DIALOG AXIATA PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31 MARCH 2026

Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

Tel: +94 11 771 9700,
+94 11 771 9838
Fax: +94 11 230 7237
www.deloitte.com

Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of Dialog Axiata PLC

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dialog Axiata PLC ("the Company") and condensed consolidated interim financial position of Dialog Axiata PLC and its subsidiaries ("the Group") as at 31 March 2026 , the related condensed statements of comprehensive income, the related changes in equity and cash flows of the Company and the Group for the three - months then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with Sri Lanka Accounting Standard 34 [LKAS34] – Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Sri Lanka Standard on Review Engagements [SLSRE] 2410 – 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Sri Lanka Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not presented, in all material respects, in accordance with the Sri Lanka Accounting Standard 34 [LKAS34] – Interim Financial Reporting.



CHARTERED ACCOUNTANTS

COLOMBO

14 May 2026

C S Manoharan FCA, **T U Jayasinghe** FCA, **M D B Boyagoda** FCA, **H A C H Gunarathne** FCA, **M P M T Gunasekara** FCA, **N R Gunasekera** FCA, **M S J Henry** FCA, **M M R Hilmy** FCA, **H P V Lakdeva** FCA, **K M D R P Manatunga** ACA, **M M M Manzeer** FCA, **L A C Tillekeratne** ACA, **D C A J Yapa** ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

DIALOG AXIATA PLC

Statement of financial position

(all amounts are in Sri Lanka Rupees thousands)

As at 31	Group		Company	
	March 2026 (Reviewed)	December 2025 (Audited)	March 2026 (Reviewed)	December 2025 (Audited)
ASSETS				
Non-current assets				
Intangible assets	46,993,751	42,233,321	38,063,810	33,208,814
Contract costs assets	11,704,563	11,767,495	3,032,844	3,159,678
Property, plant and equipment	138,772,313	141,688,633	106,270,108	108,109,849
Right-of-use assets	9,926,838	9,415,848	9,566,793	9,072,717
Deferred tax asset	225,537	225,931	-	-
Investment in subsidiaries	-	-	40,983,648	40,675,068
Other financial assets	3,624,326	3,533,279	-	-
	211,247,328	208,864,507	197,917,203	194,226,126
Current assets				
Inventories	1,808,540	1,792,975	348,378	304,732
Trade and other receivables	39,787,167	37,788,321	24,639,228	24,387,112
Other financial assets	8,634,127	7,979,184	124,759	100,304
Cash and cash equivalents	18,940,082	19,050,199	16,874,734	14,995,399
	69,169,916	66,610,679	41,987,099	39,787,547
Total assets	**280,417,244**	**275,475,186**	**239,904,302**	**234,013,673**
EQUITY				
Capital and reserves attributable to equity holders				
Stated capital	39,905,563	39,905,563	39,905,563	39,905,563
Reserves	59,284,778	50,224,636	42,002,492	34,410,608
Non-controlling interest	16,148	(117,471)	-	-
Total equity	**99,206,489**	**90,012,728**	**81,908,055**	**74,316,171**
LIABILITIES				
Non-current liabilities				
Borrowings	21,601,680	15,482,402	19,692,680	13,146,186
Contract liabilities	7,615,379	6,106,728	6,566,752	5,069,234
Deferred income	204,749	228,865	204,749	228,865
Lease liabilities	9,877,274	9,427,146	9,554,480	9,151,770
Other financial liabilities	300,253	300,997	-	-
Employee benefit payables	2,261,354	2,218,377	1,604,012	1,580,298
Provision for other liabilities	9,138,709	4,957,418	8,713,793	4,536,320
Deferred tax liability	4,070,307	3,660,828	2,058,767	1,800,000
	55,069,705	**42,382,761**	**48,395,233**	**35,512,673**
Current liabilities				
Trade and other payables	70,460,539	67,114,369	73,946,640	70,800,091
Borrowings	41,448,754	61,003,632	28,304,506	43,891,953
Other financial liabilities	4,253,426	3,318,810	-	-
Lease liabilities	1,905,711	1,812,334	1,838,472	1,707,607
Contract liabilities	6,162,913	8,367,771	4,164,027	6,442,759
Current income tax liabilities	1,909,707	1,462,781	1,347,369	1,342,419
	126,141,050	143,079,697	109,601,014	124,184,829
Total liabilities	**181,210,755**	**185,462,458**	**157,996,247**	**159,697,502**
Total equity and liabilities	**280,417,244**	**275,475,186**	**239,904,302**	**234,013,673**
Net assets per share (Rs.)	10.78	9.78	8.90	8.08

The notes on pages 7 to 13 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.

.....

Sim Siew Shan
Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

.....
David Nai Pek Lau
Chairman

.....
Supun Weerasinghe
Director

Date: 14 May 2026

DIALOG AXIATA PLC

Statement of comprehensive income

(all amounts are in Sri Lanka Rupees thousands)

For the three months ended 31 March	Group		Company	
	2026 (Reviewed)	2025 (Reviewed)	2026 (Reviewed)	2025 (Reviewed)
Revenue	47,292,196	43,293,951	36,020,411	32,253,962
Direct costs	(20,445,996)	(21,416,792)	(15,215,632)	(15,343,028)
Gross profit	26,846,200	21,877,159	20,804,779	16,910,934
Distribution costs	(4,977,364)	(5,061,202)	(4,234,456)	(4,362,570)
Administrative costs	(8,469,879)	(8,253,010)	(6,235,231)	(6,139,269)
Net impairment losses on financial assets	(745,643)	(535,607)	(278,789)	(285,585)
Other income	197,809	150,016	171,605	114,190
Operating profit	12,851,123	8,177,356	10,227,908	6,237,700
Finance income	137,250	256,902	173,361	240,105
Finance costs	(2,091,292)	(2,518,978)	(1,805,840)	(2,196,164)
Net foreign exchange (loss) / gain	(10,963)	(247,342)	31,019	(351,557)
Finance costs - net	(1,965,005)	(2,509,418)	(1,601,460)	(2,307,616)
Share of loss from associates - net of tax	-	(47,115)	-	-
Profit before income tax	10,886,118	5,620,823	8,626,448	3,930,084
Income tax expense	(1,699,044)	(1,491,769)	(1,034,564)	(1,066,155)
Profit for the period	**9,187,074**	**4,129,054**	**7,591,884**	**2,863,929**
Other comprehensive income not to be reclassified to income statement				
Net gain /(loss) on equity instruments at fair value through other comprehensive income, net of tax	6,687	-	-	-
Other comprehensive income for the period, net of tax	**6,687**	**-**	**-**	**-**
Total comprehensive income for the period	**9,193,761**	**4,129,054**	**7,591,884**	**2,863,929**
Profit / (loss) for the period attributable to:				
- owners of the Company	9,186,092	4,131,213	7,591,884	2,863,929
- non-controlling interest	982	(2,159)	-	-
Total comprehensive income for the period attributable to:				
- owners of the Company	9,192,834	4,131,213	7,591,884	2,863,929
- non-controlling interest	927	(2,159)	-	-
Earnings per share				
- basic	1.00	0.45	0.83	0.31
- diluted	1.00	0.45	0.83	0.31

DIALOG AXIATA PLC

Consolidated statement of changes in equity

(all amounts are in Sri Lanka Rupees thousands)

	Attributable to owners of the Parent			
	Stated capital	**Reserves**	**Non-controlling interest**	**Total**
Balance at 1 January 2026	39,905,563	50,224,636	(117,471)	90,012,728
Profit for the period	-	9,186,092	982	9,187,074
Other comprehensive income	-	6,742	(55)	6,687
Total comprehensive income for the period	**-**	**9,192,834**	**927**	**9,193,761**
Transaction with Non-controlling interest	-	(132,692)	132,692	-
Balance at 31 March 2026	**39,905,563**	**59,284,778**	**16,148**	**99,206,489**
Balance at 1 January 2025	39,905,563	38,448,023	(73,623)	78,279,963
Profit / (loss) for the period	-	4,131,213	(2,159)	4,129,054
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**4,131,213**	**(2,159)**	**4,129,054**
Balance at 31 March 2025	**39,905,563**	**42,579,236**	**(75,782)**	**82,409,017**
Balance at 1 April 2025	39,905,563	42,579,236	(75,782)	82,409,017
Profit / (loss) for the period	-	16,638,710	(7,766)	16,630,944
Other comprehensive income	-	195,246	(1,617)	193,629
Total comprehensive income for the period	**-**	**16,833,956**	**(9,383)**	**16,824,573**
Transactions with non-controlling interest	-	11,779	(32,306)	(20,527)
Final Dividend 2024	-	(9,200,335)	-	(9,200,335)
Balance at 31 December 2025	**39,905,563**	**50,224,636**	**(117,471)**	**90,012,728**

DIALOG AXIATA PLC

Company statement of changes in equity

(all amounts are in Sri Lanka Rupees thousands)

	Stated capital	Reserves	Total
Balance at 1 January 2026	39,905,563	34,410,608	74,316,171
Profit for the period	-	7,591,884	7,591,884
Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**7,591,884**	**7,591,884**
Balance at 31 March 2026	**39,905,563**	**42,002,492**	**81,908,055**
Balance at 1 January 2025	39,905,563	27,843,679	67,749,242
Profit for the period	-	2,863,929	2,863,929
Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**2,863,929**	**2,863,929**
Balance at 31 March 2025	**39,905,563**	**30,707,608**	**70,613,171**
Balance at 01 April 2025	39,905,563	30,707,608	70,613,171
Profit for the period	-	12,715,503	12,715,503
Other comprehensive income	-	187,832	187,832
Total comprehensive income for the period	**-**	**12,903,335**	**12,903,335**
Final Dividend 2024	-	(9,200,335)	(9,200,335)
Balance at 31 December 2025	**39,905,563**	**34,410,608**	**74,316,171**

DIALOG AXIATA PLC

Statement of cash flows

(all amounts are in Sri Lanka Rupees thousands)

For the three months ended 31 March	Group		Company	
	2026 (Reviewed)	2025 (Reviewed)	2026 (Reviewed)	2025 (Reviewed)
Cash flows from operating activities				
Cash generated from operations	21,286,300	22,531,270	18,824,656	19,706,953
Interest received	678,846	230,696	61,381	165,385
Interest paid	(1,336,609)	(2,474,266)	(911,267)	(2,076,056)
Income taxes paid	(733,304)	(671,409)	(681,024)	(607,846)
Employee benefits obligations paid	(76,877)	(191,797)	(74,888)	(164,954)
Net cash inflow from operating activities	**19,818,356**	**19,424,494**	**17,218,858**	**17,023,482**
Cash flows from investing activities				
Purchase of property, plant and equipment	(6,314,177)	(3,532,905)	(5,435,957)	(2,448,336)
Purchase of intangible assets	(264,474)	(23,751)	(204,772)	-
Net proceeds from sale of other financial assets	137,685	-	-	-
Net cash outflow from investing activities	**(6,440,966)**	**(3,556,656)**	**(5,640,729)**	**(2,448,336)**
Cash flows from financing activities				
Repayment of borrowings	(14,143,069)	(5,568,155)	(12,120,091)	(4,463,798)
Proceeds from borrowings	9,551,796	4,503,700	8,000,000	4,500,000
Principal element of lease payment	(925,347)	(1,181,437)	(885,193)	(1,142,135)
Dividends paid to ordinary shareholders	-	(6,413,718)	-	(6,413,718)
Net cash outflow from financing activities	**(5,516,620)**	**(8,659,610)**	**(5,005,284)**	**(7,519,651)**
Net increase in cash and cash equivalents	**7,860,770**	**7,208,228**	**6,572,845**	**7,055,495**
Movement in cash and cash equivalents				
At beginning of the period	3,245,397	11,503,551	6,062,151	6,832,631
Increase in cash and cash equivalent	7,860,770	7,208,228	6,572,845	7,055,495
Effect of exchange rate changes	170,768	74,984	294,311	474,009
At end of the period	**11,276,935**	**18,786,763**	**12,929,307**	**14,362,135**

Cash and cash equivalents at the end of the financial period consist of the following:

As at 31 March	Group		Company	
	2026	2025	2026	2025
Cash in hand and at bank	18,940,082	36,539,237	16,874,734	30,180,176
Bank overdrafts	(7,663,147)	(17,752,474)	(3,945,427)	(15,818,041)
At end of the period	**11,276,935**	**18,786,763**	**12,929,307**	**14,362,135**

DIALOG AXIATA PLC

Notes to the condensed consolidated interim financial statements

(all amounts in the notes are in Sri Lanka Rupees thousands unless otherwise stated)

1 General 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, navigation and enterprise services and financial services, software solutions, data center services, manpower services, provision of Information Technology and venture capital investment activities.

Dialog Axiata PLC is a public limited liability company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange since 28 July 2005. The registered office of the Company is located at 475, Union Place, Colombo 2.

2 Basis of preparation

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

3 Segment information

Operating segments are presented in a manner consistent with the internal reporting provided to chief operating decision makers.

- **The segment results for the period ended 31 March 2026 are as follows:**

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination /Adjustment	Group
Total segmental revenue	38,632,443	8,799,809	4,013,946	-	51,446,198
Inter-segment revenue	(2,203,460)	(1,908,670)	(41,872)	-	(4,154,002)
Revenue from external customers	**36,428,983**	**6,891,139**	**3,972,074**	**-**	**47,292,196**
Segment operating profit for the period	10,094,841	2,609,403	103,712	43,167	12,851,123
Finance cost – net					(1,965,005)
Profit before income tax					**10,886,118**
Income tax expense					(1,699,044)
Profit for the period					**9,187,074**

- **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, amortization and impairment	8,182,711	2,697,651	721,906	-	11,602,268

DIALOG AXIATA PLC

Notes to the condensed consolidated interim financial statements (Continued)

3 Segment information (Continued)

- **The segment assets and liabilities at 31 March 2026 and capital expenditure for the period ended are as follows:**

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination /Adjustment	Group
Assets	262,283,815	76,388,184	11,497,381	(38,886,677)	311,282,703
Inter-segment assets	(5,166,032)	(23,601,731)	(2,097,696)	-	(30,865,459)
Total assets	**257,117,783**	**52,786,453**	**9,399,685**	**(38,886,677)**	**280,417,244**
Liabilities	175,445,467	22,073,562	15,021,287	-	212,540,316
Inter-segment liabilities	(26,454,014)	(1,154,584)	(3,720,963)	-	(31,329,561)
Total liabilities	**148,991,453**	**20,918,978**	**11,300,324**	**-**	**181,210,755**
Capital expenditure	5,187,237	800,206	28,516	-	6,015,959

- **The segment results for the period ended 31 March 2025 are as follows:**

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination /Adjustment	Group
Total segmental revenue	34,817,755	9,041,860	3,125,531	-	46,985,146
Inter-segment revenue	(2,122,170)	(1,557,946)	(11,079)	-	(3,691,195)
Revenue from external customers	**32,695,585**	**7,483,914**	**3,114,452**	-	**43,293,951**
Segment operating profit / (loss) for the period	6,297,931	2,176,360	(289,187)	(7,748)	8,177,356
Finance costs – net					(2,509,418)
Share of loss from associates - net of tax					(47,115)
Profit before income tax					**5,620,823**
Income tax expense					(1,491,769)
Profit for the period					**4,129,054**

- **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, amortization and impairment	8,059,748	2,820,293	789,985	-	11,670,026

DIALOG AXIATA PLC

Notes to the condensed consolidated interim financial statements (Continued)

3 Segment information (Continued)

- **The segment assets and liabilities at 31 March 2025 and capital expenditure for the period then ended are as follows:**

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination /Adjustment	Group
Assets	281,453,187	70,319,000	10,730,243	(38,735,818)	323,766,612
Inter-segment assets	(6,518,811)	(13,011,075)	(1,432,271)	-	(20,962,157)
Total assets	**274,934,376**	**57,307,925**	**9,297,972**	**(38,735,818)**	**302,804,455**
Liabilities	205,690,820	22,279,453	13,944,896	-	241,915,169
Inter-segment liabilities	(16,914,561)	(1,168,663)	(3,436,507)	-	(21,519,731)
Total liabilities	**188,776,259**	**21,110,790**	**10,508,389**	**-**	**220,395,438**
Capital expenditure	1,741,818	1,383,306	2,651	-	3,127,775

4 Reserves

	Group		Company	
As at 31	**2026 March**	**2025 December**	**2026 March**	**2025 December**
Attributable to the owners of the Company				
Retained earnings	59,072,465	50,019,065	42,002,492	34,410,608
Fair value through other comprehensive income ("FVOCI") reserve	212,313	205,571	-	-
Attributable to the non-controlling interest				
Non-controlling interest	16,148	(117,471)	-	-
	59,300,926	**50,107,165**	**42,002,492**	**34,410,608**

5 Seasonal or cyclical factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

6 Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates and assumptions used in prior financial periods that may have a material effect in the current quarter and for the financial period to date.

In preparing the condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the sources of estimates uncertainty are consistent with the audited financial statements for the year ended 31 December 2025.

7 Stated capital

Stated capital of the Company consists of 9,200,334,994 ordinary shares as at 31 March 2026 (31 December 2025 - 9,200,334,994)

DIALOG AXIATA PLC

Notes to the condensed consolidated interim financial statements (Continued)

8 Market price per share

For the three months ended 31 March	2026 LKR	2025 LKR
- Highest	33.9	14.6
- Lowest	28.9	11.4
- Last traded	30.3	14.3

9 Directors' shareholdings

The details of shares held directly by the Directors and their spouses as at 31 March 2026 are as follows:

	Number of shares
Mr. Supun Weerasinghe	4,260,200

None of the Directors and their spouses, other than those disclosed above directly held any share in the Company.

10 Twenty largest shareholders of the Company

	Name of Shareholders	No. of shares	% Holding
1	Axiata Investments (Labuan) Limited	6,785,252,765	73.75
2	Bharti Airtel Limited	952,694,689	10.36
3	Employees' Provident Fund	257,008,995	2.79
4	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	176,902,901	1.92
5	SSBT-Sunsuper PTY. LTD. as Trustee for Sunsuper Superannuation Fund	131,944,761	1.43
6	BBH Luxfidelity Funds-Pacific Fund	128,421,604	1.40
7	J.B. Cocoshell (PVT) LTD	72,888,725	0.79
8	BBH - Fidelity Funds	53,560,648	0.58
9	Deutsche Bank Ag Trustee to Lynear Wealth Dynamic Opportunities Fund	45,639,983	0.50
10	CACEIS Bank, Luxembourg Branch-NEF	32,772,588	0.36
11	JPMCB NA - Government Institutions Pension Fund	31,142,736	0.34
12	JPMCB NA-Fidelity Asian Values PLC	30,001,930	0.33
13	Union Assurance PLC-Universal Life Fund	29,014,940	0.32
14	CACEIS Bank, Ireland branch S/A bridge UCITS funds ICAV - Hosking Global Equity Fund	26,810,479	0.29
15	Northern Trust Company S/A Hosking Global Fund PLC	22,269,951	0.24
16	Mr. J.J. Hosking	20,500,000	0.22
17	Invenco Capital Private Limited	18,934,733	0.21
18	Lynear wealth management/Mr. Hanif Yusoof	15,518,633	0.17
19	GF Capital Global Limited	13,687,960	0.15
20	Deutsche Bank Ag as Trustee for JB Vantage Value Equity Fund	12,055,515	0.13

11 Public shareholdings

Information pertaining to public shareholding is as follows:

As at 31	2026 March	2025 December
Public holding percentage	15.85%	15.85%
Number of public shareholders	26,102	24,876
Float adjusted market capitalization (LKR)	44,181,258,402	43,452,194,732

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.

DIALOG AXIATA PLC

Notes to the condensed consolidated interim financial statements (Continued)

12 Effect of changes in composition of the Group

Digital Health (Private) Limited

Digital Health (Private) Limited ('DH'), completed the issuance of 3,703,944 Ordinary Shares to Digital Holdings Lanka (Private) Limited ("DHL"), which is a wholly owned subsidiary of the Company. Following this share issue, DHL's shareholding in DH increased from 37.24% to 47.57%.

13 Financial instruments measured at fair value

	Measurement criteria and the fair value – Group							
	Level 1		Level 2		Level 3		Total	
	2026 Mar	2025 Dec	2026 Mar	2025 Dec	2026 Mar	2025 Dec	2026 Mar	2025 Dec
Financial assets / (liabilities)								
Financial assets at fair value through profit or loss (FVTPL)								
- Investment in quoted equities	3,098	3,976	233,204	233,204	-	-	236,302	237,180
- Investment in unquoted equities	-	-	-	-	264,646	247,246	264,646	247,246
Derivative financial assets/ (liabilities)	-	-	168,047	154,518	-	-	168,047	154,518
Financial assets at fair value through other comprehensive income (FVOCI)								
- Investment in unquoted equities	-	-	-	-	644,256	637,569	644,256	637,569

The Group measures the financial instruments based on published price quotations (Level 1), market approach valuation technique (Level 2) with inputs of valuation technique such as interest rates and yield curves observable at commonly quoted intervals; implied volatilities; and credit spreads that are observable directly or indirectly and valuation technique with unobservable inputs (Level 3) at the end of the financial reporting period.

(a) Carrying value of financial assets at FVTPL at the end of the financial reporting period 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 (DADIF). During the fourth quarter 2025, DADIF's investment in InsureMe Insurance Brokers PLC was listed on the Empower Board of the Colombo Stock Exchange; however, as the company remains in a lock-in period for sales, it is assumed that there is no active market for this investment. Accordingly, the investment is classified under Level 2 of the fair value hierarchy.

(b) 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.

14 Cash and cash equivalents

Cash and cash equivalents of the Group also include restricted cash deposited in the following financial institutions:

As at 31	2026 March	2025 December
Hatton National Bank PLC, amount deposited in custodian accounts to facilitate Ez cash operation	800,000	803,433
	800,000	**803,433**

DIALOG AXIATA PLC

Notes to the condensed consolidated interim financial statements (Continued)

15 Revenue from contracts with customers

	Group		Company	
For the period ended 31 March	**2026**	**2025**	**2026**	**2025**
Mobile operation	36,428,983	32,695,585	36,020,411	32,253,962
Fixed telephony and broadband operation	6,891,139	7,483,914	-	-
Television operation	3,972,074	3,114,452	-	-
	47,292,196	**43,293,951**	**36,020,411**	**32,253,962**

	Group		Company	
Timing of revenue recognition	**2026**	**2025**	**2026**	**2025**
At a point in time	835,340	905,271	23,351	56,321
Over time	46,456,856	42,388,680	35,997,060	32,197,641
	47,292,196	**43,293,951**	**36,020,411**	**32,253,962**

16 Valuation of property, plant and equipment

The Company and the Group do not adopt a revaluation policy on its property, plant and equipment.

17 Donations

The total donations made by the Company and its subsidiaries during the period ending 31 March 2026 amounted to LKR 1.96Mn (2025 – LKR 6.34Mn).

	Group		Company	
For the period ended 31 March	**2026**	**2025**	**2026**	**2025**
Yeheli	1,918	520	1,918	520
Nenasa & SMART School	-	4,159	-	4,159
Others	45	1,662	45	1,662
	1,963	**6,341**	**1,963**	**6,341**

18 Contingent liabilities

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 matter has been refixed for argument on 19 May 2026.

Except for the disclosed above, there has not been a significant change in the nature of the contingent liabilities, which were disclosed in the audited financial statements for the year ended 31 December 2025.

19 Capital commitments

Capital expenditure contracted for as at the statement of financial position date but not yet incurred consists of LKR 19,878 Mn (31.12.2025- LKR 6,302 Mn) and LKR 17,991 Mn (31.12.2025 - LKR 4,769 Mn) of the Group and the Company respectively.

20 Events after the reporting period

The Board of Directors of the Company has proposed an interim dividend of LKR 0.70 per share for the financial year 2026. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors had confirmed that the Company satisfied the solvency test in accordance with section 57 of the Companies Act No. 07 of 2007, and obtained a certificate from auditors, prior to declaring the dividend.