024 amounted to Rs. 158.12 billion compared to Rs. 151.28 billion as at 31.12.2023.

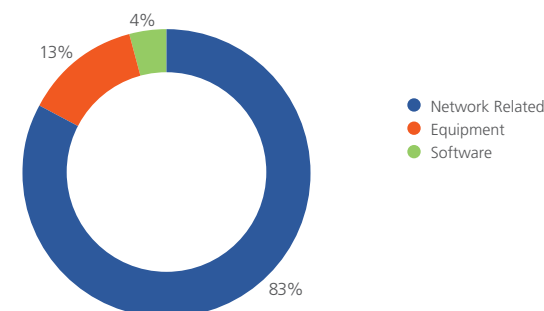
Breakdown of Property, Plant and Equipment (Net Book Value)



How We Added Value in 2024

Total Capital Expenditure during the year (including investments into customer premises equipment, intangible assets etc.) amounted to Rs. 36.1 billion. Almost 83% of our Capex during the year was allocated towards network-related developments, including network upgrades, merger-related integration costs, and general network maintenance.

2024 CAPEX Breakdown



Manufactured Capital

Network Upgrades and Expansion

As data traffic continues to experience significant increases due to the growing number of users and the proliferation of data-intensive applications, we continue to focus on upgrading our network infrastructure to meet the increased traffic demand. To this end, Dialog invested in upgrading its network infrastructure, including the deployment of advanced technologies such as 5G, to enhance capacity and performance as well as expanding coverage areas, fibreisation and increasing the number of base stations.

In 2024, our 4G population coverage increased to 97.40% from 96.08% due to network expansion.



In 2024, Dialog continued to prepare its network infrastructure in anticipation of commercial 5G deployment. As part of these efforts, 5G trials enabled Dialog to demonstrate real-world 5G capabilities and educate the public on its potential. Additionally, 5G Fixed Wireless Access (FWA) emerged as a promising connectivity option for home and enterprise users, further enriching broadband experiences.

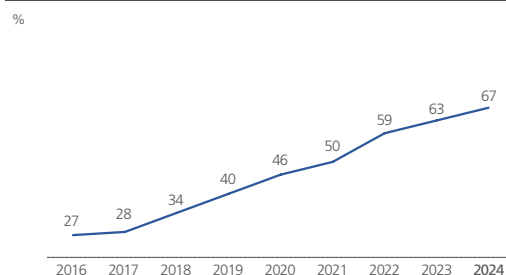
Dialog operates a 5G trial network over 85 sites, distributed across Colombo and its suburbs, Kandy, Beruwala, Negombo, Katunayake, Ampara, and Galle. This initiative enabled a growing subscriber base with 5G-capable devices to experience 5G

technology free of charge. The project remains in the trial phase, with 2% population coverage currently. However, we expect a wider 5G adoption in the coming years that will unlock new opportunities on a nationwide scale.

Network Automation

Supporting our gradual adoption of 5G we continued to expand our fibre network, achieving a 4% increase to reach 6,484km during 2024.

Site Fibreisation



Dialog continued its journey of network automation by leveraging big data, including crowdsourced information and MDT, alongside traditional methods to enhance network quality. It resulted in the deployment of the virtual NOC, SON (Self-Organising Network), and Network Optimisation tools.

- Virtual NOC: The Virtual Network Operations Centre (vNOC) is steadily advancing toward a “Dark NOC” paradigm, characterised by minimal human intervention and maximum automation. The current implementation phase emphasises key automation capabilities, including automated trouble ticketing, automatic work order generation, and intelligent fault detection and resolution mechanisms to proactively enhance network reliability and performance. These innovations significantly reduce the necessity for field visits, thereby contributing to cost optimisation and operational scalability.

- Self-Organising Network (SON): Reduce manual intervention in network management, enhancing network performance, improving customer experience, and lowering costs.
- Radio Network Optimisation Tool: Improved, spectral efficiency, expanded coverage, and provided greater visibility into network performance
- Anomaly Detection Solution: Enables automated identification of network anomalies, promptly addressing issues to minimise disruptions and enhance customer experience

Infrastructure Modernisation

In the rapidly evolving telecommunication sector, remaining up-to-date with the latest technology is of critical importance. Dialog therefore continues to invest in infrastructure modernisation to replace outdated equipment with more efficient and capable technologies, improving overall network reliability and performance.

Enhancing Network Security

We continued to enhance our cybersecurity measures in response to the rise in cyber threats and risks posed to network security and data integrity. Accordingly, we strengthened our cybersecurity protocols, including the use of advanced encryption, intrusion detection systems, and regular security audits to help protect the network from cyber threats.

Way Forward

- Technology investment to deploy the 5G commercial network
- Continued investment in fibreisation
- Technology investments in cloudification and modernisation of equipment
- Continued focus on improving customer experience

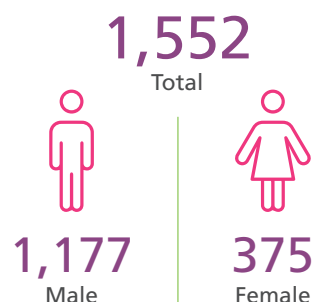


Human Capital

As a service organisation, our people are one of our key strengths. We therefore strive to attract and retain the industry's top talent by continuously enhancing our employee value proposition.

Our Human Capital

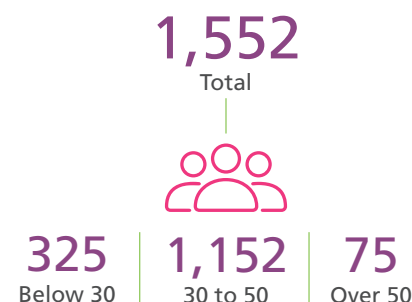
By Gender



By Contract



By Age



How We Created Value During the Year

- Rs. 60 million investment in Learning and Development and Talent Development.
- Dialog became a signatory to the United Nations Women's Empowerment Principles (WEPs)
- Concluded the second edition of the Dialog-MAS Enabler Programme

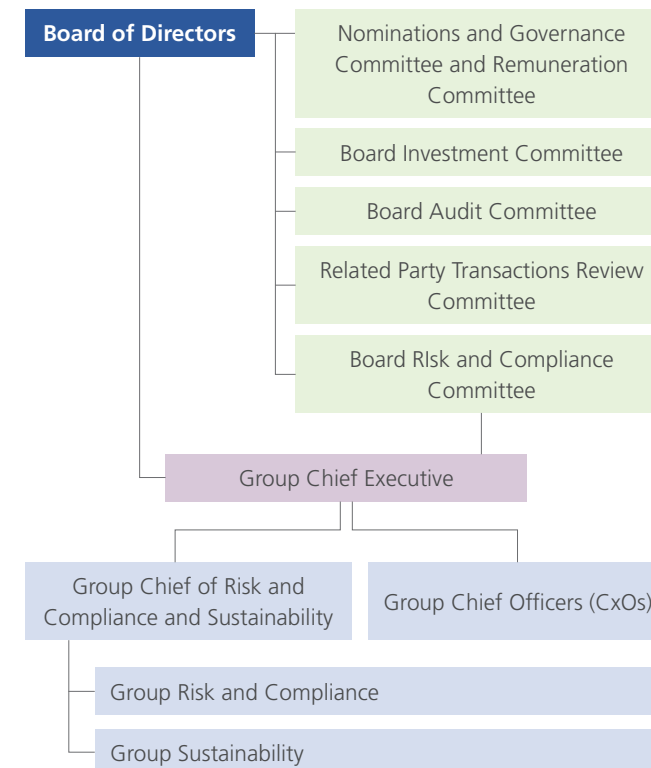
Value Created During the Year

158
New Recruits

74%
Retention Rate

33,226.88
Training Hours

HR Governance



The Board is responsible for setting strategic direction on talent management, monitoring progress against agreed targets, approving policy, and appointing Key Management Personnel. They are assisted in the discharge of these duties by the Nominations Governance Committee (NGC). Group HR plays a pivotal role in ensuring that talent management is driven in a strategic manner in alignment with the policy framework and corporate values, nurturing the unique culture that differentiates Dialog.

Human Capital

We maintain strict compliance with all regulatory requirements, including regulations pertaining to child labour and forced/compulsory labour. There were no reported instances of child labour or forced labour during the year. Meanwhile, strong policies ensure that no form of discrimination is tolerated and the right to freedom of association is maintained. There were no instances of discrimination or non-compliance with labour laws during the year.

Recruitment and Turnover

Attracting and retaining talent remains a key priority amidst increasing levels of overseas labour migration. During the year we onboarded a total of 158 employees to support the increased levels of operations during the year.

	New Recruits		Exits	
	No.	Rate	No.	Rate
Male	98	62%	331	78%
Female	60	38%	116	22%
18-30	107	68%	140	18%
30-55	51	32%	301	81%
Over 55	0	0%	6	1%

*90.9% of the senior management is from the local community (10 of 11 employees are Sri Lankan)

*Senior management has been defined as Chief Officer and Chief Executive categories only

Learning and Development

Empowering our employees with the skills needed to thrive in an ever-evolving industry remains a strategic priority. As such, we continue to invest in targeted learning and development initiatives that foster growth, adaptability, and long-term success.

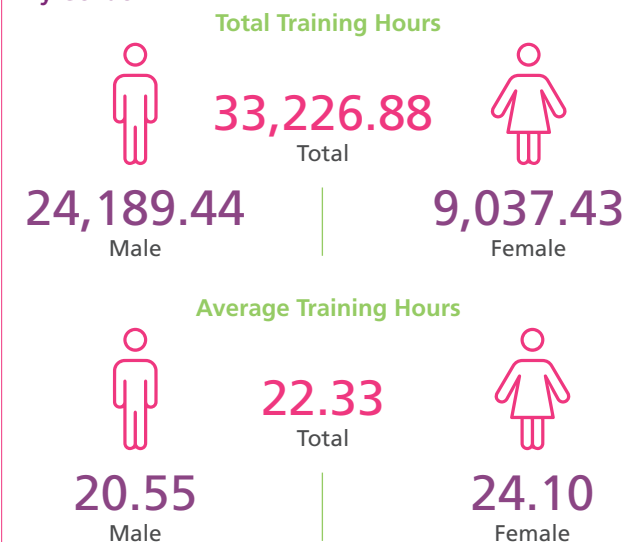
Training programmes conducted during the year focused on three core areas.

- **Leadership Development and Training:** Designed to cultivate future leaders and prepare employees for the next stage of their career at Dialog.
- **Individual Training:** Focused on addressing personal development needs and bridging business-related competency gaps, identified through one-on-one discussions with employees and supervisors.
- **Organisational Training:** Aimed at enhancing skills and capabilities relevant to the organisation's success. All security personnel are sourced from third-party service providers. Prior

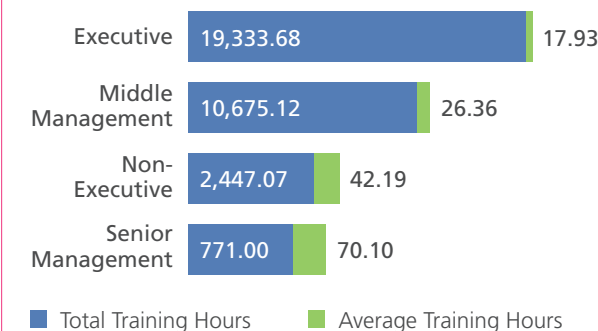
to deployment or assignment, each security staff member undergoes comprehensive training. This training includes modules on human rights policies and procedures, ensuring alignment with international ethical standards. In addition, the training syllabus includes detailed coverage of the nine conditions outlined in the SMETA (Sedex Members Ethical Trade Audit) framework.

Established in 2017 under Group Human Resources, the Dialog Academy delivers a wide array of training programmes and development initiatives for all staff. Its mission is to equip employees with the skills essential for the Company's digital transformation journey and to prepare them for the evolving challenges the future holds.

By Gender



By Employee Category



Total Training Investment

Rs. 60 Mn

Human Capital

Training needs identified through individual learning assessments are compiled and organised by the Company's Learning and Development Team, based on the extent of knowledge called for. Employees are also encouraged to request for training in areas they deem necessary for their career advancement and personal development. The Learning and Development team identifies competency and skills gaps and implements targeted training initiatives to bridge knowledge and skill gaps.

Training programmes include both mandatory and additional learning programmes. The mandatory programmes include the Compliance trainings, induction training for new recruits, training related to strategic areas, learning journeys assigned via online platforms, and training mandated by the respective functional heads. Among the extra training programmes are assigned learning journeys via LinkedIn Learning and Coursera, Group Talk programmes, and external training programmes. Recognising the value of continuous learning, we actively encourage team members to complete both mandatory and external training programmes, empowering them to become high achievers and consistently exceed their training KPIs. Our corporate induction programmes and orientation programmes are held monthly and bi-monthly, respectively. All staff members, meanwhile, take part in annual compliance-related training programmes.

Training is conducted both remotely and through physical training programmes. 70% of learning initiatives are conducted in person and the remaining 30% comprise online learning initiatives via MS Teams, Zoom, and the internal learning management system (Zenlife).

We have structured talent development programmes such as our Corporate Manager Development Program (CMDP) and Tech Leader Development Program (TLDP) designed with the specific objective of developing leadership capabilities and competencies. We also focus on exploring and investing in learning opportunities led by international experts from institutions such as Informa Telecoms Academy (UK), Harvard, and

Stanford for identified high-potential top talent. The future-ready skills are segmented under the "3Es" learning model—balancing Experience, Exposure, and Education to support holistic growth guided these training initiatives.

Training programmes for Gifts, Donations and Sponsorship (GDS) SPOCs and mandatory Anti-Bribery and Anti-Corruption (ABAC) staff training further bolstered our staff competency on governance related matters.

Dialog Diversity Circle and Disability Inclusion

The Dialog Diversity Circle was inaugurated on Women's Day 2021, comprising a coalition of male and female allies dedicated to spearheading initiatives aimed at creating and promoting a culture of equity and inclusion in the workplace. While we continue to uphold recruitment practices and performance

evaluations solely on merit, we are committed to ensuring disability inclusion across the organisation. We do not distinguish or record differently abled employees separately, aiming to cultivate a more equitable workplace environment. The 'Dialog Values You' (DVU) initiative was conducted inviting people who started their journey at the lowest levels and climbed the ladder to success. The platform allows employees to offer recognition.

Reinforcing our dedication to advancing gender equality across our workforce, value chain, and communities, Dialog became a signatory to the United Nations Women's Empowerment Principles (WEPS). In partnership with MAS Holdings, we also concluded the second edition of the Dialog-MAS Enabler Programme, providing corporate exposure and professional readiness to individuals with disabilities.

Performance Management

Performance reviews are conducted for all employees. Dialog uses a combination of performance metrics, including regular feedback and goal setting to assess employee contributions in conjunction with business needs.

Employee Engagement

Maintaining high levels of employee engagement is a priority. An open-door policy is maintained to ensure all employees have access to management and regular meetings and interactions ensure a high level of engagement. A robust grievance handling procedure is designed to provide employees with a platform to address dissatisfaction or injustices related to their work situation. Management commits to fairly and systematically resolving these grievances, ensuring that employees feel secure in expressing their concerns without fear of intimidation or retaliation. Notice period is defined by LOA and contract type; layoffs may occur immediately or up to six months in advance.

'The Dialog-MAS Enabler Programme' an internship programme to create opportunities specifically for individuals with disabilities was initiated as part of our efforts to provide more opportunities to diverse groups.



Human Capital

Grievance Handling Procedure

Process owner	Responsibility
Heads of Divisions, Departments and Units, as well as the supervisory staff	Ensure employee grievances submitted either verbally and/or in writing are handled within two working days.
The Group Human Resources Leadership	Provide oversight to the effective implementation of the Grievance Handling Policy and Procedure
The Unit Head in charge of Employee Relations and/or a person authorised by the Unit Head in charge of Employee Relations and/or HR Business Partners	Ensure the effective implementation of the Grievance Handling Policy and Procedure

Employee Health and Safety

Ensuring the safety and well-being of the Group's workforce and our stakeholders, including customers, suppliers, contractors, and others who frequent Dialog locations nationwide, is a top priority. Emergency Response, Fire Safety, Electrical Safety, First Aid, Ergonomic, Working at Height, and Incident Reporting trainings were conducted for internal employees, contractors, outsourced staff, frontline workers, technical teams, Occupational Health and Safety ("OH&S") representatives, and security personnel across all core and regional sites. We adhere to the globally recognised ISO 45001:2018 standard for OH&S Management Systems. We also have a digital platform for OH&S-related programmes, including educational use, emergency preparedness, natural disaster awareness, staff interactions, documented evidence of the OH&S

unit's duties in Dialog, and information gathering. The platform is called the "OSH Web Portal" and can be accessed at <https://dialogs1.sharepoint.com/sites/HS>

The Axiata Group Berhad Safety Policy serves as the foundation for the Dialog Group OH&S policy, which was subsequently approved by the GCPO of GHR. Dialog OH&S Unit, in Group HR, is committed to:

Ensuring Compliance: The OH&S unit ensures the Company adheres to all relevant health and safety regulations and standards. Regular reviews of legal and other requirements, along with periodic ISO audits within the Dialog Group, and maintain compliance at the appropriate level.

Risk Management: The OH&S unit identifies, assesses, and mitigates workplace hazards to prevent accidents and injuries. The OH&S Manager conducts annual visits to all Dialog Group locations and quarterly visits to core sites, ensuring regular inspections, escalations, and follow-ups on reported incidents. Escalations to Dialog GCPO in GHR, Dialog RCMC, and Axiata BRCC began in Q3 of 2024.

Training and Education: By providing training programs on safety practices and emergency procedures, the OH&S unit ensures employees have the necessary knowledge, skills, and

competencies. Training includes electrical safety, fire safety, ergonomic safety, induction training for new recruits, and special induction for contractor teams.

Incident Reporting and Investigation: The OH&S unit, along with representatives at all Dialog locations, encourages staff to report all incidents, including near misses, unsafe actions, and unsafe conditions, in addition to accidents. The unit investigates incidents to determine causes and prevent future occurrences.

Health Promotion: The OH&S unit promotes health and wellness programmes to improve employee well-being. Annual visual and hearing checkups are conducted at the head office in Colombo and various regional locations. Daily monitoring of occupational hygiene, food safety, and compliance levels in cafeterias is carried out by the food safety team.

Emergency Preparedness: The OH&S unit develops and implements emergency response plans, conducting training and mock drills for emergencies such as fire, fuel and chemical spillages, and medical emergencies. Occupational health and safety risks were mitigated through targeted training (e.g., working at height, fire safety, first aid), ergonomic programs, health assessments, safety audits, and ISO-compliant systems involving both internal teams and business partners.

Remuneration and Benefits

Dialog maintains an Employee Performance Motivation and Retention plan which is reviewed and approved annually by the Board and Senior Management. The plan covers efficient allocation of budgets for employee training and development, engagement initiatives, and equitable distribution of benefits and bonus schemes. Any remuneration revisions are conducted in accordance with the Axiata Group's remuneration strategy. We ensure that remuneration offered to new recruits is calculated based on an approved salary matrix, with any revisions to our remuneration policy requiring clearance from authorised individuals. Our remuneration policy is aimed at attracting, retaining, and motivating highly skilled employees who embody our core values

Work-Related Injuries



	No.	Rate
Fatalities due to work-related injuries	0	N/A
High-consequence work-related injuries	0	N/A
Recordable work-related injuries	0	N/A

Human Capital

and will help foster a culture of excellence at Dialog, across all subsidiaries. We offer a competitive salary structure that ensures fair and equitable remuneration often exceeding industry standards. We adhere to all relevant legal obligations and benefits for members on contract or outsourced and managed services staff. We also provide staff members with mobile services and network connections, while outsourced staff are also entitled to benefits such as life insurance and health care packages from their parent organisation.

Additional Benefits Offered to All Full-Time Employees

- Life insurance
- Health insurance cover for hospitalisation: All employees, irrespective of category, can claim reimbursements for medical expenses incurred during hospitalisation, up to a stipulated amount
- The Benefits Basket covers the expenses related to OPD claims, employee wellness, and other benefits on a reimbursement basis
- Disability and invalidity coverage: Group Personal Accident Cover, Workman's Compensation, Critical Illness Cover
- Dialog Cares to provide financial assistance to the immediate family in the event of an employee's demise.
- Parental leave: Maternity leave (100 days), paternity leave (10 days)
- Reimbursement for educational expenses for further studies and professional memberships.
- Financial assistance for selected family events (such as funerals) and occasions like the birth of a child.
- A range of recreational facilities for employee wellbeing.



Parental leave



824

Number of employees entitled to parental leave



191

39 Number of employees who took parental leave

39 Number of employees who returned to work after parental leave

We ensure gender pay equity, with entry wages exceeding local minimums across all employee categories.

Gender Pay Gap

Employee Category	2024	2023
Non-Executive	1:1.29	1:1.32
Executive	1:0.94	1:0.91
Managerial	1:1.12	1:1.10
Senior Management	1:0.85	1:0.99

***Dialog maintains a strict non-discrimination policy where gender does not influence employee compensation. Salary differences may arise due to factors such as academic and professional qualifications, experience, tenure, and the presence of multiple employee grades within a category. Consequently, average salaries by gender may vary depending on employee distribution across these grades.

Gender Wage Ratio

Entry-level Wage	2024	2023
National minimum wage	1.8 : 1	1.7:1
The ratio between highest paid individual to the median pay of all other individuals	1: 27.83	1:36.94



Way Forward

- Explore new recruitment models to continue to attract and retain employees
- Create an empowered leadership pipeline
- Ensure a safe work environment
- Develop hybrid training and development models

Social and Relationship Capital

As Sri Lanka's #1 connectivity provider, we engage with a range of diverse stakeholders. Nurturing these stakeholder relationships enables us to build brand value whilst creating a broader, more meaningful impact.

Our Social and Relationship Capital



Subscribers

21.8 Mn



Suppliers and Business
Partners

2,465



Community Investments

100 Mn

How We Created Value During the Year

- The Dialog-Airtel merger provided access to a wider spectrum, leading to an improved customer experience.
- We continued to expand our digital services ecosystem, driving digital inclusion and innovation across FinTech, HealthTech, EduTech, InsurTech, and eCommerce – to enhancing everyday life while supporting the growth of individuals, businesses, and communities.
- We empowered communities across Sri Lanka through targeted Community Investments, reaching students, farmers, fishermen, persons with disabilities, and vulnerable families via inclusive platforms and initiatives in education, health, livelihoods, and disaster preparedness.

Value Created During the Year

Mobile

13.2%

Subscriber Growth

Fixed

1.3%

TV
Remained
Flat

Rs. 123,860 Mn

Spending on
Local Suppliers

1,055,723

Beneficiaries of our
Community Investment
Initiatives

Customers

Through a period marked by continued economic uncertainty, we remained focused on our foremost responsibility—serving our customers with care, reliability, and purpose. We continued to enable meaningful connections, support digital inclusion, and provide solutions that respond to the evolving needs of individuals, families, and businesses across Sri Lanka.

Our commitment to listening, learning, and improving has been central to maintaining trust. By ensuring access, affordability, and service quality, we have worked to deliver consistent value to over 20 million customers. As we move forward, we remain dedicated to deepening these relationships and enhancing everyday experiences through innovation and empathy.



Value Created for Customers

As Sri Lanka's preferred telecommunications provider, we understand that customer experience is not merely a differentiator—it is the foundation of sustained trust and long-term growth. Our approach is rooted in the belief that seamless, personalised, and meaningful interactions are key to building strong relationships and delivering enduring value.

Our customer experience strategy is anchored on three core focus areas:

Customer Experience

1

Focus Area 1

#1 in Digital Customer Experience: To achieve the number one position in the Digital Customer Experience within the service industry, while continuously enhancing digital capabilities and reach through simplification and digitisation.

Social and Relationship Capital

Focus Area 2

Service Leadership: Remain the undisputed leader in innovative, best-in-class service delivery to build customer trust and happiness through consistent experiences.

Focus Area 3

Operational Excellence: Create value for the organisation through revenue generation, Lean Six Sigma-focused cost rescaling, UX/UI, and journey orchestration.

Product and Service Excellence

In 2024, we continued to enhance our customer experience strategy by integrating cutting-edge digital technologies. By leveraging AI-driven insights, automation, and data analytics, we enhanced efficiency, responsiveness, and personalisation—ensuring every interaction adds value. We believe that customer satisfaction and employee engagement are interconnected, fuelling business growth and long-term shareholder value. Our unwavering focus remains on exceeding customer expectations through innovation, agility, and service excellence.

Looking ahead, we are redefining the customer journey with hyper-personalised, omnichannel experiences that empower, engage, and enrich lives. Our approach is built on transparency, trust, and authenticity—delivering not just connectivity, but meaningful connections that inspire and endure. We ensure strict adherence to all regulatory requirements pertaining to product and service information and labelling. There were no recorded instances of non-compliance and no substantiated complaints concerning breaches of customer privacy or losses of customer data reported during the year.

Digital Services Expansion

In 2024, we continued to expand our digital services ecosystem to enhance the daily lives of individuals, businesses, and communities across Sri Lanka. Through Genie Business, we supported MSMEs with enhanced financial solutions, including the introduction of multi-currency payments, working capital loans, and Sri Lanka's first UPI integration to enable real-time cross-border transactions. Our eZ Cash platform further strengthened its position through new partnerships that enabled mobile wallet-based loyalty programmes for businesses.

In HealthTech, Doc990 introduced Sri Lanka's first AI-powered health scan, allowing users to monitor vital health indicators conveniently through their smartphones, alongside the launch of a comprehensive Wellness Marketplace, enabling customers to conveniently access medical packages from leading hospitals across the country.

Meanwhile, the WOW SuperApp experience was elevated with the launch of WOW Mall—an online marketplace offering a seamless shopping experience with access to over 3,500 products islandwide. Through these initiatives, we remained focused on driving digital inclusion, innovation, and empowerment, enabling greater accessibility, convenience, and opportunity for all Sri Lankans.

Dialog-Airtel Merger

In 2024, we completed the 100% acquisition of Airtel Lanka. This consolidation, first announced in May 2023, represents a significant milestone in the telecommunications industry in Sri Lanka, bringing together the strengths and expertise of two leading companies, poised to deliver a world-class digital telco experience to our customers.

Benefits for Customers

- Enhanced Connectivity:** Customers experience better network coverage and reliability, ensuring they stay connected even in remote areas.
- Improved Service Quality:** Higher data speeds, better voice quality, and reduced call drops enhance the overall user experience.
- Cost Efficiency:** Optimised resource utilisation and cost savings from the merger can lead to more competitive pricing and better value for customers.
- Advanced Technologies:** Access to the latest technologies like 5G, IoT, and eSIM provides customers with cutting-edge services and capabilities.
- Seamless Experience:** Network automation and optimisation tools ensure a smooth and uninterrupted service, reducing downtime and enhancing user satisfaction.
- Environmental Benefits:** Optimised energy usage and reduced CO2 emissions contribute to a greener environment, aligning with customers' sustainability values.
- Proactive Issue Resolution:** Advanced anomaly detection and network optimisation tools ensure that potential issues are identified and resolved quickly, minimising any impact on the customer experience.

MyOffers

MyOffers, our AI-powered rewards platform, was a key highlight for the year. The platform now features flash offers and Blaster plans. MyOffers delivers personalised and timely benefits—underscoring Dialog's commitment to innovation and customer-centric solutions that meet diverse and evolving needs. Along with existing benefits such as call and data offers, Dialog Mobile

Social and Relationship Capital

customers can utilise flash offers, refreshed daily, that provide personalised data plans, alongside attractive offers on popular Blaster plans such as Unlimited Blaster, Fun Blaster, Call Blaster, and Triple Blaster. Additionally, Dialog Home Broadband customers benefit from exclusive data offers on top of their Wi-Fi plans. Subscribers can use the MyDialog App or visit their nearest retailer to claim offers. Retailers can also use the Retailer Hub app to provide customers with benefits applicable to them.

Retail Phygital Experience

We strive to create an unparalleled customer experience to elevate and enhance our customer service levels across multiple channels. Embedding digital capabilities into our retail experience centre, we have optimised our in-store services and processes to deliver a seamless and streamlined experience that emphasises overall excellence. This has been accomplished through the integration of automated systems and interactive platforms that enable a superior customer experience. These include smart queue management, store performance management, staff productivity measurement, automated workforce management, automated campaign management, smart store administration, retail in-store gamification, and contactless digital stores at the Shangri-La Colombo.

DIA

DIA is our AI-powered Virtual Digital Assistant (DIA), which is an autonomous, trilingual, virtual digital assistant with first-contact resolution and intelligent ticket classification capabilities. The four touchpoints integrated within a single unified chatbot provide 24/7 availability, improve efficiency, and offer cost-effective support to customers.

The assistant features GenAI-based humanised conversational and diagnostic capability, supports over 3.5 million customer interactions, and enables over 100+ transactional and 400+ informative interaction capabilities. It can tailor support based on customer data, build customer loyalty, and provide valuable insights to inform business decisions.

A total of 200K users per month were served and we resolved 95% of customer queries through bot resolution. As more customers opted for digital channels, there was a 5X reduction in reaching associate support.



Customer Experience (CEx) Strategy

The CEx Focus is essential for Dialog business aiming to lead in customer experience through satisfaction, loyalty, and market NPS. The strategy focuses on delivering personalised and memorable experiences by enhancing key micro-moments such as Resolution, Empathy, Integrity, Expectation, and Time and Effort across all possible touchpoints and journeys.

The future of CEx will be driven by AI-powered, proactive, and self-sustaining models, minimising customer effort while enhancing real-time engagement. At Dialog, we adopt an end-to-end (E2E) approach to customer journeys, seamlessly integrating every stage, from research and selection to purchase, usage, issue resolution, and returns.

With the exploration of autonomous and predictive CEx solutions, we anticipate customer needs before they arise, reducing friction and increasing satisfaction. Additionally, through workforce transformation and investment in AI-driven insights, CEx governance, and skill development we strive to stay competitive. With this holistic CEx strategy, we can achieve market leadership,

long-term customer loyalty, and sustainable growth in an increasingly digital and experience-driven economy. During the year, there were no instances of non-compliance pertaining to regulations or standards relating to customer safety, product labelling, or marketing communications.

Voice of Customers

We continuously gauge and evaluate customer sentiments to maintain the highest level of customer satisfaction, anticipate their needs, and determine areas for improvement. We also aggregate and collate all data and insights gathered from touchpoints across all products and services, including via SMS surveys, e-mail surveys, and in-app surveys. Customer Social Profiling, Customer Social Analytics, and Customer Effort Score (CES) are employed to identify evolving and emerging customer needs. With Customer Social Profiling, we use social network graph analytics and sentiment analytics capabilities combined with social CRM to track and understand customer sentiment. The Customer Effort Score, introduced in 2021, evaluates the ease and simplicity of executing any given task from a customer perspective.

Customer Satisfaction Scores



Touchpoint Net Promoter Score



Touchpoint Net Easy Score



Value Created for Suppliers and Business Partners

A significant proportion of our suppliers comprise of local suppliers with 2,465 active vendors and 23,563 vendors registered in the system. Almost 87% of our supplier spending was on local suppliers. During the year, a total of 2,711 new suppliers were onboarded after screening for social and environmental criteria. There were no identified negative social or environmental impacts in the supply chain.

Social and Relationship Capital



Payment to Local
Suppliers in 2024

Rs. 123,860 Mn



Value Created for Our Communities

As the leading telecommunications company in Sri Lanka, we continue to contribute to the socio-economic upliftment of communities in Sri Lanka through targeted Community Investments. There were no reported incidents of violations involving the rights of Indigenous peoples during the reporting period. At the heart of our social stewardship strategy lie three key pillars: innovation tailored to address societal needs, strategic collaborations with partners, and ongoing consultations with stakeholders to ensure long-term sustainability. Our Community Investment spend during the year amounted to Rs. 100 million and involved educational programmes, programmes for persons with disabilities, scholarship programmes, and support towards survivors of the Easter Sunday attacks. As a responsible corporate entity, we also ensure all laws and regulations are strictly adhered to. There were no instances of non-compliance with laws and regulations in the social and economic area during the year, and we have consistently maintained good relations at the community level.

Govi Mithuru

Govi Mithuru, our agricultural advisory service, reached 1.1 million farmers, covering 50% of Sri Lanka's farming population. The platform welcomed 100,000 new users in 2024, offering guidance on 35 crop types to improve yields and promote climate-resilient farming.

Sayuru

Sayuru, our fishermen safety service, delivered vital weather alerts and emergency communications to over 110,000 day-boat fishermen, now covering 50% of the national base. Partnering with the Department of Meteorology and the Ministry of Fisheries, Sayuru added 34,000 new users in 2024—strengthening safety and preparedness in vulnerable coastal areas.

Our disaster preparedness efforts also included the DEWN early warning app and integrated IVR messaging, helping protect lives through timely alerts in collaboration with the Disaster Management Centre.

Karuna.lk

Further expanding our community impact, Karuna.lk, Dialog's free online fundraising platform, enabled individuals to support causes across education, health, disaster relief, and environmental protection. In 2024, the platform hosted 158 new programmes, onboarded 61 new organisations, and raised Rs. 7 million from 4,300 contributors, reflecting the power of digital inclusion in fostering collective resilience.

The Dialog Foundation

The Dialog Foundation was founded in 2012 to consolidate Dialog's significant Public-Private Partnerships and establish a coherent framework to guide the Company's social responsibility endeavours. Our primary areas of focus include enhancing education, supporting individuals with hearing, sight, and speech impairments, promoting disaster preparedness and response, as well as providing healthcare and assistance to marginalised communities across Sri Lanka. Numerous initiatives were implemented during the year targeting the above focus areas. The key areas of emphasis in education were extending access to quality education to students across the island, enabling individuals to build the necessary skills to thrive in an increasingly digitalised world, and expanding the quality of knowledge and content for students. In the "hearing, sight and speech" segment, we focused on promoting early detection and supporting individuals suffering from hearing, sight, and speech deficiencies.

Dialog Nenasa Ecosystem

Dialog Nenasa Ecosystem is a pioneer of research and development and result-oriented education. Dialog embarked on the establishment of a satellite television-based distance education bridge in 2008, with the goal of reaching underserved communities within Sri Lanka's education system. Through ongoing enhancements, timely interventions, and expansions, we

have successfully developed a fully integrated ecosystem to foster a future of education that is inclusive, equitable, and centred around the needs of students. Our objective is to bridge the technological gap and ensure that every child has the opportunity to thrive.

Our array of services and solutions encompasses:

- **Nenasa TV channels**
- **Nenasa Smart School**
- **Nenasa App**
- **Nenasa 1916 (formerly Nenasa 1377)**
- **Nenasa.lk**

These solutions enable students to access tutors, educational materials, assignments, exam papers, and pertinent information online through various platforms. The eight educational channels are accessible free-of-charge to over 1.7 million households subscribed to Dialog Television and to millions of Dialog Broadband users via the Dialog ViU (Video Unlimited) app. The Nenasa TV channels are also accessible at over 2,500 Nenasa Connected Schools through a special complimentary Nenasa Package. Dialog's investment in Nenasa TV, surpassing Rs. 500 million to date has paid dividends, with the channel reaching over 1.9 million students, granting them access to high-quality educational content.

Merit Scholarship Program

Our Merit Scholarship Programme disbursed Rs. 5.4 million to 103 students in 2024, bringing the total awarded since inception, three decades ago to over Rs. 130 million across 1,100+ scholars—a reflection of our sustained investment in Sri Lanka's future.

Yeheli.lk

Over the year, the Yeheli.lk platform recorded over 65,000 users and 73,000 sessions, with the most common queries relating to women's health and mental health—highlighting its role as a safe, accessible space for guidance and support. The platform provides expert support across mental health, reproductive health, general well-being, and legal matters.

Social and Relationship Capital

DeafTawk

Our DeafTawk initiative is a real-time sign language interpretation service now available across all Dialog Customer Care Centres. In 2024, over 1,000 users connected with DeafTawk. The platform enables Sri Lanka's hearing-impaired community to communicate with service agents through qualified interpreters via video calls, supporting Sinhala, Tamil, and English sign languages.

Rally to Care

The "Rally to Care" programme was launched by the Dialog Foundation as a response to the devastating events of April 2019. Initially, the programme was geared towards providing urgent outpatient aid to individuals grappling with physical disabilities and trauma in the aftermath of the tragedy. However, it has since expanded its scope to offer ongoing educational support to over 500 children affected by the incident. Additionally, the initiative extends psychosocial rehabilitation services to more than 250 families affected by the events. This holistic endeavour is made possible through collaborative efforts with esteemed partners including World Vision Lanka, the Sarvodaya Shramadana Movement (Sarvodaya), My Doctor, Vision Care, and the Ratmalana Audiology Centre. Through the "Rally to Care" programme, the Dialog Foundation exemplifies its commitment to standing by communities during times of adversity, offering support, and fostering resilience in the face of adversity. By 2024, Rs. 10.5 million worth disbursements has been spent under the Rally for Care initiative to provide scholarships to over 250 affected children. This programme will continue until 2038 until the youngest affected child turns 18.

Neth Suwaya

Enhancing both their educational journey and quality of life our Neth Suwaya initiative (formerly Vision 2020) supported 1,200 schoolchildren in the Western Province with much-needed spectacles. The programme is set to continue into 2025.

Community Based Interventions

We continued to invest in our communities during the year, investing almost Rs. 100,652,880 in community development projects. A summary of key projects undertaken is given below.

Project Description	Investment (Rs.)	No. of Beneficiaries
Community Investment for Education, Leadership, and Persons with Disabilities Projects – Nenasa, Dialog Merit Scholarship, Rally to Care	28,701,000	Education – targeted number of beneficiaries 4,500,000 Rally to care – 207 Hearing impaired – 400 direct beneficiaries (open to all)
Digital Inclusion for Uplifting Rural Farmers and Fishermen Projects – Govi Mithuru, Sayuru, and support for Persons with Disabilities	62,000,000	Farmers - 2,000,000 (open to all) Fishing community – 200,000 Persons with Disabilities – 1,300,000
Social Innovation Projects – Yeheli and e-Kunu	9,951,880	Catered to 65,000 users on Yeheli platform and open to the entire population of Sri Lanka

Memberships in Industry and Multi-Stakeholder Associations

As part of our commitment to responsible business practices, Dialog maintains active memberships in several national and international associations. These affiliations support knowledge sharing, policy advocacy, ethical business conduct, and collaborative progress across sectors.

Our key memberships include:

- Asia Pacific Alliance for Disaster Management (APAD)
- Business Integrity Club – Transparency International Sri Lanka
- Ceylon Chamber of Commerce (CCC)
- Federation of Information Technology Industry Sri Lanka (FITIS)
- Global System for Mobile Communications Association (GSMA)
- Scaling Up Nutrition (SUN) Business Network Sri Lanka

- Sri Lanka Association for Software Services Companies (SLASSCOM)
- Sri Lanka Malaysia Business Council (SLMBC)
- United Nations Global Compact (UNGC)
- UNICEF Sri Lanka Business Council

Way Forward

- Drive customer satisfaction through innovative product offerings
- Leverage AI and Data Analytics to enhance customer experience
- Contribute to the socio-economic development of the communities in which we operate



Intellectual Capital

In the highly competitive telecommunications sector, our intellectual capital plays a pivotal role in remaining relevant and responsive to societal changes and emerging trends. Dialog's steadfast focus on driving innovation in all aspects of its operation has continued to enhance its intellectual capital, enabling it to become one of the most trusted and loved brands in the country.

Our Intellectual Capital

Brand Equity	Technology Platforms and Processes	Tacit and Industry Knowledge of Our Employees	Customer Insights Including Consumer Behaviour Data
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How We Created Value During the Year

- Increased brand visibility through targeted brand building initiatives.
- Continued focus on product and service innovation
- Fuelling Innovation via Dialog Innovation Challenge and Dialog API Eco-system (Ideapro, IdeaBiz and MarketPlace)

Value Created During the Year

Received notable recognition and accolades for brand excellence	Introduction of over 20 new products and digital services
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Our Innovation First Ethos

We believe that innovation serves as an important platform for enhancing people's lives and driving national progress. Our primary objective has always been to capitalise on emerging opportunities and introduce ground breaking technologies that are not only simple and affordable but also highly relevant to our customers' needs. At the core of our Company is an "innovation-first" ethos, which serves as the cornerstone of our vision and is deeply ingrained in our organisational culture. We are committed to continuously seeking out prevalent social issues and developing simple yet effective interventions to address them, thus fulfilling our vision of leveraging innovation to make a positive impact on society. We are committed to creating sustainable business models that ensure inclusive access to telecommunication services for all Sri Lankans, including rural populations, low-income groups, and individuals with disabilities. Overcoming challenges related to service availability, affordability, applicability, and affinity has been a consistent priority for us. To tackle these challenges, we leverage technology paradigms, innovative service and business models, and ongoing investments. Our philosophy of inclusion serves as a guiding principle behind many of our innovations.

Brand Value

Brand Recognition

- Telecommunication Brand of the Year' for a record thirteenth year at the SLIM-KANTAR People's Awards 2024
- Most Loved Service Brand and Most Loved Telecommunications Brand at the LMD Brands Annual 2024 Awards
- Sector winner and among the top five most respected entities in the country in LMD Most Respected 2024 rankings
- Recognised as Sri Lanka's Largest FDI Contributor at the Board of Investment Awards 2024
- Technology Resilience Award at the ISACA Digital Trust Awards 2024
- Winner of the Non-Financial Services Category at the ACCA Sustainability Reporting Awards 2024
- Sri Lanka's Most Valuable Brand' from 2019-2023 by Brand Finance, UK

The Dialog brand is an established brand in the country with a brand value of Rs. 52 billion as per the latest brand valuation carried out by Brand Finance, the world's leading independent brand valuation consultancy. The brand continues to grow from strength to strength by staying true to its brand promise 'The Future.Today.' and delivering state-of-the-art technology and connectivity that is inclusive, affordable, and accessible to all, while propelling the country's transformation into a thriving digital nation.

Intellectual Capital

We continued to strengthen our Brand presence during the year, actively supporting Sri Lanka's sporting talent and national pride. Dialog continued its role as the proud sponsor of the National Cricket, Volleyball, Netball, and esports teams, as well as the Sri Lanka Golf Open. We also extended our longstanding support for Paralympic sports, including the National Para Games and the Sri Lankan contingent to the World Paralympic Games. At the grassroots level, we continued to champion school and community sports under the banner of 'Powering the Champions of Tomorrow', supporting key events such as the Big Match Season, President's Gold Cup Volleyball, National Junior and Senior Netball tournaments, and School Rugby. By associating our brand with these key initiatives, we further strengthened our brand proposition and presence.

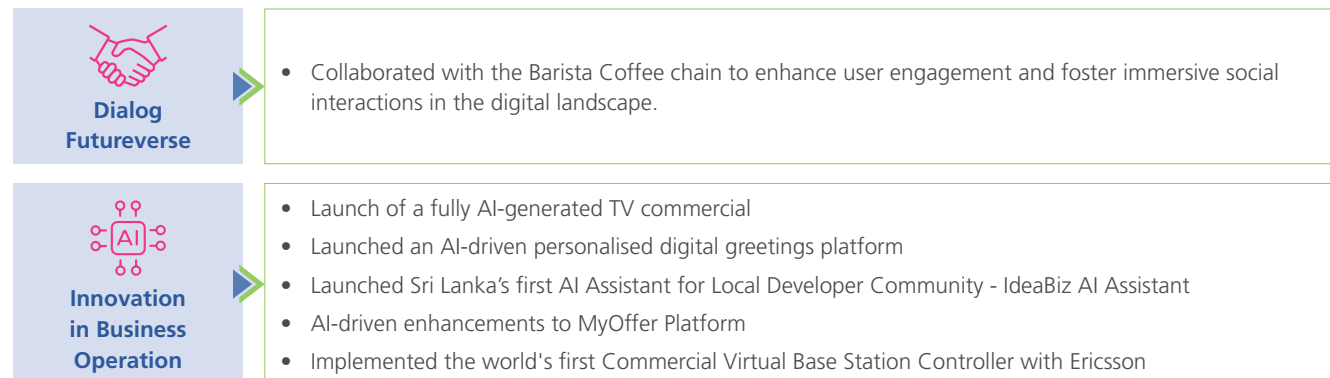
New Products and Digital Services

Dialog has been at the forefront of innovation and digitisation in the mobile industry in Sri Lanka and continues to introduce cutting-edge solutions that enhance connectivity, enrich user experiences, and drive the nation's digital advancement. During the year several innovative digital solutions were introduced to the market, reinforcing Dialog's reputation as an industry innovator and further enhancing our intellectual capital. Notable developments during the year include;

Dialog has been at the forefront of innovation and digitisation in the mobile industry in Sri Lanka and continues to introduce cutting-edge solutions that enhance connectivity, enrich user experiences, and drive the nation's digital advancement.

 Mobile	<ul style="list-style-type: none"> Enhanced the Unlimited Blaster and Fun Blaster portfolios to offer a broader spectrum of products tailored to diverse community segments while aligning with the evolving digital lifestyles and content consumption patterns of our consumers Launch of Dialog Suraksha, a parental control service and an advanced child tracking solution Became the first operator in South Asia to implement eSIM Quick Transfer for Apple devices Enhanced accessibility for the deaf community at Customer Care Centres through DeafTawk Services Unveiled Sri Lanka's first 5G-ready iPhone 16 series in partnership with Apple
 Home	<ul style="list-style-type: none"> Revamped VIU platform to provide world-class OTT experience Rolled out two new prepaid Home Broadband plans tailored for high social media and video users Introduced an integrated Dialog Smart Home app to control a full range of smart devices from one platform
 FinTech	<ul style="list-style-type: none"> Dialog's Genie Business platform conducted Sri Lanka's first-ever live transaction on India's UPI payment network, enabling Sri Lankan merchants to accept payments from Indian UPI apps. First to launch loans against FDs on a self-service basis on its Genie platform enabling customers with instant digital access to funds Launched tap-to-phone card acceptance for Micro and small merchants
 HealthTech	<ul style="list-style-type: none"> Launch of Doc990's Clinic Management System Introduced Sri Lanka's First Comprehensive Wellness Marketplace, an innovative platform which allows customers to conveniently purchase a wide range of medical packages, including health check-ups, home care, cosmetic treatments, and weight loss programs from leading hospitals across the country. Launched Sri Lanka's first AI-Based Health Scan, enabling users to monitor vital health indicators directly from their smartphones or devices.
 Enterprise	<ul style="list-style-type: none"> Introduced Dialog Cyber Protect Cloud, a complete security solution to clients that integrates backup, AI-driven anti-malware, antivirus, and endpoint management into a cohesive system Introduction of video based driver behavioural analytics for Transportation Fleets

Intellectual Capital



Nurturing Digital Entrepreneurship and Talent

Nurturing digital entrepreneurship and talent in the country remains a key priority and an integral aspect of building our intellectual capital. This year saw the expansion of key innovation platforms and programmes aimed at fostering homegrown talent and digital entrepreneurship. The Dialog Innovation Challenge emerged as a national platform for aspiring innovators, attracting over 1,200 applications ranging from students to startups. The Challenge focused on identifying innovative and scalable digital solutions with the potential to significantly enhance the lives of Sri Lankan individuals, communities, and businesses. Participants benefited from expert mentorship and access to Dialog's broader innovation ecosystem, reinforcing our long-term commitment to nurturing digital talent and enabling meaningful innovation.

Complementing these efforts, Ideamart, our platform ecosystem established to empower and expand the Sri Lankan developer community, continued to play a pivotal role in enabling digital inclusion and entrepreneurship. In 2024, Ideamart strengthened its API ecosystem, onboarded new developers, empowered university students with app development skills, and supported

over 7,000 enterprises and SMEs with digital tools. Dedicated efforts through platforms like AppMaker and Enterprise Marketplace helped lower barriers to entry, offering entrepreneurs greater market access and monetisation opportunities. Specialised programmes such as Ideamart for Women further advanced digital financial inclusion through workshops and community engagement.

Way Forward

- ▶ Leverage AI to personalise experiences, optimise networks, and drive new product innovation
- ▶ Continue to enhance brand value through innovative brand experiences
- ▶ Continue to invest in our people and processes to foster innovation led growth





Owing to our extensive coverage spanning the entire island, our daily activities demand substantial levels of energy to power our network operations, service centres, and back-office facilities. With the effects of climate change already felt across the globe, we, as an environmentally conscious company, believe in minimising any adverse impact of our operations. We consider it of the utmost importance to seek new ways to sustain and preserve resources for the future.

Our Natural Capital



Total Energy Consumption

810,069.405 GJ

Inputs



Total Water Consumption

44,786.82 m³

Outputs



Total Waste Generated

658.47 Tonnes

How We Created Value During the Year

- Continued investments in greening our network
- Continued progress on the e-Kunu initiative
- Launch of Sri Lanka's first tech-driven tree-planting platform
- Efficiency and energy savings through the Airtel amalgamation

Value Created During the Year

7.77%

YoY Reduction in
Total Emissions

100%

Percentage of
E-Waste Recycled

1,059

Total Solar Sites as at
December 2024

Our Approach to Environmental Performance and Climate Action

Our environmental scope primarily targets resource and waste management, energy consumption, and carbon emissions, guided by the Precautionary Principle. To this end, as stipulated in our Vendor Code of Conduct, suppliers must adopt a precautionary approach to environmental matters and undertake initiatives to promote greater environmental responsibility. We constantly monitor our impact on the environment we operate in and deploy technology-driven initiatives to enhance resource efficiency wherever possible. Our ambitious promise of a net-zero future, to be fully realised as early as 2050, is in complete alignment with the Axiata Group's overarching objectives that encourage the adoption of natural, sustainable solutions to combat the global climate crisis. Axiata's Net Zero Carbon Roadmap comprises three objectives: formalising our focus on decarbonising our operations, transforming our value chain, and delivering an inclusive climate agenda to energise societal action. With these commitments in mind, we adopted the ISO 14001 Environmental Management System (EMS) across our organisation in 2021. We also opted for recertification of its ISO 14001 Environmental Management System (EMS) and successfully obtained it in March 2024. Every year, we also conduct an annual company-wide training session on ISO 14001.

Whilst our "Environment Management Policy" guides the overall environmental management aspects of the Company, we have additional policies in place for waste and chemical management as part of our efforts to minimise harm.

Environmental Management Framework

The Board Risk and Compliance Committee (BRCC) has primary responsibility for determining that there are robust processes in place for identifying, assessing, and monitoring Climate-Related Risks and Opportunities (CRROs) and reporting to the Board of Directors on a quarterly basis. In this role, the BRCC is supported by the Risk and Compliance Management Committee (RCMC). The identified climate-related risks are highlighted at the RCMC, headed by the RCMC chairman, before being carried forward to the BRCC, at which

Natural Capital

major changes are incorporated into the strategy of the organisation. The governance body takes climate-related risks and opportunities into account when overseeing strategy, making decisions on major transactions, and shaping its risk management policies.

Climate Action

Dialog is fully aligned with Sri Lanka's and Axiata's climate goals – aiming to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030, reduce absolute scope 3 GHG emissions by 25% within the same timeframe and reach net-zero by 2050. Our initiatives in 2024 mark important steps toward these targets and demonstrate industry leadership in sustainable telecom operations. Our targeted shift to renewable energy sources and focused efforts to enhance energy efficiency levels across our operations have enabled us to reduce our carbon footprint and carbon intensity levels. We pursued a multifaceted approach that included acquiring commercial power for sites operated on full time generators (FTG), indoor to outdoor site conversion, PUE (Power Usage Effectiveness) improvement, and advancing our network through fibreisation and modernisation.

Greening our Network

We continue to make steady progress towards building a greener network. By the end of 2024, we had 1,059 solar-powered network sites in operation. This includes new solar site installation and existing solar capacity enhancements.

Energy Consumption Disclosures

	Description	Unit	2024	2023*	YoY
Total direct energy consumption (fuel)	Direct energy consumption relates to our fuel (diesel) consumption on account of the operation and management of tower sites across the island	GJ	33,724.760	44,454.288	(24.14%)
Total indirect energy consumption (purchased electricity)	Relate to purchased electricity to operate our sites.	GJ	776,344.645	694,675.561	11.76%

Energy Management

We also achieved more efficient energy use across the network through energy optimisation, Dialog converted 603 indoor base station sites to more efficient outdoor configurations, significantly reducing cooling requirements and thereby reducing our energy requirement. High Power Usage Effectiveness (PUE) sites were identified and addressed through targeted interventions including meter calibrations, rectification of illegal power tapping, and shutdown of legacy systems. We have also implemented energy-saving features and reconfigured the Li-Ion batteries within the network to enhance battery backup at high-priority sites, significantly reducing diesel generator usage. Meanwhile, after the Airtel integration, 32.36% of our operations operate via an infrastructure-sharing scheme by running on shared sites owned by other operators to optimise energy use.

Impact of Airtel Consolidation Project

The Airtel integration also delivered significant environmental benefits by reducing overall energy and resource consumption across the combined network—for example, by eliminating duplicate towers that previously drew power independently. The efficiencies achieved through a unified and optimised network underscore the broader sustainability impact of strategic infrastructure integration. As of Q4 2024, these efforts have resulted in a 15.15% reduction in grid electricity usage and a 16% decrease in overall emissions that these savings were achieved on a national perspective.

Environmental Stewardship

Dialog launched Sri Lanka's first tech-driven tree-planting platform in partnership with EcoMatcher, empowering individuals and businesses to digitally plant and track trees for reforestation and carbon offsetting. The platform actively supports carbon absorption, tree growth, and biodiversity conservation, while offering a transparent and engaging way for customers and partners to contribute to a greener Sri Lanka. This innovative initiative reflects Dialog's continued commitment to leveraging technology for environmental sustainability and driving meaningful climate action.

We also continue to conduct awareness sessions for employees and stakeholders on environmental sustainability, encouraging the adoption of eco-friendly practices across the business.

Supporting Energy Efficient Solutions

Our energy agenda extends beyond our own operation. Dialog Enterprise continued to deploy large-scale, sector-specific solutions including an energy and utility management system for a leading fabric manufacturer, which reduced energy costs by 20% and contributed to lower emissions, and a transport management solution for a global retail chain featuring advanced driver behaviour monitoring through on-dash video analytics. With Sri Lanka Railways we partnered to provide GPS tracking for over 150 trains, enhancing operational visibility and reliability.

Natural Capital

	Description	Unit	2024	2023*	YoY
Total Energy Consumption		GJ	810,069.405	739,129.849	9.6%
Energy Intensity					
	Energy consumption per customer	GJ/Cx	0.041330	0.063685	(35.10%)
	Energy consumption per employee	GJ/Employee	275.533811	270.784863	1.75%
	Energy consumption per unit of revenue	GJ/Bn LKR	0.000005	0.000004	25.00%
	Energy consumption per 1GB of data	GJ/GB of data	0.000404	0.000532	(24.06%)

*2023 Energy Consumption per Employee data restated to rectify printing error in previously presented data

Emissions Disclosures

	Unit	2024	2023	YoY (2023 –2024):
Total Emissions				
Scope 1	MTCO2e	6,817.46	7,877.33	(13.45%)
Scope 2	MTCO2e	105,639.78	114,016.73	(7.35%)
Scope 3	MTCO2e	16,225.46	17,632.05	(7.98%)
Total Emissions (Scope 1, 2 and 3)	MTCO2e	128,682.71	139,526.11	(7.77%)
Emission Intensity				
Emissions/customer	MTCO2e/ customer	0.00657	0.008083	(18.78%)
Emissions/employee	MTCO2e/ employee	43.77	35.570903	23.05%
Emissions/unit of revenue	MTCO2e/ Mn LKR	0.75178183	0.783300	(4.02%)
Emissions/GB of data	MTCO2e/ GB of data	0.000064	0.000094	(31.91%)

In line with Axiata's Science Based Targets initiative (SBTi) commitments, Dialog measures its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol which covers the accounting and reporting of seven greenhouse gases as specified by the Kyoto Protocol. In addition to Scope 1 and Scope 2 emissions (direct emissions and indirect emissions generated by purchased electricity, respectively), we also cover all feasibly traceable Scope 3 emissions which are generated by assets not directly owned or controlled by the Company. The Scope 3 categories reported, which we have been reporting on for the past five years, were selected based on their significance to the Company's operations and data availability.

We work on setting annual carbon emissions reduction targets and monitoring progress on a quarterly basis in line with Axiata's Net-Zero Carbon Roadmap and our commitment to the United Nation's Science-Based Targets initiative (SBTi).

Absolute Scope 1, 2, and 3 GHG emissions generated during the reporting period are disclosed in this chapter, expressed as metric tonnes of CO2 equivalent. These include gases like carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3). To capture the combined impact of the different GHGs, emission levels are converted into CO2 equivalents. Emissions are calculated using data on activities that generate emissions (e.g., fuel consumption, electricity use, etc) combined with emission factors that quantify the emissions per unit of activity. Our activity data is collected from fuel consumption records, electricity bills, and travel logs generated via systems. Our data collection methods include direct measurement for generator fuel consumption and electricity usage in the Energy Data Sheet (EDS template). The emission factors used to calculate emissions for our Annual Report 2024 were sourced

Natural Capital

from databases relevant to 2023/2024, as we are aligning our emissions with our parent company, Axiata. Examples include DEFRA 2024, IPCC Conversion and GHG Protocol EF Dataset 2024, and IEA 2023. Location-based emission data sourced from the IEA 2023 database is used for Scope 2 emissions reporting. It must be noted that we only report emissions relevant to the consolidated accounting group which includes all entities/operational facilities in the reporting boundary (refer page 5 for further information). The entities that have been excluded are mostly holding companies and are not generating revenue. The Company accounts for 100% of the GHG emissions from operations within the selected entities, over which it has authority to direct the financial and operating policies. The disclosures in this report are for the calendar year 2024.

Assumptions

Average vehicle fuel efficiency is assumed to be 12.5km per litre for employee commuting. Air travel distance per passenger is calculated by using relevant air ticket details as per the Air Miles Calculator (<https://www.airmilescalculator.com/>).

Uncertainty and Limitations

Emissions relevant to employee commuting are estimated based on average vehicle fuel efficiency as mentioned above and may vary based on actual travel patterns. It must also be noted that employee commuting-related emissions only capture staff eligible for a fuel allowance, which is allocated only to employees above a certain category. Employees below it are not captured, though there may be exceptions.

	Description	Data	Unit	Emission Factor kg CO ₂ e/unit		GHG Emission (MTCO ₂ e)
Scope 1 emissions	Energy					
	Generators - Diesel	880,772.00	Litres	2.899533	kg CO ₂ /litres	2,553.83
	Fugitive Emissions					
	R22	1,094.11	kg	1760.0000	kg CO ₂ e/kg	1,925.63
	R410A	1,176.45	kg	1924.0000	kg CO ₂ e/kg	2,263.49
	R407C	45.00	kg	1624.0000	kg CO ₂ e/kg	73.08

Natural Capital

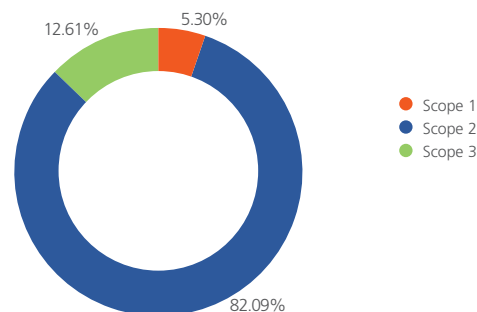
	Description	Data	Unit	Emission Factor kg CO2e/unit		GHG Emission (MTCO2e)
	Fire extinguishers					
	CO2	86.00	kg	1.0000	kg CO2e/kg	0.09
	Company owned vehicles					
	Diesel	0.00	Litres	2.899533	kg CO2/litres	0.00
	Petrol	584.89	Litres	2.302493	kg CO2/litres	1.35
	Sub Total Scope 1					6,817.46
Scope 2 emissions	Electricity	209,894,254.68	kWh	0.5033	kgCO2/kWh	105,639.78
	Sub Total Scope 2					105,639.78
Scope 3 emissions	Category 3: Fuel and Energy related activities					
	Electricity Transmission and Distribution losses	20,989,425.47	kWh	0.5033	kgCO2/kWh	10,563.98
	Category 6: Business travel					
	Hired Vehicles					
	Fully outsourced/ Taxi	3,712,105.76	km	0.16691	kg CO2e/ km	619.59
	Air travel					
	- Economy class	187,974.00	passenger.km	0.11812	kg CO2e/p.km	22.20
	- Business class	117,601.00	passenger.km	0.34252	kg CO2e/p.km	40.28

Natural Capital

	Description	Data	Unit	Emission Factor kg CO2e/unit		GHG Emission (MTCO2e)
	Category 7: Employee commuting					
	Petrol	20,172,940.38	km	0.1645	kg CO2e/ km	3,318.45
	Diesel	1,647,008.50	km	0.16984	kg CO2e/ km	279.73
	Taxi service	6,296,599.00	km	0.20805	kg CO2e/ km	1,310.01
	Category 5: Waste					
	Paper and Cardboard	27.10	MT	1,164.39015	kg CO2e/tonnes	31.55
	Paper recycled	6.83	MT	6.41061	kg CO2e/tonnes	0.04
	Plastic and polythene	7.49	MT	8.88386	kg CO2e/tonnes	0.07
	Rigifoam	0.0037	MT	8.88386	kg CO2e/tonnes	0.00003
	E-waste	624.00	MT	6.41061	kg CO2e/tonnes	4.00
	Food waste	50.79	MT	700.210	kg CO2e/tonnes	35.57
	Sub Total Scope 3					16,225.46
	Total					128,682.71

Natural Capital

Total Emissions



All measures disclosed in this report are absolute measures. All calculations are done by the respective business units and in most cases the data shown under each metric are direct. Our energy consumption and GHG emissions data have been independently verified by PwC Verification Services for Axiata's Integrated Annual Report 2024 to ensure accuracy and compliance with reporting standards.

Industry Metrics

With regard to industry-based metrics, we use Sustainability Accounting Standards Board (SASB) and GSM Association (GSMA).

Climate-Related Targets

We work on setting annual carbon emissions reduction targets and monitoring progress on a quarterly basis in line with Axiata's Net-Zero Carbon Roadmap and our commitment to the United Nation's Science-Based Targets initiative (SBTi). In accordance with the goals of the Paris Agreement, our climate-related targets and the pathways being pursued are aligned with the effort towards limiting temperature rise to below 1.5°C. Through our Net-Zero Roadmap, which was launched in May 2022 together with Axiata,

we have set a clear direction for the achievement of our climate ambition, with the goal of becoming a net-zero carbon company by 2050.

In June 2024, SBTi validated our emission targets. The validated targets are as follows;

- Reduce absolute scope 1 and scope 2 GHG emissions 42% by 2030 and 90% by 2050 from a 2022 base year.
- Reduce absolute scope 3 GHG emissions 25% by 2030 and 90% by 2050 from a 2022 base year.

The roadmap comprises three objectives:

1. Accelerate the decarbonisation of our network operations
2. Accelerate the transformation of our value chain
3. Deliver an inclusive climate agenda

The Net-Zero project has made significant strides in reducing carbon emissions and fostering a greener operational footprint. Our target for 2024 was to reduce emissions by 3,309 tCO₂e. As mentioned elsewhere, the actual emissions reduction achieved within the year is 5,068.91 tCO₂e, surpassing expectations by 153%. Meanwhile, total Scope 1 and 2 emissions during the year amounted to 112,457.24 tCO₂e.

Currently, Dialog does not consider internal carbon pricing targets or metrics, and climate-related considerations are not factored into employee remuneration.

Waste Management

We are committed to fostering a circular economy, which entails reducing material consumption, redesigning materials, products, and services to be less resource-intensive, and repurposing waste as valuable resources for manufacturing new materials and products.

e-Kunu Initiative

The e-Kunu initiative, represents the first step in our endeavours to build an inclusive and equitable circular economy that addresses the urgency of the climate crisis. Through this initiative, we aim to establish a sustainable model where resources are responsibly extracted, transformed into products, and then reintegrated into the production cycle rather than being discarded as waste. The initiative seeks to responsibly collect and recycle electronic waste from Dialog Customer Experience Centres island-wide.

Building on the success of Dialog's National "mWaste" Project, which began in 2008 and later became part of the National e-waste programme in 2014, e-Kunu goes beyond mobile waste to encompass a wide range of electronic items. From mobile phones and laptops to chargers, batteries, routers, printer toners and more. e-Kunu establishes an end-to-end disposal chain, adhering to local and international standards regulated by the Central Environmental Authority (CEA) of Sri Lanka and in accordance with the Basel Convention for the transboundary movement of hazardous wastes and their disposal. The initiative aligns with Dialog's commitment as a responsible corporate citizen to promote sustainable waste management solutions and protect the environment. By educating customers and the public on the hazards of improper e-waste disposal and encouraging responsible recycling, Dialog aims to reinforce its environmental responsibilities, in compliance with the ISO 14001 Environmental Management Systems standard, for which the Company gained certification in 2021.

Natural Capital

Waste Management Disclosures

		2024	2023
Waste Generated			
Paper and cardboard	Tonnes	27.10	23.41
Rigifoam	Tonnes	0.00	0.05
Plastic and polythene	Tonnes	7.49	7.91
e-waste warehousing	Tonnes	623.88	1,997.24
Waste Diverted from Disposal			
Paper Recycled	Tonnes	20.14%	32.19
Materials recovered through take back	Tonnes	623.9	1,977.00
Percentage of recovered materials that were reused	%	0	0
Percentage of recovered materials that were recycled	%	100	96
Percentage of recovered materials that were landfilled	%	0	0



Way Forward

- ▶ Continuation of greening of the network
- ▶ Strengthen waste management initiatives
- ▶ Integrate technology in biodiversity conservation efforts

A decorative graphic on the left side of the page, consisting of numerous triangles of various colors (orange, yellow, green, blue, purple, pink) arranged in a dynamic, overlapping pattern that suggests movement and growth.

Governance and Risk Management

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Corporate Governance Report

The Board of Directors of the Company remains committed to upholding high standards of corporate governance while advancing the Company's strategic objectives to enhance long-term shareholder value and sustainable growth.

Introduction

The Board of Directors of the Company remains committed to upholding high standards of corporate governance while advancing the Company's strategic objectives to enhance long-term shareholder value and sustainable growth. In addition to complying with the Listing Rules of the Colombo Stock Exchange (CSE) and other applicable regulations, the Company adheres to Dialog's Code of Corporate Governance (the Code), an internally developed framework aligned with global corporate governance best practices and standards. This Code is implemented across the Group, guiding the Board's oversight, business conduct, stakeholder engagements, and the establishment of effective internal controls and accountability mechanisms.

The Board confirms that the Company is compliant with the requirements stipulated in the Code, Section 9 of the Listing Rules of the CSE on Corporate Governance, and the requirements of the Companies Act No. 7 of 2007. This report provides an overview of the corporate governance framework, its implementation, and practices within the Group for the financial year 2024.

The Board

The Company's operations are managed under the supervision of the Board. The role of the Board includes:

- Providing entrepreneurial leadership to the Group;
- Providing strategic guidance and evaluating, reviewing, and approving corporate strategy and performance objectives for the Company;
- Approving and monitoring financial and other reporting practices adopted by the Group;
- Effectively reviewing and constructively challenging management performance in meeting the agreed goals, monitoring the reporting of performance, and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.

The composition of the Board of Directors as at 31 December 2024 was as follows:

Name of Director	Date of Appointment to the Board	Position
Mr. David Nai Pek Lau	13 May 2020	Chairman / Non-Independent, Non-Executive Director
Mr. Supun Weerasinghe	01 January 2017	Group Chief Executive Officer / Non-Independent, Executive Director
Dr. Hans Wijayasuriya	19 January 2001	Non-Independent, Non-Executive Director
Mr. Willem Timmermans	10 May 2017	Independent, Non-Executive Director
Dr. Indrajit Coomaraswamy	01 February 2021	Independent, Non-Executive Director
Dr. Sharmini Coorey	15 October 2022	Independent, Non-Executive Director
Ms. Komathi Balakrishnan	07 July 2023	Non-Independent, Non-Executive Director
Mr. Thomas Hundt	17 February 2024	Non-Independent, Non-Executive Director
Mr. Visvanathamoorthy Govindasamy	01 October 2024	Independent, Non-Executive Director
Mr. Randeep Singh Sekhon	08 November 2024	Non-Independent, Non-Executive Director

Notes:

- Deshamanya Mahesh Amalean, Independent, Non-Executive Director resigned from the Board effective 14 June 2024.
- Mr. Vivek Sood, Non-Independent, Non-Executive Director resigned from the Board with effect from 17 February 2024 and was reappointed to the Board as a Non-Independent, Non-Executive Director effective 16 January 2025.
- Mr. Thomas Hundt was appointed to the Board as a Non-Independent, Non-Executive Director effective 17 February 2024.
- Mr. Soumen Ray was appointed to the Board as a Non-Independent, Non-Executive Director effective 26 June 2024 and resigned from the Board effective 08 November 2024.

Corporate Governance Report

- Mr. Visvanathamoorthy Govindasamy was appointed to the Board as an Independent, Non-Executive Director effective 01 October 2024.
- Mr. Randeep Singh Sekhon was appointed to the Board as a Non- Independent, Non-Executive Director effective 08 November 2024.
- Mr. Chari TVT was appointed to the Board as an Alternate Director to Mr. Willem Lucas Timmermans, Independent, Non-Executive Director, effective 01 January 2025.
- Dr. Hans Wijayasuriya, Non- Independent, Non- Executive Director resigned from the Board effective 15 January 2025.

The profiles of the current Directors are given on page 27 to 30 of this Report.

Composition and Balance of the Board

As at 31 December 2024, the Board comprised ten members, of which nine were Non-Executive Directors and one Executive Director, who also serves as the Group Chief Executive Officer (“GCEO”). The Board comprised four Independent Directors and six Non-Independent Directors. The composition of the Board, including the mix of Executive and Non-Executive, Independent and Non-Independent Directors, satisfies the requirements of the Listing Rules of the CSE.

During the year, the composition of the Board Committees was reconstituted to align with the requirements of the CSE Listing Rules, which came into effect on 01 October 2024. All other compliance requirements were addressed well within the stipulated timelines.

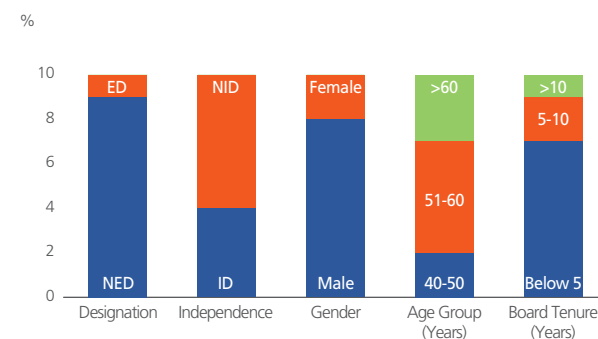
The Non-Executive Directors provide a considerable depth of knowledge collectively gained from experiences whilst serving in a variety of public and private companies in various industries.

As at 31 December 2024, the Board included three qualified Accountants who provide the Board with the requisite financial acumen and knowledge on financial matters.

The Board considers that the composition and expertise of the Board are sufficient to meet the present needs of the Group, but will continue to review the composition and the mix of skills and expertise on an ongoing basis to align with the business needs and complexity of the Group’s operations.

The Board of Directors submitted declarations affirming that each Director has met the Fit and Proper Assessment Criteria in the year under review, as stipulated in the Listing Rules of the CSE. Furthermore, as mandated by the Fit and Proper Policy of the Company, the assessment of fitness and probity of individuals nominated as Directors and Senior Management of Dialog was carried out prior to their appointment and employment, as the case may be.

The Composition and Balance of the Board as at 31 December 2024



Notes:

ED Executive Directors
NED Non-Executive Directors

NID Non-Independent Directors
ID Independent Directors

Board Independence

Based on the signed declarations made annually by each of the Independent directors the Board of Directors made an annual determination in accordance with the requirements set out in the Listing Rules of the CSE that, Mr. Willem Timmermans, Mr. Visvanathamoorthy Govindasamy, Dr. Indrajit Coomaraswamy and Dr Sharmini Coorey were considered independent. These Directors are independent of management and free from any business or other relationships, which could materially interfere with the exercise of their judgment.

The other 05 Non-Executive Directors, namely Mr. David Nai Pek Lau, Dr. Hans Wijayasuriya, Mr. Thomas Hundt, Mr. Randeep Singh Sekhon and Ms. Komathi Balakrishnan were considered non-independent, as they were nominees of Axiata Group Berhad and Bharti Airtel Limited, the major shareholders of the Company.

Corporate Governance Report

Name of Director	Board seats held in other Listed Companies		Board seats held in Unlisted Companies
	Executive Capacity	Non-Executive Capacity	
Mr. David Nai Pek Lau			KKB Engineering Bhd Heineken Malaysia
Mr. Supun Weerasinghe		Dialog Finance PLC Hemas Holdings PLC	Director of fourteen private companies within the Dialog Group UNGC Network Sri Lanka The Ceylon Chamber of Commerce Lanka Number Portability Services (Guarantee) Limited Scybers (Private) Limited
Mr. Willem Lucas Timmermans			PT Linknet Tbk PT Delta Dunia Makmur Tbk
Dr. Sharmini Amrita Coorey		John Keells Holdings PLC	
Dr. Indrajit Coomaraswamy		Tokyo Cement Company (Lanka) PLC	Lynear Wealth Management (Pvt) Ltd
Mr. Visvanathamoorthy Govindasamy		Sunshine Holdings PLC Watawala Plantations PLC United Motors Lanka PLC Softlogic Life Insurance PLC	Director of eight other private companies
Mr. Randeep Singh Sekhon			Indus Towers Limited Firefly Networks Limited Robi Axiata Limited
Mr. Thomas Hundt			Director of six companies within the Axiata Group
Ms. Komathi Balakrishnan			Director of five companies within the Axiata Group
Dr. Hans Wijayasuriya		John Keells Holdings PLC	Director of twelve companies within the Axiata Group Colours of Courage Trust (Guaranteed) Limited Sigiriya Leisure (Private) Limited Sigiriya Residencies (Private) Limited

Table 3 – Board memberships of the Board of Directors as at 31 December 2024

Division of Responsibilities

The roles of the Chairman and the GCEO are separate, with a clear distinction of responsibilities between them, which ensures the balance of accountability and authority between the running of the Board and the executive responsibility for the running of the Group's businesses.

The role of the Chairman, Mr. David Nai Pek Lau, is to provide leadership to the Board, for the efficient organisation and conduct of the Board's functions, and to ensure the integrity and effectiveness of the relationship between the non-executive and executive director(s).

The role of the GCEO, Mr. Supun Weerasinghe, is to implement policies and strategies approved by the Board, and to develop and recommend business plans and budgets that support the Group's long-term strategy and vision.

Board Meetings and Attendance

The Board meetings for each financial year are scheduled in advance to enable the Directors and management to plan accordingly and fit the year's Board meetings into their respective calendars. The Board's annual meeting calendar (including Board meetings and Board Committee meetings) is prepared with the consensus of all Directors and is tabled at the Board meeting in the fourth quarter of each preceding year.

To ensure that Board meetings are conducted effectively and efficiently, the time allocation for each agenda item is determined in advance. Members of the management and external advisors are invited, as and when required, to attend Board meetings to present proposals and provide further clarity to the Board.

The Board meets quarterly with a view to discharging its duties effectively. In addition, special Board meetings are also held whenever necessary to deal with specific matters. A total of 08 meetings were held in 2024, which included 03 special meetings.

Corporate Governance Report

The attendance of Directors at these meetings is set out in the table below:

Name of Director	Attendance
Mr. David Nai Pek Lau	8/8
Mr. Supun Weerasinghe	8/8
Dr. Hans Wijayasuriya	8/8
Mr. Vivek Sood (resigned on 17 February 2024)	1/1
Deshamanya Mahesh Amalean (resigned on 14 June 2024)	2/4
Mr. Willem Timmermans	8/8
Dr. Indrajit Coomaraswamy	8/8
Ms. Komathi Balakrishnan	8/8
Dr. Sharmini Coorey	8/8
Mr. Thomas Hundt (appointed on 17 February 2024)	7/7
Mr. Soumen Ray (resigned on 08 November 2024)	2/3
Mr. Visvanathamoorthy Govindasamy (appointed on 01 October 2024)	2/3
Mr. Soumen Ray (resigned on 08 November 2024)	2/3
Mr. Randeep Sekhon (appointed on 08 November 2024)	1/1

Table 2 – Board Meeting Attendance

Access to Information

To enable the Board to make informed decisions, the Board is supplied with complete and adequate information in advance of each meeting, which includes an agenda, board papers with background or explanatory information, and financial and operational performance reports. The Board also receives regular review reports and presentations on business development, risk profiles, and regulatory updates. Any additional information may be requested by any Director as and when required.

The Board has separate and independent access to the Group's Senior Management. All Directors have access to the advice and services of the Group Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

The Directors, have access to independent professional advice in the course of fulfilling their responsibilities, at the Company's expense.

Professional Development and Performance Evaluation

The Directors are provided with the opportunity to update and enhance their skills and knowledge through training conducted by both external and in-house facilitators, and are periodically briefed on changes to relevant laws, regulations, and accounting standards which impact the Group's business and the Directors.

New Directors receive a comprehensive and tailored induction programme to ensure that they are fully informed about the activities and business operations of the Company and its subsidiaries upon joining the Board.

The Board Nominations and Governance Committee (BNGC) is responsible for evaluating the Board's performance, determining how such evaluation should be conducted, and proposing the objective criteria.

Annual performance evaluations of Executive and Non-Executive Directors were conducted for the financial year ended 31 December 2024 to assess the effectiveness of the Board in discharging its duties and responsibilities. The evaluation was designed to ensure that Directors possess a clear understanding of their fiduciary and statutory obligations and that their performance aligns with the standards of diligence, accountability, and governance expected of them.

Conflict of Interest

A robust system has been established to identify, manage, and mitigate conflicts of interest of the Board of Directors, ensuring the integrity and independence of the Board and its decision-making processes. Members of the Board are required to declare any conflicts of interest or situations that could potentially lead to a conflict. In such cases, Directors withdraw from deliberations and refrain from influencing decisions where the conflict exists or may appear to exist. All such declarations and actions are minuted for future reference.

To ensure continuous oversight, the Board of Directors are required to declare their interests upon appointment and thereafter on a quarterly basis. Furthermore, a register of declared interests is maintained by the Company Secretary, ensuring transparency and compliance with the Companies Act No. 07 of 2007 and amendments thereto.

Affiliations of the Board of Directors are periodically reviewed to ensure that there are no conflicts of interest or relationships that could compromise their independence. This comprehensive system in place reinforces that the governance processes remain transparent, ethical, and free from conflicts of interest, ensuring stakeholder confidence.

Delegation of Authority and Board Committees

Other than the matters reserved for the Board, the Board has adopted a Group Policies and Limits of Authority (LOA) framework applicable to the Group, by which the Board has delegated authority to its Board Committees and management. The Group Policies state the principles and set out the tone by which business is to be conducted, whereas the primary purpose of the LOA is to provide clear guidance to management regarding the matters over which the Board reserves authority and those which it delegates to management. The LOA has established a sound framework of authority and accountability, which facilitates timely, effective, and quality decision-making at the appropriate level.

Corporate Governance Report

The Board is supported by the following Board Committees, each delegated with specific responsibilities:

1. Board Audit Committee
2. Nominations and Governance Committee (established on 01 October 2024)
3. Remuneration Committee (established on 01 October 2024)
4. Related Party Transactions Review Committee
5. Board Risk and Compliance Committee
6. Board Investment Committee
7. Nominating and Remuneration Committee (dissolved with effect from 30 September 2024)

All Board Committees have written Terms of Reference approved by the Board and the Board receives reports of their proceedings and deliberations. In instances where Committees have no authority to make decisions on matters reserved for the Board, recommendations are highlighted for Board approval. The Chairpersons of each Board Committee report the outcome of the Committee meetings to the Board, and the relevant decisions are incorporated into the minutes of the Board meetings. The Group Company Secretary acts as the Secretary to all Board Committees.

A brief description of each Board Committee is provided below:

a) Board Audit Committee (BAC)

The BAC ensures that the Group complies with applicable financial standards and laws. In addition, it ensures high standards of transparency and corporate disclosure and endeavours to maintain appropriate standards of corporate responsibility, integrity, and accountability to the shareholders. The appointed members of the BAC are required to exercise independent judgment in carrying out their functions.

The activities conducted by the BAC are set out in the BAC Report on Pages 96 to 97.

b) Board Nominations and Governance Committee (BNGC)

The role of the BNGC is to identify, consider, and propose suitable candidates for appointment as Directors and senior management positions, and to formulate, review, approve, and make recommendations to the Board with regard to the remuneration of Executive and Non-Executive Directors and key positions within the senior management.

The BNGC ensures that the Directors appointed to the Board, possess the background, experience, and knowledge in business, technology, finance, and/or management, so as to maintain an appropriate balance of skills and experience of the Board, and also to ensure that each Director brings an independent and objective perspective to enable balanced and well-considered decisions. The BNGC also ensures that it receives quarterly updates from the Group HR Division on staff-related matters.

The activities conducted by the BNGC are set out in the BNGC Report on pages 99 to 102.

c) Board Remuneration Committee (BRC)

The role of the Remuneration Committee is to establish and maintain a formal and transparent framework for determining the remuneration of Executive and Non-Executive Directors, including the Chief Executive Officer (CEO) and senior management personnel. The Committee ensures that remuneration policies are aligned with the Company's strategic objectives and market standards while maintaining fairness, equity, and competitiveness. In fulfilling its mandate, the Committee recommends remuneration structures that are designed to attract, retain, and motivate high-calibre talent essential for the Company's growth and success. It also ensures that Executive remuneration is linked to corporate and individual performance, setting appropriate targets for performance-related pay schemes.

The Remuneration Committee was established on 01 October 2024 and no meetings were held during the financial year ended 31 December 2024. The composition of the Remuneration Committee is set out below:

Name of Director	Position
Dr. Sharmini Coorey – Chairman	Independent, Non-Executive Director
Dr. Hans Wijayasuriya	Non-Independent, Non-Executive Director
Mr. Visvanathamoorthy Govindasamy	Independent, Non-Executive Director

Table 3 – RC Committee Composition as at 31 December 2024

d) Related Party Transactions Review Committee (RPTRC)

The role of the RPTRC is to review related party transactions as prescribed by Section 9 of the Listing Rules of the CSE. As per the Listing Rules, the RPTRC shall meet at least once every financial quarter.

The Company has complied with the requirements set out in the Listing Rules of the CSE pertaining to Related Party Transactions.

The activities conducted by the RPTRC are set out in the RPTRC Report on page 98.

d) Board Risk and Compliance Committee (BRCC)

The role of the BRCC is to strengthen the Company's risk and compliance governance, including the Anti-Bribery and Anti-Corruption (ABAC) control framework, and to assist the Board to oversee the risk and compliance function and ethics programme.

The BRCC comprised five members as of 31 December 2024, namely Dr. Indrajit Coomaraswamy (Chairman), Mr. Willem

Corporate Governance Report

Timmermans, Mr. Thomas Hundt, Mr. Supun Weerasinghe, and Mr. Abid Adam.

The activities conducted by the BRCC are set out in the BRCC Report on pages 103 to 104.

e) Board Investment Committee (BIC)

The role of the BIC is to support the Board in the oversight of capital allocation, funding requirements, asset productivity and ROIC management, and the evaluation of related propositions, and recommending them to the Board for approval.

As of 31 December 2024, the BIC comprised of three representatives of the Board, namely Dr. Hans Wijayasuriya (Chairman), Mr. Willem Timmermans, and Mr. Thomas Hundt, along with two ex-officio members, Mr. Supun Weerasinghe, the Group Chief Executive Officer of Dialog Axiata PLC, and Mr. Nik Rizal Kamil, the Group Chief Financial Officer of Axiata Group Berhad.

The BIC held four meetings during the financial year ended 31 December 2024.

The above Board Committees are supported by a comprehensive and effective internal governance structure, consisting of the Group Senior Management Committee (GSMC), headed by the GCEO, to oversee the overall operations of the Group.

Reappointment and Re-election

In accordance with the Company's Articles of Association, Directors who were appointed during the year must submit themselves to the shareholders for re-election at the first AGM following their appointment. One-third of the Directors (excluding the Executive Director) are subject to retirement and re-appointment by rotation at every AGM. The Directors who retire by rotation are those who have been longest in office since their appointment/re-appointment.

The Directors who are retiring and are eligible for re-election this year are mentioned in the Notice of the AGM on page 259.

Remuneration

The Company's remuneration policy endeavours to attract, retain, and motivate Directors of the quality and experience commensurate with the stature and operational complexity of the Dialog Group. The remuneration policy for Directors is proposed, evaluated, and reviewed by the Board Remuneration Committee, in keeping with criteria of reasonableness.

The remuneration of Non-Executive Directors comprises a monthly fixed allowance and meeting allowances paid in accordance with the number of meetings attended during the year 2024.

The remuneration of the Executive Director, in his capacity as an employee, comprises of a salary, bonuses, and other customary benefits as appropriate. Salary reviews take into account market rates and the performance of the individual and the Company. Further, the performance-related elements of remuneration have been designed to align the interests of the Executive Director with those of shareholders and link rewards to corporate and individual performance. Thus, the variable component of the Executive Director's remuneration is based on the achievement of two dimensions – Company performance against Company targets and individual performance against a pre-determined set of Key Performance Indicators (KPI). These KPIs comprise qualitative and quantitative targets, and the evaluation of the achievement of the KPIs is reviewed by the BNGC, with recommendations tabled for approval of the Board.

The emoluments paid to the Directors for the financial year 2024 is given in Note 27 to the financial statements.

Accountability and Audit Financial Reporting

The Board believes that independent verification is necessary to safeguard the integrity of the Group's accounting and financial reporting.

The Board aims to provide and present a balanced and understandable assessment of the Group's position and prospects. Therefore, the Board has established a formal and transparent process to independently verify and safeguard the integrity of the Group's accounting, financial reporting, and internal control systems, which are periodically reviewed and monitored to ensure effectiveness.

The GCEO and the Group Chief Financial Officer (GCFO) declare in writing to the BAC and the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and that operational results are stated in accordance with relevant accounting standards.

Recognise and Manage Risk Internal Control

The Board acknowledges its overall responsibility in ensuring that a sound system of internal control is maintained to safeguard shareholders' investment and the Group's assets. The BAC conducts a review of the effectiveness of the Group's system of internal controls and reports its findings to the Board. The review covers all material controls, including financial, operational, and compliance controls, as well as management systems. Upon receiving confirmation from the heads of units, the GCEO and GCFO provide the BAC with a Certificate of Compliance, confirming compliance with all applicable statutory and regulatory requirements on a quarterly basis.

Risk Management, Compliance, and Control

The Group has established and implemented an Enterprise Risk Management System and Compliance Program for identifying, assessing, monitoring, and managing material risk throughout the organisation, which includes:

- Company's risk profile which includes risks facing the Company including financial and non-financial;
- Assessment and mitigation of cybersecurity risks and risks related to data privacy;

Corporate Governance Report

- Assessment and mitigation of risks related to bribery and corruption;
- Assessment and mitigation of risks related to legal and regulatory;
- Assessment and mitigation of risks related to sustainability;
- Periodic assessment and review the effectiveness of the Company's implementation of the risk management and compliance monitoring system.

The Risk and Compliance Management Committee (RCMC) is responsible for monitoring the risks and reporting the same to the BRCC and the Board on a quarterly basis, or as and when a significant risk arises.

Dialog has implemented a comprehensive Anti-Bribery Anti-Corruption (ABAC) programme to uphold one of its core values: "Uncompromising Integrity". Dialog's ABAC policy and programme are aligned with the Anti-Corruption Act No. 9 of 2023, and emphasise the Company's long-term commitment towards a corruption-free business, guided by the T.R.U.S.T principles.

- T** Top Level Commitment
- R** Risk Assessment
- U** Undertaking Control Measures
- S** Systematic Review, Monitoring, and Enforcement
- T** Top Level Commitment

The key activities of the BRCC are detailed in the BRCC Report on Pages 103 to 104.

Internal Audit

Internal audits are conducted by the Group Internal Audit Division which is independent of management. The Internal Auditor has access to management and the authority to seek information,

records, properties, and personnel relevant to the subject of the audit or review. Once an audit or review is completed, a report is submitted to the BAC.

The BAC oversees the scope of the internal audit and has access to the internal audit without the presence of management.

In order to ensure independence, objectivity, and enhance performance of the internal audit function, a direct reporting line has been created from the internal audit function to the BAC. The BAC is responsible for the appointment and dismissal of the Group Chief Internal Auditor.

The activities of the Group's internal audit are detailed in the BAC Report on page 97.

Responsible Decision-Making

The Group's Code of Business Ethics and Employee Code of Conduct actively promote ethical and responsible decision-making and endeavour to influence and guide the Directors, employees, and other stakeholders on the practices necessary to maintain confidence in the Group's integrity and to demonstrate the Group's commitment to ethical practices. The Company's Board Code of Conduct and Ethics guide the Directors in carrying out their oversight responsibilities in the best interest of the Company, within the scope of their authority and fiduciary duties.

The Group also has in place a comprehensive ABAC policy and Gifts, Donations, and Sponsorships policy to promote our core value of "Uncompromising Integrity" in day-to-day decision-making. The Group has in place an Insider Trading Policy which deals with the trading practices of Directors, officers, and employees of the Group in the Company's securities. The Insider Trading Policy raises awareness of the prohibitions under the law and specifies the restrictions relating to trading by designated officers in specific circumstances, details of such circumstances, and the basis upon which discretion is applied.

The Group also has a 'speak up' (whistleblowing) channel along with a Whistleblowing Policy, which is publicly available for all stakeholders and catered in all three languages. Dialog is committed to protect, within reason and means, anyone who reports or raises a concern in good faith, as well as those who participate in or conduct investigations, from retaliation. (link to whistleblowing / speaking up policy: <https://www.dialog.lk/corporate-governance-documents-policies>)

Respect for the Rights of Shareholders

The Company is committed to having regular, proactive, and effective communication with investors and shareholders. The Company respects the rights of the shareholders and seeks to empower them by communicating effectively and providing ready access to balanced information about the Company.

Communication with Shareholders

The Company communicates with the shareholders through the following means:

1. Annual General Meeting (AGM)

The AGM is the main event for shareholders to meet with the Board which allows reasonable opportunity for informed shareholders to communicate their views on various matters affecting the Company, and the forthcoming AGM will be used to effectively communicate with shareholders. The AGM is also attended by the Senior Management and the External Auditors.

2. Announcements to the Colombo Stock Exchange

Announcements of quarterly interim financial results, press releases, and various announcements on corporate actions are disclosed to the CSE in a prompt and timely manner in compliance with the Listing Rules of the CSE.

3. Media Releases

The Company ensures that media releases are issued on all significant corporate developments and business initiatives through its Group Corporate Communications Unit.

Corporate Governance Report

4. Company Website

Information on the Company's performance, financial information, press releases, annual reports, all relevant announcements made to the CSE, related information and other corporate information is made available on the Company's website at <https://www.dialog.lk/financial-announcements>.

Policies

Pursuant to the recent introduction of the new Corporate Governance Rules under Section 9 of Listing Rules, the Company established, adopted, and published on the Company website the following policies, ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance:

- Board Code of Conduct and Ethics
- Policy on the Matters Relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations, and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including Policies on Trading in the Entity's Listed Securities
- Policy on Risk Management and Internal Controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social, and Governance Sustainability
- Policy on Corporate Disclosures
- Anti-Bribery and Anti-Corruption (ABAC) Policy
- Whistleblowing Policy
- Policy on Control and Management of Company Assets and Shareholder Investments

Investor Relations

In 2024, the Company participated in 02 local forums with the attendance of local stockbrokers. In addition, the Company conducted 06 one-on-one meeting calls with key local and foreign investors during the course of the year.

The Company also held earnings calls via teleconference every quarter to brief local and foreign analysts and investors on the results achieved in that quarter. These sessions not only provided analysts and investors with a comprehensive review of the Group's financial performance, but also gave them the opportunity to clarify any related queries. The contents of these briefings are posted on the Company's website at <https://www.dialog.lk/investors>.

Additionally, the Company hosted 01 investor forum during the year to brief investors and analysts on the Company's performance during FY 2024.

Major Transactions

There were no transactions during the year deemed as a "major transaction" in terms of the definition stipulated in the Companies Act, No. 7 of 2007.

Report of the Board Audit Committee

Role of the Committee

The Board Audit Committee (BAC) is a formally constituted sub-committee of the Board of Directors (Board). It reports to and is accountable to the Board.

The primary role of the BAC is to implement, address issues and support the oversight function of the Board in relation to the Group's financial results, audits, financial risks and internal controls. It ensures compliance with international best practices, accounting standards as defined by the Institute of Chartered Accountants of Sri Lanka and applicable local laws and regulations and the requirements of the Listing Rules of the Colombo Stock Exchange (CSE).

The Terms of Reference (ToR) of the BAC, as formulated by the Board, is reviewed annually. The effectiveness of the BAC is evaluated annually by each member of the BAC. The work practices and performance of the external auditors are also reviewed.

Composition

The BAC comprises three Non-Executive Directors, of whom a majority are independent directors. The BAC is chaired by Mr. Willem Timmermans, Independent, Non-Executive Director, who is a member of the Institute of Certified Management Accountants (CMA) Australia. The composition meets the requirements stipulated in the Listing Rules of the CSE. The Group Company Secretary functions as the Secretary to the BAC.

The members of the BAC as of 31 December 2024 were:

1. Mr. Willem Lucas Timmermans – Independent, Non-Executive Director (Chairman)
2. Dr. Indrajit Coomaraswamy - Independent, Non-Executive Director
3. Ms. Komathi Balakrishnan - Non-Independent, Non-Executive Director

Dr. Indrajit Coomaraswamy, who was a member of the BAC, resigned from the BAC, effective 31 December 2024 pursuant to his resignation from the Board of Directors of the Company. Dr. Coomaraswamy resigned from the Board as he was above the age of seventy (70), and thereby no longer meeting the independence criteria set forth in Rule 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange. The BAC wishes to place on record its sincere appreciation to Dr. Indrajit Coomaraswamy for his invaluable contribution and counsel to the BAC during his tenure as a member.

Mr. Visvanathamoorthy Govindasamy, Independent, Non-Executive Director, was appointed as a member of the BAC on 01 January 2025 in replacement of Dr. Coomaraswamy.

Meetings

The BAC had seven meetings during the year 2024, which included three special meetings. The meeting attendance is set out in the table below:

Name of Member	Position	Attendance
Mr. Willem Timmermans – Chairman	Independent, Non-Executive Director	7/7
Dr. Indrajit Coomaraswamy	Independent, Non-Executive Director	7/7
Ms. Komathi Balakrishnan	Non-Independent, Non-Executive Director	7/7

The Group Chief Executive Officer, the Group Chief Financial Officer and the Group Chief Internal Auditor, attended these meetings on invitation. The external auditors also attended meetings, on invitation, to brief the BAC on specific issues. The Board is apprised of the significant issues deliberated and considers and adopts, if thought fit, the recommendations of the BAC.

Summary of Principal Activities of the BAC During the Year

During the year, in addition to the routine activities, the BAC was updated on the coverage of revenue assurance and fraud management initiatives, Group Tax planning initiatives and reviewed and approved revisions or enhancements to several internal policies, including the Internal Audit Manual and Audit Charter.

The following include other key routine activities carried out by the BAC during 2024:

1) Financial Reporting

In relation to the BAC's primary function to provide assurance on the reliability of financial statements through an independent review of risks, controls and the governance process, it reviewed the quarterly and annual financial statements, in consultation with the external and internal auditors, prior to making recommendations to the Board for approval. Particular consideration was given to;

- a) changes in or implementation of accounting policies and practices;
- b) significant or material adjustments with financial impact arising from the audit;

Report of the Board Audit Committee

- c) significant unusual events or exceptional activities;
- d) compliance with relevant accounting standards and other statutory and regulatory requirements.

Assurances were provided by the GCEO and GCFO, that the financial records have been accurately maintained and that the financial statements reflect a true and fair representation of the Company's and Group's operations and financial position.

2) Financial Risk Management and Internal Control

During the year, the BAC reviewed and monitored reports furnished by the internal auditors, the external auditors and the management, including;

- a) Management Audit Leadership Committee reports on the progress of the management actions to resolve significant internal control issues as highlighted by the internal and external auditors;
- b) Certificate of compliance attested by the GCEO and GCFO, confirming compliance with all applicable statutory and regulatory requirements;
- c) Reviewing the Conflict of Interests declarations of Directors and Employees.

3) External Audit

The BAC reviewed the External Audit Plan including the scope and the fee for the annual audit and had discussions with the external auditors, Messrs. Deloitte Partners, Chartered Accountants, ("Deloitte") prior to the year-end audit to discuss their audit approach and procedures, including matters relating to the scope of the audit.

The BAC reviewed the results of the external audit and the recommendations contained in the Management Letter arising from the audits of the quarterly and annual financial statements and ensured appropriate follow up actions were taken.

The independence and objectivity of the external auditors were reviewed by the BAC, which held the view that the services outside the scope of the statutory audit provided by the external auditors have not impaired their independence. The BAC also assessed the measures implemented by the Auditors to ensure their independence and has received confirmation from the Auditors that they adhere to the independence guidelines outlined in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The external auditor also offers non-audit services based on approval limits as per respective Limits of Authorities. To maintain independence, audit and non-audit services are performed by separate teams within the external audit firm. This segregation ensures that professionals responsible for the financial statement audit are not involved in providing advisory or consulting services to the audited entity, thereby reducing any potential bias or undue influence.

In line with corporate governance best practices, the total fees paid to the external auditors, including those for audit and non-audit services, are disclosed in the financial statements.

Messrs. Deloitte Partners Sri Lanka (formerly known as PricewaterhouseCoopers) has served as the external auditor of the Company since its inception. Ms. Shakila Perera has served as the external audit partner since 2022 and continued in this role for the financial year 2024. Following her resignation from Deloitte on 31 March 2025, Ms. Sharnila Henry was appointed as the new external audit partner, effective 01 April 2025.

The BAC recommended to the Board that Messrs. Deloitte Partners be re-appointed as the external auditors for the ensuing financial year.

4) Internal Audit

The BAC is supported by the Group Internal Audit Division, which is headed by Mr. Tilak Rahulan (DipM, MCIM, Chartered Marketer, CIPP, PMP and Six Sigma Black Belt). The Internal Audit team has a mix of expertise in the disciplines of Finance, Information

Technology, Information Security including Cyber Security, Network Engineering and Network Security, Digital Services, Sales and Marketing, Analytics and Artificial Intelligence based machine learning. The division leverages on global best practices and has an ongoing knowledge sharing and training program with the Axiata Group.

The division's audit plans are reviewed and approved by the BAC and follow up actions are monitored. The performance of the internal audit division is appraised by the BAC on an annual basis against the audit plan and pre-determined key performance indicators. The Group Chief Internal Auditor's periodic reports detailing control issues and recommendations are reviewed by the BAC and follow-up action on past and present recommendations is monitored.

During the year under review, the Group Internal Audit Division performed fifty eight (58) audits and other related assignments and highlighted key risk issues with recommendations for action. In addition, the division co-ordinated and updated the follow-up action reviews on external audit issues.

Conclusion

The BAC is satisfied that the Group's accounting policies, internal controls and risk management processes are adequate to provide reasonable assurance that the financial affairs of the Group are managed in accordance with Group policies and accepted accounting standards.

On behalf of the Board Audit Committee



Mr. Willem Timmermans
Chairman, Board Audit Committee

30 April 2025

Report of the Related Party Transactions Review Committee

Role of the Committee

The Related Party Transactions Review Committee (RPTRC) is a formally constituted sub-committee of the Board of Directors (Board) and reports to the Board.

The primary function of the RPTRC is to review Related Party Transactions (RPTs) as prescribed in the Listing Rules of the CSE, in order to ensure that transactions with related parties are on normal commercial terms, similar to those afforded to non-related parties.

The Terms of Reference of the RPTRC defines the role of the RPTRC and are reviewed periodically and updated as and when required.

Composition

The RPTRC comprises of 03 Directors, all of whom are Independent, Non-Executive Directors, and the composition is compliant with the provisions of the Listing Rules of the CSE. The members of the RPTRC as of 31 December 2024 were:

1. Mr. Willem Timmermans – Independent, Non-Executive Director (Chairman)
2. Dr. Indrajit Coomaraswamy – Independent, Non-Executive Director
3. Dr. Sharmini Coorey - Independent, Non-Executive Director

Dr. Indrajit Coomaraswamy, who was a member of the RPTRC, resigned from the RPTRC, effective 31 December 2024 pursuant to his resignation from the Board of Directors of the Company. The RPTRC wishes to place on record its sincere appreciation to Dr. Indrajit Coomaraswamy for his invaluable contribution and counsel to the RPTRC during his tenure as a member.

Mr. Visvanathamoorthy Govindasamy, Independent, Non-Executive Director, was appointed as a member of the RPTRC effective 01 January 2025.

The Group Company Secretary functions as the Secretary to the RPTRC.

Meetings

The RPTRC had 04 meetings during the year 2024. The meeting attendance of the members is set out in the table below:-

Name of Member	Attendance
Mr. Willem Timmermans - Chairman	4/4
Dr. Indrajit Coomaraswamy	4/4
Dr. Sharmini Coorey	3/3*

Note:

* Appointed with effect from 31 March 2024

Policies and Procedures Adopted by the RPTRC

Declarations are obtained from each Director/ Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the related party transactions are identified from information maintained with the Company. The Company has implemented a Related Party and Associated Enterprise Policy Manual to regulate and establish procedures in relation to all RPTs.

All forecasted recurrent RPTs are submitted by Management on a quarterly basis to the RPTRC for consideration and review. Non-recurrent RPTs are also reviewed and approved by the RPTRC prior to the transaction being entered into or if the transaction is expressed to be conditional on such review, prior to the completion of the transaction and the recommendation communicated to the Board for consideration.

Conclusion

The RPTRC is satisfied that all RPTs reviewed by the RPTRC during the year 2024 were compliant with the CSE Rules pertaining to Related Party Transactions, Related Party Transactions principles and were at arm's-length terms and not prejudicial to the interests of the Company and its minority shareholders. The comments and observations of the RPTRC have been duly communicated to the Board.

On behalf of the Related Party Transactions Review Committee.



Mr. Willem Timmermans
Chairman, Related Party Transactions Review Committee

30 April 2025

Report of the Board Nominations and Governance Committee

Role of the Committee

The Board Nominations and Governance Committee (NGC) is a formally constituted sub-committee of the Board of Directors (Board), established on 1 October 2024 in compliance with the requirements of the Colombo Stock Exchange, following the dissolution of the Nominating and Remuneration Committee on 30 September 2024. The NGC reports to the Board and is accountable to the Board.

The primary role of the NGC is to establish and maintain a formal and transparent process for appointing new Directors and re-electing existing Directors to the Board, ensuring that the composition of the Board and its committees aligns with the entity's strategic objectives and governance requirements. The NGC is also responsible for evaluating and recommending the corporate governance framework, ensuring compliance with the Listing Rules, regulatory requirements, and applicable best practices, as well as providing oversight on matters related to Board composition, succession planning, Board evaluation, and corporate governance practices.

Composition

The NGC comprises four Non-Executive Directors, three of whom are Independent. They were appointed to the NGC upon the Committee's formation on 1 October 2024.

The members of the NGC as at 31 December 2024 were;

1. Dr. Sharmini Coorey - Independent, Non-Executive Director (Chairperson)
2. Mr. Visvanathamoorthy Govindasamy - Independent, Non-Executive Director
3. Dr. Hans Wijayasuriya - Non-Independent, Non-Executive Director
4. Mr. Willem Lucas Timmermans - Independent, Non-Executive Director

Dr. Hans Wijayasuriya, who was a member of the NGC, resigned from the NGC, effective 15 January 2025 pursuant to his resignation from the Board of Directors of the Company. Mr. Vivek Sood, Non-Independent, Non-Executive Director, was appointed as a member of the NGC on 16 January 2025 in replacement of Dr. Wijayasuriya.

Meetings

The NGC had two meetings subsequent to its establishment on 1 October 2024, which included a special meeting. The meeting attendance of the members are set out in the table below:

Name of Member	Attendance
Dr. Sharmini Coorey – Chairperson	2/2
Mr. Visvamoorthy Govindasamy	2/2
Dr. Hans Wijayasuriya	0/2 *
Mr. Willem Timmermans	2/2

Note:

* Resigned w.e.f. 15 January 2025

Policy and Processes for Director Nominations

The NGC operates under a documented policy and defined processes for the nomination of Directors. These include:

- Overseeing the identification, evaluation, and recommendation of candidates for appointment to the Board of Directors. The NGC strives to ensure that the candidate pool reflects a diversity of experience, skills, gender, ethnicity and perspectives that align with the Company's strategic goals and governance standards.
- Ensuring that candidates possess the required expertise, experience, integrity, and independence necessary to fulfil the responsibilities of a Board member.

- Emphasising the need for candidates to possess key qualifications, including relevant industry knowledge, financial literacy or expertise, leadership experience, the ability to contribute to the Company's long-term strategy, and adherence to the Company's ethical standards.

Re-Election of Directors

In accordance with the Company's Articles of Association, Directors who were appointed during the year must submit themselves to the shareholders for re-election at the first AGM following their appointment and one-third of the directors (excluding the executive director) are subject to retirement and re-appointment by rotation at every AGM. The Directors who retire by rotation are those who have been longest in office since their appointment/re-appointment.

Board Diversity

The Company considers Board diversity a critical factor in ensuring the Board's effective performance. It is committed to maintaining a diverse Board across the following dimensions that align with its strategic goals:

- Experience: Representation of varied professional backgrounds and industry expertise.
- Skills: Inclusion of technical, financial and leadership competencies.
- Age: Balanced distribution across different age groups.
- Gender: Commitment to gender diversity, with female representation on the Board.

Effective Implementation of Policies and Processes

The effectiveness of the policies and processes relating to the appointment and re-appointment of Directors is demonstrated by:

- Comprehensive due diligence is conducted on all prospective candidates, which may include interviews, reference checks, and reviews of their past performance, particularly if the candidate has prior Board experience.

Report of the Board Nominations and Governance Committee

- Structured evaluations of Board members' performance, including attendance, engagement, and contributions to the Board's work, are carried out to ensure the Director continues to bring value to the Company and aligns with its objectives before the re-election of a sitting Director.
- Regular reviews of Board composition are undertaken to address skill and diversity gaps.
- Engagement with external advisors, where appropriate, is used to identify and assess potential candidates.

Information on Directors' Re-election

As required by the Listing Rules, the table below sets out the details of the Directors who were re-elected at the 27th Annual General Meeting of the Company, held on 13 June 2024 in respect of the Financial Year 2023, in accordance with the provisions stipulated in the Articles of Association of the Company and the Companies Act No. 07 of 2007.

Name of Director	Board Committees served on	Date of first appointment as a Director	Date of last re-appointment as a Director	Directorships or Chairpersonships both present and those held over the preceding three years in other Listed Entities in Sri Lanka	Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholding more than ten per-centum (10%) of the shares of the Listed Entity
Retirement in terms of Sec. 210 of the Companies Act:					
Mr. David Nai Pek Lau	BNRC *	13 May 2020	7 June 2023	-	Nominee Director of Axiata Group Berhad
Dr. Indrajit Coomaraswamy	BRCC* BAC BNRC	1 February 2021	7 June 2023	Tokyo Cement Company (Lanka) PLC	-
Retirement by Rotation in terms of Article 102 of the Articles of Association:					
Dr. Hans Wijayasuriya	BIC* NGC	19 January 2001	21 June 2022	John Keells Holdings PLC	Nominee Director of Axiata Group Berhad
Retirement in terms of Article 109 of the Articles of Association:					
Ms. Komathi Balakrishnan	BAC	7 July 2023	-	-	Nominee Director of Axiata Group Berhad
Mr. Thomas Hundt	BIC BRCC	17 February 2024	-	-	Nominee Director of Axiata Group Berhad

Table 1 – Re-election of Directors at the Annual General Meeting held on 13 June 2024

BNRC - Board Nominating and Remuneration Committee

BIC - Board Investment Committee

BAC - Board Audit Committee

BRCC - Board Risk and Compliance Committee

BNGC - Board Nominations and Governance Committee

*Denotes Chairperson

Report of the Board Nominations and Governance Committee

The following Directors are proposed for re-election at the forthcoming 28th Annual General Meeting of the Company in accordance with the provisions stipulated in the Articles of Association of the Company and the Companies Act No. 07 of 2007.

Name of Director	Board Committees served on	Date of first appointment as a Director	Date of last re-appointment as a Director	Directorships or Chairpersonships both present and those held over the preceding three years in other Listed Entities in Sri Lanka	Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholding more than ten per-centum (10%) of the shares of the Listed Entity
Retirement in terms of Sec. 210 of the Companies Act:					
Mr. David Nai Pek Lau	-	13 May 2020	13 June 2024	-	Nominee Director of Axiata Group Berhad
Retirement in terms of Article 109 of the Articles of Association:					
Mr. Visvanathamoorthy Govindamasy	BNGC BRC BAC RPTRC	1 October 2024	-	Sunshine Holdings PLC Watawala Plantations PLC United Motors PLC Softlogic Life Insurance PLC	-
Mr. Randeep Singh Sekhon	BIC	8 November 2024	-	-	Nominee Director of Bharti Airtel Limited
Mr. Vivek Sood	BNGC BRC BIC*	16 January 2025	-	-	Nominee Director of Axiata Group Berhad
Retirement in terms of Article 102 of the Articles of Association:					
Dr. Sharmini Coorey	BNGC* BRC* RPTRC	15 October 2022	7 June 2023	John Keells Holdings PLC	-

Table 2 – Proposed Re-election of Directors at the forthcoming Annual General Meeting

BNRC - Board Nominating and Remuneration Committee
BIC - Board Investment Committee
BAC - Board Audit Committee

*Denotes Chairperson

BRCC - Board Risk and Compliance Committee
BNGC - Board Nominations and Governance Committee
RPTRC - Related Party Transactions Review Committee

Report of the Board Nominations and Governance Committee

Periodic Review of the Board and the CEO

The NGC confirms that the annual evaluation of the performance of the Board of Directors and the CEO has been conducted. This assessment ensures alignment with the organisation's strategic objectives and supports continuous improvement in governance and leadership effectiveness.

Process on the Flow of Information to Independent Directors on Major Issues

The Company ensures Independent Directors are informed through a structured communication framework, including regular Board and Committee meetings, with detailed agendas and relevant documents shared in advance. Directors receive periodic updates on key financial, operational, and strategic matters, with direct access to senior management. Special briefings address critical issues, and a secure online portal provides ongoing access to important updates. Strategy sessions, orientation, and training programs keep Directors informed on industry trends and governance. Crisis communication protocols ensure timely updates during significant events, supporting effective oversight and contribution to the Company's objectives.

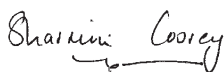
Induction and Orientation Programs

The Company provides induction programs for newly appointed Directors, covering operations, governance, regulations, strategic objectives, financial performance, and key policies. Continuous development is encouraged to keep Directors informed of industry trends and regulatory changes. Updates are also provided to the Board on corporate governance, regulatory developments, and relevant laws, ensuring compliance, effective risk management, and alignment with legislative amendments to protect shareholder interests.

The NGC confirms that the Independent Directors meet the criteria for independence as stipulated in the CSE Rules.

The Company has fully complied with the corporate governance requirements outlined in the CSE Listing Rules.

On behalf of the Board Nominations and Governance Committee.



Dr. Sharmini Coorey

Chairperson, Board Nominations and Governance Committee

30 April 2025

Report of the Board Risk and Compliance Committee

Role of the Committee

The Board Risk and Compliance Committee (BRCC) is a formally constituted sub-committee of the Board of Directors (Board) which was established in 2020. The BRCC reports to and is accountable to the Board.

The primary functions of the BRCC are to assist the Board to fulfil its responsibilities with regard to risk management and compliance. The BRCC is responsible for determining that there are robust processes in place for identifying, assessing and monitoring;

- i) Key business risks to safeguard shareholders' investment and the Company's assets
- ii) Cybersecurity risks
- iii) Risk relating to data privacy and regulatory compliance.
- iv) Risks arising from non-complaint practices and behaviours, particularly regarding Anti-Bribery and Anti- Corruption.
- v) Environmental, Social and Governance (ESG) and Sustainability related opportunities and risks
- vi) Regulatory risks
- vii) Health and Safety risks

The BRCC continuously seeks out best practices in terms of the governance, processes and systems to be utilised by the BRCC, while the members provide individual external independent opinions to the fact-finding, analysis and decision-making process of the BRCC, based on their experience and knowledge. Taking into account the viewpoints of the BRCC members, the Committee makes decisions and recommendations for the best interest of the Board collectively.

Composition

The BRCC comprises of five members, majority of whom are Non-Executive Directors. The Group Company Secretary functions as the Secretary to the BRCC.

The members of the BRCC as at 31 December 2024 were:

1. Dr. Indrajit Coomaraswamy - Independent, Non-Executive Director (Chairman)
2. Mr. Willem Timmermans – Independent, Non-Executive Director
3. Mr. Supun Weerasinghe – Group Chief Executive/ Non-Independent, Executive Director
4. Mr. Thomas Hundt - Non-Independent, Non- Executive Director
5. Mr. Abid Adam – Group Chief Risk and Compliance Officer, Axiata Group Berhad

Dr. Indrajit Coomaraswamy stepped down from the BRCC pursuant to his resignation from the Board of Directors of the Company effective 31 December 2024. Dr. Coomaraswamy resigned from the Board as he was above the age of seventy (70), and as such, no longer satisfied the independence criteria outlined in Rule 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange. Mr. Willem Timmermans was appointed as the Chairman effective 1 January 2025.

The BRCC wishes to place on record its sincere appreciation to Dr. Indrajit Coomaraswamy for his invaluable contribution and guidance during his tenure as the Chairman of the BRCC.

Mr. Willem Timmermans served as Chairman from January 1, 2025, to February 28, 2025. Mr. Randeep Singh Sekhon assumed the role of BRCC Chairman and member, effective March 1, 2025.

Meetings

The BRCC had five meetings during the year 2024, which included one special meeting. The meeting attendance of the members is set out in the table below: -

Name of Member	Attendance
Dr. Indrajit Coomaraswamy – Chairman	5/5*
Mr. Vivek Sood	1/1**
Mr. Willem Timmermans	5/5
Mr. Supun Weerasinghe	5/5
Mr. Abid Adam	3/5
Mr. Thomas Hundt	3/4***

Note:

* Resigned w.e.f. 31 December 2024

** Resigned w.e.f. 17 February 2024

*** Appointed w.e.f. 17 February 2024

The Group Chief Financial Officer, Group Chief Technology Officer, Group Chief Information Officer, Group Chief of Risk and Compliance and the Group General Counsel/ Vice President – Group Legal and Regulatory attended these meetings on invitation. The Board is apprised of the significant issues deliberated and considers and adopts, if thought fit, the recommendations of the BRCC.

Summary of Principal Activities of the BRCC During the Year

During the year the key focus areas of BRCC included;

- Anti-Bribery and Anti-Corruption programme of Dialog and continuous monitoring of compliance activities to ensure adequate procedures have been implemented.
- Gifts, Donations and Sponsorship Policy implementation and compliance to the policy

Report of the Board Risk and Compliance Committee

- Risk Management and Internal Control (SORMIC) Management Assurance
- Governance of the Enterprise Risk Management Policy and Business Continuity Management
- Governance of the Privacy Programme including the implementation of remediation activities from the assessment carried out in 2019/2020 period to strengthen the Privacy posture of Dialog and compliance to the Personal Data Protection Act No. 09 of 2022. Further, the privacy program ensures compliance to the requirement of ISO 27701:2019 (Privacy Information Management System) standard
- Monitoring of Cybersecurity programme and risk mitigation activities. Implementation of National Institute of Standards and Technology Cybersecurity Framework (NIST) and compliance to ISO 27001:2022 (Information Security Management System) standard.
- Legal and Regulatory compliance
- Environmental, Social and Governance (ESG) Programme of Dialog that is based on Telecom Industry Specific Metrics of Sustainability Accounting Standards Board (SASB), ESG Metrics for Mobile recommended by Global System for Mobile Communications Association (GSMA) and Sustainability Reporting Guidelines of Bursa Malaysia. ESG program focuses on identifying potential climate related opportunities and risks faced by the organisation and advising the relevant teams on mitigatory action.
- Governance of Occupational Health and Safety operation of Dialog Group

The BRCC is supported by the Group Risk and Compliance Division, which is headed by Mr. Asanga Priyadarshana, the Group Chief of Risk and Compliance. The Division leverages on global best practices and has an ongoing knowledge sharing and training program with the Axiata Group.

Conclusion

The BRCC having reviewed the system of risk management controls covering financial, operational and compliance and having obtained reasonable assurance on their effectiveness, is satisfied with Dialog Group's adherence to and effectiveness of these controls for the period and is also satisfied with the policies and practices of the Company carried out during the year under review.

On behalf of the Board Risk and Compliance Committee.



Mr. Randeep Singh Sekhon

Chairman, Board Risk and Compliance Committee

30 April 2025

Risks and Opportunities

Amidst the increased uncertainty, there are opportunities for future focused and sustainable business models that support transition to low carbon economies and circular economies with shorter and greener supply chains.

Increasing Uncertainty

The risk landscape has become more volatile over the recent past as climate change and geopolitical and geoeconomic tensions continue to escalate with resultant loss of lives, livelihoods and infrastructure. Rapid technological advances are shaping the way we live and work, creating significant impacts on socioeconomic structures and indicators. Social inequalities continue to be a key concern, giving rise to political and economic instability. It is also important to note that many of these risks are connected and can set off a chain reaction that affect multiple aspects of value creation processes. Amidst the increased uncertainty, there are opportunities for future focused and sustainable business models that support transition to low carbon economies and circular economies with shorter and greener supply chains. Opportunities exist to create value for stakeholders, including investors, through addressing urgent social issues and supporting a just transition to a smarter, fairer, greener world.

As uncertainty increases, the need for systemic risk management and inculcating high levels of risk awareness across organisations becomes an urgent necessity. Accordingly, Dialog continues to strengthen and enhance the scope of its risk management framework as well as increasing the use of more advanced tools and techniques for assessment and management risks.

Enhancing our Risk Management Framework

With climate change accelerating, we recognise that greenhouse gas emissions continue to be a primary driver of global warming and climate change. As a telecommunications service provider, loss of infrastructure due to extreme weather events is a key risk. While the risk is generally localised, affecting a particular region, we understand that connectivity is critical at times of disaster to our customers as well. Accordingly, this risk is proactively managed and our network is insured. Our work with the National Disaster Preparedness Centre to send messages to farmers, fishermen and Sri Lankans enable our own preparedness as well. Consequently, we understand the need for urgent action on climate change.

Accordingly, we are committed to reducing our carbon footprint - in support of Sri Lanka's journey toward climate resilience and achieving Net Zero status by 2050 - through sound investments in energy efficiency measures, renewable energy, and new technologies.

Sustainability, particularly with regard to minimising our contribution to climate change, is integral to our long-term business objectives and is never divorced from our strategic thinking as a profit-seeking enterprise. Recognising this, Dialog has reviewed the Company's material impacts and dependencies on environmental, social and other natural resources and identified Climate-Related Risks and Opportunities (CRROs) in alignment with SLFRS S2 reporting requirements. Accordingly, we have opted to disclose fully, subject to the transitional provisions offered in SLFRS S1 and S2, climate-related developments during the reporting period across the four core content pillars of S2 governance, strategy, and risk management, and metrics and targets.

Risk Governance

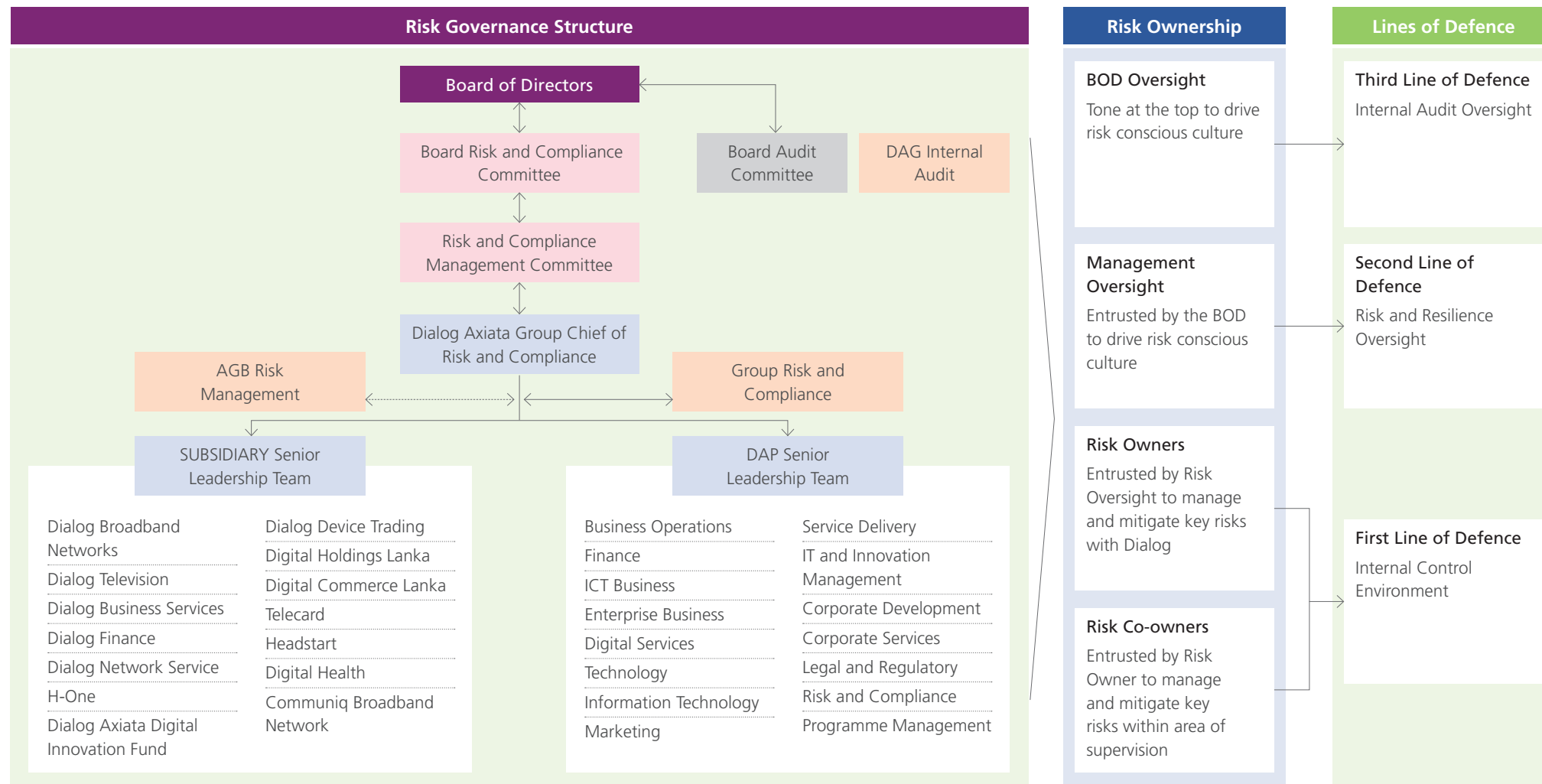
Board Guidance and Oversight

The Board Risk and Compliance Committee (BRCC) has primary responsibility for determining that there are robust processes in place for identifying, assessing, and monitoring CRROs, reporting to the Board of Directors on a quarterly basis. In this role, the BRCC are supported by the Risk and Compliance Management Committee (RCMC).

The identified climate-related risks are highlighted at the RCMC, headed by the RCMC chairman, before it is carried forward to the BRCC at which major changes are incorporated into the strategy of the organisation. The governance body takes into account climate-related risks and opportunities when overseeing strategy, its decisions on major transactions, and its risk management policies. A key example is the implementation of the solarisation project, which was the result of the Board being persuaded on the importance of addressing climate change concerns. The RCMC and BRCC also consider the trade-offs associated with CRROs, and an officer in charge decides whether any changes ought to be made. As discussed in the 'Board and committee selection process' subsection in the Corporate Governance chapter (pages 88-95), the governance body is equipped with the skills and competencies necessary to manage CRROs.

The Board has also committed to external bodies when setting targets like the United Nations' Science-Based Targets initiative (SBTi). Targets pertaining to carbon emission and reduction are set internally on an annual and quarterly basis which is in line with the organisation's overall Net Zero roadmap. These targets are monitored by comparing them to actuals on a quarterly basis by the overall energy performance and renewable energy used. However, climate-related considerations are not factored into executive remuneration.

Risks and Opportunities



Delegation to Management

The management role is primarily driven by the Group Risk and Compliance and Group Sustainability teams. Risk policies and controls are in place for each portfolio (where risks are rated within a risk matrix). Actionable items are reflected on and delegated to relevant divisions based on the directions issued by the BRCC. The Chief Officer (CxO) of the sustainability division is responsible for the target-setting based on the organisation's performance, and targets are set for each quarter. These action items and targets are communicated to the respective divisional CxOs tasked with meeting these targets and executing the strategies designed to respond to climate-related risks and opportunities. The CxOs report to the GCEO directly.

Risks and Opportunities

For further information about the BRCC and RCMC, along with further details of the overall governance of Dialog's environmental, social, and economic impacts, please see pages 103 to 104 and 105 respectively. The responsibilities and roles for risk management are set out below.

Committee/Functions	Roles and Responsibilities
Board of Directors (BoD) and Board Risk and Compliance Committee (BRCC)	<ul style="list-style-type: none"> • Overall responsibility in establishing and overseeing a sound ERM practice as well as ensuring the adequacy and effectiveness of the ERM policy. • Setting the “tone-at-the-top” to drive a “risk-conscious” culture throughout Dialog. • Periodically reviewing and responding to significant risks faced by Dialog and providing reasonable assurance to ensure effective and efficient project deliverables. The BRCC is informed of SRROs on a quarterly basis. • BRCC is a committee of the BoD which has the main responsibility of assisting the BoD in ensuring a sound and robust ERM practice throughout Dialog.
Risk and Compliance Management Committee (RCMC)	<ul style="list-style-type: none"> • Reviewing and proposing the ERM policy to BRCC and BoD and monitoring its implementation. • Promoting a risk-based culture in daily operations and the decision-making process as an integral part of business practices at all levels. • Reviewing the effectiveness of risk governance implementation, internal control, and processes. • Reviewing and responding to significant risks escalated by Risk Owners and assessing the adequacy and effectiveness of their treatment plans. • Reviewing and escalating Dialog's key risks to BRCC and BoD, including SRROs and CRROs Reviewing and approving ERM procedures and ensuring that the ERM system is operating effectively. • Reviewing and proposing Dialog's Annual Plan and the Statement on Risk Management and Internal Control (SORMIC) to BRCC and BoD.
Group Chief of Risk and Compliance (GCRC)	<ul style="list-style-type: none"> • Ensuring the implementation of a sound ERM practice across all portfolios, divisions, departments, business units, and functions within Dialog. • Overseeing ERM activities throughout Dialog, including the allocation of resources and delegation of tasks. • Ensuring risks are duly considered, assessed, mitigated, and monitored for all key business decisions. • Periodically reviewing, monitoring, and reporting Dialog's significant risks to the Risk and Compliance Management Committee (RCMC), BRCC, and BoD, facilitated by DGRB.
Dialog Risk Management and Business Continuity (DGRB)	<ul style="list-style-type: none"> • Continuously communicating, evaluating, and improving the ERM policy and related procedures in consultation with RCMC, considering industry standards, best practices, and compliance requirements. • Promoting a “risk-conscious” culture and providing guidance to all stakeholders within Dialog on ERM governance, risk, and control issues. • Facilitating risk assessment and monitoring the implementation of risk treatment plans. • Providing consultation on risk assessment with Risk Owners and Risk Co-owners. • Communicating and reporting to RCMC, BRCC, and BoD in a timely manner.

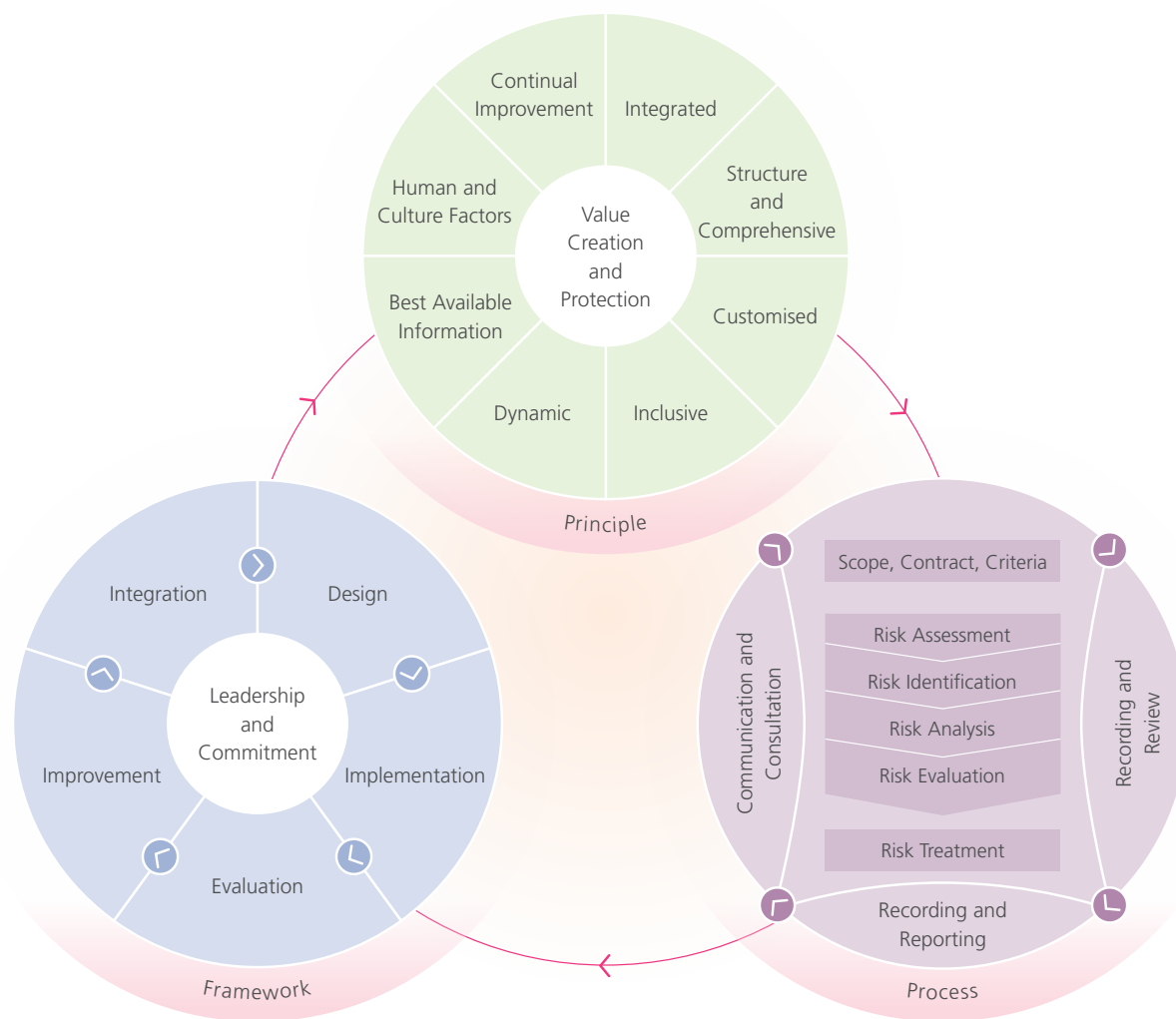
Risks and Opportunities

Committee/Functions	Roles and Responsibilities
Risk Owners 	<ul style="list-style-type: none"> Assessing risks, implementing appropriate risk treatment plans, and monitoring those risks to an acceptable level. Compiling the risk profile and reporting to DGRB in a timely manner, including any risk issues that require urgent attention. Maintaining the highest alert on both internal and external environments and circumstances that may give rise to any risk issues or impacts on Dialog. Populating, updating, and reviewing the risk register at agreed intervals or as required based on criticality and urgency.
Risk Co-owners 	<ul style="list-style-type: none"> Providing support to risk owners on key risks identified and assisting in implementing risk treatment plans thereof. Engaging and discussing with risk owners on internal and external activities or circumstances during risk assessment and risk treatment process/procedures. Assisting risk owners to populate, update, and review the risk register at agreed intervals or as required based on criticality and urgency.
Functional Risk Champions (FRCs) 	<ul style="list-style-type: none"> Acting as a Single Point of Contact (SPOC) to coordinate the implementation of every aspect of the ERM function within a portfolio, division, department, business unit, or function. Coordinating and supervising the risk assessment and risk treatment processes within the portfolio, division, department, business unit, or function. Periodically updating and maintaining the risk register/s of the portfolio, division, department, business unit, or function. Monitoring critical risk issues that require urgent attention within the portfolio, division, department, business unit, or function. Liaising with risk owners and/or risk co-owners on risk treatment plans within the portfolio, division, department, business unit, or function. Ensuring periodic communication, consultation, and meeting minimum reporting requirements to DGRB as per ERM key performance indicators (KPIs).
Dialog Employees 	<ul style="list-style-type: none"> General responsibility to comply with and cooperate to implement the ERM policy and accompanying procedures as initiated by ERM Governance in creating a “risk-conscious” culture. Being conscious and escalating any risks that could surface from actions and decisions. Providing input and assistance to Risk Owners and/or Risk Co-owners during the risk assessment and risk treatment processes. Proactively engaging with Risk Owners and/or Risk Co-owners on internal and external activities or circumstances during risk assessment and risk treatment process/procedures.
Dialog Internal Audit (GIA) 	<ul style="list-style-type: none"> Assisting BoD in reviewing the effectiveness of the ERM function and internal control environment. Providing an independent opinion on specific risks and control issues, state of internal controls, trends, and events.

Risks and Opportunities

Risk Management Processes

Dialog has in place a comprehensive risk management process as set out below.



- a. Control environment: This is the set of standards, processes, and structures that provides the basis for carrying out internal control across Dialog. The Board of Directors (BoD), including the Board Risk and Compliance Committee (BRCC), sets the tone at the top regarding the importance of internal control, including expected standards of conduct. The Senior Leadership Team (SLT) reinforces these expectations at various levels of the organisation.

- b. Risk assessment: This involves a dynamic and iterative process for identifying, analysing, and evaluating risks in the pursuit of achieving targeted objectives.
- c. Control activities: These are actions taken to minimise risk through various mediums such as policies, procedures, techniques, and mechanisms. These activities help ensure the SLT's directives to mitigate risks in pursuit of targeted objectives are carried out.
- d. Information and communication: These are essential for Dialog to carry out responsibilities and support the achievement of objectives.
- e. Monitoring activities: Ongoing evaluations, separate evaluations, or a combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, are present and functioning.

Our Key Risks

An assessment of Dialog's key risks is set out below and more fully described thereafter.

	Almost Certain	Likely	Likelihood Possible	Unlike	Rare
Insignificant	11	7	4	2	1
Minor	13	12	7	5	3
Moderate	20	11	10	9	6
Major	23	17	14	9	10
Catastrophic	25	24	22	19	16

● Extreme
 ● Significant
 ● High
 ● Moderate
 ● Low

- ① Strategic and Investment Risk
- ② Geopolitical Risk
- ③ Legal and Regulatory Risk
- ④ Market Risk
- ⑤ Financial Risk
- ⑥ People Risk

- ⑦ Operational Risk
- ⑧ Cyber Risk
- ⑨ Technology Risk
- ⑩ Governance Risk
- ⑪ ESG Risk

Risks and Opportunities

Strategic and Investment Risk

 Risk Rating: 

Description	Primary risks that are strategic in nature and often involve a major factor in determining Dialog's worth; risks that could significantly impact the Company's strategic activities, decision making and its achievement of business objectives; and risks that should be predicted or monitored by the senior leadership team as part of strategic planning and a review mechanism.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> Intense competition with overcrowded market with multiple operators and to consolidate and improve the market position acquisitions and mergers have proved vital including the acquisition of Airtel Lanka in 2024. Last couple of years have resulted in significant fluctuations in forex. This has an impact on capital and operational expenditure. Opted for mitigation of the same through foreign currency inflows from international services and by reducing the forex exposure through balance sheet restructuring Emerging technologies that demand continuous investments, the government's commitment to digital transformation coupled with favourable policies are expected to propel technological advancements and widespread adoption of the same.
Key Risk Indicators	<ul style="list-style-type: none"> Competition – Market share Foreign Exchange – Net USD Exposure Return On Invested Capital (ROIC) Internal Rate of Return (IRR)
Changes in 2024	Set out above in Mitigating Actions and Opportunities Arising

Geo-Political Risk

 Risk Rating: 

Description	Risk that relates to any political changes or instability in a country such as a change in government, legislative bodies, other foreign policymakers or military control that may impact Dialog's investment returns or impacting business operations.
Mitigating Actions and Opportunities Arising	This is an inherent risk where a single entity has little impact to mitigate the risk.
Key Risk Indicators	<ul style="list-style-type: none"> Political Risk Legislation Risk US-China Trade Tensions, BRICS policy changes Escalating tensions and armed conflicts globally have led to sanctions being imposed by global bodies such as the European Union.
Changes in 2024	Set out above in Mitigating Actions and Opportunities Arising

Risks and Opportunities

Legal and Regulatory Risk

 Risk Rating: 

Description	Risk related to compliance with applicable laws and regulations; risk that may expose Dialog to legal penalties, failure to act in accordance with policies or best practices and integrity requirements.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> • Broad range of telco regulations • Digital bank specific compliance to Fintech regulations • Potential increase in tax and levies imposed by the relevant regulatory bodies • Implementation of Data Protection legislation
Key Risk Indicators	<ul style="list-style-type: none"> • Exposure to Litigation • Exposure to Fines and/or Penalties • Exposure to Inquiry and/or Formal Warning • Exposure to Sustained Media Attention
Changes in 2024	Escalating tensions and armed conflicts globally have led to sanctions being imposed by global bodies such as the European Union. Prohibitions on vendors directly / indirectly exporting or using technology supplied by them within sanctioned countries/regions have led to the Company being imposed with contractual obligations arising from such sanctions. Limited visibility or control over indirect sale/transfer/export/re-export to the sanctioned countries in certain limited situations. Group Supply Chain Management and the Operational teams are made aware of the sanctions and have been instructed to abide by the same so long as the relevant sanctions remain in place.

Market Risk

 Risk Rating: 

Description	Risk associated with the market and the country that Dialog is operating in, which may also include risk related to industry and competition.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> • Last couple of years have resulted in significant fluctuations in forex. This has an impact on capital and operational expenditure. Opted for mitigation of the same through foreign currency inflows from international services. • Emerging technologies that demand continuous investments, the government's commitment to digital transformation coupled with favourable policies are expected to propel technological advancements and widespread adoption of the same. • Other general risks include natural disasters, growing concerns in and around cybersecurity threats, regulatory changes, spending power which could impact the update of data plans and other services, constraint of subscriber growth due to market maturity are all expected to continue to affect all players in the market. Market dynamics, Intense competition with overcrowded market with multiple operators and to consolidate and improve the market position acquisitions and mergers have proved vital including the acquisition of Airtel in 2024.
Key Risk Indicators	<ul style="list-style-type: none"> • Revenue/ EBITDA Growth • Relative/ Net Promoter Score (r/NPS)
Changes in 2024	<ul style="list-style-type: none"> • Airtel network merger increases customer experience

Risks and Opportunities

Financial Risk

Sri Lanka is emerging out of a socio-economic crisis which saw forex liquidity drying up in tandem with foreign reserves depleting and inflation skyrocketing, followed by interest rates being raised to unprecedented levels, using it as a tool to lower inflation. The sizeable dependency of foreign exchange for Capex, Opex and Debt servicing exposes the business to foreign currency risk, whilst the sizeable debt portfolio leads to risk exposure to interest rates. Whilst the economy is making a strong recovery as witnessed by all key macro indicators, the risks could amplify in the event there is a relapse in the economy.

The impact of this is significant as we emerge from the crisis and can include the following:

- Any sharp depreciation of the exchange rate can lead to forex losses albeit at a much lesser magnitude due to sharp reduction in Net forex exposure of the Group over FY 2023 and FY 2024 by approximately USD 200 million.
- The interest rate increase can have an impact on the finance cost due to the sizeable debt portfolio.
- Any significant impact via higher forex loss or finance cost could result in depleting retained earnings translating to stress on covenants compliance.

Risk Rating: 

Description	Financial risk encompasses risk associated with financial management of the Dialog Axiata Group; risk that compromises the stability of the Dialog's financial position given its exposure to a variety of treasury risks and other financial risks including liquidity risk, currency risk, interest rate risk and credit risk.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> • Proactive monitoring of market developments and constant engagement with financiers to identify and pre-emptively apply mitigating measures • Strict implementation and monitoring of the Group's capital structure guardrails such as leverage ratios, local and foreign currency debt mix, and hedging of foreign currency debt, where available, and fixed and floating interest mix • Maintaining a higher floating interest rate debt in the debt portfolio to benefit from the declining interest rates amid CBSL policy rate easing • Localising spending to the extent possible to prevent any risks from forex exposure. • Opportunistically entering into currency forward contracts as the forward market got activated, thereby further mitigating forex exposure on Balance Sheet
Key Risk Indicators	<ul style="list-style-type: none"> • Funding risk: Ability to tap the debt capital markets or obtain new funding facilities from financial institutions • Liquidity risk: Ability to meet Dialog's financial and non-financial obligations despite cashflow constraints if any • Forex risk: Exposure to foreign currency volatilities mainly stemming from LKR/USD currency pair • Interest rate risk: Adverse change in interest rate, which may impact the financials of Dialog
Changes in 2024	<ul style="list-style-type: none"> • Proactive and pre-emptive solutioning to limit net forex exposure on balance sheet via USD debt settlement/prepayment, aggressive USD denominated payable settlement and USD cash build up. Net forex exposure was lowered by ~USD 100 million during FY 2024 via the combination of these efforts. • Debt portfolio was maintained with a skew towards floating interest rate loans as the market interest rates were perceived to be lowered during the year. This translated into a sizeable interest cost saving during the year as the rates continued the declining trajectory as anticipated. • Active negotiation with lending institutions to lower fixed interest rates on existing loans, taking into account the declining interest rate environment. An estimated interest cost saving of over Rs. 300 million was achieved via this action. • Pare down USD currency debt or convert to local currency debt to minimise forex impact

Risks and Opportunities

People Risk

 Risk Rating: 

Description	Risk that Dialog faces in relation to human resources or people management which may include vacancy in a specialised/skilled position, readiness and lack of competency, and health and safety of employees.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> • Build on already established succession planning initiatives to strengthen the internal talent development programs to prepare employees for future leadership positions, fostering a culture of growth and retention. • Improve data capture and analytics to understand attrition causes and address concerns proactively, creating tailored retention strategies for high-potential employees, such as career development plans and mentorship programs. • Regularly review and update policies to align with industry best practices and compliance requirements, fostering a culture of continuous improvement and compliance training, which enhances the organisation's reputation and operational efficiency. • Implement knowledge transfer programs and documentation practices to ensure critical information is retained within the organisation. • Initiate Role Modelling and Culture Champions programs aimed at cultivating the Axiata Winning Culture. • Continue regular health and safety audits and provide training and resources to ensure a safe working environment.
Key Risk Indicators	<ul style="list-style-type: none"> • Succession Plan for Key Roles • Employee Engagement Index (EEI) • Key Talent Attrition
Changes in 2024	<ul style="list-style-type: none"> • Enhance internal talent development programs to prepare employees for future leadership roles, fostering a culture of growth and retention. • Review collaborations with external organisations to focus on opportunities that align more closely with the talent development priorities of the new Axiata Operating Model. • Prioritise strategic talent mobility for senior-level roles across using a customised and focused approach. • Align employees with policies such as the Code of Conduct and Conflict of Interest to ensure adherence to industry best practices and compliance. • Conduct regular health and safety audits and utilise analysis from feedback data for mitigation planning and identifying training requirements.

Risks and Opportunities

Operational Risk

 Risk Rating: 

Description	Risks associated with Dialog's core business operations i.e. telecommunication, digital businesses and infrastructure, etc; risks that may impact the expected business objectives, earnings, and returns on investment; and risk resulting from inadequate or failed internal processes, people and systems, or from external events that may disrupt the day-to-day business operations.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> • Business Operations Risks (Critical) • Business Operations Risks (Non-Critical) • No Resilience - Key IT Systems • Impact to Supply Chain from global macro factors • Communication and stakeholder-related risks arise from changing expectations, regulatory developments, and the need for consistent messaging across key audiences, including customers, employees, regulators, investors, and partners. To mitigate these risks, we ensure clear, transparent, and proactive communication, aligning our messaging across all platforms while continuously monitoring stakeholder sentiment and concerns. A structured communication strategy and crisis response framework enable us to address issues swiftly and maintain strong relationships. • To mitigate this, we proactively monitor online (using social listening tools and manual searches) and offline channels (using a media monitoring agency), enabling timely detection and response through a structured crisis communication process.
Key Risk Indicators	Online Negative Sentiments - Negative sentiment on digital platforms, whether driven by misinformation or malicious intent, can pose a risk to Dialog's reputation by undermining customer trust and loyalty. False narratives may emerge with the intent to mislead or damage brand perception.
Changes in 2024	<ul style="list-style-type: none"> • Airtel network merger increases customer experience

Cyber Security and Data Privacy Risk

 Risk Rating: 

Description	Primary risks that are strategic in nature and often involve a major factor in determining Dialog's worth; risks that could significantly impact the Company's strategic activities, decision making and its achievement of business objectives; and risks that should be predicted or monitored by the senior leadership team as part of strategic planning and a review mechanism.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> • Ensure robust protection and readiness to respond to cyber-attacks stemming from geopolitical conflicts. • Implement a comprehensive cybersecurity strategy to enhance overall maturity and resilience, and measure progress against the NIST Cybersecurity Framework 2.0, Zero Trust Security Framework, ISO 27001 and ISO 27701 Cyber Security and Data Privacy Frameworks. • Conduct independent benchmark and maturity reviews to validate the effectiveness of cybersecurity and Data Privacy measures. • Strengthen detection, response, and offensive security capabilities. • Improve situational awareness and resilience through collaborative efforts between public and private sectors. • Address identified telecom infrastructure risks through independent assessments. • Align Subsidiaries with common KPIs to collaboratively achieve Group objectives.

Risks and Opportunities

	<ul style="list-style-type: none"> • Implement and maintain baseline cybersecurity and Data Privacy controls by modernising security event monitoring and data analytics platforms. • Enhance internal cybersecurity and Data Privacy capabilities to increase overall resilience against potential threats. • Conduct cyber-attack simulations and penetration testing to identify vulnerabilities and improve incident response preparedness. • Integrate advanced analytics and threat intelligence to gain insights into emerging threats and proactively adapt defences. • Actively participate in public-private partnerships with government agencies to address regional cyber threats, promote knowledge sharing, and leverage the expert capabilities of the Cybersecurity team. • Implement privacy control gate points to enhance the data privacy control maturity of Subsidiaries. • Research emerging technologies such as AI, and ML, and develop relevant security controls to effectively manage associated risks. This proactive approach ensures security while leveraging technological advancements for innovation and competitiveness. • Employee Training and Awareness provides comprehensive cyber security and data privacy training to employees, and vendors to help recognise and respond to potential threats. 	
Key Risk Indicators	<ul style="list-style-type: none"> • Cybersecurity and Data Privacy Framework Maturity <ul style="list-style-type: none"> – Remediation of critical and high vulnerabilities. – Training completion and simulation results. – Compliance with applicable laws and regulations. – Percentage of vendors with high residual risk. • Threat to Service Levels and/or Quality • Mean Time to Respond (MTTR) <ul style="list-style-type: none"> – Detection and response time for critical and high-priority security incidents and privacy breaches. 	<ul style="list-style-type: none"> • Sustained, Unattended Threats/ Vulnerabilities • Privacy by Design <ul style="list-style-type: none"> – Data Minimisation – Access Control – Data retention – Privacy Impact Assessments – User Consent Management – Third Party Risk Management – Compliance with Regulations
Changes in 2024	<ul style="list-style-type: none"> • Proactive management of Access Control • Supply chain security risk from third party vendors/suppliers. • Increase sophistication of Cyber Attacks due to emerging technologies. • Mitigating risks arising from unresolved vulnerabilities. 	

Risks and Opportunities

Technology Risk

 Risk Rating: 

Description	Primary risks that are strategic in nature and often involve a major factor in determining Dialog's worth; risks that could significantly impact the Company's strategic activities, decision making and its achievement of business objectives; and risks that should be predicted or monitored by the senior leadership team as part of strategic planning and a review mechanism.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> Submarine Cable Redundancy - Develop 2nd Submarine cable system (IAX/LEX) 2G RAN network is vulnerable for subscriber cloning - Implement strong authentication algorithm in 2G network Optimise authentication ratio, TMSI reallocation period
Key Risk Indicators	<ul style="list-style-type: none"> Critical network failure and impact on ISP traffic Number of hijacking individual subscriber connections (Cloning)
Changes in 2024	<ul style="list-style-type: none"> Airtel network merger increases customer experience Implementation of new submarine cable increases redundancy

Governance Risk

 Risk Rating: 


Description	Risk that is associated with upholding and adopting good governance practices in ensuring operational excellence which may include non-compliance with policies, procedures, processes and internal control.
Mitigating Actions and Opportunities Arising	<ul style="list-style-type: none"> Dialog has CXO Portfolios directly working on improving governance to manage this key risk. It is underpinned by a comprehensive framework of policies which provide guidance to relevant employees on managing the day-to-day affairs of the Company. A comprehensive Anti-Bribery and Anti-Corruption (ABAC) programme reinforces the tone set at the top by the Board. 99% of the ABAC related has been completed, reflecting our commitment to implementation of this policy throughout the organisation. Cybersecurity forms a key component of IT governance and it is vital that all employees take responsibility for safeguarding the Company from potential cyberthreats. As this is a critical threat, we completed 100% of the annual cybersecurity programme for our staff. The independent Internal Audit department monitors compliance with a range of policies, providing assurance to the Board via the Audit Committee that the policy framework set in place by the Board is functioning effectively. Additionally, the Company has automated Compliance monitoring processes which include the following: <ul style="list-style-type: none"> The Company maintains a Corruption Risk Register where specific employees are assigned from each department to update corruption risks relevant to their area of work for Centralised Reporting Implementing an ABAC Chatbot that is available 24/7 to answer ABAC queries instantly. Compliance Training on Anti-Bribery and Anti-Corruption (Mandatory) including Gifts, Donations and Sponsorships for employees and subsidiaries Training for identified High Risk Functions/Divisions Corruption Risk Assessment for the identified staff who update the corruption risk register Training for regional offices Suppliers/ vendors/ business partners awareness sessions on ABAC

Risks and Opportunities

	<ul style="list-style-type: none"> The Company communicates regularly on compliance and has the following mechanisms in place to provide regular updates. These include: <ul style="list-style-type: none"> Monthly Electronic Direct Mails (EDMs) on ABAC related subjects for employees and subsidiaries Dedicated ABAC Email address for communications Commemorating International Anti-Corruption Day in December each year through an event with a panel discussion, guest speaker and quiz competition themed "Promoting Transparency, Integrity, and Ethical Practices" with 100 participants on hybrid platform. The panel included the BRCC Chairman, Dialog GCEO and Guest Speaker, Mr. Chethiya Goonesekera, Commissioner of the Commission to Investigate Allegations of Bribery or Corruption (CIABOC). 10 winners from Dialog Group were rewarded with prizes at the event.
Key Risk Indicators	<ul style="list-style-type: none"> Non-compliance/ breach/ deviation from Group's governance policy instruments
Changes in 2024	<ul style="list-style-type: none"> ISO 37001: 2016 Anti-Bribery Management Systems (ABMS). Dialog is set to obtain the ISO 37001 ABMS certification and will be the first company in Sri Lanka to obtain the certification. Continuous mandatory and targeted training for high-risk departments to ensure risks of bribery and corruption are mitigated.

ESG Risk

Dialog has considered the requirements of the SASB Standard, the GSMA Standard and the Bursa Standard in determining its sustainability related risks and opportunities and climate related risks and opportunities. Further, the annual stakeholder survey respondents also identified ESG risks as important to them. The SRROs and CRROs are elaborated on pages 125-127 and 118-125 respectively while the table below provides a high level summary.

		Risk Rating: 
Description	Risk that encompasses ESG risks including environment risk, social risk, transition risk, physical risk, carbon pricing policies risk.	
Mitigating Actions and Opportunities Arising	<p>Environmental Risk</p> <ul style="list-style-type: none"> As our operations require significant amounts of energy, Dialog needs to be conscious of its impacts on climate change. Accordingly, the following measures were implemented to mitigate this risk: <ul style="list-style-type: none"> 1 new solar site and 3 solar capacity enhancements were done in 2024 (Total of 1,059 sites are in operation up to date) with an estimated cost saving of Rs. 9.2 million. Group facilities continuing with walkthrough audits to reduce usage. Ensuring non-operation of generators after regular working hours. Efforts are made to implement "Commercial Microwave Link" based Now Casting project to be able to predict potential flooding and landslides. This will help network teams to optimise the network operation during climate related disasters. Will result in minimising revenue loss and reduced loss of services to customers. As a telecom operator, our operations give rise to significant quantities of e-waste which need to be disposed of in a responsible manner. Accordingly, the following mitigating actions have been implemented: <ul style="list-style-type: none"> E-waste, storage of volatile materials, Biodiversity and General Waste Management 624 tonnes of e-waste were collected internally YTD. 3,078 kg of E-waste was collected through the external program (e-Kunu Project) during the year. Waste inventory is being developed by Supply Chain Management team to reduce waste at source. BCM activities have been developed taking all potential climate related risks into consideration. 	

Risks and Opportunities

	Social <ul style="list-style-type: none"> – Dialog relies on the social license granted by the communities we operate in for our continued success. Accordingly, the Company invests in the community with national level projects to continuously address societal concerns. A strong portfolio of projects such as Govi Mithuru, Sayuru, Nenasa, and projects supporting PWDs etc., keep the Company connected to the people with interventions that address inequalities in our society. – Customer satisfaction is a key consideration and significant resources are devoted measuring, monitoring and responding to ensure that our customers have positive experiences. – As a telecom services operator, Dialog is required to maintain confidential data about customers and therefore, data security and customer privacy are key considerations. Additionally, enactment of the Personal Data Protection Act which has been deferred will create legal obligations in this regard as well. Dialog has a strong IT governance framework in place which addresses cybersecurity and data protection to safeguard customer information.
Key Risk Indicators	<ul style="list-style-type: none"> • Threat of Pollution, Emission, Biodiversity • Threat of Public Conce, Outcry • Threat of Breach of Policy, Framework
Changes in 2024	<ul style="list-style-type: none"> • Grid Electricity usage of the Consolidated entity (Dialog + Airtel) has decreased by 15.15% and Emissions have decreased by 16% compared to operating two independent networks

Climate Related Risks

As described above, Dialog sees climate change as both a risk and an opportunity and is acting with urgency to contribute to the country's transition to a low carbon economy. The adoption of SLFRS S1 and S2 this year resulted in strengthening our own processes to identify, assess, manage, mitigate and report on climate risks. In accordance with the transitional provisions set out in SLFRS S1, Dialog reports on CRROs in accordance with SLFRS S2.

Management has used their knowledge of past events in setting out the qualitative analysis below. Baseline data is being established to support more data driven approaches to assessing the nature, likelihood and magnitude of the effects of the CRROs. Responses will be refined further with the proposed data driven approaches to assessing risks.

The time frame considered is as follows:

- Short Term 1 year
- Medium Term 2 – 5 years
- Long Term 5 – 7 years

Risks and Opportunities

Assets at risk are as follows:

	Asset Category	Amount (Rs.)	Percentage of Total Assets
Dialog Axiata PLC (DAP)			
1	Towers	10,938,611,009.18	3.42%
2	Data Centres	885,958,624.47	0.28%
3	Underwater Cables	9,185,470,457.32	2.87%
Dialog Broadband Networks (Private) Limited (DBN)			
1	Towers	987,171,081.62	0.82%
2	Data Centres	2,599,402,864.11	2.17%
3	Underwater Cables	-	-
Total			
1	Towers	11,925,782,090.80	4.24%
2	Data Centres	3,485,361,488.58	2.45%
3	Underwater Cables	9,185,470,457.32	2.87%

Extreme Weather Events

Description	Floods and storms, which are the most common extreme weather events can damage physical infrastructure such as towers, cables and power systems, leading to service disruptions
Type of Risk	Physical Risk - Acute
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	While the network suffered some damage, this did not result in write downs of assets as they were restored with costs recorded in repairs and maintenance. However, we have recorded the amount related to Cyclone Fengal, where the total loss accounted was at Rs. 13.3 million.
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	There is no impact to the carrying of assets or liabilities.
Short-, Medium- and Long-term impacts on: 1. Access to finance	Extreme weather events can increase uncertainty and risk for businesses, making it more challenging to secure financing. Lenders may become more cautious, leading to stricter lending criteria and higher interest rates

Risks and Opportunities

2. Cost of Capital	Increased risk associated with extreme weather events can lead to higher costs of capital. Investors may demand higher returns to compensate for the increased risk, raising the cost of equity and debt for affected businesses
3. Cashflows	Adverse weather conditions can disrupt business operations, leading to reduced sales and increased costs. This can result in lower cash flows and potential financial distress for businesses
4. Financial performance	Extreme weather events can negatively impact a company's financial performance by causing physical damage to assets, disrupting supply chains, and reducing consumer demand. This can lead to lower revenues and higher expenses.
5. Financial position	The overall financial position of a business can be weakened by extreme weather events due to reduced asset values, and higher costs of recovery and adaptation.
6. Current and Anticipated Mitigation Actions	Currently, network teams have identified towers and other critical infrastructure at risks, and do take action during monsoon season, depending on the rainfall and other hazards such as landslides and floods, to ensure services are continued without disruption. This includes ensuring fuel being stocked in case of emergency and boosting signals to reduce congestion in network as a result of signal loss due to bad weather.

Sea-Level Rise

Description	The rise in sea level is a gradual but persistent change that poses various challenges for coastal regions around the world including Indian Ocean. This is largely the result of increased greenhouse gas emissions from human activities, such as burning fossil fuels, deforestation, and industrial processes.
Type of Risk	Physical Risk - Chronic
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	While the network may have suffered some damage, this did not result in write downs of assets as they were restored with costs recorded in repairs and maintenance. However, we have not recorded the amount related to rising sea levels and its potential impact on the underwater cables separately to disclose it accurately.
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	None anticipated at present
Short-, Medium- and Long-term impacts on: 1. Access to finance	There may be difficulties in raising finance for high value infrastructure located in the sea or in close proximity.
2. Cost of Capital	The increased risk associated with sea-level rise can lead to higher costs of capital as Investors may demand higher returns to compensate for the increased risk, raising the cost of equity and debt for Dialog
3. Cashflows	Sea-level rise can disrupt operations, particularly in coastal areas where infrastructure might be damaged or require relocation. This can lead to increased costs and reduced revenues, negatively impacting cash flows.
4. Financial performance	Physical damage to assets and disruptions in operations due to sea-level rise can lead to higher expenses and lower revenues which can subdue profitability.
5. Financial position	The overall financial position of Dialog can be negatively impacted by sea-level rise due to reduced asset values, and higher costs of recovery and adaptation
6. Current and Anticipated Mitigation Actions	The situation is monitored and the Board Risk and Compliance committee is kept informed of the potential risk.

Risks and Opportunities

Rise in Temperature

Description	Rising temperatures, often referred to as global warming, are primarily caused by the increase in greenhouse gases such as carbon dioxide, methane, and nitrous oxide in the atmosphere.
Type of Risk	Physical Risk - Chronic
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	2024 saw a direct impact on the network due to cyclones, especially towards the end of the year in November with Cyclone Fengal. The total impact due to network unavailability was Rs. 9 million, while damages amounting to Rs. 4.3 million, to solar panels due to high winds were observed by the Network Operations team.
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	One of the key areas that carries significant risk is the energy sector. Understanding these risks, Dialog is working towards adopting more renewable energy sources, which will help mitigate potential risks related to rising energy costs and reduce CO ₂ emissions.
Short-, Medium- and Long-term impacts on: 1. Access to finance	Higher temperatures can increase the risk of physical damage to infrastructure and disrupt operations, making lenders more cautious. This heightened risk may lead to stricter lending criteria and higher interest rates, making it more challenging for Dialog to secure financing.
2. Cost of Capital	The increased risk associated with rising temperatures can lead to higher costs of capital. Investors may demand higher returns to compensate for the increased risk, raising the cost of equity and debt for Dialog.
3. Cashflows	Rising temperatures can disrupt operations, particularly in regions where extreme heat affects productivity and increases operational costs. This can lead to reduced revenues and higher expenses, negatively impacting cash flows.
4. Financial performance	Higher temperatures can negatively impact financial performance by causing physical damage to assets, disrupting supply chains, and reducing consumer demand. This can lead to lower revenues and higher expenses.
5. Financial position	The overall financial position of Dialog can be weakened by rising temperatures due to increased liabilities, reduced asset values, and higher costs of recovery and adaptation.
6. Current and Anticipated Mitigation Actions	Identifying disaster risk-prone areas and ensuring backup options in the event of a disaster.

Risks and Opportunities

Threat of Carbon Pricing Policies

Description	Potential risk of policies implemented to manage emissions which may include carbon taxes or cap and trade systems to drive more environmentally responsible behaviours and charge emitters for emissions.
Type of Risk	Transition Risk – Legal or Policy Risk
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	No impact
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	None identified at present.
Short-, Medium- and Long-term impacts on: 1. Access to finance	Both non-availability of such policies and implementation of such policies can pose barriers to accessing finance in the future as sentiments regarding climate change continue to change investment criteria.
2. Cost of Capital	
3. Cashflows	Without carbon pricing, Dialog might not face immediate costs related to carbon emissions. However, this could result in missed opportunities for efficiency improvements and cost savings that come with sustainable practices. In the long run, this could negatively impact cash flows. The introduction of carbon pricing is likely to have a negative impact on cashflows and financial performance in the short, medium and long term.
4. Financial performance	
5. Financial position	Impact on the financial position will largely stem from a. The need to invest in new technologies that address emissions and the need to finance the same in the medium to long term b. Reduced profitability if carbon taxes or similar policies are implemented c. Write down stranded assets as industries move to new technologies with lower emissions It is unlikely to have an impact in the short term given the current state of play.
6. Current and Anticipated Mitigation Actions	In alignment with the Net Zero roadmap, consider implementing a policy within the next five years

Risks and Opportunities

Climate Related Opportunities

The climate-related opportunities facilitate Dialog's transition to a low carbon economy and the most significant ones are set out below. Dialog assesses climate related opportunities with reference to current developments in the telecommunication industry, assimilating knowledge from authoritative articles in technical journals and updates by authoritative sources. As with assessment of risks, we are yet to establish reliable data driven approaches and have used the collective knowledge of relevant senior management in assessing the opportunities.

Adoption of Clean Technologies

Description	Clean technologies refer to products, services, and processes that use renewable materials and energy sources, reduce emissions and waste, and have a minimal impact on the environment. These technologies include renewable energy sources like solar and wind power, energy-efficient appliances, electric vehicles, and advanced recycling methods.
Type of Risk	Transition Risk – Technology Risk
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	No impact
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	None identified at present
Short-, Medium- and Long-term impacts on: 1. Access to finance	Investors and lenders are increasingly prioritising companies with strong environmental credentials. Adoption of clean technologies can make it more challenging for Dialog to secure financing from institutions that favour green investments.
2. Cost of Capital	The adoption of clean technologies can lead to reduced cost of capital as the risk profile of Dialog improves as it becomes more future ready.
3. Cashflows	While investments in clean technologies will require cash outflows, in the medium and long term, it is anticipated that it can significantly increase cashflows. Increased cashflows from clean technologies can come from potential savings in energy costs and other operational costs as well as from additional streams of revenue. Reducing costs of clean technologies will also aid the transition.
4. Financial performance	Financial performance may be impacted by the write down of stranded assets if adoption of clean technologies is deferred for too long as disposal can become difficult. However, the potential upside is likely to result in a net gain in profitability after considering the inflows described above.
5. Financial position	Overall, the financial position is expected to strengthen in the medium to long term. However, there may be potential declines in net asset values arising from the write down of stranded assets in the transition period which is expected to be short to medium term.

Risks and Opportunities

Energy Efficiency and Resource Optimisation

Description	Energy efficiency and resource optimisation are crucial for a telecommunications company like Dialog Axiata PLC. These concepts involve using less energy to perform the same tasks and making the best use of available resources to minimise waste and environmental impact.
Type of Risk	Transition Risk – Technology and Regulatory
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	Energy efficiency and resource optimisation are crucial for a telecommunications company like Dialog. These concepts involve using less resources (including energy) to do more and making the best use of available resources to minimise waste and environmental impact.
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	None anticipated
Short-, Medium- and Long-term impacts on: 1. Access to finance	Embracing energy efficiency and resource optimisation can enhance Dialog's reputation as a sustainable and forward-thinking company. This can make it more attractive to investors and lenders who prioritise environmental sustainability, improving access to finance. Additionally, it can access sustainable funding sources using instruments such as green bonds and sustainable bonds.
2. Cost of Capital	By adopting energy-efficient practices, Dialog can reduce operational risks and demonstrate long-term sustainability. This can lead to lower perceived risks for investors, potentially reducing the cost of capital as investors may accept lower returns for a more stable investment.
3. Cashflows	Implementing energy efficiency measures can lead to significant cost savings by reducing energy consumption and operational expenses. These savings can improve cash flows, providing more funds for reinvestment and growth
4. Financial performance	Enhanced energy efficiency can improve overall financial performance by lowering operational costs and increasing profitability. Additionally, it can enhance the Company's competitive edge by positioning it as a leader in sustainability
5. Financial position	The overall financial position of Dialog can be strengthened through energy efficiency and resource optimisation. Reduced liabilities, lower operational costs, and improved asset values contribute to a healthier balance sheet and stronger financial stability.

Risks and Opportunities

Transition to Renewable Energy

Description	The transition to renewable energy is crucial for a telecommunications company like Dialog. This transition involves shifting from traditional fossil fuels to renewable energy sources such as solar, wind, and hydropower, which are more sustainable and environmentally friendly.
Type of Risk	Transition Risk - Technology
2024 Effects on 1. Cashflows 2. Financial performance 3. Financial position	2024 Rs. 4.47 million 2023 Rs. 2 billion Indoor outdoor conversion Rs. 904 million in 2024.
Significant risk of material adjustment to the carrying amounts of assets and liabilities in next annual period	None anticipated
Short-, Medium- and Long-term impacts on: 1. Access to finance	Dialog plans to continue solarisation for the prioritised location in align with the strategy plan. It will also explore the possibility of investing in power wheeling with country level policy implementation. This will enable it to access green funding sources, reducing its cost of capital by attracting sustainable investors and also through instruments such as green and sustainable bonds.
2. Cost of Capital	
3. Cashflows	Implementing renewable energy solutions can lead to significant cost savings by reducing energy consumption and operational expenses. These savings can improve cash flows, providing more funds for reinvestment and growth.
4. Financial performance	Adopting clean technologies enables cost savings by reducing energy and resource consumption, which can enhance profitability. It also positions Dialog as a forward-thinking company, potentially driving long-term revenue growth through improved operational efficiency and sustainability.
5. Financial position	Clean technology investments can lead to lower operational expenses and increased asset efficiency. These improvements can strengthen Dialog's balance sheet and overall financial position by reducing liabilities and supporting long-term financial resilience.

Sustainability Related Risks and Opportunities

The Sustainability Related Risks and Opportunities have been identified with reference to the SASB Standard on Telecommunication Services and our own materiality assessment.

Customer Satisfaction

Description	Increasing focus on customer experience (CX) driven by AI, omnichannel integration, personalisation, and real-time customer sentiment analytics
Effects on: 1. Cashflows 2. Financial performance 3. Financial position	1. Improved efficiency reduces costs; high digital engagement (99% interactions) 2. Increased customer retention, reduced churn 3. Stronger brand equity and reduced risk from dissatisfied customers

Risks and Opportunities

Significant risk of material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period	No significant risk indicated; initiatives improve predictability and operational control
Short Term Anticipated effects on: 1. Access to finance 2. Cost of capital 3. Financial position 4. Cashflows 5. Financial performance	1. Improved brand trust enhances credibility 2. Operational efficiency may slightly lower capital costs 3. Digital-first CX strengthens intangible assets 4. Reduced OPEX from automation 5. Stronger loyalty boosts top line
Medium Term Anticipated effects on: 1. Access to finance 2. Cost of capital 3. Financial position 4. Cashflows 5. Financial performance	1. Continued trust with financial institutions 2. Optimised financing via tech maturity 3. Digital goodwill increases 4. Self-service = predictable cashflow 5. Enhanced NPS = revenue growth
Long Term Anticipated effects on: 1. Access to finance 2. Cost of capital 3. Financial position 4. Cashflows 5. Financial performance	1. Strong ESG alignment may enhance green financing options 2. Minimal reliance on human resource-intensive models lowers cost 3. Digital-first culture embeds resilience 4. Long-term customer retention stabilises revenue 5. Differentiated CX provides lasting competitive advantage
Planned Mitigating Actions	<ul style="list-style-type: none"> Increasing focus on customer experience (CX) driven by AI, omnichannel integration, personalisation, and real-time customer sentiment analytics CX transformation initiatives focused on digitisation, automation, and loyalty programme evolution Continued integration of AI/ML for predictive support, expanding loyalty ecosystems, deeper personalisation Fully AI-augmented, proactive and predictive CX; self-sustaining service ecosystems

Risks and Opportunities

Customer Privacy

Description	As technology becomes increasingly integrated into daily life, the risk and impact of cyberattacks and data breaches on telecommunications providers such as Dialog have intensified. This includes threats to service continuity, data protection, customer trust, brand reputation and non-compliance with security standards and evolving regulations.
Effects on: 1. Cash flows 2. Financial performance 3. Financial position	Increased compliance costs due to regulatory updates (e.g., Sri Lanka's PDPA).
Significant risk of material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period	No significant risk indicated; initiatives improve predictability and operational control.
Short Term Anticipated effects on: 1. Access to finance 2. Cost of capital 3. Financial position 4. Cashflows 5. Financial performance	In the short term, there are unlikely to be any changes to Dialog's access to finance or cost of capital. As the threat continues to remain elevated, the Company's financial performance and cashflows will be impacted by increasing cybersecurity expenses. Improved through demonstrated cyber resilience. We do not expect any material change to the balance sheet which may arise from potential claims due to rigour of controls in place to safeguard against cyber threats.
Medium Term Anticipated effects on: 1. Access to finance 2. Cost of capital 3. Financial position 4. Cashflows 5. Financial performance	Access to capital and cost of capital is expected to further strengthened as investors favour ESG-aligned organisations. Financial performance and cashflows will continue to accommodate cybersecurity costs which may increase with escalation in threat levels. The financial position is likely to remain unaffected, particularly as the Company has also obtained cyberinsurance.
Long Term Anticipated effects on: 1. Access to finance 2. Cost of capital 3. Financial position 4. Cashflows 5. Financial performance	
Planned Mitigating Actions	Please refer to pages 114 and 115 under the heading 'Cybersecurity and Data Privacy Risk.



A decorative graphic consisting of numerous triangles of various colors (orange, yellow, green, blue, purple, pink) arranged in a dynamic, overlapping pattern that flows from the bottom left towards the top right, creating a sense of movement and energy.

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Annual Report of the Board of Directors for the year ended 31 December 2024

The Board of Directors ('the Board') of Dialog Axiata PLC ('DAP' or 'the Company') is pleased to present herewith the Annual Report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as 'the Group') for the financial year ended 31 December 2024.

This Annual Report of the Board on the affairs of the Company contains the information required in terms of the Companies Act, No. 07 of 2007 ('Companies Act') and the Listing Rules of the Colombo Stock Exchange (CSE) and is guided by recommended best practices.

FORMATION

The Company is a public limited liability company incorporated and domiciled in Sri Lanka and is listed on the CSE. The registered office of the Company is located at No. 475, Union Place, Colombo 2.

The Company was incorporated in Sri Lanka on 27 August 1993, under the Companies Act, No. 17 of 1982, as a private limited liability company bearing the name MTN Networks (Private) Limited.

MTN Networks (Private) Limited changed its name to Dialog Telekom Limited on 26 May 2005 and was listed on the CSE on 28 July 2005. Pursuant to the requirements of the Companies Act, the Company was re-registered on 19 July 2007 and was accordingly renamed as Dialog Telekom PLC and bears registration number PQ38. Dialog Telekom PLC changed its name to Dialog Axiata PLC on 7 July 2010 in accordance with the provisions of Section 8 of the Companies Act. The Company and its subsidiaries have entered into a number of agreements with the Board of Investment of Sri Lanka ('BOI') and enjoy concessions under Section 17 of the BOI Act.

PRINCIPAL ACTIVITIES

The principal activities of the Group are to provide communication services (mobile, fixed, broadband International services, telecommunication infrastructure services (tower infrastructure and transmission services), media (digital television services based on multiple media - satellite, cable, terrestrial), digital services [including but not limited to digital commerce (mobile and eCommerce), electronic payments (including mobile payments), digital health, education, Platform (API), navigation and FinTech services], enterprise ICT services including data centre services, manpower services, provision of IT services, and venture capital investment activities.

FINANCIAL STATEMENTS

The financial statements which include the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows and notes to the financial statements of the Company and the Group for the year ended 31 December 2024 are set out on pages 142 to 233.

INDEPENDENT AUDITOR'S REPORT

The independent Auditor's Report is set out on pages 135 to 141.

ACCOUNTING POLICIES

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ('SLFRS'), Sri Lanka Accounting Standards ('LKAS'), relevant interpretations of the Standing Interpretations Committee ('SIC') and International Financial Reporting Interpretations Committee ('IFRIC'). The significant accounting policies adopted in the preparation of the financial statements are given on pages 150 to 164.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for preparing and presenting the financial statements of the Company and the Group to reflect a true and fair view of the state of affairs. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of Sri Lanka Accounting Standards, the Companies Act and the Listing Rules of the CSE. The detailed statement of Directors' responsibility is included in page 134.

REVIEW OF BUSINESS

The state of affairs of the Company and the Group as at 31 December 2024 is set out in the statements of financial position on pages 142 to 143. An assessment of the financial performance of the Company and the Group is set out in the statements of comprehensive income on pages 144 to 145.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in note 2.4 to the financial statements.

Annual Report of the Board of Directors for the year ended 31 December 2024

RESERVES

The aggregate values of reserves and their composition are set out in the statements of changes in equity of the Company and the Group on pages 146 and 147 to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The parent company, Axiata Investments (Labuan) Limited, held 73.75% of the ordinary shares in issue of the Company at 31 December 2024. The main shareholders of the Company and the corresponding holding percentages are set out below:

	Name of Shareholder	2024		2023	
		No. of shares	% Holding	No. of shares	% Holding
1	Axiata Investments (Labuan) Limited	6,785,252,765	73.75%	6,785,252,765	82.27%
2	Bharti Airtel Limited	952,694,689	10.36%	-	-
3	Employees' Provident Fund	237,424,082	2.58%	237,424,082	2.88%
4	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	148,192,628	1.61%	84,476,152	1.02%
5	BBH Luxfidelity Funds-Pacific Fund	128,421,604	1.40%	147,311,909	1.79%
6	SSBT-Sunsuper PTY. LTD. as Trustee for Sunsuper Superannuation Fund	113,229,230	1.23%	87,288,612	1.06%
7	J.B. Cocoshell (Private) Limited	63,601,750	0.69%	41,980,399	0.51%
8	Northern Trust Company S/A Hosking Global Fund PLC	55,110,524	0.60%	36,393,681	0.44%
9	BBH - Fidelity Funds	53,560,648	0.58%	53,560,648	0.65%
10	Employees' Trust Fund Board	49,134,030	0.53%	49,134,030	0.60%

The percentage of shares held by the public as at 31 December 2024 was 15.82%, in the hands of 23,895 public shareholders (2023 - 17.65% in the hands of 23,039 public shareholders). The Float adjusted market capitalisation as at 31 December 2024 was Rs. 17,031,905,631.

The Company is compliant with the Minimum Public Holding requirement under Option 1 of Rule 7.13.1(i) (a) of the Listing Rules of the Colombo Stock Exchange.

DIRECTORS

The Directors of the Company as at 31 December 2024 were;

Mr. David Nai Pek Lau (Chairman)
 Mr. Supun Weerasinghe (Group Chief Executive Officer)
 Dr. Hansa Wijayasuriya
 Mr. Willem Timmermans
 Dr. Indrajit Coomaraswamy
 Dr. Sharmini Coorey
 Ms. Komathi Balakrishnan
 Mr. Thomas Hundt
 Mr. Visvanathamoorthy Govindasamy
 Mr. Randeep Singh Sekhon

During the year under review, the following changes took place on the Board;

• Appointments to the Board:

Mr. Thomas Hundt was appointed effective 17 February 2024
 Mr. Soumen Ray was appointed effective 26 June 2024
 Mr. Visvanathamoorthy Govindasamy was appointed effective 1 October 2024
 Mr. Randeep Singh Sekhon was appointed effective 8 November 2024

• Resignations from the Board:

Mr. Vivek Sood resigned effective 17 February 2024
 Deshamanya Mahesh Amalean resigned effective 14 June 2024
 Mr. Soumen Ray resigned effective 8 November 2024
 Dr. Indrajit Coomaraswamy resigned effective 31 December 2024

Further, Mr. Thandalam Veeravalli Thirumala Chari was appointed as an Alternate Director to Mr. Willem Timmermans, up to a period of one (01) year effective 01 January 2025.

The Board of Directors resolved to appoint Mr. Vivek Sood as a Director with effect from 16 January 2025 in place of Dr. Hansa Wijayasuriya who resigned effective 15 January 2025.

• Re-election of Directors:

In accordance with the Articles of Association of the Company, Dr. Sharmini Coorey retires by rotation and is eligible for re-election at the forthcoming Annual General Meeting.

Annual Report of the Board of Directors for the year ended 31 December 2024

Mr. David Lau Nai Pek who attained the age of 72 years on 07 November 2024, retires pursuant to Section 210 of the Companies Act and a resolution that the age limit of 70 years referred to in Section 210 of the Companies Act shall not be applicable to Mr. David Lau Nai Pek will be proposed at the forthcoming Annual General Meeting.

Messrs Visvanathamoorthy Govindasamy, Randeep Singh Sekhon and Vivek Sood were appointed to the Board since the last Annual General Meeting which was held on 13 June 2024, and will submit themselves for re-election at the forthcoming Annual General Meeting in accordance with Article 109 of the Articles of Association.

The names of the Directors eligible for re-election are included in the Notice of the Annual General Meeting.

INTERESTS REGISTER

The Company has maintained the interest register as required by the Companies Act. The names of the Directors who were directly or indirectly interested in a contract or a proposed transaction with the Company or the Group during the year were disclosed by the Directors and updated in the interests register.

REMUNERATION AND OTHER BENEFITS OF DIRECTORS

The remuneration and other benefits of the Directors are given in note 37 to the financial statements.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

The details of shares held directly by the Directors and their spouses as at 31 December 2024 are as follows:

	No of Shares	
	2024	2023
Dr. Hansa Wijayasuriya (Resigned w.e.f 15 January 2025)	2,408,910	2,408,910
Mr. Supun Weerasinghe	4,260,200	4,260,200

* None of the Directors other than those disclosed above directly or indirectly held any shares of the Company.

AMOUNTS PAYABLE TO THE FIRM HOLDING OFFICE AS INDEPENDENT AUDITOR

The audit fees payable to the Auditors, Messrs Deloitte Partners Sri Lanka was Rs. 12.75 million (2023 - Rs. 9.78 million) and Rs. 29.94 million (2023 - Rs. 24.6 million) for the Company and the Group respectively. In addition to the above, Rs. 1.2 million (2023 - Rs. 9.04 million) and Rs.2.1 million (2023 - Rs. 9.45 million) was payable by the Company and the Group for other permitted services.

STATED CAPITAL

The stated capital of the Company as at 31 December 2024 was Rs 39,905,563,259 (2023 - Rs. 29,349,706,105) comprising 9,200,334,994 ordinary shares (2023 - 8,247,640,305 ordinary shares).

CORPORATE GOVERNANCE

The Directors place great emphasis on instituting and maintaining internationally accepted corporate governance practices and principles with respect to the management and operations of the Company and the Group, in order to develop and nurture long-term relationships with key stakeholders. The Directors confirm that the Company is compliant with the Listing Rules of the CSE on corporate governance.

RELATED PARTY TRANSACTIONS

There were no non-recurrent related party transactions entered into by the Company in which the aggregative value exceeded the lower of 10% of the equity or 5% of the assets as per 31 December 2023 audited financial statements, which require additional disclosure in terms of Rule 9.14.8 of the Listing Rules of the CSE on related party transactions. There were no recurrent related party transactions carried out during the financial year ended 31 December 2024, the aggregate value of which exceeded 10% of the revenue. Details of all related party transactions carried out during the year are disclosed in note 37 to the financial statements.

STATUTORY PAYMENTS

The Directors confirm that, to the best of their knowledge having made adequate inquiries from management, all taxes, duties, levies and statutory payments payable by the Company and its subsidiaries and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries as at the date of the statements of financial position have been duly paid, or where relevant provided for, except as disclosed in note 34 to the financial statements.

Annual Report of the Board of Directors for the year ended 31 December 2024

RISK MANAGEMENT AND INTERNAL CONTROLS

The Directors are responsible for the Company's and the Group's system of internal controls covering financial operations and risk management activities and review its effectiveness, in accordance with the provisions of the corporate governance framework.

The Directors consider that the system is appropriately designed to manage the risk and to provide reasonable assurance against material misstatement or loss. The Directors further confirm that there is an on-going process to identify, evaluate and manage significant business risks.

ENVIRONMENTAL PROTECTION

The Company and the Group make every endeavour to comply with the relevant environmental laws, regulations and best practices applicable in the country. The Company's Environmental Management System was certified by the globally recognised ISO 14001: 2015 standards in July 2021 for its full scope of operations. This is reviewed and updated periodically by an international panel of experts. The Company became South Asia's first Quad-play Telecommunication Company (Mobile, Fixed, Media and Broadband) to achieve the same. After making adequate inquiries from management, the Directors are satisfied that the Company and its subsidiaries operate in a manner that minimises the detrimental effects on the environment and provide products and services that have a beneficial effect on the customers and the communities within which the Company and the Group operate.

MATERIAL ISSUES

There were no material issues pertaining to employees and industrial relations.

DONATIONS

The total donations made by the Company and its subsidiaries during the year amounted to Rs.33,908,311 (2023 - Rs. 89,916,137)

GOING CONCERN

The Directors are satisfied that the Company and the Group have adequate resources to continue its operations for the foreseeable future to justify adopting the going concern basis in preparing these.

INDEPENDENT AUDITOR

Messrs Deloitte Partners, Chartered Accountants, served as the independent Auditor during the year. The Directors are satisfied that, based on written representations made by the independent Auditor to the Board, they did not have any relationship or interest with the Company and its subsidiaries that would impair their independence and objectivity.

Messrs Deloitte Partners Sri Lanka, Chartered Accountants, have expressed their willingness to continue as the independent Auditor of the Company and the Group and a resolution to reappoint Messrs Deloitte Partners as independent Auditor will be proposed at the forthcoming Annual General Meeting.


EVENTS AFTER THE REPORTING PERIOD

No other material events have occurred since the date of the statement of financial position which requires adjustments to or disclosures in the financial statements other than those disclosed in note 39 to the financial statements.

By Order of the Board



Mr. Supun Weerasinghe
Director



Mr. David Nai Pek Lau
Director



Ms. Viranthi Attygalle
Group Company Secretary

Colombo
14 February 2025

Statement of Directors' Responsibility for Financial Reporting

The responsibility of the Directors in relation to the financial statements of Dialog Axiata PLC ("the Company") and the Consolidated Financial Statements of the Company and its Subsidiaries and the Associates ("the Group") is set out in the following statement.

The responsibilities of the independent Auditor in relation to the financial statements prepared in accordance with the provisions of the Companies Act No. 07 of 2007 ('the Act'), are set out in the Independent Auditor's Report from pages 135 to 141. The financial statements comprise:

- the statements of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year,
- the statements of comprehensive income, which presents a true and fair view of the comprehensive income and /or other comprehensive income of the Company and its subsidiaries for the financial year,
- the Statement of Changes in Equity,
- the Statement of Cash Flows,
- Notes to the Financial Statements.

In preparing these financial statements the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- all applicable Sri Lanka Accounting Standards (SLFRS / LKAS), as relevant, have been followed and are consistent with the underlying books of accounts;
- reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected;
- and information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange has been disclosed.
- the companies within the Group maintain sufficient accounting records to disclose the financial position of the Group with reasonable accuracy.

The Directors are also required to ensure that the Company and its subsidiaries have adequate resources to continue their operations to justify applying the 'going concern' basis in preparing these financial statements. Further, the Directors have a responsibility to ensure that the Company and its subsidiaries maintain sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and of the Group, to ensure that the financial statements presented comply

with the requirements of the Companies Act. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiaries and in this regard to give proper consideration to the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems with a view of preventing and detecting fraud and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the date of the statements of financial position have been paid, or where relevant provided for, except as disclosed in note 34 to the financial statements covering contingent liabilities.

The Directors confirm that based on their assessment, the accounting controls are adequate, and nothing has come to their attention to indicate any breakdown in the functioning of these controls that may result in a material loss to the Company. The Directors also confirm that the Company has adequate resources to continue in operational existence and continue as a Going Concern for the foreseeable future.

Accordingly, the Directors are of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board



Ms. Viranthi Attygalle
Group Company Secretary

Colombo
14 February 2025

Independent Auditor's Report



Deloitte Partners
100 Braybrooke Place
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To the Shareholders of Dialog Axiata PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dialog Axiata PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

C S Manoharan FCA, T U Jayasinghe FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, L A C Tillekeratne ACA, M D B Boyagoda FCA,
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Independent Auditor's Report

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To the Shareholders of Dialog Axiata PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

Key Audit Matters (Contd)

The Group:

Key audit matter	How our audit addressed the Key audit matter
<p>(a.) Impairment assessment of goodwill in subsidiaries</p> <p>(Refer accounting policies in note 2.5 (a) and note 7 in the financial statements)</p> <p>As at 31 December 2024, the Group's goodwill arising from its acquisition of subsidiaries including acquisition and merger of Airtel Lanka (Private) Limited was Rs. 18.9 billion. The Group is required to test goodwill for impairment annually according to the requirements of the applicable accounting standard.</p> <p>This annual impairment test was significant to our audit due to the following reasons:</p> <ul style="list-style-type: none"> - the goodwill balance of the Group as at 31 December 2024 is material to the financial statements; and - impairment testing is based on management's assumptions and judgments about future results of the business and the discount rates applied to future cash flow forecasts of the related subsidiaries which are affected by the uncertainty of the expected future market or economic conditions. 	<p>Our procedures included checking inputs used in the impairment testing and the reasonableness of the assumptions used in determining the recoverable value and are given below:</p> <ul style="list-style-type: none"> (a) assessed the key assumptions, including the discount rate, terminal growth rate, EBITDA, and revenue growth rate by benchmarking against publicly available market data and by obtaining the assistance of our valuation experts. This also included assessing the impact of the present economic crisis of the country on the industry using both historical data as well as market expectations from published reports, where applicable; (b) checked the mathematical accuracy of the impairment testing and agreed with relevant data to the approved management plans; (c) checked the cashflow projections by comparing actual performance against previous forecasts and projections; (d) discussed with relevant senior management the extent to which their assessment of uncertainty had been incorporated to cash flow projections; (e) re-performed the sensitivity analysis performed by management by stress-testing the discount rate, terminal growth rate, EBITDA margin, revenue growth rate, and capex to EBITDA ratio; (f) tested management judgements on calculating the reasonableness of assets and liabilities forming part of Cash Generating Unit (CGU); and (g) engaged valuation specialists to test the reasonableness of key assumptions used including discount rate and terminal growth rate.

Independent Auditor's Report

Deloitte.

To the Shareholders of Dialog Axiata PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

Key Audit Matters (Contd)

The Group and Company:

Key audit matter	How our audit addressed the Key audit matter
<p>(b) Revenue recognition - Accuracy of mobile service revenues recorded given the complexity of systems and the inherent nature of the revenue.</p> <p>(Refer accounting policies in note 2.25 and note 26 in the financial statements)</p> <p>The mobile services revenue of the Company and the Group amounted to Rs. 115.6 billion and Rs. 126.8 billion respectively, and comprised revenues from voice, data, and value-added services that are material to the financial statements.</p> <p>We focused on this area, in determining telecommunication service revenue involves risks due to:</p> <ul style="list-style-type: none"> - multiple element arrangements inherent to revenue in the industry; - an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of changes in pricing models to revenue recognition; and - complex information technology systems involving the processing of large volumes of data. 	<p>Our audit procedures included testing of controls and substantive procedures as follows:</p> <p>(a) evaluated the relevant IT systems and the design of relevant controls, and tested the operating effectiveness of such controls over the:</p> <ul style="list-style-type: none"> - capturing and recording of revenue transactions; - authorisation of rate changes and the rate input to the billing systems; and - accuracy of the system calculation of amounts billed to customers <p>(b) checked the accounting treatment for all new products launched with multiple element arrangements and tested that they are appropriately incorporated into the billing systems;</p> <p>(c) recalculated the revenue recognised to evaluate whether the amounts recognised by the Company's IT system were accurate;</p> <p>(d) tested the reconciliations between the general ledger and IT system for all key revenue streams;</p> <p>(e) tested the results of the monitoring activities performed by the revenue assurance function of the Company; and</p> <p>(f) examined material non-standard journal entries and other adjustments posted to revenue.</p>

Independent Auditor's Report

Deloitte.

To the Shareholders of Dialog Axiata PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

Key Audit Matters (Contd)

The Group and Company (Contd)

Key audit matter	How our audit addressed the Key audit matter
<p>Business Combination – Acquisition of Bharti Airtel Lanka (Private) Limited</p> <p>(Refer to note 36 of the Financial Statements – "Business Combination")</p> <p>On 26 June 2024, Dialog Axiata PLC ("Dialog") acquired 100% of the issued shares of Bharti Airtel Lanka (Private) Limited ("Airtel Lanka") through a share swap transaction, issuing 952,694,689 ordinary shares to Bharti Airtel Limited, which is 10.355% of Dialog's total issued shares. Subsequently, on 30 August 2024, Airtel Lanka was amalgamated with Dialog, with Dialog remaining as the amalgamated entity under the Companies Act, No. 7 of 2007.</p> <p>As part of this transaction, Dialog recognised goodwill of Rs 14,043 million, representing the excess of the purchase price over the fair value of net assets acquired. The accounting for the business combination was performed in accordance with SLFRS 3 – Business Combinations.</p> <p>The fair value of the assets and liabilities acquired were allocated against the purchase price by management supported by management's expert. The purchase price allocation required management to make judgements, estimates and assumptions that may have a material impact on the fair values of assets and liabilities acquired including spectrum licenses identified as intangibles assets. We consider the business combination of Dialog group to be a matter of most significance to our current audit due to the level of estimation uncertainty and judgment applied by management in performing purchase price allocation, ultimately resulting in the goodwill amount recognised.</p>	<p>Our audit addressed this key audit matter as follows:</p> <p>Through inquiries with management and review of transaction related documents, we obtained an understanding of their process and procedures applied during their purchase price allocation performed.</p> <p>Our audit procedures on the acquisition of Airtel Lanka are given below:</p> <ol style="list-style-type: none"> Verified, based on the Share Sales Agreement (SSA) as well as the criteria defined in SLFRS 10 Consolidated Financial Statements, the assessment made by management with regards to the transfer of control and acquisition date; Reviewed the board approval of the Company and the regulatory clearance obtained for the acquisition; Verified the consideration transferred through the share swap by examining the evidence of the issuance of 952,694,689 ordinary shares to Bharti Airtel Limited as consideration for the acquisition and assessed appropriateness of the price at which these shares were issued; Evaluated the measurement of purchase consideration in accordance with SLFRS 3 – Business Combination; Obtained the purchase price allocation performed by management with the involvement of management's specialist. Assessed the reasonableness of methodical approach in identifying and measuring the fair value of the assets acquired and liabilities assumed at the acquisition date; Engaged our internal valuation specialists to assist, in reviewing the valuation methodologies, significant assumptions and judgements applied in the measurement of fair values of assets acquired and liabilities assumed;

Independent Auditor's Report

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To the Shareholders of Dialog Axiata PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

Key Audit Matters (Contd)

The Group and Company:

Key audit matter	How our audit addressed the Key audit matter
	<p>(g) Tested the mathematical accuracy of management's purchase price allocation calculation;</p> <p>(h) Recalculated the goodwill amount recognised; and</p> <p>(i) Reviewed the disclosures in the financial statements of the Group and the Company with respect to the acquisition and subsequent merger of Airtel Lanka.</p>

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/ Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/ Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Independent Auditor's Report

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To the Shareholders of Dialog Axiata PLC (Contd)

Report on the Audit of the Financial Statements (Contd)

Auditor's Responsibilities for the Audit of the Financial Statements (Contd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company and the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Company and the consolidated financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company/ Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements of the Company and the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report



To the Shareholders of Dialog Axiata PLC (Contd)

Auditor's Responsibilities for the Audit of the Financial Statements (Contd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Company and the consolidated financial statements of the Group financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Deloitte Partners

CHARTERED ACCOUNTANTS

CA Sri Lanka membership number 4997
COLOMBO

14 February 2025

Statement of Financial Position

(all amounts are in Sri Lanka Rupees thousands)

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
ASSETS					
Non - current assets					
Intangible assets	7	36,059,883	17,454,309	29,418,378	11,493,089
Contract cost assets	26(c)(i)	12,949,735	12,241,671	3,807,270	3,852,701
Property, plant and equipment	8	158,120,007	151,278,847	121,837,873	112,289,708
Right-of-use assets	9(a)(i)	10,861,923	8,312,349	10,662,694	8,100,888
Deferred tax assets	23(a)	248,673	304,966	-	-
Investment in subsidiaries	10	-	-	40,675,068	39,207,068
Investment in associates	11	-	34,585	-	-
Other financial assets	13	4,015,608	2,967,502	-	-
		222,255,829	192,594,229	206,401,283	174,943,454
Current assets					
Inventories	14	1,773,019	3,035,674	234,178	590,481
Trade and other receivables	15	47,411,228	47,534,230	34,582,085	35,872,078
Other financial assets	13	3,921,664	2,469,869	-	-
Cash and cash equivalents	16	33,785,614	40,613,115	27,776,009	28,494,858
		86,891,525	93,652,888	62,592,272	64,957,417
Total assets		309,147,354	286,247,117	268,993,555	239,900,871
EQUITY					
Capital and reserves attributable to equity holders					
Stated capital	17	39,905,563	29,349,706	39,905,563	29,349,706
Reserves	18	38,448,023	37,031,245	27,843,679	27,749,456
Equity attributable to Equity holders		78,353,586	66,380,951	67,749,242	57,099,162
Non-controlling interests		(73,623)	(44,189)	-	-
Total equity		78,279,963	66,336,762	67,749,242	57,099,162

Statement of Financial Position

(all amounts are in Sri Lanka Rupees thousands)

As at 31 December	Note	Group		Company	
		2024	2023	2024	2023
LIABILITIES					
Non - current liabilities					
Borrowings	21	35,749,593	67,674,317	31,956,538	63,626,373
Contract liabilities	26(c)(ii)	5,745,507	5,701,768	4,731,780	4,602,154
Deferred income	22	325,330	350,828	325,330	350,828
Lease liabilities	9(a)(ii)	10,834,404	7,871,095	10,614,105	7,645,323
Other financial liabilities	20	125,381	164,447	-	-
Employee benefit payables	24	2,310,004	2,095,107	1,655,831	1,467,253
Provision for other liabilities	25	4,503,584	3,434,609	4,129,542	3,071,880
Deferred tax liabilities	23(a)	1,157,608	201,982	-	-
		60,751,411	87,494,153	53,413,126	80,763,811
Current liabilities					
Trade and other payables	19	78,645,760	66,786,599	71,824,754	49,714,487
Borrowings	21	71,944,041	55,091,099	61,317,309	44,818,512
Other financial liabilities	20	3,144,356	1,672,808	4,396	-
Lease liabilities	9(a)(ii)	1,685,480	777,596	1,659,529	738,978
Contract liabilities	26(c)(ii)	13,447,548	6,667,964	11,806,658	5,487,863
Current income tax liabilities		1,248,795	1,420,136	1,218,541	1,278,058
		170,115,980	132,416,202	147,831,187	102,037,898
Total liabilities		230,867,391	219,910,355	201,244,313	182,801,709
Total equity and liabilities		309,147,354	286,247,117	268,993,555	239,900,871
Net assets per share (Rs.)		8.51	8.04	7.36	6.92

The notes on pages 150 to 233 form an integral part of these financial statements.

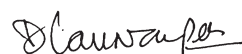
I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Mr. Munesh David
Acting Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board of Directors.



Mr. David Nai Pek Lau
Chairman

14 February 2025
Colombo



Mr. Supun Weerasinghe
Director

Statement of Comprehensive Income

(all amounts are in Sri Lanka Rupees thousands)

For the year ended 31 December	Note	Group		Company	
		2024	2023 Restated	2024	2023
Revenue	26(a)	171,170,280	181,722,046	115,672,413	102,932,077
Direct costs	27	(98,475,563)	(115,962,923)	(59,622,463)	(54,221,673)
Gross profit		72,694,717	65,759,123	56,049,950	48,710,404
Distribution costs	27	(18,540,038)	(18,001,764)	(15,583,453)	(15,145,873)
Administrative costs	27	(31,993,895)	(26,602,505)	(22,677,499)	(21,708,674)
Net impairment loss on financial assets		(1,643,616)	(898,845)	(807,104)	(589,318)
Other income	29	261,355	617,525	154,923	135,239
Operating profit		20,778,523	20,873,534	17,136,817	11,401,778
Finance income	30	1,464,012	1,979,588	1,670,319	2,196,946
Finance costs	30	(9,855,748)	(10,051,168)	(8,662,171)	(8,878,602)
Net foreign exchange gain	30	3,788,124	10,213,517	3,564,728	9,991,313
Finance (costs) / income - net	30	(4,603,612)	2,141,937	(3,427,124)	3,309,657
Share of loss from associates - net of tax	11	(34,585)	(70,363)	-	-
Profit before income tax		16,140,326	22,945,108	13,709,693	14,711,435
Income tax expense	31	(3,705,458)	(2,832,251)	(2,617,146)	(2,713,480)
Profit for the year		12,434,868	20,112,857	11,092,547	11,997,955
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
- Fair value gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income, net of tax	4 (c)	(22,040)	251,292	-	-
- remeasurements of defined benefit obligation, net of tax	24 (a) (i)	26,261	984,115	53,514	773,514
Other comprehensive income for the year, net of tax		4,221	1,235,407	53,514	773,514
Total comprehensive income for the year		12,439,089	21,348,264	11,146,061	12,771,469

Statement of Comprehensive Income

(all amounts are in Sri Lanka Rupees thousands)

For the year ended 31 December	Note	Group		Company	
		2024	2023 Restated	2024	2023
Profit/(loss) for the year is attributable to:					
- owners of the Company		12,458,581	20,124,094	11,092,547	11,997,955
- non-controlling interest		(23,713)	(11,237)	-	-
Total comprehensive income for the year is attributable to:					
- owners of the Company		12,464,139	21,342,511	11,146,061	12,771,469
- non-controlling interest		(25,050)	5,753	-	-
Earnings per share					
- Basic	32(a)(i)	1.43	2.44	1.27	1.45
- Diluted	32(a)(ii)	1.43	2.44	1.27	1.45
Dividend per share	32(b)	1.34	-	1.34	-

The notes on pages 150 to 233 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

(all amounts are in Sri Lanka Rupees thousands)

	Note	Attributable to owners of the Company		Non-controlling interest	Total equity
		Stated capital	Reserves		
As at 1 January 2024		29,349,706	37,031,245	(44,189)	66,336,762
Profit/(loss) for the year		-	12,458,581	(23,713)	12,434,868
Other comprehensive income		-	5,558	(1,337)	4,221
Total comprehensive income for the year		-	12,464,139	(25,050)	12,439,089
Transactions with non-controlling interest		-	4,477	(4,384)	93
Dividend to shareholders	32 (b)	-	(11,051,838)	-	(11,051,838)
Issue of shares	17 (a)	10,555,857	-	-	10,555,857
Balance as at 31 December 2024		39,905,563	38,448,023	(73,623)	78,279,963
Balance as at 1 January 2023		29,349,706	15,866,349	(66,107)	45,149,948
Profit for the year		-	20,124,094	(11,237)	20,112,857
Other comprehensive income		-	1,218,417	16,990	1,235,407
Total comprehensive income for the year		-	21,342,511	5,753	21,348,264
Transactions with non-controlling interest		-	(18,754)	16,165	(2,589)
Transfer from share-based payment reserve upon cancellation the payment plan	18 (b)	-	(158,861)	-	(158,861)
Balance as at 31 December 2023		29,349,706	37,031,245	(44,189)	66,336,762

The notes on pages 150 to 233 form an integral part of these financial statements.

Company Statement of Changes in Equity

(all amounts are in Sri Lanka Rupees thousands)

	Note	Attributable to owners of the Company		
		Stated capital	Reserves	Total equity
Balance as at 1 January 2024		29,349,706	27,749,456	57,099,162
Profit for the year		-	11,092,547	11,092,547
Other comprehensive income		-	53,514	53,514
Total comprehensive income for the year		-	11,146,061	11,146,061
Dividend to shareholders	32 (b)	-	(11,051,838)	(11,051,838)
Issue of shares	17 (a)	10,555,857	-	10,555,857
Balance as at 31 December 2024		39,905,563	27,843,679	67,749,242
Balance as at 1 January 2023		29,349,706	15,136,848	44,486,554
Profit for the year		-	11,997,955	11,997,955
Other comprehensive income		-	773,514	773,514
Total comprehensive income for the year		-	12,771,469	12,771,469
Transfer from share-based payment reserve upon cancellation the payment plan	18 (b)	-	(158,861)	(158,861)
Balance as at 31 December 2023		29,349,706	27,749,456	57,099,162

The notes on pages 150 to 233 form an integral part of these financial statements.

Statement of Cash Flows

(all amounts are in Sri Lanka Rupees thousands)

For the year ended 31 December	Note	Group		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Cash generated from operations	33(a)	60,235,653	32,630,701	61,330,918	32,010,594
Interest received		1,585,568	3,247,678	1,241,496	2,689,155
Interest paid		(9,471,191)	(10,465,558)	(7,761,618)	(9,041,367)
Income taxes paid		(2,535,545)	(3,124,515)	(2,498,997)	(3,000,198)
Employee benefits obligations paid	24(a)(i)	(331,041)	(962,438)	(212,724)	(722,416)
Net cash inflow from operating activities		49,483,444	21,325,868	52,099,075	21,935,768
Cash flows from investing activities					
Purchase of property, plant and equipment		(30,119,605)	(37,702,315)	(23,093,279)	(29,977,498)
Purchase of intangible assets		(4,275,114)	(6,277,949)	(4,190,716)	(6,214,038)
Net cash acquired from acquisition of subsidiary		(5,509,797)	-	(5,509,823)	-
Proceeds from sale of property, plant and equipment		45,770	118,480	43,020	117,659
Net cash flows used in other financial assets		1,005,571	-	-	-
Increase in interest in subsidiary		-	-	(1,468,000)	-
Net cash outflow from investing activities		(38,853,175)	(43,861,784)	(34,218,798)	(36,073,877)
Cash flows from financing activities					
Repayment of borrowings	33(b)	(35,633,058)	(44,132,221)	(28,918,850)	(40,600,014)
Proceeds from borrowings	33(b)	38,683,532	45,709,617	27,484,000	34,182,500
Principal element of lease payment	33(b)	(4,167,416)	(2,738,678)	(4,076,661)	(2,659,559)
Proceeds from share issue – non controlling interest		93	-	-	-
Redemption of preference shares from NCI		(2,807)	-	-	-
Dividends paid to ordinary shareholders	32(b)	(3,759,979)	-	(3,759,979)	-
Net cash outflow from financing activities		(4,879,635)	(1,161,282)	(9,271,490)	(9,077,073)
Net increase / (decrease) in cash and cash equivalents		5,750,634	(23,697,198)	8,608,787	(23,215,182)
Movement in cash and cash equivalents					
At the beginning of year		7,863,324	32,241,475	(90,478)	23,588,257
Increase / (Decrease)		5,750,634	(23,697,198)	8,608,787	(23,215,182)
Effect of exchange rate changes		(2,110,407)	(680,953)	(1,685,678)	(463,553)
At the end of the year	(Note a)	11,503,551	7,863,324	6,832,631	(90,478)

Statement of Cash Flows

(all amounts are in Sri Lanka Rupees thousands)

Note a

Cash and cash equivalents at the end of the financial year consist of the following.

For the year ended 31 December		Group		Company	
		2024	2023	2024	2023
Cash in hand and cash at bank	16	33,785,614	40,613,115	27,776,009	28,494,858
Bank overdrafts	21	(22,282,063)	(32,749,791)	(20,943,378)	(28,585,336)
		11,503,551	7,863,324	6,832,631	(90,478)

The notes on pages 150 to 233 form an integral part of these financial statements.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

1 Corporate information

Dialog Axiata PLC ('the Company') and its subsidiaries (together 'the Group') provide communication services (mobile, fixed, broadband, international gateway services), telecommunication infrastructure services (tower infrastructure and transmission services), media (digital television services based on multiple media - satellite, cable, terrestrial), digital services [including but not limited to digital commerce (mobile and eCommerce), electronic payments (including mobile payment), digital health, education, enterprise services and financial services], data centre services, manpower services, provision of IT services and venture capital investment activities.

Dialog Axiata PLC is a public limited liability company incorporated and domiciled in Sri Lanka and is listed on Colombo Stock Exchange since 28 July 2005. The registered office of the Company is located at 475, Union Place, Colombo 2.

The Company's and the Group's financial statements are authorised for issue by the Board of Directors on 14 February 2025.

2 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ('SLFRS'), Sri Lanka Accounting Standards ('LKAS'), relevant interpretations of the Standing Interpretations Committee ('SIC') and International Financial Reporting Interpretations Committee ('IFRIC'). These financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 5 to the financial statements.

(a) New accounting standards, amendments and interpretations adopted in 2024

The Group and the Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- (i) Amendment to LKAS 1, 'Presentation of Financial Statements'
- The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date and classification of liabilities as current or non-current.

- (ii) Amendments to LKAS 7, 'Statement of Cash Flows' and SLFRS 7 'Financial Instruments: Disclosures -Supplier Finance Arrangements'.

The amendment requires Company to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

- (iii) Amendments to LKAS 16, 'Leases—Lease Liability in a Sale and Leaseback'

The amendment specify the subsequent measurement requirements for sale and leaseback transactions that satisfy

the requirements in SLFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

- (iv) Amendments to SLFRS S1 'Sustainability-related Financial Information'

The amendment requires companies to disclose sustainability-related risks and opportunities, focusing on governance, strategy, and performance. It aims for consistency and comparability, supporting informed investment decisions.

- (v) Amendments to SLFRS S2 Climate-related Disclosures

The amendment sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

- (b) New accounting standards, amendments and interpretations issued but not yet adopted in 2024

- (i) Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates'

The amendments specifies the lack of exchangeability to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

- (ii) Amendment to IFRS 9, 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosure'.

The amendments specifies;

- when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date;
- how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and
- new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

- (iii) Amendments to IFRS 18 'Presentation and Disclosure in Financial Statements'

The amendment requires additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for the aggregation and disaggregation of items.

This amendment will be effective for annual reporting periods beginning on or after 1 January 2027.

The adoption of amendments to published standards is not expected to have a material impact on the financial statements of the Group and the Company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group and the Company in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business, and the equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any Non-Controlling Interest ('NCI') in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the NCI's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Inter-company transactions balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

A listing of the Group's principal subsidiaries is set out in note 10 to the financial statements.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in comprehensive income, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss in the statement of comprehensive income.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to comprehensive income.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts

previously recognised in other comprehensive income are reclassified to comprehensive income where appropriate.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.8.

(e) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are required. The consideration transferred for the acquisition of a subsidiary comprises;

- The fair value of the assets transferred;
- The liabilities incurred to the former owners of the acquired business;
- The equity interests issued by the Company or the Group;
- The fair value of any asset or liability resulting from a contingent consideration arrangement; and
- The fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquired entity on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition- related costs are expensed at incurred. The excess of:

- Consideration transferred;
- the amount to any non controlling-interest in the acquired entity; and
- The acquisition date fair value of any previous entity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fairvalue of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future discounted to their present value as at the date of exchange. The discount rate used in the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either an equity or as a financial liability.

2.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sri Lanka Rupees, which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through comprehensive income are recognised in comprehensive income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.4 Property, plant and equipment (PPE)

(a) Cost

PPE are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of telecom equipment comprises expenditure up to and including the last distribution point before customers' premises and includes contractors' charges, materials, and direct labour and related directly attributable overheads. Cost of fixed line network includes customers' premises equipment including handsets. The cost of other PPE comprises expenditure directly attributable to the acquisition of the item. These costs include the costs of dismantling, removal and restoration, and the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured

reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to comprehensive income during the reporting period in which they are incurred.

(b) Depreciation and residual value

Depreciation of asset begins when it is available for use freehold. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

	Estimated useful lives (in years)
Buildings	25 to 40
Building - electrical installation	8
Building - leasehold property	Over lease period
Computer equipment	4 to 5
Telecom equipment	4 to 5
Customers' premises equipment	1 to 3
Office equipment	5 to 12.5
Office equipment – phones	2
Furniture and fittings	5 to 8
Toolkits	10
Motor vehicles	4 to 5

Depreciation on assets under construction or capital work-in-progress commences when the assets are ready for their intended use. Depreciation on PPE ceases at the earlier of derecognition or classification as held-for-sale.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(c) Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Gains or losses on disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

(e) Asset exchange transaction

PPE may be acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets and is measured at fair value unless;

- the exchange transaction lacks commercial substance; or
- the fair value of neither the assets received, nor the assets given up can be measured reliably.

The acquired item is measured in this way even if the Group and the Company cannot immediately derecognise the assets given up. If the acquired item cannot be reliably measured at fair value, its cost is measured at the carrying amount of the asset given up.

(f) Repairs and maintenance

Repairs and maintenance are charged to the comprehensive income during the period in which they are incurred.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the Company. This cost is depreciated over the remaining useful life of the related asset.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

2.5 Intangible assets

(a) Goodwill

Goodwill is measured as described in note 2.2 (e). Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Licenses

Separately acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses that have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives which is between five (5) to ten (10) years.

(c) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of two (2) to five (5) years.

Costs associated with maintaining software programmes

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(d) Research and development

Research expenditure and development expenditure that do not meet the criteria in (c) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(e) Other intangibles

Costs incurred to acquire the indefeasible right of use of SEA-ME-WE under-sea cable, is recognised at cost and amortised over its useful life of fifteen (15) years.

2.6 Contract cost assets

The costs that are directly related to the acquisition and fulfilment of customer contracts are recognised as contract cost assets and amortised on a systematic basis that is consistent with the fulfilment of the performance obligation. Contract cost assets are assessed at each reporting date whether there is any indication that the subscriber acquisition cost may be impaired. The Group has elected the practical expedient to recognise contract cost assets incurred related to contracts with an amortisation period of less than one year as an expense when incurred.

The capitalised contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

2.7 Investments in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in comprehensive income. Disposal related costs are expensed as incurred.

2.8 Impairment of non-financial assets (excluding goodwill)

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment loss is charged to comprehensive income. Any subsequent increase in recoverable amount is recognised in comprehensive income.

2.9 Financial assets

(a) Classification

The Group and the Company classify its financial assets in the following measurement categories.

- those to be measured at amortised cost, and
- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss.

The classification depends on the Company's and the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group and the Company commit to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in comprehensive income.

(d) Subsequent measurement

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in comprehensive income and presented in other income/(losses) together with foreign exchange

gains and losses. Impairment expenses are presented as separate line item in the comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to comprehensive income and recognised in other income/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in comprehensive income.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in comprehensive income and presented net within other gains/(losses) in the period in which it arises.

(ii) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to comprehensive income following the derecognition of the investment. Dividends from such investments continue to be recognised in comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(e) Impairment

The Group and the Company assesses on a forward-looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to the contracts and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instruments.

The measurement of ECL reflects:

- an unbiased and probability - weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for Other Financial Assets

At each reporting date, the Group and the Company measures ECL through a loss allowance at an amount equal to the 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to the lifetime ECL is required.

Based on the above process, financial assets are grouped into Stage 1, Stage 2, Stage 3 and purchased originated credit impaired (POCI), as described below.

- Stage 1 - When financial assets are first recognised, the Group and Company recognises an allowance based on 12 month ECLs. Stage 1 financial assets also include facilities where the credit risk has improved, and the financial asset has been reclassified from Stage 2.
- Stage 2 - When a financial asset has shown a significant increase in credit risk since origination, the Group and Company records an allowance for the lifetime ECLs. Stage 2 financial assets also include facilities, where the credit risk has improved, and the financial asset has been reclassified from Stage 3.
- Stage 3 - Financial assets considered as credit-impaired. The Group and Company records an allowance for the lifetime ECLs.

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

(ii) Simplified approach for Trade Receivables

For trade receivables, the Group and the Company apply the simplified approach permitted by SLFRS 9, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. GDP, inflation, exchange rates, interest rates and unemployment rate are considered the most relevant factors for the Group and the Company.

Trade receivables which are in default or credit-impaired or have individually significant balances, are separately assessed for ECL measurement.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(g) Derivatives and hedging activities

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks including foreign exchange forward contracts.

Derivatives are recognised initially at fair value at the date on which the derivative contract is entered into and are subsequently remeasured to the fair value at each reporting date. The resulting gain and loss is recognised in statement of comprehensive income (SOI) immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in SOI depends on the nature of the hedge relationship.

A derivative with positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Company has both a legally enforceable right and intention to offset. A derivative is presented as a noncurrent asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled or within 12 months. Other derivatives are presented as current assets or current liabilities.

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(all amounts are in Sri Lanka Rupees thousands)

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all expenses incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items.

2.11 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. Bank overdrafts are included within borrowings in current liabilities in the statement of financial position.

2.13 Stated capital

(a) Classification

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity or liability according to the economic substance of the particular instrument. Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(b) Share issue expenses

Incremental costs directly attributable to the issuance of new shares are deducted against equity.

(c) Dividends to shareholders of the Company

Dividends distribution is recognised as a liability in the Company's and the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Distributions to holders of an equity instrument is recognised directly in equity.

2.14 Financial liabilities

(a) Classification, recognition and measurement

The Group and the Company classify their financial liabilities in the following categories: trade and other payables (excluding statutory liabilities), borrowings and other financial liabilities. Management determines the classification of financial liabilities at initial recognition.

Financial instruments issued by the Group and the Company, that are not designated at fair value through profit or loss, are carried at amortised cost.

Financial liabilities are initially recognised at fair value net of transaction costs and subsequently carried at amortised cost using effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting date in which case they are classified as non-current liabilities.

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from, the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is recognised in comprehensive income.

2.15 Trade payables

Trade payables represent liabilities for goods and services provided to the Group and the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in comprehensive income over the period of the borrowings using the effective interest method.

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Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred and recorded under finance expense.

2.18 Income taxes

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group and the Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable comprehensive income. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where

the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Employee benefits

(a) Defined benefit plan-gratuity

Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit plan comprises the gratuity provided under the payment of Gratuity Act, No.12 of 1983.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield rate of long term government bonds that have terms to maturity approximating to the terms of the related defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and included in employee benefit expense in the comprehensive income. The current service cost of the defined benefit plan reflects the increase in the defined benefit obligations resulting from employee service in the current year. It is recognised in the comprehensive income in employee benefit expense, except where included in the cost of an asset. Changes in the present value of the defined benefit obligation resulting from plan

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amendments or curtailments are recognised immediately in comprehensive income as past service costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position. The assumptions based on which the results of the actuarial valuation were determined, are included in note 24 to the financial statements.

(b) Defined contribution plans

For defined contribution plans, such as the Employees' Provident Fund and Employees' Trust Fund, the Group and the Company contribute 12% and 3% respectively, of basic or consolidated wage or salary of each eligible employee. The contributions are recognised as employee benefit expense when they are due. The Group and the Company have no further payment obligation once the contributions have been paid. The Company and the employees are members of these defined contribution plans.

(c) Short-term employee benefits

Wages, salaries, bonuses, and non-monetary benefits that are expected to be settled in full within twelve (12) months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group and the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognises termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of

those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of LKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(e) Share-based compensation

The Company operates an equity-settled, share-based compensation plan for its employees. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in comprehensive income, with a corresponding adjustment to equity.

2.20 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration from the customer. If a customer pays consideration before the entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or

the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entity performs under the contract.

2.21 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provision for assets retirement is mainly provisions for dismantling, removal or restoration on identified sites. Provisions are reviewed at the end of the reporting period and adjusted to PPE or ROU or comprehensive income to reflect the current best estimation. Where the time value of money is material, the amount of a provision is the present value of the future period expenditure expected to be required to settle the obligation.

2.22 Contingent assets and contingent liabilities

The Group and the Company do not recognise contingent assets and liabilities but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past

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events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group and the Company under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI.

The Group recognises separately the contingent liabilities of the acquirers as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of LKAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less, when appropriate, cumulative amortisation.

2.23 Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company and its subsidiaries will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to the comprehensive income on a straight-line basis over the expected lives of the related assets.

2.24 Accounting for leases where the Group and the Company are the lessee

Leases are recognised as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU

assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Variable lease payments that depend on sales are recognised in comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in comprehensive income.

(c) Remeasurement of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

(d) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in comprehensive income.

2.25 Revenue recognition

(a) Revenue from contracts with customers

Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations they are aggregated with other goods and/or services in the agreement until a separate performance obligation is identified.

The Group and the Company determine the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. In determining the transaction price, the Group and the Company consider variable and non-cash consideration such as rebates or discounts and consideration payable to a customer such as refunds to the extent that it is highly probable that a significant reversal will not occur. The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Group and the Company would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external input; observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach.

Revenue is recognised when the respective obligations in the contract are delivered to the customer and payment remains probable.

The revenue is recognised as follows:

(i) Domestic and international telecommunications service revenue

Revenue from the provision of telecommunication services, such as call time, messaging, data services and information provision, fees for connecting uses of other fixed line and mobile networks to the Company's and the Group's network is recognised when or as the entity performs the related service during the agreed service period. The customers are charged Government taxes at the applicable rates and the revenue is recognised net of such taxes.

(ii) Pay TV and fixed broadband services

Each subscription to a contract for Pay TV and fixed broadband service is considered as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. The providing of set-top boxes, routers and connection fees for the exclusive use of the Group's services do not represent distinct services or goods, and they are to be combined with the subscription service as a single performance obligation satisfied over time. Revenue is recognised over the period the service is performed from the activation date of the subscription and as the service is provided.

(iii) Revenue from other network operators and international settlement

Revenue from other network operators, local and international, for the use of the Company's and the Group's telecommunication network for completing call connections is recognised when the related services are performed, based on traffic minutes/per second rates stipulated in the relevant agreements and regulations.

(iv) Sales of goods

Revenue from the sale of goods is recognised when the control of the goods is transferred to the customer. For goods, this usually occurs at the contract inception when the customer takes the possession of the goods.

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(v) Bundled packages

If a good or service is separately identifiable from other items in a bundled package and if a customer can benefit from it, the Group and the Company recognise revenue for individual goods and services separately. The consideration is allocated between separate goods and services in a bundle based on their stand-alone selling prices. The standalone selling prices are determined based on the list prices at which the Group and the Company sells mobile devices and network services separately. Post-paid contracts including handsets are evaluated, to determine if they contain a significant financing component. For the contracts where the timing difference between customer payment and transfer of goods or services is expected to be one year or less, the Group and the Company has elected to apply the practical expedient that allows not to adjust the transaction price for the significant financing components.

(vi) Digital services

Revenue generated from digital services such as e-learning, digital health, electronic payments, navigation and enterprise services is recognised when or as the entity performs the related service during the agreed service period.

(vii) Data centre services

Revenue from data centre services is recognised over the term of the customer contract. Non-recurring set-up fees, paid upfront upon implementation, are deferred and recognised over the contract term.

(vii) Provision of IT services

Revenue from carrying on the business of importers, exporters, agents and distributors, dealers and traders in software licenses and carrying on the business of developing computer software, designers and distributors of software packages. Revenue from the sale of licences are recognised at the point of time whereas service is recognised during the agreed service period where the entity performs the related service. Whenever the Group and

the Company control goods or services when they are delivered to a customer, the Group and the Company are the principal in the sale; otherwise, act as agents. The Group acts as an agent in relation to its license reseller contracts. The primary performance obligation is to facilitate the provision of licenses by the software company to the end user. Revenue is recognised based on the agent's fees, which are earned from the principal, and any sales proceeds received from the end user, after deducting any associated costs payable to the principal.

(b) Lease of passive infrastructure

Income from lease of passive infrastructure is recognised on an accrual basis based on prices agreed with customers upon completion of service. Lease revenue from operating leases is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payments are due.

(c) Interest income

Interest income is recognised using the effective interest method. When a loan granted or a receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Interest income on bank balances and bank deposits are recognised on an accrual basis

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Income from leases, hire purchases, term loans and factoring

The excess of aggregated contract receivable over the cost of the assets constitutes the total unearned income at the commencement of a contract. The unearned income is recognised as income over the term of the facility commencing with the month that the facility is executed in proportion to the declining receivable balance, so as to produce a constant periodic rate of return on the net investment.

Revenue from factoring is derived from two sources, funding and providing sales ledger related services.

- Funding - Discount income relating to factoring transactions is recognised at the end of a given accounting month. In computing this discount, a fixed rate agreed upon at the commencement of the factoring agreement is applied on the daily balance in the Client's current Account.
- Sales Ledger Related Services - A service charge is levied as stipulated in the factoring agreement. Income is accounted for on an accrual basis and deemed earned on disbursement of advances for invoices factored.

(f) Fees and commission income

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income including account servicing fees, investment management fees, sales commission, placement fees and syndication fees is recognised as the related services are performed.

If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

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2.26 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised as per the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2.27 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group and the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

2.28 Comparatives

Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year.

3 Financial risk management

3.1 Financial risk factors

The Group's and the Company's activities are exposed to variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's and the Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the risk management policies, which cover the management of these risks. Hedging transactions are determined in the light of commercial commitments. Derivative financial instruments are used only to hedge underlying commercial exposures and are not held for speculative purposes.

(a) Market risk consists of:

- Foreign currency exchange risk - risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates;
- Fair value interest rate risk - risk that the value of a financial instrument will fluctuate due to changes in market interest rates;
- Cash flow interest rate risk - risk that future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value; and
- Price risk - risk that the value of a financial instrument will fluctuate as a result of changes in market prices,

whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

- (b) Credit risk - risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
- (c) Liquidity risk (funding risk) - risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.
- (d) The Company has recognised the following derivative financial instruments in the statement of financial position (Refer note 20).

Currency Pair	Notional Amount in USD	Maturity Date	Fair Value Gain / (Loss) (LKR)
USD/LKR	17,000,000	Jun-25	(4,396,000)

Under SLFRS 9, a derivative financial instrument qualifies for hedge accounting if:

- There is a documented hedging relationship and risk management strategy.
- The hedge is expected to be highly effective in offsetting changes in fair value or cash flows.
- Effectiveness can be reliably measured throughout the hedging period.
- The hedged item and hedging instrument are clearly identifiable and linked.

The derivatives do not meet the hedge accounting criteria, and they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

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During the year Rs. 4,396,000 (2023 – Nil) as net loss on foreign currency forwards not qualifying as hedges was recognised in the financial statements.

(a) Market risks

(i) Foreign currency exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company's and the Group's exposure to foreign currency risk at the end of the reporting period are shown in the Note 21 (c) to the financial statements.

The aggregate net foreign exchange gain / (losses) recognised are disclosed in not no 30. If Sri Lanka rupee fluctuates by 1% against United States dollar ('USD') as at 31 December 2024, with all other variables held constant, it will result in a net foreign exchange difference of Rs. 725.77 million (2023 - Rs. 526.12 million) and Rs. 707.02 million (2023 - Rs. 522.67 million) on translation of USD denominated balances in the Group and the Company respectively.

(ii) Cash flow and fair value interest rate risk

The Group and the Company have cash and bank balances including deposits placed with creditworthy licensed banks and financial institutions. The Group and the Company manage interest rate risk by actively monitoring the yield curve trend and interest rate movements for the various deposits, cash and bank balances.

The Company's and the Group's borrowings comprise borrowings from banking and non-banking financial institutions. The Company's and the Group's interest rate risk objective is to manage an acceptable level of rate fluctuation on the interest expense. In order to achieve this objective, the Group and the Company target a composition of fixed and floating borrowings based on assessment of its existing exposure and desirable interest rate profile. To obtain this composition, the Group and

the Company use hedging instruments such as interest rate swap contracts. The Group and the Company analyse interest rate exposure on a dynamic basis.

The Company's and the Group's exposure to interest rate risk at the end of the reporting period are shown in the Note 21 to the financial statements.

If 6 months Sovereign Overnight Financing Rate ('SOFAR') on IFC loan, on long term rupee loans had been lower/higher by 1% as at 31 December 2024 with all other variables held constant, it will result in a lower/higher interest expense of the Group and the Company amounting to Rs. 395 million (2023 - 436 million).

The Group's borrowings and receivables are carried at amortised costs. The borrowings are periodically contractually repriced and to that extend are also exposed to the risk of future changes in market interest rates.

(b) Credit risk

Credit risk is managed on the Group and the Company basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables (net of held). Individual risk limits are set, based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The Group and the Company place cash and cash equivalents with a number of creditworthy financial institutions. The Company's and the Group's policy limits the concentration of financial exposure to any single financial institution. The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period.

The credit quality of the financial assets is disclosed in note 12 (b) to the financial statements.

For trade receivables, the Group and the Company apply the simplified approach permitted by SLFRS 9, 'Financial Instruments', which requires lifetime expected losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets, except for the financial guarantee contracts amounted to Rs. 557 million (2023 Rs. 813 million).

(c) Liquidity risk (funding risk)

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents (including USD funding lines) deemed adequate by management to finance the Company's and the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group and the Company aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

The table below analyses the Company's and the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. These amounts may not be reconciled to the amounts disclosed on the statement of financial position for borrowings and trade and other payables and lease liabilities.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

3 Financial risk management (Contd.)

3.1 Financial risk factors (Contd.)

Group	Less than 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2024					
Borrowings	57,421,416	41,681,218	16,575,321	10,821,523	6,690,320
Trade and other payables	70,715,673	7,930,087	-	-	-
Lease liabilities	646,592	1,038,888	2,453,993	4,298,438	4,081,973
Other financial liabilities	2,001,000	1,127,054	127,402	14,281	-
At 31 December 2023					
Borrowings	34,442,132	7,396,617	26,897,727	42,749,333	4,914,000
Trade and other payables	65,154,208	259,342	499,260	817,060	56,730
Lease liabilities	608,089	1,443,723	1,460,952	2,953,980	3,753,055
Other financial liabilities	1,797,209	655,109	64,932	99,516	-

Company	Less than 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2024					
Borrowings	51,378,223	38,544,525	13,892,750	10,238,123	6,690,320
Trade and other payables	71,824,754	-	-	-	-
Lease liabilities	634,734	1,024,795	2,361,017	4,199,165	4,053,923
At 31 December 2023					
Borrowings	29,591,586	4,793,750	23,370,505	42,158,500	4,914,000
Trade and other payables	49,714,488	-	-	-	-
Lease liabilities	289,631	868,892	1,005,511	2,751,968	3,622,904

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

3.2 Capital risk management

The primary objective of the Company's and the Group's capital risk management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group and the Company manage the capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as 'Total borrowings' (including 'Current and non-current borrowings' as shown in the statements of financial position less bank overdrafts). Total capital is calculated as 'Total equity' as shown in the statements of financial position, including non-controlling interests.

The gearing ratios as at 31 December are as follows:

	Group		Company	
	2024	2023	2024	2023
Debt	107,693,634	122,765,416	93,273,847	108,444,885
Total capital	78,279,963	66,336,762	67,749,242	57,099,162
Gearing ratio (Debt to Total capital)	1.38	1.85	1.38	1.90

3.3 The loan covenants related details are presented in Note 21.

3.4 The dividend related information is presented in Note 32.

4 Fair value measurement

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted prices (unadjusted) in active markets for identified assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from price).

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

The following table represents the fair value level of the financial assets and liabilities that are measured at fair value at the end of the reporting period.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

4 Fair value measurement (Contd.)

	Measurement criteria and the fair value – Group							
	Level 1 Rs.000		Level 2 Rs.000		Level 3 Rs.000		Total Rs.000	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets								
Financial assets at fair value through profit or loss (FVPL)								
Investment in quoted equities	3,226	2,466	-	-	-	-	3,226	2,466
Investment in unquoted equities	-	-	-	-	753,763	763,685	753,763	763,685
Derivative Financial Instruments	-	-	4,396	-	-	-	4,396	-
Financial assets at fair value through other comprehensive income (FVOCI)								
Investment in quoted equities	-	2,185	-	-	-	-	-	2,185
Investment in unquoted equities	-	-	-	-	637,458	565,685	637,458	565,685

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and if one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

The Group applies the following methods for valuation of financial assets at FVTPL and FVOCI.

(i) Discounted cash flows

Fair value of the unlisted securities is determined by applying discounted cash flow model using cash flow projection based on the forecasts covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate. The growth rate does not exceed the long-term average growth rate for the business in which the entities operate.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

4 Fair value measurement (Contd.)

(ii) Price of a recent investment

This method is applied in the case of a recent investment in start-up entities. There are usually no significant profits or positive cash flows in the short-term future, and it is difficult to assess the probability and financial impact of the success or failure of these investments, to make reliable cash flow forecasts. The fair value is determined based on the price of a recent investment which reflects market data.

The following table presents the changes in level 3 items for the year ended 31 December 2024 and 31 December 2023.

	Unlisted equity securities at FVTPL	Unlisted equity securities at FVOCI	Total
As at 1 January 2023			
Net fair value (loss) /gain	480,054	205,847	685,901
Disposal	286,496	359,838	646,334
As at 31 December 2023	(2,865)	-	(2,865)
Net fair value gain/ (loss)	763,685	565,685	1,329,370
Additions	(6,696)	(22,040)	(28,736)
As at 31 December 2024	-	93,813	93,813
	756,989	637,458	1,394,447

Description	Fair value		Unobservable input	Relationship of unobservable input to the fair value		
	2024	2023		Change in assumption	Increase in assumption	Decrease in assumption
Unlisted equity securities at FVTPL	351,867	373,771	Cash flow projection based on the forecasts covering a five year period	Discount rate by 1%	Reduce the fair value by Rs. 26Mn	Increase the fair value by Rs. 33Mn
	405,122	389,914	Price contained within an offered quote	-	-	-
Unlisted equity securities at FVOCI	635,100	563,500	Cash flow projection based on the forecasts covering a five-year period	Discount rate by 1%	Reduce the fair value by 4.8Mn	Increase the fair value by 3.2Mn
	2,358	2,185	Adjusted net asset value per share	Adjusted net assets per share by 5%	Increase by Rs. 92Mn	Decrease by Rs. 92Mn

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

4 Fair value measurement (Contd.)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. The following table represents the fair value level of the financial assets and liabilities that are not measured at fair value and related fair value hierarchy used at the end of the reporting period. The table lists those financial instruments for which their carrying amounts are a reasonable approximation of fair values. Since, they are short term in nature or re-priced to current market rates frequently.

	Carrying value	Level 1	Level 2	Level 3	Total
As at 31 December 2024					
Other financial assets at amortised cost - Loans and advance	6,542,825	-	6,542,825	-	6,542,825
As at 31 December 2023					
Other financial assets at amortised cost - Loans and advance	4,105,933	-	4,105,933	-	4,105,933

5 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment assessment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy stated in note 2.5 to the financial statements and whenever events or change in circumstances indicate that this is necessary within the financial year. The recoverable amounts of cash-generating units have been determined based on Value In Use ('VIU') and Fair Value Less Cost to Sell ('FVLCS') calculations. These calculations require the use of estimates and are disclosed in note 7 to the financial statements.

(b) Estimated useful lives of PPE and intangible assets

The Group and the Company review annually the estimated useful lives of PPE and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE and intangible assets would increase the recorded depreciation and amortisation charge and decrease the carrying value.

(c) Estimation of income taxes in relation to uncertain tax position

Judgment is involved in determining the Company's and the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred income tax provisions in the period in which such determination is made.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

5 Critical accounting estimates and judgments (Contd.)

(d) Recognition of deferred income tax assets

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred income tax asset has been recognised.

(e) Fair value of derivatives and other financial assets

Certain financial instruments such as investments, derivative financial instruments and certain elements of borrowings are carried on the statement of financial position at fair value, with changes in fair value reflected in the statement of comprehensive income.

Fair values are estimated by reference in part to published price quotations and in part by using valuation techniques. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each financial reporting period.

(f) Impairment of non-financial assets

The Group and the Company test annually the indicators to ascertain whether non-financial assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in note 2.5 and 2.8 to the financial statements. These calculations require the use of estimates.

(g) Estimation of defined benefit plan

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate, future salary increase rate, mortality rate, withdrawal and disability rates and retirement age. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Group and the Company determine the appropriate discount rate at the end of each financial reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows, expected to be required to settle the defined benefit plan. In determining the appropriate discount rate, the Group and the Company consider the interest yield of long term Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions as disclosed in note 24 to the financial statements.

(h) Asset retirement obligations ('ARO')

ARO applies when there is a legal or constructive obligation associated with the retirement of tangible long-lived assets, and the liability can be reliably estimated. The assumptions used in determining the ARO include the discount rate and inflation rate as disclosed in note 25 to the financial statements.

(i) Estimation of provisions

The Group and the Company recognise provisions when they have a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at the end of each financial reporting period and adjusted to reflect the Company's and the Group's current best estimate.

(j) Estimation of contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The Group and the Company consult with legal counsel on matters related to litigation and other experts both within and outside the Group and the Company with respect to matters in the ordinary course of business.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

5 Critical accounting estimates and judgments (Contd.)

(k) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's and Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

(l) Recognition of revenue

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling price. Where the Group and the Company do not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group and the Company maximise the use of external inputs; methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Group and the Company, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach.

When the Group and the Company have control of goods or services when they are delivered to a customer, then the Group is the principal in the sale to the customer; otherwise the Group and the Company are acting as agents. Whether the Group and the Company are considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue and operating expenses.

(m) Estimation in relation to lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group and the Company become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(n) Estimation in relation to contract cost assets

Costs that are directly related to the acquisition and fulfilment of customer contracts are recognised as contract. Cost assets and amortised on a systematic basis that is consistent with the fulfilment of the performance obligation. Contract cost assets are assessed at each reporting date whether there is any indication that the subscriber acquisition cost may be impaired.

(o) Going concern

When preparing financial statements, management shall make an assessment of the Group's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the Company or to cease trading or has no realistic alternative but to do so. When the management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, those uncertainties shall be disclosed. Where the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

The Group and the Company have reported a net current liability position at the reporting date. The management has however taken proactive steps to secure banking facilities at favourable rates, which are expected to optimise working capital requirements and enhance liquidity. Furthermore, based on cashflow projections and the expectation of a positive economic environment, management anticipates positive cash flows from operations.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

5 Critical accounting estimates and judgments (Contd.)

(p) Business combinations

The determination of fair value of assets acquired and liabilities assumed during a business combination requires management to make significant assumptions and estimates. The fair values were determined using appropriate valuation techniques. The fair value estimates have a significant impact on the recognition of goodwill and allocation of the purchase price. Hence, this required careful judgement and expertise supported by third party valuation experts.

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The revenue, cost, depreciation, amortisation, impairment, total assets, total liabilities and capital expenditure have been allocated to the respective segments based on the internal reporting basis under the below stated segments.

The reportable segments derive their revenue primarily from the provision of mobile services, data services, international direct dialling services, leasing of passive infrastructure, provision of interconnect services, pay television transmission services, provision of other data services and digital services.

At 31 December 2024, the Group is organised into three main business segments:

- Mobile operation
- Fixed telephony and broadband operation
- Television operation

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

6 Segment information (Contd.)

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Total segmental revenue	126,794,179	49,139,517	12,453,615	-	188,387,311
Inter-segment revenue	(11,007,172)	(6,175,880)	(33,979)	-	(17,217,031)
Revenue from external customers	115,787,007	42,963,637	12,419,636	-	171,170,280
Segment operating profit/(loss) for the year	17,881,434	4,032,056	(987,094)	(147,873)	20,778,523
Finance Cost - net					(4,603,612)
Share of loss from associates - net of tax					(34,585)
Profit before income tax					16,140,326
Income tax expense					(3,705,458)
Profit for the year					12,434,868

Other segment items included in the statement of comprehensive income are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Depreciation, amortisation and impairment	31,427,441	11,222,273	3,136,792	-	45,786,506

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

6 Segment information (Contd.)

The segment assets and liabilities at 31 December 2024 and capital expenditure for the year then ended are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Assets	288,494,907	70,801,734	10,816,693	(38,688,703)	331,424,631
Inter-segment assets	(7,651,117)	(13,077,941)	(1,548,219)	-	(22,277,277)
Total assets	280,843,790	57,723,793	9,268,474	(38,688,703)	309,147,354
Liabilities	215,666,567	24,390,151	13,664,653	-	253,721,371
Inter-segment liabilities	(20,275,868)	(1,185,852)	(1,392,260)	-	(22,853,980)
Total liabilities	195,390,699	23,204,299	12,272,393	-	230,867,391
Capital expenditure	29,229,842	6,978,513	32,558	-	36,240,913

The segment results for the year ended 31 December 2023 are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Total segmental revenue	113,046,967	73,617,165	12,351,969	-	199,016,101
Inter-segment revenue	(11,464,567)	(5,723,081)	(106,407)	-	(17,294,055)
Revenue from external customers	101,582,400	67,894,084	12,245,562	-	181,722,046
Segment operating profit	12,763,965	6,700,838	123,505	1,285,226	20,873,534
Finance income - net					2,141,937
Share of loss from associates - net of tax					(70,363)
Loss before income tax					22,945,108
Income tax expense					(2,832,251)
Profit for the year					20,112,857

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

6 Segment information (Contd.)

Other segment items included in the statement of comprehensive income are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Depreciation, amortisation and impairment Impairment of goodwill (Note 7 (e))	27,276,344	11,105,349	2,889,631	-	41,271,324

The segment assets and liabilities at 31 December 2023 and capital expenditure for the year then ended are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Assets	256,083,629	63,372,789	12,641,343	(36,882,057)	295,215,704
Inter-segment assets	(6,250,744)	(2,711,592)	(6,251)	-	(8,968,587)
Total assets	249,832,885	60,661,197	12,635,092	(36,882,057)	286,247,117
Liabilities	195,610,580	19,062,987	14,638,834	-	229,312,401
Inter-segment liabilities	(5,214,145)	(2,286,203)	(1,901,698)	-	(9,402,046)
Total liabilities	190,396,435	16,776,784	12,737,136	-	219,910,355
Capital expenditure	26,445,242	6,701,220	239,086	-	33,385,548

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

7 Intangible assets

(a) Group

	Goodwill	Licenses	Computer software	Others	Total
At 1 January 2024					
Cost	9,653,481	20,502,335	23,657,172	1,271,141	55,084,129
Accumulated amortisation / impairment	(4,835,087)	(13,364,379)	(18,167,342)	(1,263,012)	(37,629,820)
Net book amount	4,818,394	7,137,956	5,489,830	8,129	17,454,309
Year ended 31 December 2024					
Opening net book amount	4,818,394	7,137,956	5,489,830	8,129	17,454,309
Additions	-	-	89,553	-	89,553
Additions from acquisition of subsidiary (Note 36)	14,043,324	2,550,000	-	-	16,593,324
Transfer from PPE	-	1,892,535	3,512,013	1,525,477	6,930,025
Amortisation charge (Note 27)	-	(1,577,863)	(3,429,465)	-	(5,007,328)
Closing net book amount	18,861,718	10,002,628	5,661,931	1,533,606	36,059,883
At 31 December 2024					
Cost	24,433,273	28,156,046	27,258,737	2,796,618	82,644,674
Accumulated amortisation impairment	(5,571,555)	(18,153,418)	(21,596,806)	(1,263,012)	(46,584,791)
Net book amount	18,861,718	10,002,628	5,661,931	1,533,606	36,059,883
Year ended 31 December 2023					
Opening net book amount	4,818,394	3,894,132	4,563,486	41,250	13,317,262
Additions	-	4,493,562	1,777,116	28	6,270,706
Transfer from PPE	-	-	1,310,365	(782)	1,309,583
Impairment charge	-	-	(6,399)	-	(6,399)
Amortisation charge (Note 27)	-	(1,249,738)	(2,154,738)	(32,367)	(3,436,843)
Closing net book amount	4,818,394	7,137,956	5,489,830	8,129	17,454,309
At 31 December 2023					
Cost	9,653,481	20,502,335	23,657,172	1,271,141	55,084,129
Accumulated amortisation / impairment	(4,835,087)	(13,364,379)	(18,167,342)	(1,263,012)	(37,629,820)
Net book amount	4,818,394	7,137,956	5,489,830	8,129	17,454,309

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

7 Intangible assets (Contd.)

(b) Company

	Goodwill	Licenses	Computer software	Others	Total
At 1 January 2024					
Cost	-	15,335,888	21,433,412	1,214,391	37,983,691
Accumulated amortisation	-	(8,723,669)	(16,560,647)	(1,206,286)	(26,490,602)
Net book amount	-	6,612,219	4,872,765	8,105	11,493,089
Year ended 31 December 2024					
Opening net book amount	-	6,612,219	4,872,765	8,105	11,493,089
Additions from acquisition of subsidiary	14,043,324	2,550,000	-	-	16,593,324
Transferred from PPE [Note 8 (b)]	-	1,091,254	3,091,777	1,525,477	5,708,508
Amortisation charge (Note 27)	-	(1,221,160)	(3,155,383)	-	(4,376,543)
Closing net book amount	14,043,324	9,032,313	4,809,159	1,533,582	29,418,378
At 31 December 2024					
Cost	14,043,324	22,187,205	24,525,189	2,739,868	63,495,586
Accumulated amortisation	-	(13,154,892)	(19,716,030)	(1,206,286)	(34,077,208)
Net book amount	14,043,324	9,032,313	4,809,159	1,533,582	29,418,378
Year ended 31 December 2023					
Opening net book amount	-	3,232,821	3,845,974	40,469	7,119,264
Additions	-	4,358,560	2,920,344	-	7,278,904
Amortisation charge (Note 27)	-	(979,162)	(1,893,553)	(32,364)	(2,905,079)
Closing net book amount	-	6,612,219	4,872,765	8,105	11,493,089
At 31 December 2023					
Cost	-	15,335,888	21,433,412	1,214,391	37,983,691
Accumulated amortisation	-	(8,723,669)	(16,560,647)	(1,206,286)	(26,490,602)
Net book amount	-	6,612,219	4,872,765	8,105	11,493,089

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

7 Intangible assets (Contd.)

(c)

- (i) Other intangible assets mainly include costs incurred to acquire the indefeasible right of use of SEA-ME-WE under-sea cable.
- (ii) As discussed in note 36 the goodwill and licenses recognised as part of the acquisition of Airtel Lanka (Private) Ltd, was recognised in the company's financial statements after the merger.

(d)

- (i) Amortisation has been charged under following expense categories:

	Group		Company	
	2024	2023	2024	2023
Expense categories:				
Direct costs	1,577,864	1,396,932	1,221,160	1,151,790
Administrative costs	3,429,464	2,039,911	3,155,383	1,753,289
	5,007,328	3,436,843	4,376,543	2,905,079

(e) Impairment tests for goodwill

The Group undertakes an annual test for impairment of its Cash-Generating Units (CGUs).

The following CGUs, being the lowest level of assets for which there are separately identifiable cash flows, have carrying amounts of goodwill that are considered for the impairment test.

	2024	2023
Mobile operation	14,043,324	-
Fixed telephony and broadband operation	3,562,557	3,562,557
Device sales operation	231,923	231,923
Financial services operation	709,933	709,933
IT Services	221,512	221,512
Health Services	92,469	92,469
	18,861,718	4,818,394

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

7 Intangible assets (Contd.)

The recoverable amounts of mobile operation, fixed telephony and broadband operation, device sales operation, financial services operation, IT services operation and health services operation CGUs are determined based on the Value In Use ('VIU') calculations which require the use of assumptions. The recoverable amount of financial services operation CGU is based on Fair Value Less Cost to Sell (FVLCS).

The Group applies the following methods for VIU and FVLCS calculations.

(i) Discounted Cash Flow ('DCF') method

The VIU of mobile operation, fixed telephony and broadband operation, device sales operation, IT services operation and health services operation is calculated by applying DCF model using cash flow projections based on the business plan and forecasts approved by the management covering a five-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates as stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

In the DCF model, the Free Cash Flows ('FCF') have been discounted by post-tax discount rate.

These forecasts and projections reflect management expectations of revenue growth, operating costs and margins for each CGU based on past experience and future plans and strategies.

(ii) Market value method

The FVLCS of the financial services operations was determined using the quoted share price of Dialog Finance PLC less costs to sell.

The following assumptions are applied in the VIU computation.

DCF method

- **EBITDA margin**

Projected EBITDA margin is determined based on expected growth potential in mobile operation, fixed telephony and broadband operation, device sales operation, IT service operation and health services operation tapping further into developing markets.

- **Free cash flow (FCF)**

FCF projections are based on EBITDA and Capital expenditure (Capex) projections.

- **Post-tax discount rate**

The Group's long term Weighted Average Cost of Capital (WACC) is representative of discount rate and is used as the post-tax discount rate to discount cash flow projections. Free cashflows are adjusted to reflect tax adjusted cashflows.

- **Terminal growth rate**

Terminal growth reflects the management expectations on the mobile operation, fixed telephony and broadband operation, device sales operation, IT service operation and health service operation growth potential in Sri Lanka for the foreseeable future.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

7 Intangible assets (Contd.)

(e) Impairment tests for goodwill (Contd.)

This is based on the historical experience of management, and reflects the Group's anticipated investment in capital assets acquired to support its growth objectives and maintain operational efficiency. No incremental revenue or cost savings are assumed in VIU model as a result of this expenditure.

Given below are the variables used for the impairment tests pertaining to CGUs that have significant goodwill allocated to them for 2024 and 2023 under DCF method:

	Mobile Operations		Fixed telephony and broadband operation		Device sales operation		IT service operation	
	2024	2023	2024	2023	2024	2023	2024	2023
EBITDA margin %	40.3 - 45.1	-	52.9 - 55.4	59.49	55	20	5.8	4
Capex to revenue ratio %	10.5 - 13.5	-	4.3 - 5.2	22.53	7.2	-	-	-
Post - tax discount rate %	10.49	-	11.23	11.01 - 15.10	11.23	11.01 - 15.10	11.23	11.01 - 15.10
Terminal growth rate %	3.00	-	3.00	3.00	3.00	3.00	3.00	3.00

Market value method

Market value is established based on the closing share price of Dialog Finance PLC as at 31 December 2024, quoted on the Colombo Stock Exchange. Costs to sell are established based on the transaction costs applicable for equity securities.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

7 Intangible assets (Contd.)

(f) Impact of possible changes in key assumptions

The Group's review includes an impact assessment of change in key assumptions. Sensitivity analysis shows that no impairment is required for the carrying value of the goodwill including where realistic variances are applied to key assumptions.

The recoverable amounts of fixed telephony and broadband operation, device sales operation and IT service operation CGUs would equal its carrying amount if the key assumptions were to change as follows:

	Mobile Operations		Fixed telephony and broadband operation		Device sales operation		IT service operation	
	From	To	From	To	From	To	From	To
EBITDA margin %	45.1	40.3	55.4	52.9	55	20	5.8	4
Capex to revenue ratio %	13.5	10.5	5.2	4.3	7.2	3.2	0	0
Terminal growth rate %	3	N/A	3	N/A	3	N/A	3	N/A

N/A - Any changes in the respective assumptions will not have a considerable impact on the above assessment.

(g) Impairment of goodwill of fixed telephony and broadband operations and television operations

Based on the impairment assessment performed using free cashflow forecasts, no impairment was identified during the current financial year.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

8 Property, plant and equipment

(a) Group

	Land and buildings	Computer systems and telecom equipment	Furniture, fittings and other equipment	Motor vehicles	Capital work-in progress (CWIP)	Total
At 1 January 2024						
Cost	6,452,496	361,520,367	13,265,110	108,639	21,080,244	402,426,856
Accumulated depreciation / provision for impairment	(2,382,517)	(235,101,489)	(12,593,691)	(106,320)	(963,992)	(251,148,009)
Net book amount	4,069,979	126,418,878	671,419	2,319	20,116,252	151,278,847
Year ended 31 December 2024						
Opening net book amount	4,069,979	126,418,878	671,419	2,319	20,116,252	151,278,847
Additions	-	33,488	2,354	-	36,205,071	36,240,913
Net additions from the acquisition of subsidiary (Note 36)	64,361	8,085,438	3,399	-	84,617	8,237,815
Transferred to intangible assets	-	-	-	-	(6,930,025)	(6,930,025)
Transferred from CWIP	1,522	30,512,920	83,911	-	(30,598,353)	-
Disposals	-	(107,204)	(7,900)	-	-	(115,104)
Impairment provision and assets written off	-	(269,776)	87	-	(19,920)	(289,609)
Depreciation charge (Note 27)	(284,169)	(29,759,451)	(257,351)	(1,559)	(300)	(30,302,830)
Closing net book amount	3,851,693	134,914,293	495,919	760	18,857,342	158,120,007
At 31 December 2024						
Cost	6,618,465	450,046,307	13,433,391	108,639	20,255,975	490,462,777
Accumulated depreciation / provision for impairment	(2,766,772)	(315,132,014)	(12,937,472)	(107,879)	(1,398,633)	(332,342,770)
Net book amount	3,851,693	134,914,293	495,919	760	18,857,342	158,120,007
Year ended 31 December 2023						
Opening net book amount	4,292,878	129,911,710	858,680	4,931	21,168,383	156,236,582
Additions	-	12,714	1,451	2,224	25,833,491	25,849,880
Transferred to intangible assets	-	-	-	-	(1,309,583)	(1,309,583)
Transferred from CWIP	64,178	25,164,214	191,912	-	(25,420,304)	-
Disposals	-	(18,156)	(815)	-	-	(18,971)
Impairment provision and assets written off	-	(65,351)	-	-	(155,316)	(220,667)
Depreciation charge (Note 27)	(287,077)	(28,586,253)	(379,809)	(4,836)	(419)	(29,258,394)
Closing net book amount	4,069,979	126,418,878	671,419	2,319	20,116,252	151,278,847
At 31 December 2023						
Cost	6,452,496	361,520,367	13,265,110	108,639	21,080,244	402,426,856
Accumulated depreciation / provision for impairment	(2,382,517)	(235,101,489)	(12,593,691)	(106,320)	(963,992)	(251,148,009)
Net book amount	4,069,979	126,418,878	671,419	2,319	20,116,252	151,278,847

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

8 Property, plant and equipment (Contd.)

(b) Company

	Land and buildings	Computer systems and telecom equipment	Furniture, fittings and other equipment	Motor vehicles	Capital work-in progress (CWIP)	Total
At 1 January 2024						
Cost	5,146,087	251,733,076	4,864,753	39,696	18,043,280	279,826,892
Accumulated depreciation / provision for impairment	(1,992,208)	(160,666,823)	(4,423,447)	(39,166)	(415,540)	(167,537,184)
Net book amount	3,153,879	91,066,253	441,306	530	17,627,740	112,289,708
Year ended 31 December 2024						
Opening net book amount	3,153,879	91,066,253	441,306	530	17,627,740	112,289,708
Additions	-	-	105	-	29,232,255	29,232,360
Additions from merged entity	64,361	8,085,438	3,399	-	84,617	8,237,815
Transferred from CWIP	1,522	24,755,245	81,566	-	(24,838,333)	-
Transferred to Intangible Assets	-	-	-	-	(5,708,508)	(5,708,508)
Disposals	-	(106,724)	-	-	-	(106,724)
Impairment provision and assets written off	-	(249,932)	-	-	(16,456)	(266,388)
Depreciation charge (Note 27)	(229,865)	(21,389,283)	(220,712)	(530)	-	(21,840,390)
Closing net book amount	2,989,897	102,160,997	305,664	-	16,381,315	121,837,873
At 31 December 2024						
Cost	5,312,056	334,468,333	5,036,340	39,696	17,227,733	362,084,158
Accumulated depreciation / provision for impairment	(2,322,159)	(232,307,336)	(4,730,676)	39,696	(846,418)	(240,246,285)
Net book amount	2,989,897	102,160,997	305,664	-	16,381,315	121,837,873
Year ended 31 December 2023						
Opening net book amount	3,325,016	92,401,760	697,289	4,930	19,817,601	116,246,596
Additions	-	-	-	-	18,135,880	18,135,880
Transferred to intangible assets	60,790	18,913,380	31,492	-	(19,005,662)	-
Transferred from CWIP	-	-	-	-	(1,064,866)	(1,064,866)
Disposals	-	-	(1,027)	-	-	(1,027)
Impairment provision and assets written off	-	(57,462)	-	-	(255,213)	(312,675)
Depreciation charge (Note 27)	(231,927)	(20,191,425)	(286,448)	(4,400)	-	(20,714,200)
Closing net book amount	3,153,879	91,066,253	441,306	530	17,627,740	112,289,708
At 31 December 2023						
Cost	5,146,087	251,733,076	4,864,753	39,696	18,043,280	279,826,892
Accumulated depreciation / provision for impairment	(1,992,208)	(160,666,823)	(4,423,447)	(39,166)	(415,540)	(167,537,184)
Net book amount	3,153,879	91,066,253	441,306	530	17,627,740	112,289,708

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

8 Property, plant and equipment (Contd.)

- (c) Capital work-in progress mainly comprises network related assets.
- (d) The amount of Rs. 4.28 billion relating to the submarine cable (IAX cable) connecting to Mumbai and Chennai to Singapore which is still under construction is included under CWIP.
- (e) Depreciation expense has been charged under following expense categories:

	Group		Company	
	2024	2023	2024	2023
Expense categories:				
Direct costs	29,733,748	28,578,598	21,389,284	20,189,619
Administrative costs	569,082	679,796	451,106	524,581
	30,302,830	29,258,394	21,840,390	20,714,200

- (f) Impairment provisions and assets written off have been charged under following expense categories:

	Group		Company	
	2024	2023	2024	2023
Expense categories:				
Direct costs	-	-	-	-
Administrative costs	289,609	220,667	266,388	312,675
	289,609	220,667	266,388	312,675

- (g) At 31 December 2024, property, plant and equipment includes fully depreciated assets that are still in use, the cost of which amounted to Rs. 174,235 million (2023 - Rs. 153,009 million) and Rs. 117,797 million (2023 - Rs. 102,853 million), for the Group and the Company respectively.
- (h) Property, plant and equipment are not pledged as securities for any financing arrangements.
- (i) The impairment provision relates to assets which are technologically obsolete, and assets decommissioned or discontinued.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

9 Leases

(a) Amounts recognised in the statement of financial position

(i) Right-of-use assets

Group	Land	Buildings	Advertising boards	Network-infrastructure	Total
At 1 January 2024					
Cost	15,055,289	4,520,965	2,368,000	573,538	22,517,792
Accumulated depreciation / impairment	(8,050,487)	(3,490,606)	(2,368,000)	(296,350)	(14,205,443)
Net book amount	7,004,802	1,030,359	-	277,188	8,312,349
Year ended 31 December 2024					
Opening net book amount	7,004,802	1,030,359	-	277,188	8,312,349
Additions	1,671,004	40,016	554,009	-	2,265,029
Additions from the acquisition of subsidiary (Note 36)	1,818,231	-	-	1,201,266	3,019,497
Disposals	(90,144)	(8,193)	-	(294,721)	(393,058)
Depreciation charge (Note 27)	(1,541,188)	(372,234)	(277,005)	(151,467)	(2,341,894)
Closing net book amount	8,862,705	689,948	277,004	1,032,266	10,861,923
At 31 December 2024					
Cost	19,457,053	4,552,788	2,922,009	1,975,793	28,907,643
Accumulated depreciation / impairment	(10,594,348)	(3,862,840)	(2,645,005)	(943,527)	(18,045,720)
Net book amount	8,862,705	689,948	277,004	1,032,266	10,861,923
Year ended 31 December 2023					
Opening net book amount	6,709,445	1,338,859	167,764	315,409	8,531,477
Additions	1,317,169	108,938	-	-	1,426,107
Depreciation charge (Note 27)	(1,021,812)	(417,438)	(167,764)	(38,221)	(1,645,235)
Closing net book amount	7,004,802	1,030,359	-	277,188	8,312,349
At 31 December 2023					
Cost	15,055,289	4,520,965	2,368,000	573,538	22,517,792
Accumulated depreciation / impairment	(8,050,487)	(3,490,606)	(2,368,000)	(296,350)	(14,205,443)
Net book amount	7,004,802	1,030,359	-	277,188	8,312,349

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

9 Leases (Contd.)

(a) Amounts recognised in the statement of financial position (Contd.)

(i) Right-of-use assets (Contd.)

Company	Land	Buildings	Advertising boards	Network-infrastructure	Total
At 1 January 2024					
Cost	14,497,460	4,305,976	2,368,000	573,538	21,744,974
Accumulated depreciation / impairment	(7,704,604)	(3,275,131)	(2,368,000)	(296,351)	(13,644,086)
Net book amount	6,792,856	1,030,845	-	277,187	8,100,888
Year ended 31 December 2024					
Opening net book amount	6,792,856	1,030,845	-	277,187	8,100,888
Additions	1,631,039	1,514	554,009	-	2,186,562
Additions from the acquisition of subsidiary	1,818,231	-	-	1,201,266	3,019,497
Disposals	(88,186)	-	-	(294,721)	(382,907)
Depreciation charge (Note 27)	(1,487,570)	(345,304)	(277,005)	(151,467)	(2,261,346)
Closing net book amount	8,666,370	687,055	277,004	1,032,265	10,662,694
At 31 December 2024					
Cost	18,861,216	4,307,490	2,922,009	1,975,792	28,066,507
Accumulated depreciation / impairment	(10,194,846)	(3,620,435)	(2,645,005)	(943,527)	(17,403,813)
Net book amount	8,666,370	687,055	277,004	1,032,265	10,662,694
Year ended 31 December 2023					
Opening net book amount	6,484,268	1,311,827	167,766	315,409	8,279,270
Additions	1,299,052	112,333	-	-	1,411,385
Depreciation charge (Note 27)	(990,464)	(393,315)	(167,766)	(38,222)	(1,589,767)
Closing net book amount	6,792,856	1,030,845	-	277,187	8,100,888
At 31 December 2023					
Cost	14,497,460	4,305,976	2,368,000	573,538	21,744,974
Accumulated depreciation	(7,704,604)	(3,275,131)	(2,368,000)	(296,351)	(13,644,086)
Net book amount	6,792,856	1,030,845	-	277,187	8,100,888

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

9 Leases (Contd.)

(a) Amounts recognised in the statement of financial position (Contd.)

(ii) Lease liabilities

	Group		Company	
	2024	2023	2024	2023
Current	1,685,480	777,596	1,659,529	738,978
Non-current	10,834,404	7,871,095	10,614,105	7,645,323
	12,519,884	8,648,691	12,273,634	8,384,301

(b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group		Company	
	2024	2023	2024	2023
Depreciation charge of right-of-use assets	2,341,894	1,645,235	2,261,346	1,589,767
Interest expense (included in finance costs) (Note 30)	1,713,744	1,156,566	1,667,101	1,101,749
Expenses relating to short-term leases (included in administrative expenses)	-	129,825	-	129,825
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	-	3,413	-	3,413
	4,055,638	2,935,039	3,928,447	2,824,754

(c) The total cash outflow for leases are Rs. 5,881 million (2023 - Rs. 3,895 million) and Rs. 5,744 million (2023 - Rs. 3,761 million) for the Group and the Company respectively.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

10 Investment in subsidiaries

Name of the subsidiary	2024			2023		
	% Holding		Investment	% Holding		Investment
	Group	Company		Group	Company	
Dialog Broadband Networks (Private) Limited ('DBN')	100%	100%	34,224,101	100%	100%	34,224,101
Dialog Television (Private) Limited ('DTV')	100%	100%	-	100%	100%	-
Dialog Finance PLC ('DFP')	99.05%	99.05%	3,924,108	100%	99.05%	3,924,108
Digital Holdings Lanka (Private) Limited ('DHL')	100%	100%	796,871	100%	100%	796,871
Dialog Device Trading (Private) Limited ('DDT')	100%	100%	1,672,988	100%	100%	204,988
Communiq Broadband Network (Private) Limited ('CBN')	100%	-	-	100%	-	-
Telecard (Private) Limited	100%	-	-	100%	-	-
Digital Commerce Lanka (Private) Limited ('DCL')	100%	0.97%	-	100%	0.97%	-
Dialog Business Services (Private) Limited ('DBS')	100%	100%	-	100%	100%	-
Digital Health (Private) Limited ('DH')	56.51%	-	-	56.31%	-	-
Dialog Axiata Digital Innovation Fund (Private) Limited ('DADIF')	94.23%	-	-	93.26%	-	-
Dialog Network Services (Private) Limited ('DNS')	100%	100%	57,000	100%	100%	57,000
Headstart (Private) Limited ('Headstart')	97.81%	-	-	97.44%	-	-
H-One (Private) Limited ('HONE')	100%	-	-	100%	-	-
My Health Solutions (Private) Limited ('MHS')	56.51%	-	-	56.31%	-	-
			40,675,068			39,207,068

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

10 Investment in subsidiaries (Contd.)

Name of the subsidiary	Principal activities	Country of incorporation and place of business
Dialog Broadband Networks (Private) Limited	Data and backbone, fixed wireless and transmission infrastructure	Sri Lanka
Dialog Television (Private) Limited	Television broadcasting services and direct-to-home satellite pay television service	Sri Lanka
Dialog Finance PLC	Financing services including acceptance of deposits, granting lease facilities, hire purchase, loan facilities, margin trading, cheque discounting and factoring etc.	Sri Lanka
Digital Holdings Lanka (Private) Limited	Investment holding company for new business areas of Dialog Group	Sri Lanka
Dialog Device Trading (Private) Limited	Selling information technology enabled equipment	Sri Lanka
Communiq Broadband Network (Private) Limited	Information technology enabled services; This Company remained dormant during the year.	Sri Lanka
Telecard (Private) Limited	Providing digital credit facilities	Sri Lanka
Digital Commerce Lanka (Private) Limited	eCommerce and digital marketing services; This Company remained dormant during the year.	Sri Lanka
Dialog Business Services (Private) Limited	Providing manpower for call centre operations	Sri Lanka
Digital Health (Private) Limited	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Dialog Axiata Digital Innovation Fund (Private) Limited	Establishing and operating a venture capital fund for the investment in digital start-up businesses	Sri Lanka
Dialog Network Services (Private) Limited ('DNS')	Carrying out the business of providing network development, operations and maintenance services	Sri Lanka
Headstart (Private) Limited	e-learning products and services	Sri Lanka
H-One (Private) Limited	Carrying out the business of importers, exporters, agents and distributors, and traders in software licenses	Sri Lanka
My Health Solutions (Private) Limited	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector. This company remains dormant during the year	Sri Lanka

11 Investment in associates

	Group	
	2024	2023
At 1 January	34,585	104,948
Share of loss	(34,585)	(70,363)
At 31 December	-	34,585

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

11 Investment in associates (Contd.)

Name of the associate	Principal activities	Measurement method	Country of incorporation and place of business	% Holding
Digital Reality (Private) Limited ('DRP')	Establish, operate and manage a data centre	Equity method	Sri Lanka	35%
Firstsource Dialog Solutions (Private) Limited ('FDSL')	Providing call centre operation	Equity method	Sri Lanka	26%

(a) Investment in FDSL was fully impaired since the entity is dormant.

a. The summarised financial information of Digital Reality (Private) Limited is as follows:

Financial performance	Digital Reality (Private) Limited	
	2024	2023
Income	86,366	51,581
Expenses	(294,260)	(252,618)
Loss before tax	(207,894)	(201,037)
Income tax expense	-	-
Loss after tax	(207,894)	(201,037)

Financial position	Digital Reality (Private) Limited	
	2024	2023
Non-current assets	559,540	690,847
Current assets	63,614	70,819
Non-current liabilities	(532,008)	(463,319)
Current liabilities	(91,146)	(206,900)
Net assets	-	91,447

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

11 Investment in associates (Contd.)

The reconciliation of net assets of associates are as follows.

	Digital Reality (Private) Limited	
	2024	2023
Opening net assets - 1 January	91,447	292,484
Loss for the period	(91,447)	(201,037)
Net assets	-	91,447

(b) The details of carrying amount of the associates of the Group are as follows:

	2024	2023
Group's share of net assets	-	33,913
Goodwill	-	672
At 31 December	-	34,585

12 Financial instruments

(a) Financial instruments by category

The Group holds the following financial instruments:

Financial assets	Group		Company	
	2024	2023	2024	2023
Financial assets at amortised cost				
Trade and other receivables excluding prepayments	45,047,272	45,183,515	32,792,515	34,895,677
Other financial assets at amortised cost	6,542,825	4,105,933	-	-
Cash and cash equivalents [note 16 (a)]	33,785,614	40,613,115	27,776,009	28,494,858
Financial assets at Fair Value through Other Comprehensive Income ('FVOCI')	637,458	565,685	-	-
Financial assets at Fair Value through Profit or Loss ('FVTPL')	756,989	765,753	-	-

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

12 Financial instruments (Contd.)

(a) Financial instruments by category (Contd.)

Financial liabilities	Group		Company	
	2024	2023	2024	2023
Liabilities at amortised cost and FVTPL				
Trade and other payables	57,499,582	38,961,945	56,048,841	27,644,715
Borrowings	107,693,634	122,765,416	93,273,847	108,444,885
Other financial liabilities (Note 20)	3,269,737	1,837,255	4,396	-
Lease liabilities	12,519,884	8,648,691	12,273,634	8,384,301

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default risk.

Trade receivables	Group		Company	
	2024	2023	2024	2023
Subscribers				
- Individual	4,805,455	4,282,133	2,204,526	3,014,719
- Corporate	6,316,699	4,057,877	3,501,742	2,366,746
Operators				
- Domestic	8,697,872	9,639,264	6,682,733	6,146,731
- International	2,524,113	4,885,860	639,360	2,502,199
Distributors	1,320,129	2,271,785	1,308,704	1,515,276
Others	1,466,063	250,282	1,458	119,656
	25,130,331	25,387,201	14,338,523	15,665,327

The aging of the trade receivables that are past due but not impaired is disclosed in the note 15 (d) to the financial statements.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

12 Financial instruments (Contd.)

(b) Credit quality of financial assets (Contd.)

	Group		Company	
	2024	2023	2024	2023
AAA Ika	3,523,639	12,547,476	2,978,951	10,418,202
AA Ika	811,871	604,313	968,155	604,313
A+ Ika to A- Ika	21,108,085	21,099,559	16,231,845	13,872,000
Below A	7,603,914	5,187,436	6,826,019	3,106,389
Non- rated	283,568	979,601	255,726	395,045
Cash in hand	454,537	194,730	515,313	98,909
At 31 December	33,785,614	40,613,115	27,776,009	28,494,858

The carrying amounts of cash and cash equivalents are denominated in following currencies:

Cash at bank and in hand and short-term bank deposit	Group		Company	
	2024	2023	2024	2023
Cash at bank and in hand				
Sri Lanka rupees	8,071,676	14,572,644	5,117,408	5,743,487
United States dollars	4,775,499	1,571,248	4,775,499	1,571,248
	12,847,175	16,143,892	9,892,907	7,314,735
Short-term bank deposits				
Sri Lanka rupees	1,541,267	7,992,203	1,541,268	7,992,202
United States dollars	19,397,172	16,477,020	16,341,834	13,187,921
	20,938,439	24,469,223	17,883,102	21,180,123
Cash and cash equivalents	33,785,614	40,613,115	27,776,009	28,494,858

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

12 Financial instruments (Contd.)

(c) Offsetting financial assets and liabilities

Following financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis.

Group	Effect of offsetting on the statement of financial position		
	Gross amount receivable / (payable)	Gross amount set off	Net receivable / (payable) amount presented
At December 2024			
Trade and other receivables	21,590,778	(5,286,565)	16,304,213
Trade and other payables	(5,972,860)	5,286,565	(686,295)
At December 2023			
Trade and other receivables	10,951,819	(3,798,274)	7,153,545
Trade and other payables	(4,959,047)	3,798,274	(1,160,773)

Company	Effect of offsetting on the statement of financial position		
	Gross amount receivable / (payable)	Gross amount set off	Net receivable / (payable) amount presented
At December 2024			
Trade and other receivables	53,358,622	(49,959,493)	3,399,129
Trade and other payables	(60,957,138)	49,959,493	(10,997,645)
At December 2023			
Trade and other receivables	9,328,062	(3,613,188)	5,714,874
Trade and other payables	(3,673,784)	3,613,188	(60,597)

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

13 Other financial assets

	Note	Group	
		2024	2023
Non-current			
Other financial assets at amortised cost	(a)	2,624,387	1,638,532
Financial assets at Fair Value through Other Comprehensive Income ('FVOCI')	(c)	637,458	565,685
Financial assets at Fair Value through Profit or Loss ('FVTPL')	(d)	753,763	763,285
		4,015,608	2,967,502

	Note	Group	
		2024	2023
Current			
Other financial assets at amortised cost	(a)	3,918,438	2,467,403
Financial assets at FVTPL	(d)	3,226	2,466
		3,921,664	2,469,869

(a) Other financial assets at amortised cost

		Group	
		2024	2023
Other loans and receivables		6,778,185	4,286,000
Less: Loss allowance		(235,360)	(180,067)
		6,542,825	4,105,933

The fair value of fixed rate financial assets carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. Accordingly, the fair value of other financial assets which are carried at amortised cost is Rs. 6,543 million (2023 - Rs. 4,106 million).

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

13 Other financial assets (Contd.)

(i) The movement of the provision for impairment of other financial assets at amortised cost are as follows:

	Group	
	2024	2023
At 1 January	180,067	131,925
Provision for impairment of other financial assets	55,293	48,142
At 31 December	235,360	180,067

(b) Analysis of other loans and receivables on maximum exposure to credit risk are as follows:

	Stage 1	Stage 2	Stage 3	Total
31 December 2024				
Gross loans and receivables	6,310,823	216,873	250,489	6,778,185
Less: Loss allowance	(45,502)	(22,407)	(167,451)	(235,360)
Net loans and receivables	6,265,321	194,466	83,038	6,542,825
31 December 2023				
Gross loans and receivables	2,846,345	1,288,089	151,566	4,286,000
Less: Loss allowance	(26,303)	(82,562)	(71,202)	(180,067)
Net loans and receivables	2,820,042	1,205,527	80,364	4,105,933

(c) Carrying value of financial assets at FVOCI represents the fair value of the investment in shares in the Credit Information Bureau of Sri Lanka by Dialog Finance PLC and investment in unquoted equity investments by Dialog Axiata Digital Innovation Fund (Private) Limited.

(d) Carrying value of financial assets at FVTPL represents the investments in quoted equity investments by Dialog Finance PLC and investment in unquoted equity investments by Dialog Axiata Digital Innovation Fund (Private) Limited.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

14 Inventories

	Group		Company	
	2024	2023	2024	2023
Phone stock	845,138	2,744,569	21,094	54,262
Accessories and consumables	1,629,986	768,256	311,064	617,058
Provision for slow moving inventory	(702,105)	(477,151)	(97,980)	(80,839)
	1,773,019	3,035,674	234,178	590,481

15 Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
Current				
Trade receivables	31,895,843	32,504,629	17,796,044	19,058,564
Less: provision for impairment of trade receivables	(6,765,512)	(7,117,428)	(3,457,521)	(3,393,237)
Net trade receivables	25,130,331	25,387,201	14,338,523	15,665,327
Receivables from related companies	11,050,943	8,544,000	12,156,770	11,809,997
Less: provision for impairment of receivables from related companies	(848,602)	(655,147)	(729,261)	(653,787)
Net receivables from related companies [Note 37(d)]	10,202,341	7,888,853	11,427,509	11,156,210
Prepayments	2,363,956	2,350,715	1,789,569	976,401
Other receivables	9,714,600	11,907,461	7,026,484	8,074,140
At 31 December	47,411,228	47,534,230	34,582,085	35,872,078

- (a) Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.
- (b) Receivables from related companies result from related party transactions entered in the normal course of business and at prices available at negotiated terms. Provision for impairment of receivables from related companies reflect the expected credit losses, in accordance with SLFRS 9, 'Financial Instruments'.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

15 Trade and other receivables (Contd)

(c) Trade receivables by credit quality are as follows:

	Group		Company	
	2024	2023	2024	2023
Current	7,252,281	11,803,911	3,983,198	8,394,877
Past due but not impaired [Note 15(d)]	17,878,050	13,583,290	10,355,325	7,270,450
Impaired [Note 15(e)]	6,765,512	7,117,428	3,457,521	3,393,237
	31,895,843	32,504,629	17,796,044	19,058,564

Past due but not impaired trade receivable balances of the Group and the Company have not been impaired as there has not been a significant change in credit quality and the Management believe that overdue amounts are fully recoverable.

(d) The aging of trade receivables that are past due but not impaired are as follows:

	Group		Company	
	2024	2023	2024	2023
Amount overdue:				
1 month to 6 months	6,831,219	6,126,939	3,739,591	3,615,862
6 months to 1 year	5,219,935	4,302,747	3,097,013	1,324,558
More than 1 year	5,826,896	3,153,604	3,518,721	2,330,030
	17,878,050	13,583,290	10,355,325	7,270,450

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

15 Trade and other receivables (Contd)

(e) The movement of the provision for impairment of trade receivables are as follows:

	Group		Company	
	2024	2023	2024	2023
At 1 January	7,117,428	6,049,841	3,393,237	2,881,904
Provision for impairment of trade receivables	1,871,156	1,100,766	1,102,963	544,512
Receivables written off during the year as uncollectible	(2,223,072)	(33,179)	(1,038,679)	(33,179)
At 31 December	6,765,512	7,117,428	3,457,521	3,393,237

(f) Measurement of Expected Credit Loss ('ECL')

The following table contains an analysis of the credit risk exposure of trade receivables for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's and the Company's maximum exposure to credit risk on these assets:

Group	Less than 1 month	1 - 6 months	6 months to 1 year	Over 1 year	Total
2024					
Expected loss rate %	2.72%	8.20%	19.26%	44.72%	21.21%
Gross trade receivables	7,117,063	7,955,774	6,298,894	10,524,112	31,895,843
Provision for impairment	(193,628)	(652,512)	(1,213,069)	(4,706,303)	(6,765,512)
Net trade receivables	6,923,435	7,303,262	5,085,825	5,817,809	25,130,331
2023					
Expected loss rate %	4.86%	14.71%	83.29%	87.49%	21.9%
Gross trade receivables	18,753,871	7,930,730	1,272,101	4,547,927	32,504,629
Provision for impairment	(912,053)	(1,166,934)	(1,059,567)	(3,978,874)	(7,117,428)
Net trade receivables	17,841,818	6,763,796	212,534	569,053	25,387,201

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

15 Trade and other receivables (Contd)

(f) Measurement of Expected Credit Loss ('ECL') (Contd.)

Company	Less than 1 month	1 - 6 months	6 months to 1 year	Over 1 year	Total
2024					
Expected loss rate %	1.88%	7.78%	14.88%	41.77%	19.43%
Gross trade receivables	4,059,383	4,054,957	3,638,578	6,043,126	17,796,044
Provision for impairment	(76,185)	(315,366)	(541,565)	(2,524,405)	(3,457,521)
Net trade receivables	3,983,198	3,739,591	3,097,013	3,518,721	14,338,523
2023					
Expected loss rate %	3.21%	14.41%	23.37%	48.21%	17.80%
Gross trade receivables	8,875,282	3,615,862	2,330,030	4,237,390	19,058,564
Provision for impairment	(284,941)	(521,059)	(544,512)	(2,042,725)	(3,393,237)
Net trade receivables	8,590,341	3,094,803	1,785,518	2,194,665	15,665,327

(g) The carrying amounts of trade receivables are denominated in following currencies:

	Group		Company	
	2024	2023	2024	2023
Sri Lanka rupees	21,743,307	18,715,000	13,117,777	13,163,128
United States dollars	3,387,024	6,672,201	1,220,746	2,502,199
	25,130,331	25,387,201	14,338,523	15,665,327

Trade and other receivables are not pledged as securities for any financing arrangements.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

16 Cash and cash equivalents

(a)

	Group		Company	
	2024	2023	2024	2023
Cash at bank and in hand	16,232,720	16,143,892	9,499,127	7,314,735
Short-term bank deposits	17,552,894	24,469,223	18,276,882	21,180,123
At 31 December	33,785,614	40,613,115	27,776,009	28,494,858

(b) Cash and cash equivalents of the Group and the Company include restricted cash deposited in the following financial institutions:

	Group		Company	
	2024	2023	2024	2023
Hatton National Bank PLC, amount deposited in custodian accounts to facilitate Ez cash operation	805,107	806,000	805,107	806,000
Margin requirements against imports on documents against acceptance terms	-	18,750	-	18,750
	805,107	824,750	805,107	824,750

17 Stated capital

(a)

	Ordinary shares issued and fully paid	Stated capital
At 1 January 2024	29,349,706	29,349,706
Share issue during the year [see (d) below]	10,555,857	10,555,857
At 31 December 2024	39,905,563	39,905,563
At 1 January 2023	29,349,706	29,349,706
At 31 December 2023	29,349,706	29,349,706

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

17 Stated capital (Contd.)

(b) Movement in shares

	Number of ordinary shares
At 1 January 2024	8,247,640,305
Share issue during the year [see (d) below]	952,694,689
At 31 December 2024	9,200,334,994
At 1 January 2023	8,247,640,305
At 31 December 2023	8,247,640,305

(c) The holders of ordinary shares have the right to receive dividend as declared from time to time and are entitled to one vote per share at the Annual General Meeting of the Company.

(d) The shares were issued to Bharti Airtel Lanka (Private) Limited as part of consideration in acquiring to Bharti Airtel Lanka (Private) Limited.

18 Reserves

	Group		Company	
	2024	2023	2024	2023
Attributable to the owners of the Company				
Retained earnings	38,214,180	36,776,686	27,843,679	27,749,456
Fair value through other comprehensive income ("FVOCI") reserve	233,843	254,559	-	-
	38,448,023	37,031,245	27,843,679	27,749,456
Attributable to the non-controlling interest				
Non-controlling interest	(73,623)	(44,189)	-	-
	(73,623)	(44,189)	-	-
At 31 December	38,374,400	36,987,056	27,843,679	27,749,456

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

18 Reserves (Contd.)

The movement of the reserves is as follows:

Group	Note	Share-based payments reserve	FVOCI reserve	Retained earnings	Total
Balance at 1 January 2024		(27)	254,559	36,776,713	37,031,245
Profit for the year		-	-	12,458,581	12,458,581
Other comprehensive income:					
- changes in the fair value of equity investments at fair value through other comprehensive income, net of tax		-	(29,020)	-	(29,020)
- remeasurement gain on defined benefit obligation, net of tax		-	-	34,578	34,578
Total comprehensive income for the year		-	(29,020)	12,493,159	12,464,139
Transactions with non-controlling interest		-	-	4,477	4,477
Dividend Paid	32 (b)	-	-	(11,051,838)	(11,051,838)
Balance at 31 December 2024		(27)	225,539	38,222,511	38,448,023
Balance at 1 January 2023		158,834	3,267	15,704,248	15,866,349
Profit for the year		-	-	20,124,094	20,124,094
Other comprehensive income:					
- changes in the fair value of equity investments at fair value through other comprehensive income, net of tax		-	251,292	-	251,292
- remeasurement loss on defined benefit obligation, net of tax		-	-	967,125	967,125
Total comprehensive income for the year		-	251,292	21,091,219	21,342,511
Transactions with non-controlling interest		-	-	(18,754)	(18,754)
Transfer from share-based payment reserve upon cancellation the payment plan		(158,861)	-	-	(158,861)
Balance at 31 December 2023		(27)	254,559	36,776,713	37,031,245

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

18 Reserves (Contd.)

Company	Share-based payments reserve	Retained earnings	Total
Balance at 1 January 2024	(27)	27,749,483	27,749,456
Profit for the year	-	11,092,547	11,092,547
Other comprehensive income:			
- remeasurement gain on defined benefit obligation, net of tax	-	53,514	53,514
Total comprehensive income for the year	-	11,146,061	11,146,061
Dividend Paid	-	(11,051,838)	(11,051,838)
Balance at 31 December 2024	(27)	27,843,706	27,843,679
Balance at 1 January 2023	158,834	14,978,014	15,136,848
Profit for the year	-	11,997,955	11,997,955
Other comprehensive income:			
- remeasurement loss on defined benefit obligation, net of tax	-	773,514	773,514
Total comprehensive income for the year	-	12,771,469	12,771,469
Transfer from share-based payment reserve upon cancellation the payment plan	(158,861)	-	(158,861)
Balance at 31 December 2023	(27)	27,749,483	27,749,456

(a) FVOCI reserve

The Group has elected to recognise changes in fair value of certain investments in equity securities as explained in note 13 (c). These changes are accumulated within FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the equity securities are derecognised.

(b) Share based payment reserves

The Board of Directors had approved the implementation of a performance based Restrictive Share Plan ('RSP') as part of Dialog's LTIP scheme and it was approved by Dialog shareholders in May 2017.

Eligibility was determined upon an employee satisfying the following:

- has attained the age of eighteen years;
- is an executive director of the Company or has entered into a full-time or fixed-term contract of employment with, and is on the payroll of, a group company and whose service has been confirmed; and
- has fulfilled any other eligibility criteria which has been determined by the Board at its absolute discretion, as the case may be.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

18 Reserves (Contd.)

(b) Share based payment reserves (Contd.)

Due to the current market condition, the management decided to cancel the said LTIP scheme effective from 31st December 2023, hence the total provision of Rs. 18,680 million was reversed as at 31st December 2023.

Employee share option scheme expenses have been charged under the following expense categories.

	Group		Company	
	2024	2023	2024	2023
Expense categories:				
Administrative costs	-	(158,861)	-	(158,861)

19 Trade and other payables

	Group		Company	
	2024	2023	2024	2023
Trade payables	27,458,016	19,076,714	18,406,624	7,128,008
Amounts due to ultimate parent company [Note 37(e) - excluding borrowings]	3,728,513	307,037	3,728,513	3,732,743
Amounts due to related companies [Note 37(e)]	2,568,875	5,618,163	11,998,182	4,885,359
Deferred income (Note 22)	115,701	106,499	115,701	106,499
Accrued expenses	30,295,241	27,824,654	24,062,288	22,069,772
Customer deposits	975,231	1,031,358	836,584	896,476
Other payables	15,705,001	12,822,174	12,676,861	10,895,630
	78,645,760	66,786,599	71,824,754	49,714,487

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

20 Other financial liabilities

	Group		Company	
	2024	2023	2024	2023
Current				
Deposits from customers	3,139,960	1,672,808	-	-
Derivative liability	4,396	-	4,396	-
	3,144,356	1,672,808	4,396	-

	Group		Company	
	2024	2023	2024	2023
Non-current				
Deposits from customers	125,381	164,447	-	-
	125,381	164,447	-	-

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

21 Borrowings

	Note	Group		Company	
		2024	2023	2024	2023
Current					
Bank overdrafts		22,282,063	32,749,791	20,943,378	28,585,336
Borrowings from ultimate parent		1,536,846	6,018,383	1,536,846	6,018,383
Bank borrowings	(a)	48,125,132	16,322,925	38,837,085	10,214,793
At 31 December		71,944,041	55,091,099	61,317,309	44,818,512

	Note	Group		Company	
		2024	2023	2024	2023
Non-current					
Borrowings from ultimate parent		-	6,333,610	-	6,333,610
Bank borrowings	(a)	35,749,593	61,340,707	31,956,538	57,292,763
At 31 December		35,749,593	67,674,317	31,956,538	63,626,373

(a) Bank borrowings

(i) Bank borrowings - foreign

Bank borrowings comprise a loan facility from the International Financing Corporation (IFC) of USD 113.5 million outstanding as of 31st December 2024. The effective interest rate on bank borrowings (foreign) ranges from 6.00% to 6.21% p.a. (2023 – 6.00% to 7.28% p.a.).

(ii) Bank borrowings - local

Bank borrowings comprise of Rs. 44.98 billion which carries both fixed and variable interest rates ranging 7.2% - 17% p.a.

(b) Borrowings are not pledged as securities for any financing arrangements.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

21 Borrowings (Contd.)

(c) The exposure of the carrying value of borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period is as follows:

	Group		Company	
	2024	2023	2024	2023
3 months or less	29,526,185	34,439,791	27,033,924	29,591,586
3 - 6 months	8,415,803	1,975,000	7,345,036	1,450,000
6 - 12 months	34,002,053	18,676,308	26,938,349	13,776,926
1 - 5 years	35,749,593	67,674,317	31,956,538	63,626,373
	107,693,634	122,765,416	93,273,847	108,444,885

(d) The carrying amounts of the Company's and the Group's borrowings are denominated in following currencies:

	Group		Company	
	2024	2023	2024	2023
Sri Lanka rupees	72,836,632	66,660,896	58,416,845	52,340,365
United States dollars	34,857,002	56,104,520	34,857,002	56,104,520
	107,693,634	122,765,416	93,273,847	108,444,885

(e) The covenants related to the IFC loan and Standard Chartered Bank underwent revision during the year. The Company complied with these revised covenants throughout the financial year, and there are no indications that the Company will encounter difficulties in meeting them when they are measured next.

(f) The fair values are not materially different from the carrying amounts for the majority of borrowings

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

22 Deferred income

	Group		Company	
	2024	2023	2024	2023
At 1 January	457,327	412,199	457,327	412,199
Addition during the year	93,800	177,233	93,800	177,233
Release of TDC disbursements to comprehensive income	(110,096)	(132,105)	(110,096)	(132,105)
At 31 December	441,031	457,327	441,031	457,327

	Group		Company	
	2024	2023	2024	2023
Current (Note 19)	115,701	106,499	115,701	106,499
Non-current	325,330	350,828	325,330	350,828
	441,031	457,327	441,031	457,327

- (a) The deferred income of the Group mainly relates to the government grants for the purchase of certain qualifying assets.

23 Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using the applicable tax rates at the end of the financial reporting period.

- (a) Deferred income tax assets and liabilities of the Group are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position.

Group	Net deferred tax assets		Net deferred tax liabilities	
	2024	2023	2024	2023
Deferred income tax liabilities	(793,994)	(3,627,709)	1,157,608	201,982
Deferred income tax assets	1,042,667	3,932,675	-	-
Net deferred income tax assets / (liabilities)	248,673	304,966	1,157,608	201,982

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

23 Deferred income tax (Cont.)

(b) The movement on the deferred income tax assets / (liabilities) account is as follows:

Group	Net deferred tax assets		Net deferred tax liabilities	
	2024	2023	2024	2023
At 1 January	304,965	219,720	(201,982)	(20,104)
Acquisition from business combination				
Property plant and equipment	2,474,732	53,682	(2,479,444)	-
Retirement benefit obligations	(17,789)	(1,241)	25,926	-
Impairment of financial assets	(602,592)	159,609	-	-
Assets retirement obligation	(54,409)	4,730	56,106	-
Net lease liabilities	88,162	10,985	13,479	-
Net investment in leases	25	363	-	-
Unrealised fair value gain on financial assets at FVPL	(25)	-	3,374	(105,935)
Bonus and other provisions	(38,771)	34,212	451,187	-
Unrealised exchange gain	-	-	114,658	-
Unutilised tax losses	(1,905,625)	(177,066)	859,088	-
Total amount recognised in profit/(loss)	(56,292)	85,274	(955,626)	(105,935)
Unrealised fair value (gain) / loss on financial assets at FVOCI	-	(28)	-	(75,943)
Total amount recognised in other comprehensive income	-	(28)	-	(75,943)
At 31 December	248,673	304,966	(1,157,608)	(201,982)

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

23 Deferred income tax (Cont.)

(c) The balance comprises temporary differences attributable to:

Group	Net deferred tax assets		Net deferred tax liabilities	
	2024	2023	2024	2023
Retirement benefit obligations	133,418	151,207	25,926	-
Bonus and other provisions	25,111	63,882	451,187	-
Impairment of financial assets	69,941	672,533	-	-
Assets retirement obligation	-	54,409	56,106	-
Net lease liabilities	194	13,496	13,479	-
Unrealised exchange gain/(loss)	-	-	114,658	-
Unutilised tax losses	814,003	2,618,165	859,088	-
Total deferred tax assets before offsetting	1,042,667	3,573,692	1,520,444	-
Offsetting deferred tax liability on:				
Property plant and equipment	(793,358)	(3,268,090)	(2,479,444)	-
Unrealised fair value gain on financial assets	(301)	(276)	(198,608)	(201,982)
Net investment in leases	(335)	(360)	-	-
Total deferred tax liabilities before offsetting	(793,994)	(3,268,726)	(2,678,052)	(201,982)
Deferred tax assets / (liabilities) after offsetting	248,673	304,966	(1,157,608)	(201,982)

(d) Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. According to Inland Revenue Act No.24 of 2017, tax losses could be carried forward for a period of six years, to claim against taxable profits. Any carried forward tax losses prior to Year of Assessment 2022/2023 shall be treated as loss incurred in the year of assessment 2022/2023. Accordingly, deferred income tax assets of Rs. 1.89 billion (2023 - Rs. 2.62 billion) was not recognised in respect of subsidiaries in the consolidated financial statements.

	Within 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
31 December 2024	986Mn	129Mn	387Mn	386Mn	1,888Mn
31 December 2023	1,042Mn	225Mn	737Mn	614Mn	2,618Mn

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

24 Employee benefit payables

	Note	Group		Company	
		2024	2023	2024	2023
Defined benefit obligation	(a)	2,310,004	2,095,107	1,655,831	1,467,253

(a) Defined benefit obligation

(i) The movement in the present value of defined benefit obligation over the year is as follows:

	Group		Company	
	2024	2023	2024	2023
At 1 January	2,095,107	3,193,399	1,467,253	2,437,154
Transferred from/ (to) related company	-	-	-	(33,736)
Transferred at acquisition made during the year	129,350	-	129,350	-
Current service cost	167,373	232,341	126,826	160,456
Interest expense	275,476	613,975	198,641	399,309
Total amount recognised in comprehensive income	442,849	846,316	325,467	559,765
Remeasurement gains:				
- Gains from changes in financial assumptions	(53,360)	(949,707)	(53,514)	(773,514)
- Loss/(gain) from changes in demographic assumptions	27,099	(32,463)	-	-
Total amount recognised in other comprehensive income	(26,261)	(982,170)	(53,514)	(773,514)
Employee benefits obligations paid	(331,041)	(962,438)	(212,725)	(722,416)
At 31 December	2,310,004	2,095,107	1,655,831	1,467,253

This obligation is not externally funded.

The gratuity liability of the Group is based on the actuarial valuation performed in December 2024 by Actuaries, Messrs Actuarial and Management Consultants (Private) Limited.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

24 Employee benefit payables

(ii) The principal actuarial valuation assumptions used are as follows:

	Group		Company	
	2024	2023	2024	2023
Financial assumptions				
Discount rate	10%-12%	12%-14%	11.50%	13%
Future salary growth rate	8-10%	10%-12%	10.00%	12%
Demographic assumptions				
Mortality table	1967/70	1967/70	1967/70	1967/70
Expected average future working life of the active participants or Retirement age	60	60	60	60

In addition to the above, demographic assumptions such as mortality, withdrawal and disability and retirement age are considered for the actuarial valuation. The 2007 mortality table issued by the London Institute of Actuaries (A 1967/70 mortality table) has also been used in the valuation.

(iii) The defined benefit obligation's sensitivity to changes in the key assumptions for 2024 is as follows:

	Impact on defined benefit obligation				
	Change in assumption	Group		Company	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 28.38%	Increase by 17.73%	Decrease by 32.72%	Increase by 21.30%
Future salary growth rate	1.00%	Increase by 17.56%	Decrease by 28.61%	Increase by 21.10%	Decrease by 32.98%

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

24 Employee benefit payables (Contd.)

(iii) The defined benefit obligation's sensitivity to changes in the key assumptions for 2024 is as follows: (Contd.)

The following table shows the sensitivity of the defined benefit obligation - 2023 to changes in the key assumptions:

	Change in assumption	Impact on defined benefit obligation			
		Group		Company	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 25.06%	Increase by 12.63%	Decrease by 27.41%	Increase by 14.81%
Future salary growth rate	1.00%	Increase by 12.44%	Decrease by 25.33%	Increase by 14.61%	Decrease by 27.68%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) Maturity profile of the defined benefit obligation

The weighted average duration of the defined benefit obligation is 8.70 (2023 – 11.20) years and average time to benefit pay-out is 9.10 (2023 - 12.50) years for the Company. The distribution of the timing of undiscounted benefit payments is as follow:

	Group		Company	
	2024	2023	2024	2023
Less than 1 year	229,619	151,097	115,207	88,555
Between 1 - 2 years	411,414	290,534	219,527	167,840
Between 2 - 5 years	698,310	516,678	497,623	348,465
Over 5 years	5,061,124	5,714,260	4,128,741	4,112,967
	6,400,467	6,672,569	4,961,098	4,717,827

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

25 Provision for other liabilities

Provisions for other liabilities comprise the amounts provided for Asset Retirement Obligation ('ARO').

	Group		Company	
	2024	2023	2024	2023
At 1 January	3,434,609	5,547,146	3,071,880	5,215,949
Amounts capitalised / (reversal)	32,582	(2,112,664)	20,039	(2,094,551)
Adjustment for fully depreciated ARO assets	(21,144)	(56,003)	(17,259)	(42,801)
Charged to comprehensive income (Note 30)	271,464	56,130	268,809	(6,717)
ARO liability – Acquisition of subsidiary	786,073	-	786,073	-
At 31 December	4,503,584	3,434,609	4,129,542	3,071,880

The principal assumptions used to determine the Asset Retirement Obligation are as follows:

	Group		Company	
	2024	2023	2024	2023
Inflation rate	3.26%	4.00%	3.26%	4.00%
Discount rate	11.61%	12.20%	11.61%	12.20%

The sensitivity of the Asset Retirement Obligation (ARO) to changes in the principal assumptions for 2024 is as follows:

	Change in assumption	Impact on Asset Retirement Obligation			
		Group		Company	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by Rs. 70Mn	Increase by Rs. 77Mn	Decrease by Rs. 69Mn	Increase by Rs. 76Mn
Inflation rate	1.00%	Increase by Rs. 82Mn	Decrease by Rs. 77Mn	Increase by Rs. 81Mn	Decrease by Rs 75Mn

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

25 Provision for other liabilities (Contd.)

The following table shows the sensitivity of the Asset Retirement Obligation - 2023 to changes in the key assumptions:

	Change in assumption	Impact on Asset Retirement Obligation			
		Group		Company	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by Rs. 79Mn	Increase by Rs. 86Mn	Decrease by Rs. 77Mn	Increase by Rs. 85Mn
Inflation rate	1.00%	Increase by Rs. 92Mn	Decrease by Rs. 85Mn	Increase by Rs. 91Mn	Decrease by Rs 84Mn

26 Revenue

(a) Disaggregation of revenue from contracts with customers

The Group and the Company derive revenue from the transfer of goods and services over time and at a point in time through following business lines.

Business lines	Group		Company	
	2024	2023 Restated	2024	2023
Mobile operation	115,787,007	101,582,400	115,672,413	102,932,077
Fixed telephony and broadband operation	42,963,637	67,894,084	-	-
Television operation	12,419,636	12,245,562	-	-
	171,170,280	181,722,046	115,672,413	102,932,077

Timing of revenue recognition	Group		Company	
	2024	2023 Restated	2024	2023
At a point in time	2,204,914	7,212,048	110,994	64,903
Over time	168,965,366	174,509,998	115,561,419	102,867,174
	171,170,280	181,722,046	115,672,413	102,932,077

The details of the restatement to the Group's revenue reported for the year ended 31 December 2023 are provided in note 38.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

26 Revenue (Contd.)

(b) Significant payment terms

Customers typically pay in advance for prepaid mobile services and for other communication services settlements are made as per the agreed credit terms upon consumption of goods or utilisation of services.

(c) Assets and liabilities related to contracts with customers

(i) Contract cost assets

The Group and the Company recognised an asset in relation to costs that are directly related to the acquisition and fulfilment of customer contracts.

	Group		Company	
	2024	2023	2024	2023
At 1 January	12,241,671	10,573,568	3,852,701	2,852,882
Additions	8,552,909	8,371,889	2,208,783	2,640,214
Amortisation (note 27)	(7,844,845)	(6,703,786)	(2,254,214)	(1,640,395)
At 31 December	12,949,735	12,241,671	3,807,270	3,852,701

Contract acquisition costs comprise mainly of the sales commission paid to dealers. Contract fulfilment cost comprises mainly of set-top boxes and routers. The contract cost assets are expected to be amortised over twenty-three (23) to forty-two (42) months (2023: twenty-three (23) to forty-two (42) months).

(ii) Contract liabilities

The following table shows unsatisfied performance obligations resulting from customer contracts.

	Group		Company	
	2024	2023	2024	2023
At 1 January	12,369,732	13,733,714	10,090,017	10,733,348
Additions	702,419,450	242,243,982	684,589,508	194,807,174
Realisations	(695,596,127)	(243,607,964)	(678,141,087)	(195,450,505)
Balance as at 31 December	19,193,055	12,369,732	16,538,438	10,090,017

	Group		Company	
	2024	2023	2024	2023
Contract liabilities - current	13,447,548	6,667,964	11,806,658	5,487,863
Contract liabilities - non-current	5,745,507	5,701,768	4,731,780	4,602,154
Balance as at 31 December	19,193,055	12,369,732	16,538,438	10,090,017

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

26 Revenue (Contd.)

(iii) Revenue recognised in relation to contract liabilities

During the current year the Group and the Company recognised Rs. 6,667 million (2023 - Rs. 9,367 million) and Rs. 4,234 million (2023 - Rs. 6,541 million) respectively as revenue that was included in the contract liability balance at the beginning of the year.

(iv) Unsatisfied long-term contracts

Management expects that 77% (Rs. 4,424 million) and 81% (Rs. 3,833 million) of the transaction price allocated to the unsatisfied long-term contracts as of 31 December 2024 will be recognised as revenue by the Group and the Company respectively during the 2026 financial year. 7% (Rs. 402 million) and 5% (Rs. 237 million) of the transaction price allocated to the unsatisfied long-term contracts as of 31 December 2024 will be recognised as revenue by the Group and the Company respectively during the 2027 financial year. The remaining 16% (Rs. 919 million) and 14% (Rs. 662 million) will be recognised during the 2028 financial year by the Group and the Company respectively.

27 Expenses by nature

	Group		Company	
	2024	2023	2024	2023
Directors' fees	109,684	206,284	104,374	199,083
Fees for professional services	112,397	87,301	48,567	68,185
Amortisation charge of intangible assets (Note 7)	5,007,328	3,443,242	4,376,543	2,905,079
Amortisation charge of contract cost assets [Note 26(c)(i)]	7,844,845	6,703,786	2,254,214	1,640,395
Depreciation charge of property, plant and equipment (Note 8)	30,592,439	29,479,061	22,106,778	21,026,875
Depreciation charge of ROU assets (Note 9)	2,341,894	1,645,235	2,261,346	1,589,767
Domestic interconnection and international origination cost	20,206,389	42,292,175	2,078,902	2,752,711
Telecommunication development charge	1,830,497	2,280,783	1,266,931	796,242
Marketing, advertising and promotion	14,319,036	12,791,396	12,927,284	13,023,709
Rental for site and office premises	8,668,421	1,842,740	7,264,371	5,474,139
Electricity for site and office premises	11,667,190	9,737,647	8,328,428	8,932,902
Annual maintenance services	6,749,052	5,371,542	6,701,155	5,841,442
Employee benefit expenses (Note 28)	14,870,823	13,054,076	7,797,215	8,950,280
Telecommunication regulatory charges	2,948,007	1,472,517	2,838,488	1,194,911
Revenue share expenses	697,604	1,113,561	690,206	641,857
International network cost	3,618,052	2,965,488	2,388,073	2,964,259
Outbound roaming cost	1,761,548	1,302,236	1,761,548	1,300,333
Call centre services charges	344,686	70,777	1,097,781	603,530
Device and accessories consumption cost	1,763,216	7,372,647	461,534	266,613
Other operating costs	13,556,388	17,334,698	11,129,677	10,903,908
Total direct costs, administrative costs and distribution costs	149,009,496	160,567,192	97,883,415	91,076,220

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(all amounts are in Sri Lanka Rupees thousands)

Other operating expenses of the Group mainly consist of Foreign channel fees 4,714 million, Cost of sales equipment 2,174 million, Cloud hosting charge of Rs.2,066 million, DNS O&M and other expenses of Rs.2,016 million, Transponder services 1,768 million.

28 Employee benefit expenses

	Group		Company	
	2024	2023	2024	2023
Wages, salaries and others	9,197,945	7,631,260	4,195,180	5,136,871
Staff allowances and benefits	3,880,815	3,262,801	2,412,413	2,384,240
Defined contribution plans	1,349,214	1,313,699	864,155	869,404
Defined benefit obligation [Note 24 (a)(i)]	442,849	846,316	325,467	559,765
	14,870,823	13,054,076	7,797,215	8,950,280
Number of persons employed as at 31 December - full time	3,139	3,021	1,422	1,564

29 Other income

Other income of the Group and the Company consist of sundry income.

30 Finance income and costs

	Group		Company	
	2024	2023	2024	2023
Interest income on deposits	1,464,012	1,979,588	1,670,319	2,196,946
Finance income	1,464,012	1,979,588	1,670,319	2,196,946
Interest expenses on:				
Bank overdrafts	(1,963,896)	(2,643,357)	(1,945,822)	(2,627,044)
Bank borrowings	(5,906,644)	(6,195,115)	(4,780,439)	(5,156,526)
Asset retirement obligation (Note 25)	(271,464)	(56,130)	(268,809)	6,717
Lease liabilities [Note 9(b)]	(1,713,744)	(1,156,566)	(1,667,101)	(1,101,749)
Finance Income / costs	(9,855,748)	(10,051,168)	(8,662,171)	(8,878,602)
Net foreign exchange gain / (loss) on foreign currency transactions / translations	3,788,124	10,213,517	3,564,728	9,991,313
Finance costs – net	(4,603,612)	2,141,937	(3,427,124)	3,309,657

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

31 Income tax expense

	Group		Company	
	2024	2023	2024	2023
Current tax	2,693,539	2,811,561	2,617,146	2,713,480
Deferred income tax charged / (credited) to comprehensive income	1,011,919	20,690	-	-
	3,705,458	2,832,251	2,617,146	2,713,480

- (a) The Company opted for 2% revenue-based tax with effect from the year 2013 with the expiration of the 15-year tax holiday period granted under the agreement entered into between the Company and the Board of Investment of Sri Lanka ('BOI').
- (b) Upon expiry of the tax exemption period granted under the agreement entered into between Dialog Broadband Networks (Private) Limited ('DBN') and the BOI, the business profit of DBN is subjected to a corporate tax of 15% with effect from the year 2011.
- (c) Upon expiry of the tax exemption period granted under the agreement entered into between Dialog Television (Private) Limited ('DTV') and the BOI, the business profit of DTV was subjected to a corporate tax of 10% for a period of two years with effect from the year 2012. After the expiration of the aforesaid concessionary period, the business profit of DTV is subjected to corporate tax of 20% for any year of assessment thereafter.
- (d) The business profit of Dialog Device Trading (Private) Limited, Digital Holdings Lanka (Private) Limited, Digital Health (Private) Limited, Digital Commerce Lanka (Private) Limited, Dialog Business Services (Private) Limited, Dialog Finance PLC, Dialog Axiata Digital Innovation Fund (Private) Limited, Headstart (Private) Limited, Telecard (Private) Limited, Dialog Network Services (Private) Limited, My Health (Private) Limited and H-One (Private) Limited are subjected to a corporate tax of 30%.
- (e) The Group and the Company are also liable to pay income tax at standard rate of 30% on interest income earned in Sri Lanka Rupees. (2023:30%).

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

31 Income tax expense (Contd.)

	Group		Company	
	2024	2023	2024	2023
Profit before tax	16,140,326	22,945,108	13,709,693	14,711,435
Tax at the standard tax rate of 30% (2023:30%)	4,842,098	6,883,533	4,112,908	4,413,430
Tax effects on:				
- Income not subject to tax	(11,333)	(13,870)	-	-
- Associates results reported net of tax	-	21,109	-	-
- Expenses not deductible for tax purposes	130,565	100,294	-	-
- Unrecognised deferred income tax	706,004	(420,832)	-	-
- Utilisation of previously unrecognised tax losses	(1,336,226)	(1,136,099)	-	-
- Adjustment for revenue-based tax (Note a)	(1,495,760)	(1,699,950)	(1,495,762)	(1,699,950)
- Rate differentials (Note b and c)	(141,809)	(922,624)	-	-
Deferred income tax credited to comprehensive income	1,011,919	20,690	-	-
Income tax expense	3,705,458	2,832,251	2,617,146	2,713,480

32 Earnings per share and Dividends

(a) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2024	2023	2024	2023
Profit for the year attributable to ordinary shareholders	12,458,581	20,124,094	11,092,547	11,997,955
Weighted average number of ordinary shares in issue	8,740,953	8,247,640	8,740,953	8,247,640
Earnings per share (Rs.)	1.43	2.44	1.27	1.45

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

32 Earnings per share and Dividends (Contd.)

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year including additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares through LTIP.

	Group		Company	
	2024	2023	2024	2023
Profit for the year attributable to ordinary shareholders	12,458,581	20,124,094	11,092,547	11,997,955
Weighted average number of ordinary shares	8,740,953	8,247,640	8,740,953	8,247,640
Diluted earnings per share (Rs.)	1.43	2.44	1.27	1.45

(b) Dividends

The Board of Directors has proposed a final dividend of Rs.1.00 per share amounting to Rs. 9,200,334,994 for the financial year 2024, to be declared subject to the approval of the shareholders at the Annual General Meeting. (2023 – Rs.1.34 per share amounting to Rs. 11,051,838,008.70).

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

33 Cash flow information

a) Reconciliation of profit before tax to cash generated from operations:

	Group		Company	
	2024	2023	2024	2023
Profit before tax	16,140,326	22,945,108	13,709,693	14,711,435
Adjustments for:				
Unrealised exchange gain	(3,755,573)	(7,873,506)	(3,950,443)	(8,135,362)
Net impairment losses on financial assets	1,729,875	898,845	865,612	598,318
Bad debts written back	(86,259)	-	(58,508)	(52,089)
Loss/ (gain) on sale of property, plant and equipment	(47,784)	21,703	(43,020)	22,398
Inventory write off	30,596	-	1,208	-
Interest expense on borrowings	7,870,540	8,838,472	6,726,261	7,783,570
Interest expense on lease liabilities	1,713,744	1,156,566	1,667,101	1,101,749
Finance cost on asset retirement obligation (Note 30)	271,464	56,130	268,809	(6,717)
Interest income (Note 30)	(1,464,012)	(1,979,588)	(1,670,319)	(2,196,946)
Depreciation, impairment and amortisation	45,496,897	41,050,657	30,732,493	26,849,441
Impairment and write off of non-current assets	289,609	220,667	266,388	312,675
Release of TDC disbursement (Note 22)	(110,096)	(132,105)	(110,096)	(132,105)
(Over)/ under provision - site abandonment costs	(21,144)	127,338	(17,259)	(42,801)
Defined benefit obligation (Note 24)	442,849	846,316	325,467	559,765
Impairment provision/ (reversal) of slow-moving inventory	96,992	(106,330)	1,827	1,729
Share of loss from associates	34,585	70,363	-	-
Long term incentive plan	-	(158,861)	-	(158,861)
Net loss/ (gain) from financial instruments at fair value through profit or loss	2,317	(282,834)	-	-
FV adjustment interest expense	(1,365,127)	1,263,031	(1,365,127)	1,263,031
Changes in working capital				
- Trade and other receivables	(6,169,054)	(10,600,210)	1,540,619	(7,725,768)
- Other financial assets	(5,094,760)	(1,010,308)	-	-
- Inventories	1,173,307	(167,584)	337,953	(394,293)
- Trade payables	1,798,365	(20,595,151)	12,102,259	(2,348,575)
- Other financial liabilities	1,257,996	(1,958,018)	-	-
Cash generated from operations	60,235,653	32,630,701	61,330,918	32,010,594

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

33 Cash flow information (Contd.)

b) Reconciliation of liabilities arising from financing activities

	Group		Company	
	2024	2023	2024	2023
Bank Borrowings				
At 1 January	90,015,625	95,284,368	79,859,549	92,999,444
Proceeds from borrowings	38,683,532	45,709,617	27,484,000	34,182,500
Repayments of borrowings	(35,633,058)	(44,132,221)	(28,918,850)	(40,600,014)
Foreign exchange losses	(7,907,610)	(8,236,173)	(7,907,610)	(8,236,173)
Other movements	253,083	1,390,034	1,813,377	1,513,792
At 31 December	85,411,572	90,015,625	72,330,466	79,859,549

	Group		Company	
	2024	2023	2024	2023
Lease liabilities				
At 1 January	8,648,691	9,721,645	8,384,301	9,424,789
Additions during the year	3,427,148	1,202,799	3,393,500	1,176,865
Acquisition of subsidiary	3,310,059	-	3,310,059	-
Net accrual / payment of interest	1,583,940	-	1,529,836	-
Repayment of principle portion of lease liabilities	(4,167,416)	(2,738,678)	(4,076,661)	(2,659,559)
Terminations and other movements	(282,538)	462,925	(267,401)	442,206
At 31 December	12,519,884	8,648,691	12,273,634	8,384,301

c) Non cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets - note 9 (a)
- Dialog issued 952,694,689 of ordinary voting shares by way of a share swap to Bharti Airtel Lanka (Private) Limited.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

34 Contingencies

(a) Pending litigations

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from such legal claims except for below:

In August 2008, Sri Lanka Customs ('SLC') detained a shipment of CDMA Customers' Premises Equipment ('CPE') belonging to Dialog Broadband Networks (Private) Limited ('DBN') and commenced an investigation into the eligibility of these items falling under the duty exemptions granted under the terms and conditions of the agreement with the Board of Investment of Sri Lanka. The shipment was cleared by DBN upon submitting bank guarantees and thereafter subsequent shipments of CPE were cleared by paying duty 'Under Protest'. SLC commenced an inquiry into this matter on 30 January 2009 which was temporarily suspended upon a proposed settlement by the Secretary to the Treasury in May 2010. However, SLC took steps to continue with the inquiry. Inquiry was held on several dates and the last date being 9 September 2016, however the inquiry was not concluded on this date. On 11 April 2018, DBN was served with an 'Order' dated 6 April 2018 by SLC imposing a mitigated monetary forfeiture of Rs. 1,626,622,200. DBN has instituted legal action challenging the order made by SLC in the Court of Appeal under Case No: CA (Writ) 166/2018. The matter was supported on 28 November 2018 and notices were issued on the respondents. Thereafter, SLC filed objections on 15 February 2019 as directed by the Courts. The case was fixed for argument on several dates, the last date being 26 October 2022. The matter has been refixed for argument on 06 March 2025.

(b) Guarantees

Guarantees given by the Group and the Company as at 31 December are as follows:

	Group		Company	
	2024	2023	2024	2023
Corporate guarantees	-	8,842	-	8,842
Bank guarantees	556,855	996,359	490,125	812,984
	556,855	1,005,201	490,125	821,826

Corporate guarantees of the Company which are on demand, include cash deficiency support provided by the Company to its subsidiaries for outstanding borrowings as at 31 December 2024.

As at 31 December 2024

	On Demand	Within 1 year	1 - 5 years	More than 5 years	Total
Bank Guarantees					
Group	-	586,351	-	-	586,351
Company	-	490,125	-	-	490,125

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

34 Contingencies (Contd.)

b) Guarantees (Contd.)

As at 31 December 2023

	On Demand	Within 1 year	1 - 5 years	More than 5 years	Total
Bank Guarantees					
Group	-	996,359	44,191	-	1,040,550
Company	-	812,984	-	-	812,984

35 Commitments

(a) Capital commitments

	Group		Company	
	2024	2023	2024	2023
Purchase of telecommunication equipment	7,340,470	6,410,450	5,637,953	4,278,651

(b) Financial commitments

At the end of the financial reporting period, the Group has the following annual commitments:

	2024	2023
Annual fees to the Board of Investment of Sri Lanka	3,092	3,420
Annual maintenance contracts	7,118,096	6,856,513
Undrawn loan facilities (on demand)	900,000	497,339

Undrawn loan facilities (on demand) are relevant to loan facilities granted by Dialog Finance PLC.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

36 Incorporations and acquisitions

a) Business Combination – Acquisition and merger of Bharti Airtel Lanka (Private) Limited

Dialog Axiata PLC (“Dialog”) acquired 100% of the issued shares in Bharti Airtel Lanka (Private) Limited (“Airtel Lanka”) on 26 June 2024, pursuant to the fulfilment of the conditions precedent to the transaction as stipulated in the Share Sale Agreement (“SSA”) entered into with the Bharti Airtel Limited (“Bharti”) for the acquisition of the entirety of the issued shares of Airtel Lanka. As consideration for the aforementioned acquisition of shares, Dialog issued, 952,694,689 ordinary voting shares by way of a share swap to Bharti on 26 June 2024, which amounts to 10.355% of the total issued shares of Dialog. Airtel Lanka was a subsidiary of Dialog Group till 30 August 2024.

Subsequently, on 30 August 2024, Dialog amalgamated with Airtel Lanka under the applicable provisions of the Companies Act, No. 7 of 2007, with Dialog remaining as the amalgamated entity. The merger is reflected in both the Company and Group financial statements, with the assumption that the merger took effect on the acquisition date, as guided by the Statement of Recommended Practice (SoRP) issued by CA Sri Lanka.

As at 26 June 2024, Dialog recognised provisional amounts for the identifiable assets acquired and liabilities assumed in the above explained business combination. These provisional values are subject to adjustments within the 12-months measurement period, pending finalisation of the purchase price allocation.

Assets and Liabilities	In Rs. 000'
Property, plant and equipment	8,237,815
Identifiable intangible assets	2,550,000
Right of use assets	3,019,497
Trade receivables	1,351,755
Cash and cash equivalents	342,237
Other current assets	806,881
Borrowings	(8,944,053)
Lease liability	(3,415,061)
Trade payable and other financial liabilities	(7,436,538)
Provisional Goodwill	14,043,324
Total consideration	10,555,857
Satisfied by:	
Equity instruments	10,555,857
Total consideration transferred	10,555,857

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

36 Incorporations and acquisitions (Contd.)

Acquisition related costs of Rs 59.05 million are included in administrative expenses in the statement of comprehensive income, and in operating cash flows in the statement of cashflows.

The goodwill arising from acquisition is attributable to expected synergies contributed from economies of scale, cost savings and operational efficiencies.

Had Airtel Lanka been consolidated from 1 January 2024 until the 25 June 2024, consolidated revenue and profit or loss after tax of the Group would have been increased by Rs 7,215 million and decreased by Rs 13,049 million respectively.

Since the acquisition date, revenue amounting to Rs. 6,596 million and loss after tax of Rs 1,389 million of Airtel Lanka respectively have been included in the consolidated statement of comprehensive income during the financial year.

b) Dialog Device Trading (Private) Limited ('DDT')

On 27 December 2024, DDT, a wholly owned subsidiary of Dialog Axiata PLC ("Dialog"), issued 146,800,000 ordinary shares at the price of Rs. 10/- per share to Dialog in relation to the conversion of shareholder loans given by the parent Company, Dialog amounting to Rs. 1,468,000,000. This share issue has not changed the composition of the Group.

c) Dialog Axiata Digital Innovation Fund (Private) Limited

During the year 2024, Dialog Axiata Digital Innovation Fund (Private) Limited ('DADIF') which is a subsidiary of Digital Holdings Lanka (Private) Limited ('DHL'), issued a total of 7,593 and 116,222 Preference Shares in respect of Fund 1 and Fund 2 respectively out of which DHL was issued 7,500 and 116,222 Preference Shares, while the remaining preference shares were issued to individual shareholders.

37 Related party transactions

- (a) Axiata Investments (Labuan) Limited owns 73.75% of the total number of shares in issue of the Company. The remaining 26.25% of the shares are widely held. The ultimate parent of the Company is Axiata Group Berhad.

All related party transactions were entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of LKAS 24: "Related Party Disclosure".

The Group provides telecommunication services as part of its ordinary operations. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

37 Related party transactions (Contd.)

(b) Details of transactions carried out with related parties in the ordinary course of business are set out below:

	2024	2023
Sales of goods and services		
Subsidiaries		
Site sharing services	2,828,486	1,478,655
Mobile telecommunication services	617,669	149,382
Local interconnection services	143,547	355,451
International interconnection services	1,221,088	1,625,133
Digital services	113,237	87,412
Managed services	41,044	130,453
Affiliates		
Mobile telecommunication services	24,028	2,695
International termination services	3,066	7,554
International interconnection services	10,022	37,325
Inbound roaming services	15	369
Digital services	210,397	694,906
Managed services	1,136	19,811
	5,213,735	4,589,146

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

37 Related party transactions (Contd.)

(b) Details of transactions carried out with related parties in the ordinary course of business are set out below: (Contd.)

	2024	2023
Purchase of goods and services		
Ultimate parent company		
Head office support charges	1,106,080	2,209,528
Subsidiaries		
Fibre and transmission sharing services	4,060,900	2,526,066
Fixed telephony and broadband services	2,409,263	2,559,665
International interconnection services	28,088	30,129
Local interconnection services	14,112	18,269
Site sharing services	237,319	139,845
Data centre services	537,881	109,678
Advertising services	59,225	99,936
Purchase of devices	246,808	428,632
Purchase of property, plant and equipment	-	692,010
Managed services	404,091	9,916
Site maintenance and development services	1,914,227	1,978,306
E-learning services	-	1,037
Manpower services	31,626	58,479
Other	1,835,655	1,228,592
Affiliates		
International origination services	37	1
Outbound roaming services	298	2,033
Managed services	1,163,919	322,772
Software service fee	-	337,709
Digital Service	180,086	-
Purchase of software	-	183,947
	1,349,615	12,936,550
Impairment expense on receivables		
Subsidiaries	-	96,895
Interest income on interest bearing deposits		
Subsidiaries	44,686	64,012

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

37 Related party transactions (Contd.)

(b) Details of transactions carried out with related parties in the ordinary course of business are set out below: (Continued)

	2024	2023
Other transactions:		
Ultimate parent company		
Settlement of liabilities by the company on behalf of parent company	6,064	3,718
Settlement of liabilities on behalf of the company by parent company	23,724	72,990
Subsidiaries		
Settlement of liabilities by the company on behalf of subsidiaries	4,456,493	161,922
Settlement of liabilities on behalf of the company by subsidiaries	376,356	104,231
Associates		
Settlement of liabilities by the company on behalf of associates	-	13,246
Affiliates		
Settlement of liabilities by the company on behalf of affiliates	4,422	-
Settlement of liabilities on behalf of the company by affiliates	76,104	129,632
Parent company		
Dividends paid	9,092,238	-

(c) Key management personnel include members of the Group senior management of Dialog Axiata PLC:

	Group / Company	
	2024	2023
Short-term employee benefits	979,943	703,559
Defined benefit plans	314,018	251,681
	1,293,961	955,240

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

37 Related party transactions (Contd.)

(d) Outstanding receivable balances arising from related company transactions:

Current receivables (Note 15)

	Group		Company	
	2024	2023	2024	2023
Subsidiaries	-	-	2,044,749	4,108,458
Affiliates	10,202,341	7,888,853	9,382,760	7,047,752
	10,202,341	7,888,853	11,427,509	11,156,210

(e) Outstanding payable balances arising from related company transactions:

Current payables (Note 19)

	Group		Company	
	2024	2023	2024	2023
Ultimate parent company	3,728,513	307,037	3,728,513	3,732,743
Subsidiaries	-	-	11,546,140	2,936,138
Affiliates	2,568,875	5,618,163	452,042	1,949,221
	6,297,388	5,925,200	15,726,695	8,618,102

The above balances are settled in the ordinary course of business.

	Group		Company	
	2024	2023	2024	2023
Borrowings from ultimate parent company (Note 21)				
Current borrowings	1,536,846	6,018,383	1,536,846	6,018,383
Non - current borrowings	-	6,333,610	-	6,333,610

The aforementioned loan is for a term of 03 years and is unsecured. It is to be repaid at the end of the term as a bullet repayment in US dollars at a rate of interest of 6% p.a.

Notes to the Financial Statements

(all amounts are in Sri Lanka Rupees thousands)

37 Related party transactions (Contd.)

(f) Investment in short term deposits

	Group		Company	
	2024	2023	2024	2023
Subsidiaries	453,657	632,876	453,657	632,876
	453,657	632,876	453,657	632,876

Affiliates comprises of subsidiaries and associates of the parent company.

(g) Issuance of shares within the group of companies are disclosed in note 36 to the financial statements.

The Directors have disclosed the nature of their interests in contracts, which is entered in the interests register maintained by the Company.

There are no other related party transactions other than those disclosed above.

38 Comparative Information

The comparative information relating to revenue and direct costs of the Group is changed to reflect the impact of the change in accounting policy on revenue recognition of H One (Private) Limited, a subsidiary of the Group that acts as an agent of Microsoft Corporation Inc (MS) in providing MS licenses to customers. Consequently, revenue is now recognised net of payments to MS, as opposed to the previous policy on recognising on gross revenue. This has impacted the revenue and direct cost reported for the nine months and the quarter ended 31 December 2023, with no impact on the results for the respective periods ended 31 December 2023.

	Year ended 31 December 2023	
	Reported	Restated
Revenue	187,813,228	181,722,046
Direct costs	(122,054,105)	(115,962,923)
	65,759,123	65,759,123

39 Events after the reporting period

The Board of Directors has proposed a final dividend of Rs.1.00 per share amounting to Rs. 9,200,334,994 for the financial year 2024, to be declared subject to the approval of the shareholders at the Annual General Meeting.

US Dollar Financial Statements

STATEMENT OF FINANCIAL POSITION

For Information purpose only

As at 31 December USD '000	Group		Company	
	2024	2023	2024	2023
ASSETS				
Non-current assets				
Intangible assets	122,917	53,875	100,278	35,475
Contract cost assets	44,142	37,786	12,978	11,892
Right-of-use assets	37,025	25,657	36,346	25,004
Property, plant and equipment	538,983	466,943	415,308	346,597
Deferred tax assets	848	941	-	-
Investment in subsidiaries	-	-	138,649	121,018
Investment in associates	-	107	-	-
Other financial assets	13,688	9,160	-	-
	757,603	594,469	703,559	539,986
Current assets				
Inventories	6,044	9,370	798	1,823
Trade and other receivables	161,611	146,721	117,880	110,724
Other financial assets	13,367	7,623	-	-
Cash and cash equivalents	115,166	125,358	94,680	87,953
	296,188	289,072	213,358	200,500
Total assets	1,053,791	883,541	916,917	740,486
EQUITY				
Capital and reserves attributable to equity holders				
Stated capital	136,025	90,591	136,026	90,592
Reserves	131,058	114,302	94,911	85,652
Non-controlling interest	(251)	(136)	-	-
Total equity	266,832	204,757	230,937	176,244

As at 31 December USD '000	Group		Company	
	2024	2023	2024	2023
LIABILITIES				
Non-current liabilities				
Borrowings	121,860	208,886	108,930	196,391
Other financial liabilities	427	508	-	-
Lease liabilities	36,931	24,295	36,180	23,598
Deferred income	1,109	1,083	1,109	1,083
Contract liabilities	19,585	17,599	16,129	14,205
Employee benefit payables	7,874	6,467	5,644	4,529
Provision for other liabilities	15,351	10,601	14,076	9,482
Deferred tax liability	3,947	624	-	-
	207,084	270,063	182,068	249,288
Current liabilities				
Trade and other payables	268,080	206,146	244,829	153,451
Borrowings	245,235	170,046	209,012	138,338
Other financial liabilities	10,718	5,163	15	-
Lease liabilities	5,745	2,400	5,657	2,281
Contract liabilities	45,839	20,582	40,245	16,939
Current income tax liabilities	4,258	4,384	4,154	3,945
	579,875	408,721	503,912	314,954
Total liabilities	786,959	678,784	685,980	564,242
Total equity and liabilities	1,053,791	883,541	916,917	740,486
Exchange rate	293.37	323.98	293.37	323.98

US Dollar Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

For Information purpose only

For the year ended 31 December USD '000	Group		Company	
	2024	2023 Restated	2024	2023
Revenue	568,798	554,352	384,379	313,999
Direct costs	(327,234)	(353,751)	(198,125)	(165,406)
Gross profit	241,564	200,602	186,254	148,593
Distribution costs	(61,608)	(54,915)	(51,784)	(46,203)
Administrative costs	(106,316)	(81,152)	(75,357)	(66,223)
Net impairment losses on financial assets	(5,462)	(2,742)	(2,682)	(1,798)
Other income	868	1,884	515	413
Operating profit	69,046	63,677	56,946	34,782
Finance income	4,865	6,039	5,550	6,702
Finance costs	(32,751)	(30,662)	(28,784)	(27,085)
Net foreign exchange gain	12,588	31,157	11,846	30,479
Finance costs - net	(15,298)	6,534	(11,388)	10,096
Share of loss of associates - net of tax	(115)	(215)	-	-
Profit before income tax	53,633	69,996	45,558	44,878
Income tax expense	(12,313)	(8,640)	(8,697)	(8,278)
Profit for the year	41,320	61,356	36,861	36,600
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, net of tax	(73)	767	-	-
- remeasurements of defined benefit obligation, net of tax	87	3,002	178	2,360
Other comprehensive income for the year	14	3,769	178	2,360
Total comprehensive income for the year	41,334	65,125	37,039	38,960
Profit / (loss) for the year is attributable to:				
- owners of the Company	41,399	61,390	36,861	36,600
- non-controlling interest	(79)	(34)	-	-
Total comprehensive income for the year is attributable to:				
- owners of the Company	41,417	65,107	37,039	38,960
- non-controlling interest	(83)	18	-	-
Annual average exchange rates	300.93	327.81	300.93	327.81

Group Value Added Statement

For the year ended 31 December In Rs. '000	2024	2023 Restated
Value added		
Revenue	171,170,280	181,722,046
Other operating income	261,355	617,525
Interest income	1,464,012	1,979,588
	172,895,647	184,319,159
Cost of materials and services bought in	(84,839,207)	(103,452,217)
Value creation	88,056,439	80,866,942
Distribution of value added		
To employees		
Salaries and other benefits	14,870,823	13,054,076
To government		
Taxes, fees and levies	8,862,032	6,500,100
To lenders of capital		
Interest on borrowings	10,949,411	9,995,038
To shareholders as dividends		
Dividend to shareholders	11,051,838	-
Retained in the business		
Profit retained	(3,464,171)	10,059,877
Depreciation and amortisation	45,786,506	41,257,851
	42,322,335	51,317,728
Distribution of value added		
To employees	16.89%	16.14%
To government	10.06%	8.04%
To lenders of capital	12.43%	12.36%
To shareholders as dividends	12.55%	-
Retained in the business	48.06%	49.79%

*Aforementioned dividend was declared out of FY 2023 profits and paid in FY 2024

Five Year Summary

31 December In Rs. '000	Group				
	2024	2023 Restated	2022	2021	2020
OPERATING RESULTS					
Revenue	171,170,280	181,722,046	178,130,762	141,914,839	120,141,512
EBIT	20,778,523	20,873,534	2,568,427	23,440,005	16,682,890
Finance costs	(4,603,612)	2,141,937	(33,192,922)	(4,358,481)	(2,890,204)
Share of loss from associate	(34,585)	(70,363)	(78,077)	(28,765)	(4,221)
Profit before tax	16,140,326	22,945,108	(30,702,572)	19,052,759	13,788,465
Profit after tax	12,434,868	20,112,857	(33,408,691)	17,018,768	12,002,686
Total comprehensive income	12,439,089	21,348,264	(34,644,614)	17,108,297	11,697,439
CAPITAL EMPLOYED					
Stated capital	39,905,563	29,349,706	29,349,706	28,855,862	28,467,285
Share payment reserve	-	-	158,834	393,336	491,735
Fair value through other comprehensive income reserve	233,843	254,559	3,267	(27,283)	(15,721)
Retained earnings	38,214,180	36,776,686	15,704,248	64,365,247	53,269,769
Shareholders funds	78,353,586	66,380,951	45,216,055	93,587,162	82,213,068
Non-controlling interest	(73,623)	(44,189)	(66,107)	(72,275)	(10,006)
Total debt	107,693,634	122,765,416	103,589,799	41,835,614	40,425,911
	185,973,597	189,102,178	148,739,747	135,350,501	122,628,973
ASSETS EMPLOYED					
Property, plant and equipment	158,120,007	151,278,847	156,236,582	127,452,429	118,475,106
Other non-current assets	64,135,822	41,315,382	34,975,409	36,948,044	31,291,656
Current assets	86,891,525	93,652,888	75,938,479	54,599,955	37,925,927
Liabilities, net of debt	(123,173,757)	(97,144,939)	(118,410,723)	(83,649,927)	(65,063,716)
	185,973,597	189,102,178	148,739,747	135,350,501	122,628,973

Five Year Summary

31 December In Rs. '000	Group				
	2024	2023	2022	2021	2020
CASH FLOW					
Net cash generated from operating activities	49,483,444	21,325,868	56,652,745	54,335,628	44,667,314
Net cash outflow from investing activities	(38,853,175)	(43,861,784)	(60,072,404)	(39,292,200)	(21,040,518)
Net cash outflow from financing activities	(4,879,635)	(1,161,282)	20,889,071	(14,339,125)	(13,459,812)
Net (decrease) / increase in cash and cash equivalents	5,750,634	(23,697,198)	17,469,412	704,303	10,166,984
Key Indicators					
Basic Earnings Per Share	1.43	2.44	(4.06)	2.08	1.48
Interest Cover (Times)	5.37	3.73	1.71	29.47	13.76
Net Asset Per Share (Rs.)	8.51	8.04	5.48	11.40	10.06
Current Ratio (Times)	0.51	0.71	0.57	0.53	0.50
Price Earnings Ratio (Times)	8.18	3.69	(2.09)	5.24	8.38
Dividend Per share	1.34	1.34	-	1.24	0.74
Dividend Yield (%)	11.45	14.90	N/A	11.38	5.97
Market Price Per Share (Rs.)	11.70	9.00	8.50	10.90	12.40

Group Real Estate Portfolio

Owning company and location	Number of bulildings	buildings in sq feet	Land in acres freehold	Net book value		Fair value
				2024 Rs. '000	2023 Rs. 000	2024 Rs. '000
PROPERTIES IN COLOMBO						
Dialog Axiata PLC						
No.475, Union Place, Colombo 02	3	74,255	0.57	241,253	257,095	716,021
No.25, Samarakoon Mawatha, Thumbowila, Piliyandala	2	22,506		25,927	27,368	135,036
No 11, De Soysa Road, Mt lavinia.	1	9,500		88,548	92,044	104,500
Foster Lane Car Park and Training Centre	1	54,774		259,144	267,730	290,302
No 475, Union Place Colombo 2, New office Building	1	157,913	0.62	1,145,652	1,181,224	1,658,000
1039/4, Pothuarawa Road, Pothuarawa, Malabe	1			100,488	100,488	201,120
CDC Building - 25, Samarakoon Mawatha, Thumbowila, Piliyandala	1	2,554		232,234	238,158	251,029
Dialog Broadband Networks (Private) Limited						
390 D, Horizon Drive Road,Welivita, Malabe	2	40,960	3.76	516,071	527,562	777,600
No.24, Foster Lane, Union place, Colombo			0.24	129,998	129,998	500,000
No.55/2C, Old Avissawella Road,Kotikawatta	1	12,360	0.48	28,859	30,837	178,200
DBN Site, De Soysa Road, Mount lavinia			0.17	44,428	44,428	93,500
Kaluandura, Puwakkpitiya, Avissawella			0.66	931	931	7,726
DBN Site, 86/14, 15th lane, Talangama, Battaramulla			0.06	1,680	1,680	11,900
Alubogahawatta, Rukmale, Kottawa			0.13	2,212	2,212	14,200
DBN Site, Imbaulakannda, Gamunu Road, Homagama			0.09	779	779	11,963
Siddamulla Temple, Siddamulla, Mattegoda			0.07	1,646	1,646	9,600

Group Real Estate Portfolio

Owning company and location	Number of bulildings	buildings in sq feet	Land in acres freehold	Net book value		Fair value
				2024 Rs. '000	2023 Rs. 000	2024 Rs. '000
PROPERTIES OUTSIDE COLOMBO						
Dialog Axiata PLC						
Matara Cable Landing Station			0.24	201,042	206,377	
Dialog Broadband Networks (Private) Limited						
Saliya Mawatha, Anuradhapura			1.92	7,778	7,778	85,690
Vewaykananthapuram, Nawatkuda, Batticaloa			0.25	4,131	4,131	18,000
Thambakanda, Kochchikade			0.80	1,275	1,275	9,600
Kotakanda, Kuda Bingiriya, Madampe			0.70	1,477	1,477	4,750
Walagamageatta, Browns Hill, Matara			0.23	7,088	7,088	43,200
Anuradhapura Road, Baristapura, Puttalam			2.32	7,624	7,624	39,500
Ambalankanda, Horana.			0.13	400	400	3,000
Semanery Estate, Meekanuwa, Ampitiya			0.18	1,403	1,403	16,000
Wilahena Road, Pamunuwala, Gonawela			0.12	609	609	12,400
Puwakgaslanda, Ehaliyagoda, Ganemulla			0.13	400	400	6,400
Millagahawatta, Batalanda Road, Mahara, Ragama			0.07	531	531	5,400
40, 1st Lane, Vishakawatta, Ekala, Ja Ela			0.13	1,100	1,100	10,400
Muthuwadiya Road, Raddoluwa, Seeduwa			0.13	1,000	1,000	17,800
78/2, Prison Road, Dalupotha, Kattuwa			0.09	657	657	10,700
42/2,Pitakanda Road, Watapuluwa, Mahiyyawa, Kandy			0.54	3,500	3,500	217,000
No.358, Colombo Road, Bolawalana, Negombo.			0.10	1,950	1,950	37,300
Suntel Switch, Richmond Hill Estate, Hantana			0.25	2,133	2,133	30,000
20,Rathna Mw, Kurana, Negambo			0.12	1,380	1,380	15,780
66, Sriya Mw, Panadura			0.17	1,960	1,960	35,800
81/19, Madawala Road, Katugasthota			0.08	1,413	1,413	10,900
Dialog Finance PLC						
No.21, Kumara Veediya, Kandy 1 3,040 0.02	1	3,040	0.02	15,086	15,365	76,500

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Supplementary Information

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GRI Content Index

Statement of use	Dialog Axiata PLC has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is no applicable sector standard.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
General Disclosures						
GRI 2: General Disclosures 2021	2-1	Organisational details	About Us			
	2-2	Entities included in the organisation's sustainability reporting	About Us			
	2-3	Reporting period, frequency and contact point	About This Report			
	2-4	Restatements of information	About This Report			
	2-5	External assurance	About This Report			
	2-6	Activities, value chain and other business relationships	Value Creation Model			
	2-7	Employees	Human Capital			
	2-8	Workers who are not employees	Human Capital			
	2-9	Governance structure and composition	Corporate Governance Report			
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report			
	2-11	Chair of the highest governance body	Corporate Governance Report			
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report			
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Report			
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Report			
	2-15	Conflicts of interest	Corporate Governance Report			
	2-16	Communication of critical concerns	Corporate Governance Report			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report		
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report		
	2-19	Remuneration policies	Corporate Governance Report		
	2-20	Process to determine remuneration	Corporate Governance Report		
	2-21	Annual total compensation ratio	2-21	Not reported	Confidential information
	2-22	Statement on sustainable development strategy	Group Chief Executive's Review		
	2-23	Policy commitments	Corporate Governance Report		
	2-24	Embedding policy commitments	Corporate Governance Report		
	2-25	Processes to remediate negative impacts	Corporate Governance Report		
	2-26	Mechanisms for seeking advice and raising concerns	Human Capital Social and Relationship Capital		
	2-27	Compliance with laws and regulations	Corporate Governance Report		
	2-28	Membership associations	Social and Relationship Capital		
	2-29	Approach to stakeholder engagement	Stakeholder Engagement		
	2-30	Collective bargaining agreements	Human Capital		
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Determining Materiality		
	3-2	List of material topics	Determining Materiality		
Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Socio-Economic Impact		
	201-1	Direct economic value generated and distributed	Our Socio-Economic Impact		

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Risks and Opportunities			
	201-3 Defined benefit plan obligations and other retirement plans	Financial Statements Note 2.19			
	201-4 Financial assistance received from government		201-4	Not applicable	No financial assistance received a during the year
Market Presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital			
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human Capital			
	202-2 Proportion of senior management hired from the local community	Human Capital			
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Socio-Economic Impact			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Socio-Economic Impact			
	203-2 Significant indirect economic impacts	Our Socio-Economic Impact			
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance Report			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance Report			
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Report			
	205-3 Confirmed incidents of corruption and actions	Corporate Governance Report			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Anti-competitive Behaviour						
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance Operating Environment			
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		206-1	Not applicable	No instances reported during the year
Tax						
GRI 3: Material Topics 2021	3-3	Management of material topics	Financial Statements Note 2.18			
GRI 207: Tax 2019	207-1	Approach to tax	Financial Statements Note 2.18			
	207-2	Tax governance, control, and risk management	Financial Statements Note 2.18			
	207-3	Stakeholder engagement and management of concerns related to tax		207-3	Information not available	No tax related concerns were highlighted in the Stakeholder Engagement Survey
	207-4	Country-by-country reporting		207-4	Not applicable	
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Natural Capital			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Natural Capital			
	302-2	Energy consumption outside of the organisation	Natural Capital			
	302-3	Energy intensity	Natural Capital			
	302-4	Reduction of energy consumption	Natural Capital			
	302-5	Reductions in energy requirements of products and services		302-5	Information not available	Difficulties in implementing processes to capture this information

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	Natural Capital			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Natural Capital			
	305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital			
	305-3	Other indirect (Scope 3) GHG emissions	Natural Capital			
	305-4	GHG emissions intensity	Natural Capital			
	305-5	Reduction of GHG emissions	Natural Capital			
	305-6	Emissions of ozone-depleting substances (ODS)		305-6	Information not available	Ozone depleting substances included as equivalent CO2 emissions
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Information not available	Our GHG emissions are disclosed expressed as metric tonnes of CO2 equivalent. This includes GHGs like carbon dioxide (CO2) methane (CH4) nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	Natural Capital			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Natural Capital			
	306-2	Management of significant waste-related impacts	Natural Capital			
	306-3	Waste generated	Natural Capital			
	306-4	Waste diverted from disposal	Natural Capital			
	306-5	Waste directed to disposal	Natural Capital			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Social and Relationship Capital			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Social and Relationship Capital			
	308-2	Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Capital			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Capital			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital			
	401-3	Parental leave	Human Capital			
Labour / Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Capital			
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Human Capital			
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Capital			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital			
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital			
	403-3 Occupational health services	Human Capital			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital			
	403-5 Worker training on occupational health and safety	Human Capital			
	403-6 Promotion of worker health	Human Capital			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital			
	403-8 Workers covered by an occupational health and safety management system	Human Capital			
	403-9 Work-related injuries	Human Capital			
	403-10 Work-related ill health	Human Capital			
Training and Education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital			
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital			
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital			
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital Corporate Governance Report			
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Non-discrimination						
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Capital			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Capital			
Child Labour						
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Capital			
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Human Capital			
Local Communities						
GRI 3: Material Topics 2021	3-3	Management of material topics	Social and Relationship Capital			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital			
	413-2	Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital			
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Social and Relationship Capital			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Social and Relationship Capital			
	414-2	Negative social impacts in the supply chain and actions taken	Social and Relationship Capital			
Customer Privacy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Social and Relationship Capital			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital			

A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

SASB and GSMA Content Index

Topic	Framework Reference	Key Metric	Measure	Total
Environmental Footprint	GSMAENV-01	1.1a Disclose whether the Company has set, or committed to set, near-term science-based targets: [Yes/No]		Yes, Axiata which is Dialog's parent company committed to the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C campaign in 2021.
		1.1a i. If answer to 1.1a is yes, provide the: temperature alignment		Limiting temperature rise to below 1.5°C
		1.1a ii. If answer to 1.1a is yes, provide the: target approval/validation status		Targets for Scope 1,2 and 3 emissions have been validated by SBTi in June 2024.
		1.1b Disclose whether the Company has set a corporate net zero target (covering Scopes 1, 2, and 3): [Yes/No]		Yes
		1.1b i. If answer to 1.1b is yes, provide the: Net zero target year		2050
		1.1b ii. If answer to 1.1b is yes, provide the: target approval/validation status		Approved by SBTi
	GSMAENV-02	1.2b i. Total Scope 3 emissions (tonnes CO2e)		16,225.46
		1.2b ii. Scope 3 emissions, by category (tonnes CO2e)		1. Category 3: Fuel and Energy related activities-Electricity Transmission and Distribution losses- 10,563.98 2. Category 6: Business travel- 682.07 3. Category 7: Employee commuting- 4,908.18 4. Category 5: Waste- 71.2299
		1.2 (a) iv. Percentage change in combined Scope 1 + 2 emissions since last reporting period (specify if Scope 2 emissions are location-based or market-based).		Location Based 3.1%
		v. Combined Scope 1 + 2 emissions per unit total revenue (tonnes CO2e per currency) (specify if Scope 2 emissions are location-based or market-based)		N/A
	TC-TL-130a.1 GSMAENV-03 (1.3a)	Total energy consumption	GJ	810,069.41
	GSMAENV-03 (1.3a)	Total energy consumed (MWh) per 1GB of data	GJ/ GB	0.40
	TC-TL-130a.1 GSMAENV-03 (1.3b)	i) Energy Consumption: Towers and Sites (Network)	GJ	677,828.60

SASB and GSMA Content Index

Topic	Framework Reference	Key Metric	Measure	Total
Environmental Footprint	TC-TL-130a.1	ii) Energy Consumption: Core Sites and Data Centres	GJ	113,077.01
	TC-TL-130a.1	iii) Energy Consumption: Facilities	GJ	16,528.53
	GSMAENV-03 (1.3a)	ii. Purchased electricity, total (MWh)		209,894.26
		iii. Purchased electricity, from renewable sources (MWh)		N/A
		iv. Generated electricity consumed by the company, from renewable sources (MWh)		5,757.04
		v. Total diesel consumption in generators (litres)		880,772.00
	GSMAENV-03 (1.3b)	iv) Total network energy consumed (MWh) per 1GB of data	GJ/GB	0.34
	TC-TL-130a.1	Grid electricity %	%	93.26%
	TC-TL-130a.1	Renewable energy %	%	2.57%
	Bursa	Scope 1 emissions	Tn CO2e	6,817.46
		Scope 2 emissions	Tn CO2e	105,639.78
	GSMAENV-02 (1.2a)	Absolute Scope 1 and 2 emissions	Tn CO2e	112,457.24
		Absolute Scope 1 and 2 emissions per 1GB data		0.06
	GSMA ENV-04	1.4b i. Used mobile devices collected through operator take-back schemes in the reporting period as a percentage of new mobile devices distributed directly to customers in the reporting period (%)		Information unavailable/incomplete, will be included in 2025 report if available.
		1.4b ii. Percentage of used mobile devices collected through operator take-back schemes in the reporting period that were repaired, reused, or recycled, i.e. diverted from landfill or incineration (%)		100%
		1.4b iii. Percentage of refurbished, repaired, or used mobile devices distributed to customers for reuse in the reporting period, as a share of all mobile devices distributed directly to customers in the reporting period (%)		Information unavailable/incomplete, will be included in 2025 report if available.
		1.4c i. Used CPE collected through operator take-back schemes in the reporting period as a percentage of CPE distributed to customers in the reporting period (%)		Information unavailable/incomplete, will be included in 2025 report if available.

SASB and GSMA Content Index

Topic	Framework Reference	Key Metric	Measure	Total
Environmental Footprint	GSMA ENV-04	1.4c ii. Percentage of used CPE collected through operator take-back schemes in the reporting period that were repaired, reused, or recycled, i.e. diverted from landfill or incineration (%)		100%
		1.4c iii. Percentage of refurbished, repaired, or used CPE distributed to customers in the reporting period as a share of all CPE distributed to customers in the reporting period (%)		Information unavailable/incomplete, will be included in 2025 report if available.
Product End-of-Life Management	TC-TL-440a.1	Materials recovered through take back programs, percentage of recovered materials that were	Tn	698
	GSMA - ENV- 04 (1.4a)	i) Reused	%	0
		ii) Recycled	%	100
		iii) Landfilled	%	0
	GSMA - ENV- 05 (1.5a)	i. Total electronic waste generated (tonnes)	Tonnes	698
		ii. Percentage of electronic waste reused or recycled, by weight (%)	Tonnes	100% recycled
	(1.5b)	Network waste (tonnes) per 1GB of data	Tonnes	0.00000027
Activity Metrics	(1.5c)	Handset and other CPE waste (tonnes) per 1GB of data	Tonnes	0.0000000335
	(1.5d)	All other waste (tonnes) per 1GB of data	Tonnes	0.000000055
	TC-TL-000.A	Number of wireless subscribers (gross new addition)	Count	5,305,741
	TC-TL-000.B	Number of broadband subscribers (gross new addition)	Count	183,551
	TC-TL-000.C	Number of Dialog TV subscribers (gross new addition)	Count	191,793
	TC-TL-000.D	Network Traffic	Petabyte	2,006.3290480

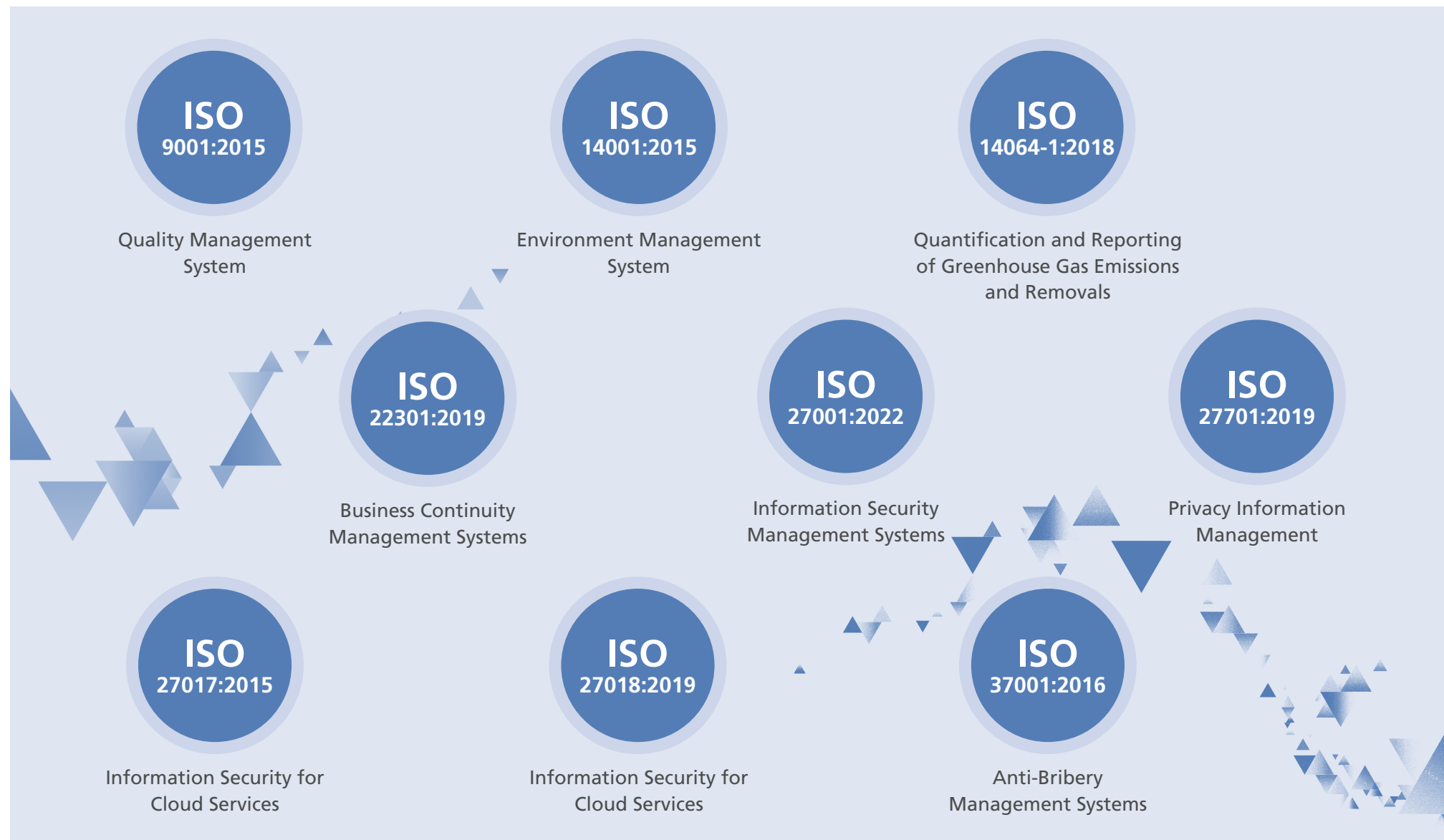
SASB and GSMA Content Index

Topic	Framework Reference	Key Metric	Measure	Total
Digital Inclusion	GSMAINC-02 (2.1)	Percentage of population covered by operator's mobile network:		98.15
		i) 2G	%	98.90
		iii) 4G	%	97.40
	GSMAINC-02 (2.2a) (2.2b)	Cost of the most affordable smartphone, as percentage of monthly GDP per capita	%	37.73
		Average cost of 1GB of data, as percentage of monthly GDP per capita	Count	38.3
	GSMAINC-03 (2.3)	Number of people (excluding employees) who have completed a basic, intermediate or advanced digital skills training programme (as per ITU definition), divided by total subscribers	Count	490
	Additional	Total Network availability	%	99.79
		i) 2G	%	99.73
		iii) 4G	%	99.84
		Network Outage Incident	Min	0
		Core Network downtime	%	0
Competitive Behaviour and Open Internet	TC-TL-520a.1	The total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour	Count	0
	TC-TL-520a.2	Avg sustained download speed: mobile network	Mbps	14.72
		Avg sustained download speed: HBB	Mbps	8.22
Data Privacy	TC-TL-220a.1	No. of customer whose info used for secondary purpose	Count	0
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Count	0
	TC-TL-220a.4	Number of law enforcement requests for customer information	Count	37,553
		Number of customers whose information was requested	Count	20,537,971
		Percentage resulting in disclosure	%	100
Data Security	TC-TL-230a.1	Number of data breaches,	Count	0
	GSMA-INT-01 (3.1a)			
	(3.1b)	i) Percentage involving personally identifiable information (PII),	%	0
	(3.1c)	ii) Number of customers affected (including a description of any corrective actions taken)	Count	0
	(3.1d)	Number of regulatory actions for data protection violations (e.g. marketing-related complaints, data breaches), per million subscribers	Count	0

SASB and GSMA Content Index

Topic	Framework Reference	Key Metric	Measure	Total
Employee Engagement, Diversity and Inclusion	TC-SI-330a.1	(a) Percentage of employees that are		
	TC-SI-330a.3	i) Foreign nationals and	%	0.06
		ii) Located offshore (including a description of potential risks of recruiting foreign nationals and/or offshore employees, and management's approach to addressing these risks)	%	-
		(b) Percentage of gender and racial/ethnic group representation for		F
		i) Board	%	22%
		ii) SLT	%	13%
		iii) Middle Management	%	19%
		iv) Executives	%	25%
		v) Non- Executives	%	37%
		vi) Overall Employment	%	23%
Digital Integrity	GSMAINT-02 (3.2)	Is there a policy specifically covering digital rights protection and transparency, privacy, freedom of expression, government mandates to shut down or restrict access, and/or government requests for data?	Y/N	Y
	GSMAINT-03 (3.3)	Do you have controls or programmes in place to improve online safety for children and other vulnerable groups?	Y/N	Y
Supply Chain	GSMASUP-01 (4.1a)	Do you have a sustainable procurement policy in place?	Y/N	Y
	GSMASUP-01 (4.1b)	If yes, how many of the following elements does it cover? a. Organisational governance b. Human rights c. Labour practices d. Environment e. Fair operating practices f. Consumer issues g. Community involvement and development		Information unavailable/incomplete, will be included in 2025 report if available.
	GSMASUP-02 (4.2a)	Percentage of suppliers screened against the sustainable procurement policy using company defined and documented assessment procedure, within the previous two years	%	100
	(4.2b)	Percentage of suppliers assessed against the sustainable procurement policy through site visits, within the previous two years	%	20
	TC-TL-550a.1	System average interruption frequency	Count	0
	TC-TL-550a.2	Customer average interruption duration	Count	0

ISO Certifications



United Nations Global Compact Advanced Level Communication on Progress

Criterion and Description	Relevant Section in the Report
Principle 01: Strategy, Governance and Engagement	
Key aspects of the Company's high level sustainability strategy in line with Global Compact principles	Group Chief Executive's Review, Integrating Sustainability
Effective decision-making processes and systems of governance for corporate sustainability	Corporate Governance Report
Engagement with all important stakeholders	Stakeholder Engagement, Determining Materiality
Principle 02: UN Goals and Issues	
Actions taken in support of broader UN goals and issues	Integrating Sustainability, Group Chief Executive's Review
Principle 03: Human Rights Implementation	
Robust commitments, strategies, or policies in the area of human rights	Human Capital, Social and Relationship Capital, Corporate Governance Report
Effective management systems to integrate the human rights principles	Human Capital, Social and Relationship Capital
Effective monitoring and evaluation mechanisms of human rights integration	Human Capital, Social and Relationship Capital
Key outcomes of human rights integration	Human Capital, Social and Relationship Capital
Principle 04: Labour Principles Implementation	
Robust commitments, strategies or policies in the area of environmental labour	Human Capital
Effective management systems to integrate the labour principles	Human Capital
Effective monitoring and evaluation mechanisms of labour principles	Human Capital
Key outcomes of the labour principles	Human Capital

Criterion and Description	Relevant Section in the Report
Principle 05: Environmental Stewardship Implementation	
Robust commitments, strategies or policies in the area of environmental stewardship	Natural Capital
Effective management systems to integrate the environmental principles	Natural Capital
Effective monitoring and evaluation mechanisms for environmental stewardship	Natural Capital
Key outcomes of integration of the environmental principles	Natural Capital
Principle 06: Anti-corruption Implementation	
Robust commitments, strategies or policies in the area of anti-corruption	Corporate Governance Report
Effective management systems to integrate the anti-corruption principle	Corporate Governance Report
Effective monitoring and evaluation mechanisms for the integration of anticorruption	Corporate Governance Report
Key outcomes of integration of the anti-corruption principle	Corporate Governance Report
Principle 07: Value Chain Implementation	
Describes implementation of the Global Compact principles in the value chain	Social and Relationship Capital
Principle 08: Transparency and Verification	
Information on the Company's profile and context of operation	About Us
High standards of transparency and disclosure	About This Report
The COP is independently verified by a credible third-party	Independent Assurance Statement

United Nations Women Empowerment Principles (WEPs)

	Principle	Actions
1	High-Level Corporate Leadership	<p>Embedding values of gender equality into business values, business plan and overall organisational culture.</p> <p>Establishing company-wide goals and targets for gender equality and women's empowerment and measuring progress through clear performance indicators.</p> <p>Reviewing the requirements for board membership, and other governance bodies and committees, to remove any discrimination or bias against women.</p>
2	Treat all Women and Men Fairly at Work without Discrimination	<p>Paying equal remuneration, including benefits and bonuses, for work of equal value and ensure at a minimum a living wage for all women and men employees.</p> <p>Fostering an inclusive workplace culture and remove gender-based discrimination from all policies and practices.</p> <p>Support women and men's access to child and dependent care through services.</p> <p>Regularly engaging and consulting employees on their perspectives and needs.</p> <p>Providing extended maternity and paternity leaves</p> <p>Conducting health and well-being programs</p>
3	Employee Health, Well-Being and Safety	<p>Establishing internal policies and procedures preventing all forms of violence and sexual harassment at work.</p> <p>Respecting women and men workers' rights to time off for medical care and counselling for themselves and their dependents.</p> <p>Providing safe working conditions and protection from exposure to hazardous materials and disclose potential risks, including to reproductive health.</p>
4	Education and training for career advancement	<p>Investing in programmes that open avenues for women's advancement at all levels and across all business areas.</p> <p>Ensuring equal access to and participation in all company-supported education and training programmes.</p> <p>Providing equal opportunities for formal and informal networking and mentoring programmes.</p> <p>Conducting sexual harassment and unconscious bias training and awareness raising on the corporate gender equality policy and action plan.</p>
5	Enterprise development, supply chain and marketing practices	<p>Organising Ideamart for Women quarterly programs for female entrepreneurs</p> <p>Training on digital skill development for SMEs</p> <p>Supporting gender sensitive solutions to women's barriers to accessing financial products and services.</p>
6	Community initiatives and advocacy	<p>Working with stakeholders to support community well-being through Yeheli.lk</p> <p>Communication on importance of DEI to community through Dialog platforms</p>
7	Measurement and Reporting	<p>Taking the WEPs Gap Analysis Tool to establish a baseline for WEPs implementation.</p> <p>Identifying key performance indicators for gender equality, measuring and reporting</p> <p>Report annually on progress in the implementation of the Women's Empowerment Principles.</p>

Independent Sustainability Assurance Statement



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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF DIALOG AXIATA PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE GRI, SLFRS S1 and S2, GSMA, SASB STANDARDS AND THE INTEGRATED REPORTING <IR> FRAMEWORK IN THE INTERGRATED ANNUAL REPORT -2024.

Scope

We have been engaged by the management of Dialog Axiata PLC (“the Company”) to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the GRI (Global Reporting Initiative), SLFRS S1 and S2, GSMA, SASB (Sustainability Accounting Standards Board) Standards and the integrated reporting <IR> framework (“Information”) in its Integrated Annual Report for the year ended 31 December 2024 (the “Report”).

Management’s Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the GRI, SLFRS S1 and S2, GSMA, SASB standards and the Integrated Reporting <IR> framework. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The firm applies Sri Lanka Standards on Quality Management and

accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the GRI, SLFRS S1 and S2, GSMA, SASB standards and the Integrated Reporting <IR> framework. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information (“SLSAE 3000”) issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and were included,

- Comparing of the content of the Report against the GRI, SLFRS S1 and S2, GSMA, SASB standards and the Integrated Reporting <IR> framework.

- Inquiring relevant organisation’s personnel to understand the process for collection, analysis, aggregation, and presentation of data.
- Cross checking the non-financial data /information presented in the Report with the supporting documents and schedules maintained by the Company.
- Checking the calculations performed by the organisation on a sample basis through recalculation.
- Cross checking the financial information presented in the Report with the audited financial statements of the Company for the financial reporting period ended 31 December 2024.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 December 2024, is not presented, in all material respects, with reference to the GRI, SLFRS S1 and S2, GSMA, SASB standards and the Integrated Reporting <IR> framework.

Other Matter

Our assurance is not extending to the prospective/comparative information, or any other information presented in the Report other than based on the GRI, SLFRS S1 and S2, GSMA, SASB standards and the Integrated Reporting <IR> framework. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report.

Deloitte Partners

Deloitte Partners Sri Lanka
Chartered Accountants

Colombo
14th May 2025

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AS A FULLY VIRTUAL MEETING ON THURSDAY, 12 JUNE 2025 AT 4:00PM (IST – INDIA STANDARD TIME) FROM THE BROADCAST VENUE AT THE AUDITORIUM, DIALOG AXIATA PLC, 15TH FLOOR, NO. 475, UNION PLACE, COLOMBO 2, SRI LANKA.

1. Ordinary Resolution 1

To receive and adopt the Report of the Directors and the Statement of Accounts for the Financial Year ended 31 December 2024 and the Auditors' Report thereon.

2. Ordinary Resolution 2

To declare a final dividend as recommended by the Board of Directors.

3. Ordinary Resolution 3

To re-elect as a Director, Dr. Sharmini Coorey, who retires by rotation pursuant to Article 102 of the Articles of Association of the Company.

4. Ordinary Resolution 4

To re-elect as a Director, Mr. Visvanathamoorthy Govindasamy, who was appointed to the Board since the last Annual General Meeting pursuant to Article 109 of the Articles of Association of the Company.

5. Ordinary Resolution 5

To re-elect as a Director, Mr. Randeep Singh Sekhon, who was appointed to the Board since the last Annual General Meeting pursuant to Article 109 of the Articles of Association of the Company.

6. Ordinary Resolution 6

To re-elect as a Director, Mr. Vivek Sood, who was appointed to the Board since the last Annual General Meeting pursuant to Article 109 of the Articles of Association of the Company.

7. Ordinary Resolution 7

To re-elect as a Director, Mr. David Nai Pek Lau, who attained the age of 72 years on 7 November 2024 and retires pursuant to Section 210 of the Companies Act No. 7 of 2007 and to resolve that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. David Nai Pek Lau.

8. Ordinary Resolution 8

To re-appoint Messrs. Deloitte Partners, Chartered Accountants, as Auditors to the Company and to authorise the Directors to determine their remuneration.

9. Ordinary Resolution 9

To authorise the Directors to determine and make donations.

By Order of the Board



Ms. Viranthi Attygalle
Group Company Secretary

30 April 2025
Colombo

Notes:

- i) *The AGM will be held as a fully virtual meeting, and as such shareholders will only be able to participate in the AGM virtually, via the designated online meeting platform.*
- ii) *Only persons who are shareholders of the Company and whose names appear on the Share Register as at 5 June 2025 will be entitled to participate in the above virtual meeting.*
- iii) *A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.*
- iv) *A proxy need not be a shareholder of the Company. However, the proxy must be above 18 years of age.*

Administrative Details for the 28th Annual General Meeting

The 28th Annual General Meeting (AGM) of Dialog Axiata PLC (the “Company”) will be held as a fully virtual meeting on Thursday, 12 June 2025 at 4:00PM (IST – India Standard Time).

The details regarding the participation and the procedure to be adopted during the AGM are set out below.

DATE, TIME AND CONDUCT OF AGM

- (a) The AGM will be held as a fully virtual meeting on Thursday, 12 June 2025 at 4:00PM (IST – India Standard Time).
- (b) Certain members of the Board and other key officials who are essential for the administration of the meeting will be physically present in the Auditorium of the Company. All others, including shareholders, will participate via a designated online meeting platform.

NOTICE OF AGM AND FORM OF PROXY

The Notice of AGM and accompanying Form of Proxy are attached herewith and will also be published on the corporate website at <https://www.dialog.lk/shareholder-notification>.

NO PERSONAL ATTENDANCE AT AGM

The AGM will be held virtually, and as such shareholders will only be able to participate in the AGM virtually, via the designated online meeting platform.

ALTERNATIVE ARRANGEMENTS FOR PARTICIPATION AT THE AGM

Shareholders may participate at the AGM by:

- (a) participating in the AGM via the designated online meeting platform;
- (b) submitting questions in advance of the AGM; and/or
- (c) duly appointing a proxy to participate and vote on their behalf at the AGM.

CONFIRMATION OF PARTICIPATION AND PRE-REGISTRATION

- (a) Shareholders of the Company who wish to participate at the virtual AGM and whose names appear on the Share Register as of 5 June 2025 are required pre-register participation. Registrations that do not meet this requirement will be rejected during the verification stage.

- (b) In order to pre-register participation, shareholders are requested to complete the online pre-registration form available at <https://www.dialog.lk/shareholder-notification> on or before 4:00PM on 5 June 2025.
- (c) If your shares are held in joint names, please register both names. However, you only need to enter one email address.
- (d) Upon verification of the registration details, an email of confirmation will be sent to the shareholders followed by an email with the login information closer to the AGM. Please note that the login information is authorised only for use by shareholders or their duly appointed proxy. The Company shall not be responsible or liable for misuse and /or unauthorised use of the login information.

APPOINTMENT OF PROXIES

- (a) A shareholder entitled, as set out above, to participate and vote at the meeting but is unable to do so, is entitled to appoint a proxy to virtually participate and vote at the AGM instead of him/her in the manner provided for by completing the Form of Proxy enclosed herewith.
- (b) Shareholders who are unable to participate also have the option of submitting a duly completed Form of Proxy (which, in particular, clearly indicates such shareholder’s vote in respect of each of the matters set out in the Form of Proxy), appointing the Chairman of the meeting or any one of the Directors of the Company to participate and vote on their behalf such that each shareholder’s vote may be identified and recorded as if such shareholder were present at the meeting.
- (c) In order to be valid, the Form of Proxy must be duly completed and forwarded to the Group Company Secretary via post to Dialog Axiata PLC, No. 475, Union Place, Colombo 2 and must be received not later than 48 hours before the time appointed for holding the meeting, i.e. before 4:00PM on 10 June 2025.

Administrative Details for the 28th Annual General Meeting

ANNUAL REPORT 2024

The Annual Report 2024 has been published on the corporate website and may be accessed at <https://www.dialog.lk/investors>. If a shareholder wishes to receive a printed copy of the Annual Report 2024, please complete the Form of Request and forward it to the Group Company Secretary in accordance with the instructions given therein.

MEETING PROCEDURE and VOTING

- (a) Shareholders who are unable to participate at the virtual AGM may submit their suggestions/questions related to the AGM and the agenda, to the Group Company Secretary in writing on or before 5 June 2025 via agminfo@dialog.lk
- (b) The procedure on the conduct of the meeting and voting will be explained to shareholders prior to the commencement of the meeting.

FURTHER INFORMATION

For more information, shareholders can refer to the FAQs on our corporate website at <https://www.dialog.lk/shareholder-notification> or contact Ms. Divya Ranaraj on +94 773 908 929 during working hours.

THANK YOU

Form of Proxy

I/We (name of shareholder/s).....

(Holder of NIC/Passport/Company Registration No./s)

of (address of shareholder/s)

being a shareholder/s of **Dialog Axiata PLC**, hereby appoint:

(please indicate your preference with a ☒)

☐ Name of proxy holder :

NIC/Passport No of proxy holder :

Address of proxy holder :

Email address of proxy holder :

Mobile number of proxy holder :

OR failing him/her

☐ Chairman of the Meeting, or failing him, any one of the Directors of the Company

as my/our proxy to participate and vote on my/our behalf in accordance with the preference as indicated below at the **Twenty Eighth Annual General Meeting of the Company** to be held by virtual means on 12 June 2025 at 4:00PM (IST – India Standard time) and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

RESOLUTIONS	FOR	AGAINST
Ordinary Business:		
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		

(Please indicate with a 'X' in the space provided how your proxy is to vote on each resolution. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature(s) of Shareholder(s)	Contact No. of Shareholder/s	Email address of Shareholder/s	Date

NOTE:

Instructions as to completion of the Form of Proxy are on the reverse hereof.

Form of Proxy

Notes and Instructions as to completion of Form of Proxy

1. A shareholder entitled to participate and vote at the virtual meeting but is unable to do so, can appoint not more than one proxy to virtually participate and vote at the AGM instead of him/her, by completing the Form of Proxy. Shareholders who are unable to participate in the above meeting are encouraged to appoint the Chairman of the Meeting to participate and vote on their behalf.
2. Please complete the Form of Proxy by filling in legibly, your full name, address and contact number and the full name, NIC number, address, contact number and email of the proxyholder and thereafter date and sign in the space provided.
3. In order to be valid, the Form of Proxy must be duly completed and forwarded to the Group Company Secretary via post to Dialog Axiata PLC, No. 475, Union Place, Colombo 2 and must be received not later than 48 hours before the time appointed for holding the meeting, i.e. before 4:00PM on 10 June 2025.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
5. If the appointer is a Company or Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the Company or Corporation in accordance with its Articles of Association or Constitution.
6. The Form of Proxy should only be used for the purpose of appointing a proxy to participate and vote on your behalf at the meeting in the event you are unable to participate at the meeting and should not be used to confirm participation at the AGM. If you wish to participate at the meeting via the designated online meeting platform, you must pre-register your participation by completing the online pre-registration form at <https://www.dialog.lk/shareholder-notification>.
7. If a shareholder has submitted a Form of Proxy prior to the meeting and subsequently decides to participate at the meeting him/herself, he/she should take immediate steps to revoke the appointment of proxy.

Corporate Information

Name of Company

Dialog Axiata PLC

Company Registration No.

PQ 38

Registered Address

475, Union Place

Colombo 02

Sri Lanka

Telephone: +94 777 678 700

Website: www.dialog.lk

Legal Form

A public quoted company with limited liability.

Incorporated as a private limited liability company on 27th August 1993 and subsequently converted to a public limited liability company on 26th May 2005. Listed on the Colombo Stock Exchange in July 2005.

Stock Exchange Listing

The Ordinary Shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

Board of Directors

Mr. David Nai Pek Lau – Chairman

Mr. Supun Weerasinghe – Group Chief Executive

Ms. Komathi Balakrishnan

Mr. Randeep Singh Sekhon

Dr. Sharmini Coorey

Mr. Thomas Hundt

Mr. Vish Govindasamy

Mr. Vivek Sood

Mr. Willem Timmermans

Mr. Chari TVT (Alternate Director to Willem Timmermans)

Group Company Secretary

Ms. Viranthi Attygalle

Auditors

Messrs. Deloitte Partners

Chartered Accountants

100, Braybrooke Place

Colombo 02, Sri Lanka

Registrars

SSP Corporate Services (Private) Limited

No. 101, Inner Flower Road,

Colombo 03

Telephone: +94 112 573 894

Email: sspsec@sltnet.lk

Contact For Investor Relations

Group Investor Relations

Telephone: +94 777 332 052

E-mail: ir@dialog.lk

Contact For Media

Group Corporate Communications

Telephone: +94 773 332 222

E-mail: corporate.communications@dialog.lk

Subsidiary and Associate Companies

(All incorporated and operating in Sri Lanka) –
As of 30 April 2025

1. Dialog Broadband Networks (Pvt) Ltd – 100%
 - Telecard (Pvt) Ltd – 100%
 - H One (Pvt) Ltd – 100%
 - Digital Realty (Pvt) Ltd – 35%

2. Dialog Television (Pvt) Ltd – 100%

- Communiq Broadband Network (Pvt) Ltd – 100%

3. Digital Holdings Lanka (Pvt) Ltd – 100%

- Digital Commerce Lanka (Pvt) Ltd [together with Dialog Axiata PLC] – 100%
- Headstart (Pvt) Ltd [together with Dialog Axiata Digital Innovation Fund (Pvt) Ltd] – 100%
- Digital Health (Pvt) Ltd [together with Dialog Axiata Digital Innovation Fund (Pvt) Ltd] – 57.69%
 - My Health Solutions (Pvt) Ltd – 100%
- Dialog Axiata Digital Innovation Fund (Pvt) Ltd – Ordinary Shares – 25% and Preference Shares – 94.23%
 - Roar Media (Private) Limited – 17.86%
 - InsureMe Insurance Brokers (Private) Limited – 26%
 - Agrithmics (Private) Limited – 38.25%
 - Ifinity (Private) Limited – 25%
 - Scybers (Private) Limited – 5%

4. Dialog Device Trading (Pvt) Ltd – 100%

5. Dialog Business Services (Pvt) Ltd – 100%

6. Dialog Finance PLC – 99.05%

7. Dialog Network Services (Pvt) Ltd – 100%

8. Firstsource-Dialog Solutions (Pvt) Ltd – 26%

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