
Dialog
The Future.Today.

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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.

Dialog Values

- Service from the Heart
- Create the Future
- Champions of Change
- Exceptional Performance
- Uncompromising Integrity
- Responsible Leadership
- One Team

Scan the QR Code to directly access the Dialog Annual Report 2022 online

Scan the QR Code to directly access the Dialog Sustainability Report 2022 online

Introduction to the Company

Dialog Axiata PLC, a subsidiary of Axiata Group Berhad (Axiata), operates Sri Lanka's leading quad-play connectivity provider. Dialog is Sri Lanka's largest Foreign Direct Investor (FDI) with cumulative investments totalling USD 3.2 Bn.

The winner of six Global Mobile Awards, Dialog has the distinction of being voted by Sri Lankan consumers as the 'Telecommunication Brand of the Year' for a record eleventh year running, and 'Service Brand of the Year' for the third consecutive year at the SLIM-KANTAR People's Awards 2022. Dialog was awarded 'Sri Lanka's Most Valuable Brand' for the fourth consecutive year and 'Most Valuable Telecommunications Brand' for the fifteenth consecutive year in the 2022 Brand Finance league table.

Dialog is certified for ISO 9001 Quality Management System, ISO 27001:2013 Information Security Management System, and ISO 14001:2015 Environmental Management System. The Company has received numerous local and international awards, including the National Quality Award and the Sri Lanka Business Excellence Award.

Dialog and its partners were commended by the Ministry of Power and Energy for their visionary leadership and contribution to the 'National Fuel Pass' platform to resolve the fuel crisis in Sri Lanka, which also earned the prestigious BCS Chairman's Award at NBQSA 2022 for its outstanding use of ICT in development.

The Company was recognised as the Overall Winner at the ACCA Sustainability Awards 2022 and was recognised at the e-Swabhimani Awards 2021, 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 90's, 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 17 Mn Sri Lankans. Dialog is rated as the fastest mobile network, with the Company being adjudged the overall winner across multiple dimensions including data, voice, gaming experience, reach and availability by a leading third-party crowdsourced network experience measuring agency. 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, 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.

Message from the Chairman



DAVID NAI PEK LAU
Chairman/Non-Independent, Non-Executive Director

"In this difficult period, we recognised the crucial role Dialog plays in supporting our customers, businesses, communities, and the nation at large."

"Our people have been the backbone of our resilience, and I cannot express enough gratitude for their unwavering commitment and hard work throughout this turbulent year."

Dear shareholders,

It is with great pleasure that I present to you the Dialog Axiata PLC 2022 Annual Report.

2022 has seen Sri Lanka going through its most difficult times which have presented unprecedented challenges for our company and the nation as a whole. The socio-economic crisis that Sri Lanka faced presented numerous obstacles and uncertainties that affected our operations and the business environment. Despite these challenges, Dialog has persevered with the support and dedication extended by our Dialog team, partners, distributors, and retailers.

Our people have been the backbone of our resilience, and I cannot express enough gratitude for their unwavering commitment and hard work throughout this turbulent year. During Sri Lanka's severe economic crisis, the fuel shortage emerged as one of the most pressing issues. To overcome this challenge, Dialog collaborated with MillenniumIT ESP and the Information and Communication Technology Agency to develop and implement the 'National Fuel Pass' solution. These solutions not only resolved the fuel crisis but also restored normalcy and resulted in substantial national savings. The success of these initiatives underscores the power of technology in revitalising a nation during times of crisis.

In this difficult period, we recognised the crucial role Dialog plays in supporting our customers, businesses, communities, and the nation at large. We took swift actions to ensure that our customers stayed connected, and our services remained uninterrupted.

As a responsible corporate citizen, we have gone above and beyond to provide support to those in need during these challenging times. We have worked tirelessly to ensure the safety and well-being of our employees, customers, and partners, while continuing to provide uninterrupted services to our customers.

In 2022, Dialog faced significant macroeconomic challenges that impacted our financial performance. Nevertheless, we achieved a consolidated revenue of Rs. 178.1 Bn, representing a growth of 26% Year-to-Date ("YTD") across all business segments. This is a testament to our strong business fundamentals and our ability to adapt to the changing environment. However, operating costs increased significantly by 52% YoY due to the expansion of USD-denominated costs resulting from the depreciation of LKR against the USD by 82.3% during the year. To mitigate the downside impact, we implemented multiple cost rescaling initiatives that resulted in cost savings of Rs. 13.7 Bn for FY 2022.

As a result of the significant increase in operating expenses, the Group's Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") decreased by 12% compared to the previous year. Additionally, the Group's Net Profit After Tax ("NPAT") incurred a loss of Rs. 33.4 Bn, mainly due to forex losses, lower EBITDA performance, higher depreciation, and finance costs. However, if one-off provisions, i.e. forex losses and impairment are adjusted, the normalized Group NPAT was recorded at Rs. 9.0 Bn for FY 2022, indicating a 54% YoY decline.

Message from the Chairman

"At Dialog Axiata PLC, we are committed to the long-term development of our nation as the nation starts to come out of the crisis in 2023."

Investing in the Future

At Dialog Axiata PLC, we are committed to the long-term development of our nation as the nation starts to come out of the crisis in 2023. As such, we continued to invest in Sri Lanka and support our nation's journey towards a sustainable and brighter future. In 2022, we invested approximately Rs. 52 Bn to develop connectivity infrastructure across the country, ensuring that our customers receive quality and consistent services. These investments are aligned with our ambition to accelerate Sri Lanka's digital transformation, providing access to digital technologies and services to all.

I am proud to say that Dialog Axiata PLC remains the largest FDI in the country, with a total investment of USD 3.2 Bn since inception.

Innovation and Digital Transformation

At Dialog, we are committed to investing in driving innovation and delivering the latest technology to Sri Lankans and enterprises. As the world becomes increasingly digital, we recognise the importance of providing creative and innovative solutions that deliver significant improvements to customer experience and drive operational efficiency.

In 2022, we accelerated our digital transformation agenda, empowering our teams to serve our customers faster and better. Our efforts paid off, as our Group AI Maturity increased from 50% to 80% according to the TM Forum's AI Maturity Index. We also diversified our portfolio of enterprise solutions to help digitally transform Sri Lanka's enterprise sector.

We also continued to deliver on our brand promise of 'The Future. Today.' by launching Sri Lanka's first fully immersive and interactive Metaverse, 'Futureverse', and the 'Nonvoice' Metaverse featuring Augmented Reality games. Additionally, we hosted the Google I/O Extended Sri Lanka 2022 tech event in the Metaverse, demonstrating our commitment to driving innovation and shaping technology as a force for good.

Moving forward, we remain committed to working with people, businesses, and communities to evolve with their needs and to always search for innovative ways to help Sri Lanka prosper. By continuing to deliver cutting-edge solutions and empowering the next generation of innovators, we aim to shape the future of Sri Lanka's digital landscape and drive progress for all.

ESG - Fulfilling our Purpose

At Dialog Axiata PLC, we are deeply committed to championing Environmental, Social and Governance (ESG). We take immense pride in being one of the leading companies in Sri Lanka driving change towards a more sustainable future.

In 2022, we took several initiatives to reduce our carbon footprint, such as installing 167 solar sites with a capacity of 701.78 kW, recycling 6.17 tonnes of paper waste and 706.17 tonnes of e-waste. In 2023, we plan to add 976 new solar sites with a total capacity of 5,373.52 kW. We are firmly committed to prioritising sustainability and reducing our environmental impact while also making positive contributions to the communities we serve.

"Our commitment to ESG is at the core of our company culture, and we are continuously striving to make a positive impact on the environment, society, and governance."

As part of our social agenda, we launched 'Manudam Mehewara', an initiative that provided emergency aid to over 119,000 families across Sri Lanka. We also launched Karuna.lk, Sri Lanka's first crowdfunding platform for verified non-profits, organisations and causes. To empower the healthcare sector, we donated oxygen concentrators to 12 hospitals and partnered with Doc990 to provide medical consumables to the Cardiothoracic Intensive Care Unit at the Lady Ridgeway Hospital.

We continued to focus on inclusive solutions and initiatives to empower communities. We launched 'Diriya.lk', which provided faster access to information on material topics for SMEs in Sri Lanka. Our "Ideamart for Women" initiative and the national "Aya" movement empowered women and promoted digital entrepreneurship. Additionally, we digitally enabled persons with disabilities through initiatives like the Ratmalana Audiology Centre and Jaffna Speech Therapy Centre.

Moreover, we prioritised robust governance practices, which form the foundation of our culture and operations that allow us to conduct our business responsibly. Dialog places a strong emphasis on compliance with regulations, ensuring complete compliance with laws and regulations in all its core business areas. In recognition of the same, Dialog was honoured with two prestigious awards at the ACCA Sustainability Reporting Awards 2022, being named both the "Overall Winner" and the "Winner of the General Services" category.

Further, we made significant strides in improving board diversity in 2022, with a notable increase in female representation at the highest levels of the organisation.

Our commitment to ESG is at the core of our company culture, and we are continuously striving to make a positive impact on the environment, society, and governance. Our goal is to continue to work towards a sustainable future and inspire others to do the same.

Future Outlook

As we look to the future, we remain optimistic about the opportunities that lie ahead. Our continued investments in cutting-edge technology, digital transformation, and community development will ensure that we remain well-positioned to meet the evolving needs of our customers and support Sri Lanka's socio-economic growth. We will continue to work closely with the public sector and other stakeholders to support the long-term prosperity of the nation.

Together, we have demonstrated resilience and a steadfast commitment to excellence, which has allowed us to maintain our position at the forefront of Sri Lanka's telecommunications industry. As we move forward, we are resolute in our determination to continue fulfilling our mission of empowering and enriching the lives of Sri Lankans and their enterprises.

Message from the Chairman

"In the face of unprecedented challenges over the past year, I am immensely proud of the unwavering commitment, drive, and exceptional performance demonstrated by our people and partners."

Changes to the Board

On behalf of the Company, I warmly welcome Dr. Sharmini Coorey to the Board. Her experience, expertise and insight will be invaluable in guiding the Company in the future.

Appreciation

In the face of unprecedented challenges over the past year, I am immensely proud of the unwavering commitment, drive, and exceptional performance demonstrated by our people and partners. Through their tireless efforts and teamwork, they have achieved excellence and paved the way towards a brighter future. I would like to express my heartfelt appreciation to the Dialog team, led by our Group Chief Executive, Mr. Supun Weerasinghe, for their dedication and leadership. It is an honour to work alongside them as they continue to face the challenges head-on and make significant contributions towards our company's growth and the nation's progress.

I would also like to extend my sincere gratitude to our business partners, whose hard work and contribution have been invaluable during this challenging period. Together, we would like to thank our customers for placing their trust in us as their digital partner.

As we continue to strive towards achieving our ambitious digital goals, I am grateful for the continued confidence and support of our shareholders. Furthermore, I would like to acknowledge and thank the Government of Sri Lanka and its various agencies, including the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), the Central Bank of Sri Lanka, the Ministry of Telecommunications and Digital Infrastructure, the Board of Investment of Sri Lanka, the Information Communication Technology Agency and the Ministry of Mass Media and Information, for their unwavering support and collaboration.

Finally, I would like to express my gratitude to my fellow Board Directors for their invaluable advice, guidance, and unwavering support in our mission to empower and enrich the lives and enterprises of Sri Lankans.



David Nai Pek Lau
Chairman

30 April 2023

Group Chief Executive's Review of Operations



Supun Weerasinghe
Director / Group Chief Executive

"As Sri Lanka faced one of its most severe socio-economic crises, we found inspiration in the unwavering resilience and determination of our fellow citizens. In response, we rose to the challenge and leveraged the power of technology to revitalize our nation."

Group Chief Executive's Review of Operations

Dear Shareholders,

The year 2022 proved to be one of the most challenging periods in Sri Lanka's recent history, marked by social unrest, political uncertainty, and a severe economic crisis. This confluence of events highlighted the urgent need to restore macroeconomic stability and debt sustainability.

In the aftermath of the socio-economic crisis and as communities struggled to recover from the COVID-19 pandemic, it became more crucial than ever to unite people and work towards a more prosperous future. This is at the core of our purpose - 'empowering and enriching Sri Lankan lives and enterprises' - as our services continued to play an increasingly central role in society.

Looking back on the year, I am proud of how the Dialog family, along with our partners, distributors, and retailers, navigated the economic crisis and supported our communities.

Despite the broader economic impacts, our growth strategy has proven effective, and I am confident that we are well-positioned to face the challenges and seize the opportunities ahead.

REVIVING OUR NATION WITH THE POWER OF TECHNOLOGY

As Sri Lanka faced one of its most severe socio-economic crises, we found inspiration in the unwavering resilience and determination of our fellow citizens. In response, we rose to the challenge and leveraged the power of technology to revitalize our nation.

Among the many challenges faced by Sri Lanka during this difficult period, the fuel crisis proved to be one of the most critical issues. Vital sectors of the economy came to a grinding halt, leaving the nation in dire straits. To address the most pressing challenge the nation was facing, Dialog joined forces with MillenniumIT ESP and the Information and Communication Technology Agency (ICTA), under the aegis of the Ministry of Power and Energy, to develop and implement the 'National Fuel Pass' solution. Following its success, Dialog and its partners launched the 'Tourist Fuel Pass' at the behest of the Ministry of Power and Energy and the Ministry of Tourism, enabling tourists visiting Sri Lanka to obtain fuel without the standard quota restrictions.

"To address the most pressing challenge the nation was facing, Dialog joined forces with MillenniumIT ESP and the Information and Communication Technology Agency (ICTA), under the aegis of the Ministry of Power and Energy, to develop and implement the 'National Fuel Pass' solution."

"Our commitment to empowering our nation is unwavering, and we will continue to strive to make a positive impact, foster economic growth and development."

These innovative solutions brought an end to the fuel crisis, restarting the economy, restoring normalcy for citizens, and leading to significant national savings. They also enabled the equitable sharing of scarce resources, setting a new standard for resource management in Sri Lanka. I am proud to note that the invaluable contribution of Dialog and its partners towards developing and implementing the National Fuel Pass platform was commended by the Government and the Ministry of Power and Energy. Moreover, Dialog and its partners received the prestigious BCS Chairman's Award at NBQSA 2022 in recognition of their exceptional effort and use of ICT in developing the National Fuel Pass.

The fuel crisis in Sri Lanka also precipitated another significant challenge for the nation - the ensuing power crisis. Despite the formidable challenges posed by these crises, Dialog's dedication to its customers remained steadfast, as it endeavoured to provide uninterrupted connectivity. This continuity of service proved to be a crucial lifeline for the people of Sri Lanka during these challenging times and served as a testament to Dialog's unwavering commitment to both its customers and the nation.

In conclusion, our commitment to empowering our nation is unwavering, and we will continue to strive to make a positive impact, foster economic growth and development.



Dialog Axiata, MIT ESP and ICTA, recognised by the Ministry of Power and Energy for the implementation of the National Fuel Pass platform

PERFORMANCE REVIEW

In the face of macroeconomic challenges, Dialog Axiata PLC achieved a consolidated revenue of Rs. 178.1 Bn, representing a growth of 26% Year-on-Year ("YoY") driven by all business segments, including Mobile, Fixed, Digital Pay Television, International, Digital Platforms and Tele-infrastructure businesses. Operating costs increased significantly by 52% YoY, mainly due to the expansion of USD-denominated costs, resulting from the LKR's depreciation against the USD by 82.3% during the year. However, multiple cost rescaling initiatives were implemented, resulting in cost savings of Rs. 13.7 Bn for FY 2022 which mitigated the downside impact. The Group's Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") decreased by 12% compared to the previous year due to the significant increase in operating expenses and the Group's Net Profit After Tax ("NPAT") incurred a loss of Rs. 33.4 Bn. This was caused by lower EBITDA performance, forex losses, higher depreciation, and finance costs. However, if one-off provisions, impairment, and forex losses are adjusted, the normalized Group NPAT was recorded at Rs. 9.0 Bn for FY 2022, indicating a 54% YoY decline.

Further, I am delighted to share that Fitch Ratings has affirmed the 'AAA(lka)' rating for Dialog Axiata in Sri Lanka, and the outlook remains stable.

Group Chief Executive's Review of Operations

This rating reaffirms Dialog Axiata's position as a leading telecommunications service provider in Sri Lanka and highlights its financial stability, robust business model, and strong creditworthiness.

SEGMENTAL REVIEW

Dialog Axiata PLC

In an increasingly connected world, seamless connectivity and reliable networks are essential for individuals and businesses to thrive in the digital age. Dialog Axiata PLC strengthened its market leadership position with a growth of 1.8pp in mobile consumer market share, reaching over 17.2 Mn mobile subscribers. The Company's Mobile, Tele-infrastructure, and Digital Services continued to be key contributors to the Group revenue, accounting for 57% of the total revenue for FY 2022. The Company recorded a revenue growth of 11% YoY, reaching Rs. 101.4 Bn for FY 2022, driven by growth in the data segment. However, the EBITDA declined by 12% YTD, recorded at Rs. 35.4 Bn for FY 2022. The Company NPAT incurred a loss of Rs. 38.3 Bn for FY 2022 due to one-off impairments and translational forex losses.

Dialog Broadband Networks

Dialog Broadband business showed robust revenue growth, reaching Rs. 68.8 Bn for FY 2022, an increase of 54% YoY. This growth was supported by the rise in revenues from the International Business segment and from the growth in the fixed and broadband business.

Dialog's international business achieved remarkable growth, with revenue surging by more than 18% YoY. Additionally, the business achieved approximately 20% YoY growth in net USD inflow, driven by the growth in International Voice Wholesale, A2P, capacity, and Data sales.

The fixed and broadband business continued its mission to provide affordable and high-quality fixed and broadband services to Sri Lankan homes and enterprises, enabling them to reach their full potential in the digital economy. The Fixed Broadband business showed robust performance which was backed by the strong growth in enterprise fixed business and moderate growth in consumer broadband solutions.

Further, the enterprise segment recorded a strong growth driven by growth in both connectivity and ICT verticals. ICT recorded commendable growth in Large Enterprises and Small Medium Enterprises segments, with products such as cloud and colocation, and security solutions recording noteworthy growth during the year.

Dialog Television

Despite the challenging business environment, Dialog Television (DTV) maintained its position as Sri Lanka's largest aggregator of entertainment in the digital pay television space, retaining its subscriber base of 1.7 Mn in FY 2022. DTV managed to increase its revenue by 14% YoY through renegotiations and rate revisions. However, DTV's EBITDA decreased by 57% YoY to Rs. 1.6 Bn for FY 2022, primarily due to the currency depreciation.

BUILDING A DIGITAL SRI LANKA

Dialog Enterprise

At Dialog Axiata PLC, we understand the critical role of technology in unlocking the full potential of Sri Lankan enterprises. In 2022, our corporate solutions arm, Dialog Enterprise, introduced cutting-edge solutions and formed strategic partnerships to help businesses stay ahead of the curve.

Thanks to these efforts, Dialog Enterprise achieved a strong revenue growth of 33% YoY, driven by growth in both connectivity and ICT verticals. Our acquisition of H One (Private) Ltd also contributed to the revenue growth, earning multiple Microsoft accolades in the process.

Dialog Enterprise formed strategic partnerships with global enterprise solution providers, Cyber Security

"Our mission to drive innovation and empower businesses through digital transformation remains our top priority, and we will continue to work towards realising this goal."

Works and TekSek Cyber Security, to provide advanced IT and OT security services to Sri Lankan enterprises. The company integrated Fortinet's Secure SD-WAN solution into their Flexnet managed SD-WAN service and became the first and only Dell Technologies Cloud Solution Provider in Sri Lanka. Additionally, our enterprise team launched on-premise Huawei Cloud Stack Online (HCSO) solutions and VMware Cloud Foundation (VCF) to enhance data security and simplify the path to hybrid cloud.

Dialog Enterprise also partnered with real estate giants such as Home Lands Skyline, Primes Residencies, Havelock City and a few other major ongoing real estate projects to provide premier Gigabit capable connectivity via Dialog Fibre to their developments. In addition, Dialog Enterprise launched an IoT-based solution for monitoring fuel and energy consumption.

Finally, Dialog's Enterprise Marketplace extended over 100 offerings to enterprise customers on a self-service model.

Our mission to drive innovation and empower businesses through digital transformation remains our top priority, and we will continue to work towards realising this goal.

• Digital Services

As we continue our efforts to lead the charge in transforming Sri Lanka into a digital nation, we at Dialog Axiata PLC remain committed to providing unparalleled convenience and empowering our customers and communities with a diverse range of digital services.

In response to the pandemic and economic crisis, Dialog expanded its digital service offerings to cater to a broader range of digital verticals, including FinTech, HealthTech, EduTech, and InsurTech.

Our mobile money solution, eZ Cash, the first and largest of its kind in Sri Lanka, ended the year with over 175,000 active wallets and 52,000 merchant partners. To expand our reach, we introduced eZ Banking, allowing bank customers to deposit and withdraw money at eZ Cash retailers.

Our mobile payment app, Genie, delivered significant growth and was rebranded as a financial marketplace, boasting a registered customer base of over 292,000 and a merchant base of over 3,000. Genie enabled digital stock trading on the Colombo Stock Exchange and launched Genie Business, a first-in-the-market solution to support micro and medium merchants. Meanwhile, our Touch Corporate Fuel Solution currently serves 400 fuel stations and plans to expand further island-wide in 2023, meeting the increasing demand for cashless solutions.

Doc990, Sri Lanka's all-in-one digital health solutions provider, received multiple national and international recognitions in 2022 for its efforts in the digital healthcare vertical, including being awarded the winner in the 'Telecare' category in the 5th Commonwealth Digital Health Awards and being accorded a silver award in the 'Health and Wellness' category at the BestWeb.lk Awards. Doc990 added innovative features such as tele-doctor consultations, a support system for locating and delivering medicines during shortages, and a prepaid insurance facility for retail subscriptions. The company expanded its regional presence, adding 22 new hospitals and over 80 referral partner points, with an aim to become the digital healthcare market leader in 2023.

Group Chief Executive's Review of Operations

DELIVERING THE FUTURE. TODAY.

As we continue to drive Sri Lanka's digital transformation, Dialog remains committed to delivering 'The Future. Today.' Our unwavering dedication to innovation, passion, and visionary thinking has allowed us to consistently stay ahead of the curve and push boundaries, creating breakthrough technologies that pave the way for a better tomorrow.

During the year under review, we hosted the Google I/O Extended Sri Lanka 2022 tech event in the Metaverse, drawing over 200,000 viewers and launched 'Futureverse', Sri Lanka's first fully immersive and interactive Metaverse. In addition, we launched the 'Nonvoice' Metaverse featuring Augmented Reality games, and the 'Divinci Digital Arts Competition' to further promote the Metaverse experience in the country.

We also introduced Google Assistant-based customer care support in Sri Lanka, providing instant resolutions for Dialog Mobile, Television, and Home Broadband inquiries. Furthermore, we inaugurated a state-of-the-art innovation-focused space, Dialog Future Zone, located at the Lotus Tower, offering the latest advancements in areas such as 5G, Internet of Things (IoT), Artificial Intelligence (AI), and Virtual Reality (VR) to the public.

Dialog also continued to empower the next generation of innovators through the 'Future Zones' established at 12 leading universities and research institutions to incubate innovative thinking and entrepreneurship.

Our commitment to delivering 'The Future. Today.' remains unwavering, and we look forward to continuing our mission to transform Sri Lanka into a digital nation.

CONNECTIVITY

Despite significant challenges faced by our network operations due to frequent power outages and fuel shortages in the country, our dedicated teams have ensured uninterrupted connectivity by operating generators on marine fuel at critical sites. We have also deployed Lithium-ion batteries throughout our network to improve power backup at site locations, increasing our network resilience against commercial power outages.

"Our commitment to delivering 'The Future. Today.' remains unwavering, and we look forward to continuing our mission to transform Sri Lanka into a digital nation."

To reduce site-level energy consumption, we have implemented various measures such as dynamically shutting down capacity during non-peak times and implementing dynamic power control of sites using DTV satellite connections. Our innovative analytic models have also helped us reduce energy costs and optimise the usage of grid, battery, and solar power, as well as identify spoofing traffic and eliminate revenue losses.

- **4G LTE - Broadband for All**

Despite challenges, we remain committed to our mission of connecting every corner of Sri Lanka. Our efforts have resulted in Dialog achieving a new tower count record in Sri Lanka with over 4,700 mobile 4G sites by the end of 2022, achieving 95% 4G data population coverage and extending coverage to even the most remote rural areas using Green Field towers. Furthermore, to ensure uninterrupted mobile connectivity for railway commuters and support Mission Critical Communication Solutions (MCS) for SL Railways, we have deployed 328 lamp poles and macro towers along railway tracks throughout the country.

To bridge the digital divide and provide access to connectivity in remote rural areas that are difficult

"'Dialog', Sri Lanka's Most Valuable Brand for the fourth consecutive year...maintaining our AAA brand rating... These accolades serve as a clear affirmation of the profound and lasting impact that the Dialog brand has had on Sri Lankans."

to access, we launched 'Sew Desatama Dialog', an initiative that has expanded connectivity to 1028 villages. We continued to support 'Gamata Sanniwedanaya', an initiative by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), in facilitating this shared ambition.

Our commitment to ensuring uninterrupted connectivity has been recognised by global network testing leaders, with Dialog being adjudged the overall winner by a leading third-party crowdsourced Network Experience Measuring agency.

- **5G - Next Generation Connectivity**

As we move towards a future of faster and more connected technologies, 5G is emerging as a game-changer in the telecommunications industry. Dialog has been at the forefront of this technological revolution since becoming the first telecommunications service provider in the South Asian region to demonstrate 5G capabilities back in 2018.

I am proud to announce that we have achieved yet another milestone by becoming the first in South Asia to successfully trial the 5G Standalone (5G SA) network, the most advanced 5G technology in the world. We have also successfully conducted 5G trials of 200MHz each in the 3.5GHz band and 400MHz in the 27GHz band for mmWave. We understand the importance of 5G technology in driving innovation and enabling a new era of digital transformation. As such, we are continuously investing in our infrastructure and capabilities to ensure that we remain at the forefront of this revolution. Our aim is to expand our 5G footprint when TRCSL allocates 5G spectrum for commercial use.

SRI LANKA'S MOST VALUABLE BRAND - DIALOG

I am pleased to report that Dialog Axiata continues to be a leading force in Sri Lanka's telecommunications industry, driven by our unwavering commitment to our purpose of enriching the lives of Sri Lankans and empowering our nation.

Our brand slogan, "The Future. Today.", encapsulates our commitment to innovation, responsible leadership, and continually striving towards excellence. It is this commitment that has led to our recognition as Sri Lanka's Most Valuable Brand for the fourth consecutive year, with a brand value of Rs. 54 Bn, as well as maintaining our AAA brand rating for the third consecutive year and our title as the Most Valuable Telecommunications Brand for the fifteenth consecutive year.

We are humbled by the trust Sri Lankans have placed in us, as reflected in Dialog being voted as the 'Telecommunication Brand of the Year' for the unprecedented eleventh consecutive year and 'Service Brand of the Year' for the third year running at the esteemed SLIM-KANTAR People's Awards 2022. These accolades serve as a clear affirmation of the profound and lasting impact that the Dialog brand has had on Sri Lankans.

We remain committed to developing purpose-driven solutions, ensuring equitable access to the benefits of a digital society while continuing to support the communities we serve. As a brand that is committed to empowering the Champions of Tomorrow, we proudly continued to extend our unwavering support

Group Chief Executive's Review of Operations

to Sri Lanka National Cricket, Volleyball, Netball, Esports, Schools Cricket, and Schools Rugby, while also supporting Paralympic sports - by powering the National and Army Para Games and the Sri Lankan contingent to the World Paralympic Games.

SERVICE FROM THE HEART

At Dialog, we remain steadfast in our commitment to delivering exceptional customer service from the heart. Our unwavering commitment to 'Service from the Heart' has inspired us to create a lasting impact that resonates with our customers. This year, we have achieved significant milestones in our customer service initiatives, which I am proud to share with you.

Our Club Vision's complaint resolution team has proactively and positively addressed customer concerns, resulting in enhanced loyalty and satisfaction. Moreover, Dialog Enterprise has expanded its customer touchpoints to include a Self-help IVR and USSD #356# service, empowering customers with transparency and control while enhancing their overall experience. We have also expanded our "DIA" virtual interactive assistant to Viber and Instagram, catering to the younger generation and strengthening our digital care offerings.

The 'MyDialog' Web and App have facilitated a smooth transition for customers between digital channels, thus providing an exceptional experience. In addition, the 'MyDialog' digital self-care app remains the most downloaded telecom application in Sri Lanka with over 8 Mn customer registrations and ranks among the top mobile applications in the country. The introduction of Net Easy Score, which evaluates Customer Effort across diverse channels, has further facilitated efficiency and simplicity, across both traditional and digital platforms.

We have integrated Google Assistant to provide voice assistance for a range of Dialog products and services,

"I would like to express my gratitude to our customers, employees, and stakeholders for their unwavering support in our mission to deliver Service from the Heart."

showcasing our commitment to exceptional customer experience. We have also optimised over 420 customer journeys, enabling faster and more proactive action for service gaps across multiple touchpoints.

As a result of our efforts, Dialog has maintained its #1 status in Net Promoter Score (rNPS), with a 14pp lead over our competition and a 20% reduction in complaints. Moreover, our Customer Interaction Centre was certified as a Great Place to Work, named among the 50 Best Places to Work in Sri Lanka, and recognised as one of the 15 Best Workplaces for Women. Dialog was also awarded the CXPA "Council's Choice" Asia Innovation Award for our customer-driven innovation of the VoC insights and actions platform.

In closing, I would like to express my gratitude to our customers, employees, and stakeholders for their unwavering support in our mission to deliver 'Service from the Heart.' We remain committed to providing exceptional customer service, driving innovation, and empowering Sri Lanka's digital future.

DIGITAL, ANALYTICS AND AI

Digital transformation is at the heart of Dialog's commitment to providing exceptional services to our customers. Over the past year, we have focused on empowering our functional units to improve customer service and operational efficiency through digital adoption.

We initiated a cloud migration of our analytics ecosystem, leading to improved reliability, faster adoption of analytics, at optimized costs. By adopting a data-driven approach, we have also prioritised improving customer experience, enabling us to provide personalised products and offers that meet our customers' needs.

Our analytics-based sales approach has helped us grow sales with an 86% lead-to-sale conversion rate. Additionally, we have digitised our retail process, eliminated paper usage in operations, and introduced digital POSM for channel communication and consumer education. The lead planning tool we introduced has streamlined our sales process and improved overall efficiency.

Our efforts have been recognised by the TM Forum's AI Maturity Index, which shows that our Group AI Maturity has increased from 50% to 80% in 2022. We upskilled and reskilled over 50% of our workforce and more than 100 experts in the latest Analytics technologies, ensuring our team is equipped to embrace the changes and drive our progress forward.

Finally, the Analytics at the Edge Programme has successfully democratised analytics use across the organisation. Our commitment to digital transformation has yielded impressive results, and we look forward to continuing to innovate and improve our services for our customers.

ORGANISATIONAL TRANSFORMATION AND CULTURE

At Dialog, we take pride in our role as Sri Lanka's premier connectivity provider, and our 3000-strong Api Dialog family's contributions to delivering The Future. Today. Despite the challenges we faced in the past year, our team persevered with resilience, determination, and competence, guided by our 'One Team' ethos.

Our commitment to empowering our people and cultivating a culture that values diversity, inclusion, accountability, and growth has been instrumental in achieving 'Exceptional Performance.' As an equal opportunity employer, we ensure fairness throughout the employee lifecycle, with a merit-based recruitment process and policies reflecting this commitment. We also have policies in place to protect our employees from any form of harassment, including sexual harassment and forced employment, and we offer various speak-up channels, including a Whistleblowing facility.

In 2022, we made significant progress in our talent development initiatives. We offered over 1900 unique training programmes, totalling over 47,000 man-hours of learning, driven by hybrid learning methods. We also launched a GIG economy model to motivate staff and improve performance, and our Talent Management team delivered several programmes to enhance our employees' skills and communication abilities.

We also launched multiple employee recognition and talent promotion programmes, coffee sessions with the Senior Leadership, and a one-stop portal for employees. Additionally, we digitised our HR processes, deployed an ABAC chatbot, and introduced a health screening package for all employees.

As a result of our efforts, Dialog obtained the highest level of achievement on the Annual Axiata HR assessment. Our Sustainability Report for 2022 discusses in detail the contribution of our people towards driving the Company forward. We remain committed to cultivating a diverse, inclusive, and accountable culture that values our employees' growth and empowers them to achieve their full potential.

SUSTAINABILITY

At Dialog, we understand that our success is directly linked to the well-being of our planet and the communities we serve.

Group Chief Executive's Review of Operations

Empowering and Enriching Lives

The prevailing economic crisis has had a profound and detrimental impact on our communities, affecting various aspects of people's lives. The shortage of foreign reserves has led to challenges in importing essential commodities, resulting in a severe food crisis and inflation. The scarcity of medical supplies, fuel, and electricity has also hindered the provision of essential healthcare services. The deteriorating macro-fiscal conditions disproportionately affected disadvantaged households, particularly children - with persistent school closures and disrupted education.

As a socially responsible corporate citizen, we recognise our responsibility to extend a helping hand to communities in need during times of great adversity. Guided by our purpose and our values of 'Responsible Leadership' and 'Service from the Heart', Dialog took the initiative to support communities that were disproportionately affected during these challenging times.

Empowering Communities

We launched several initiatives to aid vulnerable families and communities during the past year, guided by our purpose of enriching lives. One of these initiatives is 'Manudam Mehewara', which provided emergency aid to over 119,000 vulnerable families across all 25 districts in the country in 2022. We also launched Karuna.lk, Sri Lanka's first crowdfunding platform with verified and trusted non-profits, organisations, and causes, to bring together like-minded people who want to take action and help fellow Sri Lankans and communities in need.

Furthermore, to support the viability of entrepreneurs against the backdrop of challenging economic conditions, we powered the 2022 edition of the Venture Engine start-up acceleration programme, as we have done since its inception in 2012. Through these initiatives, we strived to positively impact communities and foster economic growth and development across Sri Lanka.

"Manudam Mehewara provided emergency aid to over 119,000 vulnerable families across all 25 districts... We also launched Karuna.lk, Sri Lanka's first crowdfunding platform"



Health Care

We have maintained our steadfast commitment to empower the healthcare sector of the nation, especially during these challenging times. As part of our continued efforts, we donated crucial oxygen concentrators to the Ministry of Health, which were distributed to 12 hospitals in-need across Sri Lanka. Additionally, we partnered with Doc990 to provide essential consumables for blood gas analyzers to the Cardiothoracic Intensive Care Unit (CTICU) at the Lady Ridgeway Hospital. This donation of medical consumables enabled the hospital to provide critical and life-saving medical care to children, helping to ensure that cardiothoracic surgeries can continue uninterrupted.

Education

We have continued to uphold our commitment to providing uninterrupted education to every child in Sri Lanka. Our flagship digital education product, 'Zero Worries on Data' (ZWOD), empowers academic institutions to deliver uninterrupted teacher-student digital engagement, without worrying about solution

management or maintenance. We continued to expand Nenasa TV, Sri Lanka's largest free digital education platform, to benefit students, irrespective of their location or internet access.
We also concluded our initiative in offering data scholarships to 100,000 school children in-need. Moreover, we continued to empower all Child Development Centres across the country with free connectivity as part of our efforts in enabling equitable access to education for all. In addition, we conducted Tech Workshops for Kids in collaboration with Magicbit, certified by STEM.org, with the aim of providing equal access to learning opportunities for all Sri Lankan children. We remain committed to bridging the education gap, promoting inclusivity, equity, and leveraging technology to deliver quality education to every child in Sri Lanka.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

We strive to create a positive impact through our operations and business practices. As a responsible corporate citizen, we prioritise sustainability in all our activities, including reducing our carbon footprint and promoting diversity and inclusion in our workforce. We believe that businesses must play a crucial role in addressing the pressing environmental and social challenges of our time, and we are fully committed to doing our part.

In the year under review, we took steps to advance our environmental agenda and support climate action goals. To reduce our carbon footprint, we introduced several measures across our organisation, such as the implementation of data monitoring mechanisms in our office buildings under the Smart Building Monitoring Project (IOT), the installation of solar to minimise fuel and grid energy consumption at base station sites. We implemented a total of 167 new solar sites with a total capacity of 701.78 kW in 2022 and plan to add 976 new solar sites with a total capacity of 5,373.52 kW in 2023.

Besides our carbon emission reduction efforts, we focused on waste management initiatives. We recycled 6.17 tonnes of paper waste generated at our office locations in 2022. We also collected and recycled 706.17 tonnes of company-generated e-waste within the same year. Moving forward, we will continue prioritising sustainability and exploring new ways to reduce our environmental impact while making positive contributions to the communities we serve.

Earlier in this review, I referred to the various initiatives we conducted to support disproportionately affected communities and the nation at large, while taking care of our customers and employees during challenging times. Moreover, we made significant progress in our social efforts as part of our overall ESG agenda, highlighting our commitment to sustainability.

We launched the 'Diriya.lk' initiative in collaboration with the Centre for Entrepreneurship and Innovation to provide faster access to information on material topics for SMEs in Sri Lanka. We also empowered women and broke biases through the 'Aya' initiative, organised by the State Ministry of Women and Child Development. Our Ideamart for Women initiative continued promoting digital entrepreneurship and improving technical skills for women through ICT facilities and training. In addition, we joined hands as the Platinum Sponsor for the 11th edition of the 'Top50' Professional and Career Women Awards, recognising extraordinary women across industries.

Our mobile phone-based agricultural information service 'Govi Mithuru' provided crop cultivation advisory content to over 200,000 users, supporting close to a million families with sustainable and comprehensive crop advisory services on 32 crop varieties.

We continued to digitally enable persons with disabilities through initiatives such as the Ratmalana Audiology Centre and Jaffna Speech Therapy Centre,

Group Chief Executive's Review of Operations

which provide services free of charge to low-income members of the public and students at Ceylon Schools for the Deaf. In 2022, Dialog joined the GSMA Assistive Tech Programme to drive greater access and use of mobile technologies for persons with disabilities and maximise opportunities for social and economic inclusion.

In line with our ESG agenda, we made significant progress in the areas of Business Ethics and Compliance, as well as Data Privacy and Cybersecurity.

Dialog's emphasis on adherence to regulations sets it apart from its peers, positioning it as a leader within its industry both locally and regionally. The company's compliance framework is designed to guarantee complete compliance with the relevant laws and regulations in each of its core business areas.

We published our revised Anti-Bribery Anti-Corruption policy, which addresses various areas such as conflict of interests, facilitation payments, political contributions, and more. Our Anti-Bribery Anti-Corruption policy addresses the areas (but not limited to) - conflict of interests, facilitation payments, and political contributions. The implementation of the 'Gifts, Donations, and Sponsorships' policy, where Dialog has adopted a "No Gift" policy both offering and receiving, thus assures our unwavering. commitment towards "Uncompromising Integrity". Additionally, we implemented various measures such as the Supplier Code of Conduct, Supplier Declaration Form, mandatory Anti-Bribery Anti-Corruption training for all employees, and the inclusion of ABAC clauses in contracts with suppliers and partners.

At Dialog Axiata, we take data privacy and cybersecurity seriously. To ensure the protection of our customers' personal information, we have taken significant steps such as publishing our Personal Data Privacy Policy & Privacy Notice and conducting mandatory training for all employees on Cyber Security and Data Privacy. Additionally, we have adopted

"Dialog achieved a significant milestone when it was recognised as the Overall Winner of ACCA Sustainability Reporting Awards in 2022"

internationally recognised standards such as the NIST Framework, AICPA/CICA, and CMMI Privacy Maturity models to enhance our cybersecurity and data privacy practices. We have assessed the privacy controls in 25 critical applications and systems that process or store PII data at Dialog and ensured compliance in subsidiaries as well.

Our efforts have been recognised by Transparency International Sri Lanka, which ranked Dialog among the top 100 public listed companies in Sri Lanka that are fully transparent in their Anti-Corruption programme reporting. We are proud to be recognised as one of the only three companies to reported as fully transparent on anti-corruption programme reporting and are committed to maintaining the highest level of integrity.

After over two decades of working towards our purpose of 'enriching and empowering lives and enterprises,' Dialog achieved a significant milestone when it was recognised as the Overall Winner of ACCA Sustainability Reporting Awards in 2022, as well as the winner of the General Services Category. These prestigious awards were presented by the Association of Chartered Certified Accountants (ACCA, UK) and were a testament to our transparent and informative disclosure of our sustainability performance, highlighting our unwavering commitment to continuous improvement. Further, Dialog was recognised at the e-Swabhimani Awards 2021 for its outstanding digital inclusion and community investment initiatives, including Sayuru, Yeheli, and Saru and their contribution to inclusion, empowerment, and environmental sustainability.



Dialog team receiving the Overall Winner award and General Services Category Winner award at the ACCA Sustainability Reporting Awards 2022.

The recognition from these awards serves as evidence of Dialog's unyielding dedication to sustainability, which are firmly rooted in our core values of "Service from the Heart, Responsible Leadership, Creating the Future, Championing Change, Uncompromising Integrity, Exceptional Performance, and One Team."

Sustainability is at the core of our business model and is embedded in everything we do. We are committed to continuously improving our impact to society and the standard of sustainability reporting. We will continue to work towards a sustainable future for all our stakeholders.

To learn more about our work in Sustainability and ESG, we encourage you to read our Sustainability Report for FY 2022.

OUR COMMITMENT TO SRI LANKA AS THE LARGEST FDI

We are proud of our role in driving the digital transformation of Sri Lanka and contributing to the country's growth and prosperity. Our efforts have helped to bridge the digital divide and create a more digitally inclusive society, leading to a stronger economy for all. As a result, Dialog Axiata has played a significant role in generating revenue for the Government of Sri Lanka, and contributing to the nation's overall growth and the well-being of its citizens.

In the year under review, the Dialog Group remitted a total of Rs. 35.7 Bn to the Government of Sri Lanka, comprising Rs. 13.3 Bn in direct taxes and levies and Rs. 22.4 Bn in consumption taxes collected on behalf of the GoSL. We invested approximately Rs. 52 Bn in 2022, and also entered into two supplementary agreements with the Board of Investment of Sri Lanka for the investment of an additional sum of USD 152.4 Mn (Rs. 56.7 Bn) in Sri Lanka's Telecommunications and ICT Infrastructure. This investment included USD 112.8 Mn from Dialog Axiata PLC and USD 39.6 Mn from our subsidiary Dialog Broadband Networks (Private) Limited.

To further enhance and expand broadband connectivity across Sri Lanka, we secured a foreign direct investment of USD 150 Mn from the International Finance Corporation (IFC). This loan facilitated Dialog to upgrade its existing sites and construct new 4G sites, improve its network capacity, and expand its fibre optic network coverage. Additionally, we plan to execute updates to enhance both the capabilities and efficiencies of our core network operations.

We are honoured to hold the position of the largest FDI in the country, with a total investment of USD 3.2 Bn since inception, a position we share with our valued shareholders.

OUTLOOK FOR THE FUTURE

As we look towards the future, Dialog remains committed to driving Sri Lanka's digital transformation forward and building a more sustainable future. Despite the challenges that we face, we are determined to provide inclusive and equitable access to technology, paving the way for a brighter and more prosperous Sri Lanka.

We will continue to focus on empowering people and businesses, enabling them to reach their full potential. I am excited about the positive impact we can make together and the transformative role that Dialog can

Group Chief Executive's Review of Operations

"We extend our heartfelt thanks and appreciation to our customers for their unwavering loyalty and patronage."

play in shaping the future. Our unyielding dedication to providing best-in-class services to our customers remains steadfast, as we persist in exploring new avenues for growth.

The economic crisis created a significant impact on Dialog's financial performance and returns to our shareholders. We will be focusing our immediate efforts on restructuring business operations and lowering our cost base through simplification, delayering and adoption of digital platforms while maintaining aggression in the market and growth focus.

However, to ensure long term sustainability of our business, it is important to accelerate the changes to existing market structure. We were able to take the first step towards this end with our recent agreement with Bharti Airtel Limited to combine the operations of Bharti Airtel Lanka (Private) Limited with Dialog. This represents an exciting milestone in our efforts to consolidate our operations in Sri Lanka and enhance long term sustainability.

We believe these efforts will help improve returns to our shareholders who have consistently supported our journey over the years.

APPRECIATIONS

Reflecting on the past year, I am inspired by the outstanding dedication and excellence displayed by the Dialog team and our partners. In the face of unprecedented challenges, they have shown remarkable resilience and perseverance, empowering and enriching the lives of Sri Lankans and enterprises across the country. We extend our heartfelt thanks and appreciation to our customers for their unwavering loyalty and patronage. We value them as an essential part of our success and are committed to exceeding their expectations.

I express my gratitude to our shareholders for their continued confidence in Dialog as we pursue our ambitious digital agenda. On behalf of the Dialog team, I extend my thanks to Axiata Group Bhd for their steadfast support in enabling our success.

I would like to thank the Sri Lankan Government and its entities, including the Telecommunications Regulatory Commission of Sri Lanka, Central Bank, Ministry of Telecommunications and Digital Infrastructure, Board of Investment, ICT Agency, and Ministry of Mass Media and Information, for their invaluable support. Their cooperation has been instrumental in enabling Dialog to significantly contribute to the development of the country's telecommunications and digital infrastructure.

Finally, I would like to express my sincere appreciation to our Chairman, Mr. David Nai Pek Lau, and my esteemed colleagues on the Board for their strategic vision and wise counsel. Their leadership and guidance have been crucial in shaping Dialog's direction and success, and I am grateful for their unwavering support.



Supun Weerasinghe
Director / Group Chief Executive

02 May 2023

Board of Directors







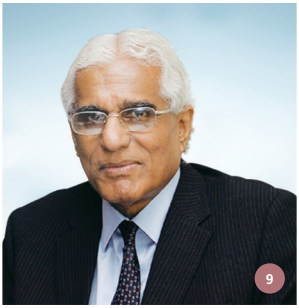














Board of Directors

1

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 with effect from 1 July 2020 and as a member of the Board with effect from 13 May 2020.

Mr. Lau has over 35 years professional experience in finance and leading financial organisations in various locations in Australia, Brunei, China, Malaysia, New Zealand, Netherlands and UK. Mr. Lau retired from Shell Malaysia in August 2011 after serving the Shell Group for about 30 years. His major assignments include the Finance Director for Shell Malaysia, Finance Director for Shell China, Global Controller for the Exploration & Production Division of Royal Dutch Shell, and Vice-President Finance for Shell International Exploration and Production B.V., in the Netherlands.

Mr. Lau was an independent Non-Executive Director of Axiata Group Berhad from April 2008 to July 2020, the last 2 years as the Senior Independent Non-Executive Director. From June 2009 to October 2020, he was an Investment Panel member of the Malaysia Employees Provident Fund. He is also a board member of Malaysia Airlines Berhad, Heineken Malaysia Berhad, and KKB Engineering 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.

2

MR. SUPUN WEERASINGHE

Group Chief Executive / Non-Independent, Executive Director

Mr. Supun Weerasinghe was appointed as the Group Chief Executive and as a Member of the Board of Dialog Axiata in January 2017.

Mr. Weerasinghe commenced his career in telecommunications at Dialog Axiata in 1999 and held multiple roles, such as Head of Strategy and CEO of the Mobile Business before being appointed as Group Chief Operating Officer of Dialog Axiata in 2010.

In 2013, he was seconded to Axiata Group Berhad, in Malaysia as its Group Chief Strategy Officer. From January 2014 to October 2016, he functioned as the CEO and Managing Director of Robi Axiata Limited in Bangladesh, the second largest mobile network provider in Bangladesh.

Mr. Weerasinghe serves on several Boards of subsidiary and associate companies of Dialog as well as UNGC Network Sri Lanka.

Mr. Weerasinghe 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 also holds an MBA from the University of Western Sydney, Australia and is an alumnus of the Harvard Business School.

3

DR. HANS WIJAYASURIYA

Non-Independent, Non-Executive Director

Dr. Hans Wijayasuriya was appointed to the Board of Dialog Axiata on 19 January 2001.

Dr. Wijayasuriya joined Dialog Axiata's founding management team in 1994, and subsequently functioned as the Group Chief Executive of the Company from 01 September 1997 to 31 December 2016.

Dr. Wijayasuriya currently holds the position of Group Executive Director and CEO of Telecommunications Business of the Axiata Group. Dr. Wijayasuriya serves on the Boards of several Axiata Group Companies and is also a Member of the Board of Directors of the GSM Association - the worldwide association governing the Global Mobile Industry. Dr. Wijayasuriya is a past Chairman of GSM Asia Pacific - the regional interest group of the GSM Association.

In 2016, the GSMA, honoured Dr. Wijayasuriya with the 'Outstanding Contribution to Asian Mobile Industry' Award - the highest honour at the Asia Mobile Awards.

Dr. Wijayasuriya is the Immediate Past Chairman of the Ceylon Chamber of Commerce and currently serves on the Board of John Keells Holdings PLC as an Independent, Non-Executive Director and on the Board of Sri Lankan Airlines Limited as a Non-Executive Director. In 2008, Dr. Wijayasuriya was named the 'Sri Lankan of the Year' by Sri Lanka's premier business journal the LMD.

Dr. Wijayasuriya holds a degree in Electrical and Electronic Engineering from the University of Cambridge, UK, a MBA from the University of Warwick UK and a PhD in Digital Mobile Communications from the University of Bristol, UK. Dr. Wijayasuriya is a Fellow of the Institute of Engineering Technology of the UK (IET), and a Chartered Professional Engineer.

4

DESHAMANYA MAHESH AMALEAN PHD H.C.

Independent, Non-Executive Director

Mr. Mahesh Amalean was appointed to the Board of Dialog Axiata on 15 May 2014.

Mr. Amalean is the Chairman and Co-Founder of MAS Holdings (Private) Limited ("MAS"), the largest apparel tech company in South Asia and among the most recognised design-to-delivery solution providers in apparel and textile manufacturing. With a global community of over 118,000, today, MAS spans across 17 countries, with established design locations placed in key style centres across the world.

Mr. Amalean was conferred the title 'Desamanya' [Pride of the Nation - an honour awarded by the Government of Sri Lanka for "highly meritorious service"] in 2005 by the President of Sri Lanka in recognition of his service to the Nation.

In 2011, The Open University of Sri Lanka conferred an honorary doctorate (honoris causa) to Mr. Amalean in recognition of his contribution to the Country.

In 2013, Mr. Amalean was one of five global business leaders recognized with a UN Award at the Women's Empowerment Principles (WEP) inaugural Leadership Awards presentation where he received the award for *Cultural Change for Empowerment*. He was ranked amongst the Top 20 Progressive Asian Leaders by the World Business Magazine.

Mr. Amalean was honoured with the 'Humanitarian Award' at 2019 Femmy Awards organised by the Underfashion Club in New York, for his contribution in empowering people and uplifting the communities.

He is a visionary leader and is engaged in nurturing teams, uplifting communities and committed towards creating a sustainable future for the next generation. He strongly believes in attracting and investing in talent for future growth and has mentored several young leaders.

Board of Directors

Mr. Amalean completed his executive education in Strategic Leadership from Columbia University in New York (USA); and holds a Bachelor of Technology Degree in Chemical Engineering from the University of Madras (India).

5

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 and Chief Corporate Transformation Officer of PT XL Axiata TBK, a subsidiary of Axiata Group Berhad from 2006 until March 2018.

Mr. Timmermans commenced his career as an Expert in Finance at TVM Insurance Company and held strategic positions in KPN Netherlands from 1988 until 1997. Mr. Timmermans furthered his career and served as Finance Director of PT Bakrie Elektronik (Indonesia) and was appointed Vice President Business Control and Investor Relation of PT Telkomsel prior to his appointment as Director and Chief Financial Officer of PT XL Axiata (Indonesia) in 2006. In 2011, he served as a Director and Chief Operating Officer and in 2015 as Director and Chief Strategic & Transformation Officer of XL. He also served as a Non-Executive Director of Celcom Axiata Berhad from 2011 to 2017.

Mr. Timmermans currently serves on the Board Audit Committee of PT Lippo Karawaci Tbk Indonesia.

Mr. Timmermans holds degrees in Business Administration from the Business Administration and Economics School from the State University Groningen, Netherlands and Business Economics and Financing from the State University of Groningen, Netherlands.

6

MR. VIVEK SOOD

Non-Independent, Non-Executive Director

Mr. Vivek Sood was appointed to the Board of Dialog Axiata on 16 February 2019.

Mr. Sood was appointed as the Group Chief Executive Officer and Managing Director of Axiata Group Berhad ("Axiata") effective 24 March 2023. Prior to his appointment, Mr. Sood was the Group Chief Financial Officer of Axiata, a position he held from 2017.

Prior to joining Axiata, Mr. Sood held various leadership roles in the telecommunications and financial industry, as Executive Vice President and Group Chief Marketing Officer of Telenor Group Inc., Chief Executive Officer of Telenor India, Chief Executive Officer of Grameenphone Bangladesh, Chief Financial Officer of Telenor India and Chief Financial Officer and as Chief Operating Officer of Tata AIA Life Insurance.

Mr. Sood holds a Bachelor in Commerce from the University of Delhi and is a Qualified Chartered Accountant from India.

7

DATO DR. NIK RAMLAH NIK MAHMOOD

Non-Independent, Non-Executive Director

Dato Dr. Nik Ramlah Nik Mahmood was appointed to the Board of Dialog Axiata effective 13 May 2020.

Dato Dr. Nik Ramlah is an Independent, Non-Executive Director of Axiata Group Berhad, a position she has held since 2017.

She retired as Deputy Chief Executive of Securities Commission Malaysia ("SC") in March 2016, having served the organisation for 23 years. She has extensive experience in policy and regulatory reform, capital market regulation, Law reform and regulatory policy, corporate governance and Islamic finance. Prior to joining the SC, Dr. Nik Ramlah was an Associate Professor at the Faculty of Law, University of Malaya.

She is a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia, Institute for Capital Market Research Malaysia, Permodalan Nasional Berhad, Amanah Saham Nasional Berhad, edotco and United Malacca Bhd. Dr. Nik Ramlah is also a member of the Board of Directors of INCEIF University.

Dr. Nik Ramlah graduated with a Bachelor of Law degree with a 1st Class Honours from the University of Malaya, Malaysia and holds a Master of Laws and PhD in Law from the University of London, UK.

8

MR. AZWAN KHAN OSMAN KHAN

Non-Independent, Non-Executive Director

Mr. Azwan Khan Osman Khan was appointed to the Board of Dialog Axiata on 01 July 2020.

He held the position of being the Group Chief Operating Officer of Dialog Axiata from 2013 to 2016 and served as a Non-Executive, Non- Independent Director of Dialog Axiata from 2009 to 2012. Mr. Khan was the Deputy Chief Financial Officer of Axiata Group Berhad from November 2018 until April 2020. Prior to being appointed as the Deputy Chief Financial Officer of Axiata Group, he was the Deputy Chief Executive Officer of Celcom Axiata Berhad from 2016 until 2018.

Mr. Khan is also a board member of Smart Axiata in Cambodia and Chairman of the Board Audit Committee in Smart Axiata. He counts over 30 years of senior leadership experience across a range of companies, of which 15 years have been with the Axiata Group of companies in executive and board positions. His professional experience also includes extensive time with the Boston Consulting Group and Shell Malaysia.

Mr. Khan holds a Bachelor of Engineering in Electrical Engineering Degree (First-Class Honours) from the Imperial College, University of London, United Kingdom.

9

DR. INDRAJIT COOMARASWAMY

Independent, Non-Executive Director

Dr. Indrajit Coomaraswamy was appointed to the Board of Dialog Axiata on 1 February 2021.

Dr. Coomaraswamy has over 40 years of experience in policy making and providing economic advisory services on both macroeconomic and structural issues at national and intergovernmental levels. Dr. Coomaraswamy served as the 14th Governor of the Central Bank of Sri Lanka from July 2016 to December 2019.

He started his career in the Central Bank of Sri Lanka in 1974 and worked in the Economic Research, Statistics and Bank Supervision Departments of the Central Bank of Sri Lanka until 1989. From 1990 to 2008, he held several senior positions at the Commonwealth Secretariat, including Director, Economic Affairs Division.

Dr. Coomaraswamy currently serves on the Board of Tokyo Cement Company (Lanka) PLC as an Independent, Non-Executive Director and is also currently the Chairman of Lynear Wealth Management.

Dr. Coomaraswamy received awards as the "Sri Lankan of the Year 2016" (LMD) and "Central Bank Governor of the Year for South Asia" for the year 2017 (Euromoney Institutional Investor Group Plc). He also received the Sri Lankan national honour of "Deshamanya" in August 2019.

Dr. Coomaraswamy holds a B.A. (Hons) degree from the University of Cambridge, United Kingdom and a DPhil degree from the University of Sussex, United Kingdom. In addition, he has represented and led the Sri Lanka National Rugby team and has also played First Class Cricket in Sri Lanka.

Board of Directors

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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 senior official of the International Monetary Fund (IMF) and currently a member of the Presidential Advisory Group on Multilateral Engagement and Debt Sustainability advising the Government of Sri Lanka during the economic crisis. She joined the IMF through the Economist Program in 1986 and, during her 35-year career there, worked in positions of increasing seniority in its African, Asia and Pacific, European, and Western Hemisphere departments, as well as its Strategy, Policy and Review Department.

Prior to her retirement in November 2021, Dr. Coorey served for almost nine years as the Director of the Institute for Capacity Development (ICD), the IMF's department for capacity building. As Director - the most senior staff position at the IMF - she was instrumental in establishing ICD and providing strategic direction for the governance, management, and funding of the IMF's capacity building activities. She also oversaw the IMF's training for country officials world-wide and established its online programme which trained over 100,000 government officials in policy-oriented macroeconomics during her tenure.

Before heading ICD, Dr. Coorey was Deputy Director in the IMF's African Department, where she oversaw the IMF's work on many Sub-Saharan African countries including South Africa, Botswana, and Zimbabwe.

In addition, she led the department's financial sector work and research agenda. Dr. Coorey's experience at the IMF also includes surveillance work on the United Kingdom, Ireland, the United States, and Canada as well as program work on Korea, Estonia, Mexico, and the Dominican Republic. She served on the Investment Committee of the IMF Staff Retirement Plan and on the Editorial Committee of IMF Staff Papers. She was also a visiting researcher at George Washington University's Elliott School of International Affairs in Washington DC.

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.

Corporate Management Team



Corporate Management Team

1

PRADEEP DE ALMEIDA

Group Chief Technology Officer

Pradeep leads the Technology function of the Dialog Group. In addition, he leads the Cyber Security function as well. His portfolio spans across technology strategy, 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.

Pradeep joined Dialog Axiata in 1996 and holds a Bachelor of Science degree in Electronic and Telecommunication Engineering from the University of Moratuwa, Sri Lanka and is a Member of the Institution of Engineers of Sri Lanka. He is a Chartered engineer by profession. Over the course of his 27- year career in technology management, Pradeep has garnered extensive experience across multiple generations of mobile telephony technology leading up to the most recent 5G technologies. Pradeep is a regular speaker at technology forums.

2

SANDRA DE ZOYSA

Group Chief Customer Officer

Sandra is the Group Chief Customer Officer of Dialog Axiata, Chairperson of the Digital Customer Experience Expert Working Group for Axiata and Director of Dialog Business Services. In addition to her role at Dialog, she is on the Asia Leadership Council of CXPA USA, Advisory Board of CX Asia, Advisory Committee of Business Agility Fellowship Sri Lanka. Sandra is a founding member of SLASSCOM, the National IT / BPM Chamber in Sri Lanka, and the first female Chairperson, founding Board Member of the Women's Chamber for Digital Sri Lanka, founding member / Past Vice President of the Sri Lanka Institute of Service Management and the Customer Advisory Board of CX Network, UK.

Sandra's experience spans over 33 years and she has the distinction of being the first female and longest standing professional within the Mobile Telecommunications Industry in the country. She is the recipient of multiple global & local recognition for leadership, exceptional contribution and achievements within the sphere of Telco, Women in Management and Digital Customer Experience.

Sandra is a fellow of BCS, the Chartered Institute for IT, holds an Executive Master's in Business Administration from the University of West London, a certified Lean Six Sigma Black Belt practitioner and Scrum Master. She is the only Certified Customer Experience Professional and Recognized Training Provider in Sri Lanka for Customer Experience Professionals Association. Pursuing her passion to support women, children and encourage women tech-entrepreneurs, SLASSCOM Wtech was founded by her in 2020. Sandra volunteers her time mentoring underserved women and college students at the Global Mentorship Initiative. An avid Keynote Speaker, she has presented at over 300 global events and is a visiting lecturer at the University of Colombo School of Computing since 2009.

3

RENUKA FERNANDO

Group Chief Digital Services Officer

Renuka is a highly experienced, successful and well-regarded banker who has significant experience in the financial services industry spanning 39 years. She has vast exposure to implementing innovative strategies with a special focus on Digital transformations.

She has been leading Nations Trust Bank PLC (NTB) as the Director / Chief Executive Officer from 2012 to 2020, and has played a pivotal role in bringing the organisation to where it is today. During her stint with NTB she has played many senior leadership roles including Deputy Chief Executive Officer, DGM - Retail & 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 NV Sri Lanka. She has also worked at Banque Indosuez, Sri Lanka as Manager Corporate Banking and at Nederlandsche Middenstands Bank - Hong Kong.

Renuka is an Associate of the Chartered Institute of Bankers, UK and possesses a Higher Diploma in Business Administration (Banking). She has also completed an Advanced Management Programme at Harvard Business School.

4

UPALI GAJANAIKE

Group Chief Officer - Programme Management and Tele-Infrastructure

Upali currently holds the position of Group Chief Officer - Programme Management and Tele-Infrastructure. His portfolio includes Enterprise Programme Management, Supply Chain Operations, and Tele-Infrastructure Management including related commercial operations.

Upali joined Dialog in 1994 and his experience covers the management of Telecommunication and IT networks and systems. Prior to being appointed to the current role, he served the Group in the capacities of Chief Operating Officer - Dialog Broadband Networks and General Manager - Engineering Operations and Information Technology.

He holds a Bachelor of Science in Electronic and Telecommunication Engineering from the University of Moratuwa, Sri Lanka, and a Master of Business Administration from the University of Colombo, Sri Lanka. Upali is a Member of the Institution of Engineering & Technology (IET) UK, a Corporate Member of the Institution of Engineers Sri Lanka (IESL), and a Senior Member of the Australian Computer Society (ACS) Australia. He is a Chartered Engineer registered with the Engineering Council (UK).

5

SHAYAM MAJEED

Group Chief People Officer

Shayam currently holds the position of Group Chief People Officer and provides leadership to the Human Resources Functions 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 & Technology (IET) - UK, and a Chartered Engineer registered with the Engineering Council (UK).

6

AMALI NANAYAKKARA

Group Chief Marketing Officer

Amali is one of Sri Lanka's most renowned marketing professionals and a business leader, drawing from over two decades of experience in senior management positions both in Sri Lanka and overseas attached to leading global multi-nationals.

Named one of Sri Lanka's 10 Most Powerful Women in Business as ranked by Echelon Magazine, Amali is an honours graduate from the University of Colombo.

Corporate Management Team

She began her career at Unilever Sri Lanka, where she traversed multiple leadership roles, before her appointment to the Board in the capacity of Director, Foods & Personal Care.

Following her tenure at Unilever, Amali transitioned to the telecommunications sector where she was Managing Director and Chief Executive Officer of Bharti Airtel Lanka, before taking over as Group Chief Marketing Officer of Dialog. At Dialog, her portfolio encompasses the Marketing and Sales functions of the Group's multiple businesses. In August 2021, Amali was also appointed as a Non-Independent, Non-Executive the Board of Directors of Ncell Axiata, Nepal's largest mobile operator.

7

ASELA PERERA

Group Chief Information Officer

Asela assumed duties as the Group Chief Information Officer on the 1st of January 2022.

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 & Infrastructure for Telecommunications, Fintech and Digital Services businesses driving convergence.

Asela started his career at Dialog in 1999 and has held multiple roles in IT, including General Manager - IT, before being seconded to XL Axiata, Indonesia, in April 2016 as Vice President - IT.

Upon completion of his assignment at XL Axiata, Asela was appointed as the Vice President - IT in December 2017 and played a pivotal role in the success of the Digital Transformation drive at Dialog. At present, he is leading the Cloud Transformation initiative at Dialog, which resulted in moving and scaling Dialog's entire Analytics ecosystem to the Cloud, while modernising the legacy core IT systems.

Asela holds a Bachelor of Computer Science & 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.

8

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 center.

Navin holds a dual masters in the fields of General Management & 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.

9

DR. ROMESH RANAWANA

Group Chief Analytics and AI Officer

Dr. Ranawana brings a wealth of experience and expertise in the field of Analytics and Artificial Intelligence, having worked in multiple industries. Dr. Ranawana was a Co-founder, CTO and Managing Director of SimCentric Technologies (Pvt) Ltd and thereafter founded and functioned as the CTO of Tengri UAV. After exits from these companies, he founded Enterprise Machine Learning (Pvt) Ltd, a consultancy firm advising several multi-national organisations on their AI transformation.

Over the last year in his role as a consultant, Dr. Ranawana assisted Dialog and Axiata in the scaling of Analytics and AI across the Group and played a pivotal role in the AI Factory programme.

Dr. Ranawana holds a DPhil in Artificial Intelligence from the University of Oxford and a 1st Class Honors Degree in Computer Science from the University of Peradeniya.

In his capacity as the Group Chief Analytics and AI Officer, Dr. Ranawana will provide leadership to all Analytics and AI initiatives across the Dialog Group.

10

ANTHONY RODRIGO

Group Chief Innovation Officer & Chief Architect

Anthony has been with Axiata Group of Companies since 2010 as the Group Chief Information Officer and Chief Digital Services Officer of Dialog Axiata. He was appointed as the Chief Information Officer of Axiata Group in August 2017 and continues as Chief Innovation Officer & Chief Architect of Dialog Axiata.

Prior to joining the Dialog Group, Anthony was the Head of the North America Systems Integration Business for Nokia Siemens Networks. He was responsible for Solution Development, Systems Integration and Business Management of converged Fixed and Wireless solutions for communication service providers in North America. Anthony counts over three decades of experience in Europe, Asia and the Americas in Open Digital Architecture, Operations Support Systems / Business Support Solutions and Systems Integration, holding leadership positions at British Telecom, AT&T, Nokia, NSN and Hayleys.

Anthony holds a B.Eng from Kings College London, and an MBA from Regis University Denver, CO. USA. He holds several European and United States Patents in the area of Charging and Speech Recognition technology.

11

LASANTHA THEVERAPPERUMA

Group Chief Operating Officer

Lasantha assumed duties as the Group Chief Operating Officer on 15 September 2020.

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 Vice President Corporate Planning before being seconded to Axiata Group Berhad in February 2017 as the Head of Strategy.

Upon completion of his assignment at Axiata, Lasantha was appointed as the Group Chief Digital Officer in November 2018 and has been operating as the Executive Sponsor of the Digital Transformation drive for Dialog. He has been spearheading and leading this initiative for the last two years with tremendous success. He has been instrumental in driving an agile culture within Dialog and setting up the Analytics at the Edge programme which aims to deliver the next phase of Digital Transformation.

Corporate Management Team

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. Lasantha was awarded as the Leader of the Year at the inaugural Dialog Awards in 2011 and once again in 2013.

12

HONG ZHOU WONG

Group Chief Financial Officer

Hong Zhou joined Dialog Axiata as the Group Chief Financial Officer with effect from February 2022.

Hong Zhou counts over 22 years of experience in multiple industries and led many successful turnarounds and transformational realization in various corporate structures. He held senior leadership positions such as Country Controller / Director of Shell Companies of Malaysia and Cluster Controller of Shell Companies of Greater China, and he was the Deputy CEO / Finance Director of Shell Oman / UAE. Prior to joining the Axiata Group, Hong Zhou was the Senior Vice President, Group Controllership of Golden Agri Resources Ltd, based in Indonesia.

Hong Zhou graduated with a Bachelor of Commerce Degree in Finance & Marketing from the University of Adelaide, Australia and holds a Master of Business Administration from the University of Chicago Booth School of Business. Hong Zhou also earned certifications in the Blockchain Strategy Programme and the Fintech Programme from the Saïd Business School, University of Oxford.

In his capacity as the Group Chief Financial Officer, Hong Zhou provides leadership to the portfolios consisting of Group Finance, Group Business Control, Group Facilities Management, Group Corporate Finance and Group Supply Chain Management.

Business & Financial Review

GROUP

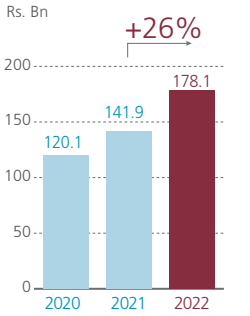
The Financial Year (FY) 2022 was one of the most challenging years in Sri Lanka's recent history marked by social unrest, political uncertainty and an economic crisis. The economic crisis resulting in steep deprecation of the Sri Lanka Rupee (LKR) against the United States Dollar (USD), USD liquidity shortage, galloping inflation, shortages of essentials including food, medicine and fuel posed innumerable challenges across all spheres of the society and the economy. The return of relative political stability in the second half of the year along with tough, yet essential, decisions being taken to stabilise the economy ushered in stability towards the year end. Accordingly, the exchange rate stabilised while the USD liquidity improved in the market while inflation and interest rates too commenced a declining path.

Group Financial Review

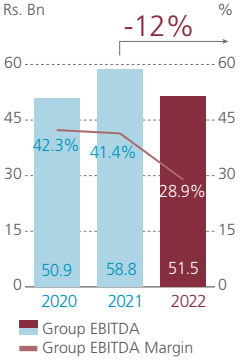
The consolidated financial performance of Dialog Group comprises Dialog Axiata PLC ("the Company") and the Dialog Axiata Group (the "Group") post-consolidation with subsidiaries and associates.

The Group concluded the Financial Year with a positive revenue performance across all business segments, namely, Mobile, Fixed, Digital Pay Television, International, Digital Platforms and Tele-infrastructure businesses. Group consolidated revenue was recorded at Rs. 178.1 Bn for FY 2022 demonstrating a growth of 26% Year-to-Date ("YTD").

Group Revenue



Group EBITDA



- Group Revenue recorded strong growth of 26% YoY
- Group Revenue excluding International business revenue grew 8% YoY
- DTV revenue recorded sharp growth of 14% YoY driven by subscription and advertising revenue growth
- DBN revenue up 54% YoY led by wholesale and Home Broadband revenue growth

- Decline in Group EBITDA driven by escalation in cost base one-off provisioning
- Group EBITDA margin declined 12.5pp to 28.9% mainly due to increased contribution from low margin businesses
- DTV EBITDA down 57% YoY due to forex releated escalation in cost base
- DBN EBITDA grew by 2% YoY driven by wholesale and Home Broadband revenue growth

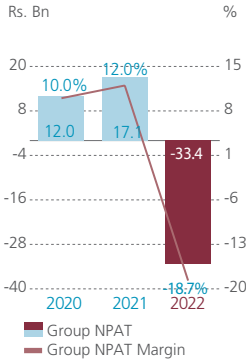
Business & Financial Review

Group total operating cost increased by a significant 52% YoY, driven by the expansion in LKR equivalent of USD denominated cost due to depreciation of the LKR against the USD by 82.3% during the year. The USD denominated cost mainly included international origination cost, Television related satellite and content cost, Network AMC, Bandwidth cost and cost related to H-One business. The operational cost rescaling initiatives carried out during the year helped curtail the overall cost base growth. These cost transformation initiatives collectively yielded a significant realisation of cost savings amounting to Rs. 13.7 Bn for FY 2022.

The concluded quarter featured one-off and non-cash provisions spanning organisation transformation and impairments totalling Rs. 12.1 Bn. These provisions were compelled by the changing business / macroeconomic landscape and the increase in company's weighted average cost of capital ("WACC") due to elevated market interest rates. Accordingly, an organisation transformation provision of Rs. 4.2 Bn, Goodwill impairment of Rs. 4.8 Bn and an asset impairment of Rs. 3.1 Bn were recognised in the fourth quarter of FY 2022.

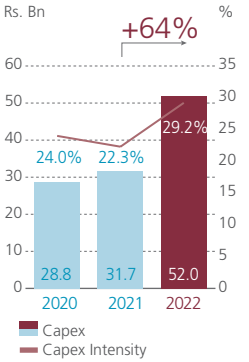
Underpinned by strong escalation in operating cost, Group Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") declined 12% YoY to reach Rs. 51.5 Bn for FY 2022.

Group NPAT



- Group NPAT loss underpinned by lower EBITDA performance, forex losses, higher depreciation and finance cost.
- Normalized for the one-off provisions, impairment and forex losses, the Group NPAT was recorded at Rs. 9.0 Bn for FY 2022.

Capex



- Capex directed towards network expansion adding over 450 new sites, capacity additions to over 2,100 sites and deployment of alternate energy solutions such as solar and Li-ion batteries to improve network availability.
- Capex intensity of 29%.

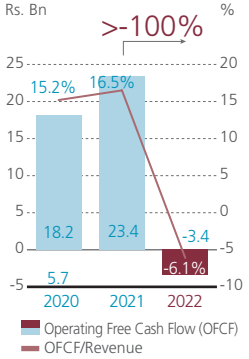
The achievement of this performance, amidst a challenging business environment, was underpinned by well-coordinated delivery of innovative and affordable service packs, superior network and customer experience. It also demonstrates the fruition of cost rescaling and resilience actions taken by the Group.

The Group Net Profit After Tax ("NPAT") recorded a loss of Rs. 33.4 Bn for FY 2022 underpinned by lower EBITDA performance, forex losses, higher depreciation and finance cost. Normalized for the one-off provisions, impairment and forex losses, the Group NPAT was recorded at Rs. 9.0 Bn for FY 2022, down 54% YTD.

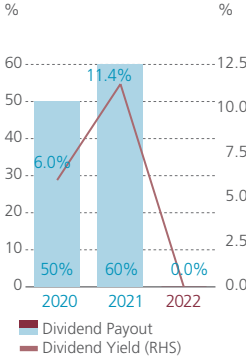
Dialog Group continued to be a significant contributor to state revenues, remitting a total of Rs. 35.7 Bn to the GoSL during the financial year ended 31 December 2022. Total remittances included Direct Taxes and Levies amounting to Rs. 13.3 Bn and Rs. 22.4 Bn in Consumption Taxes collected on behalf of the GoSL.

Group capital expenditure ("Capex") for FY 2022 was recorded at Rs. 52.0 Bn up 64% YoY, resulting in a Capex to Revenue ratio of 29%. The significant increase in Capex was due to expansion in LKR equivalent of USD denominated capex owing to LKR depreciation.

Operating Free Cash Flow (OFCF)



Dividend Payout and Dividend Yield



- OFCF was negative for FY 2022 resulting from escalated capex due to expansion in LKR equivalent of USD denominated Capex owing to LKR depreciation

- Given the NPAT loss mainly owing to forex depreciation and elevated cost a dividend was not declared out of FY 2022 profits

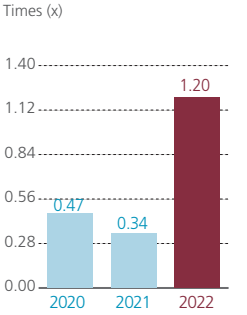
Business & Financial Review

The Group's steadfast commitment to meet growing demand from both retail and corporate sectors led to expansion in network by a further 450 new sites, capacity additions to over 2,100 sites and deployment of alternate energy solutions such as solar and Li-ion batteries to improve network availability.

The Group recorded a decline in its Operating Free Cash Flow ("OFCF") for FY 2022, reaching negative Rs. 6.1 Bn as a result of elevated capital expenditure during the year. The Group continued to exhibit a low geared balance sheet, with the Net Debt to EBITDA ratio being maintained at a healthy 1.2x as of the end of December 2022.

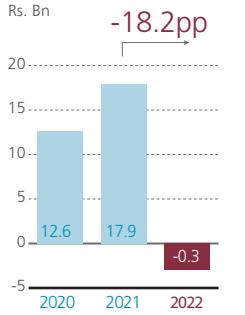
During FY 2022, Fitch Ratings reaffirmed the National Long-Term Rating of 'AAA (lka)' for the Group. This rating of 'AAA (lka)' with a stable outlook denotes the highest rating assigned by the agency in its National Rating scale for Sri Lanka. Fitch does not envisage any negative rating action in the medium term due to the standalone strength of the business profile, low financial leverage and implied support from the stronger parent.

Net Debt to EBITDA



- Group Debt position increased during the years mainly resulting from the re-valuation of the USD debt as the LKR depreciated steeply against the USD during the year
- Net Debt to EBITDA at 1.2x by end 2022

ROIC



- ROIC declined 18.2pp to -0.3% amid challenged profitability

DIALOG AXIATA PLC

Financial Review

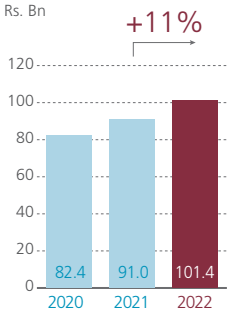
The Company's key businesses, Mobile, Tele-infrastructure and Digital Services contributed to 57% of the Group revenue in FY 2022. The Company revenue grew 11% YoY, to record at Rs. 101.4 Bn for FY 2022, driven by growth in both data and voice segments. The Company continued to maintain its market leadership position with a market share growth of 1.8pp during the year as the mobile subscriber base exceeded 17.2 Mn.

Both voice and data revenue benefited from innovative and affordable service packs, whilst data revenue performance was further supported by an increase in 4G adoption. Accordingly, voice and data revenue recorded a growth of 1% YoY and 12% YoY, respectively.

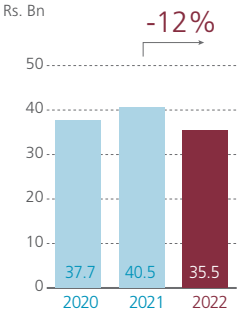
The Company profitability continued to be impacted by the higher network spend due to energy costs resulting from power cuts along with increase in operating costs driven by inflation, LKR depreciation and the one-off provisions as alluded to earlier. Accordingly, EBITDA was recorded at Rs. 35.4 Bn for FY 2022 representing a decline of 12% YTD.

The Company NPAT recorded a loss of Rs. 38.3 Bn for FY 2022 due to the increase in forex loss.

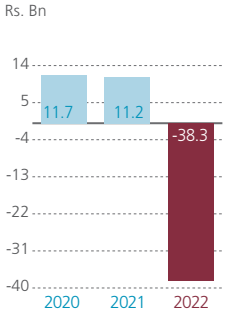
Revenue



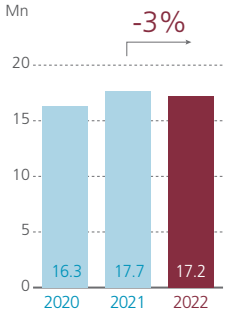
EBITDA



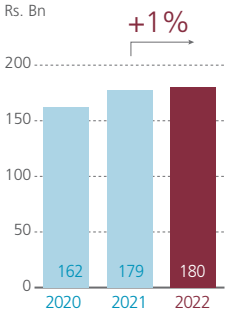
NPAT



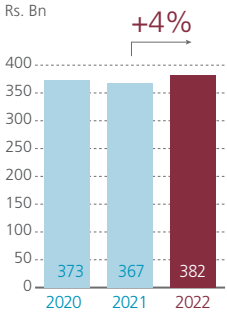
Mobile Subscribers



Blended MOUs



Blended ARPUs



Business & Financial Review

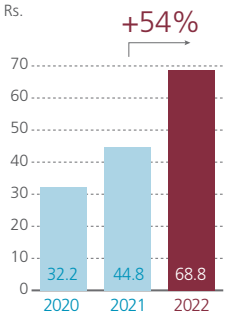
DIALOG BROADBAND NETWORKS

Financial Review

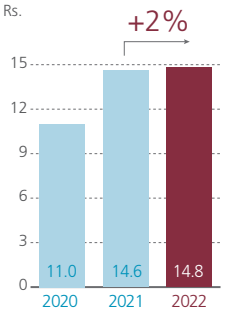
Dialog Broadband Networks (Pvt) Ltd (DBN) recorded a strong topline performance, supported by growth in International business and Home Broadband revenues. DBN revenue was recorded at Rs. 68.8 Bn for FY 2022, up 54% YoY. The International business contributed 62% to DBN revenue whilst recording a growth of 93% YoY. Fixed Broadband revenue and Data and Leased Lines revenue grew by 6% YoY and 18% YoY, respectively.

DBN EBITDA was up 2% YoY to reach Rs. 14.8 Bn for FY 2022. However, NPAT recorded a decline of 34% YoY to reach Rs. 3.3 Bn.

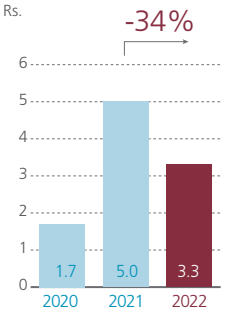
Revenue



EBITDA



NPAT



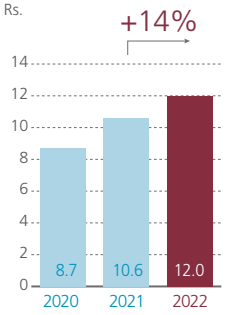
DIALOG TELEVISION

Financial Review

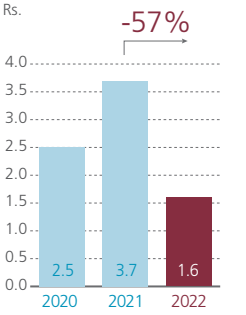
DTV continued to consolidate its leadership position in the Digital Pay Television space, despite the challenging environment, by maintaining its subscriber base of 1.7 Mn by 31 December 2022. The sharp currency depreciation and affordability challenges were countered to an extent via re-negotiations with content and satellite partners, rate revisions and churn management initiatives. As a result, DTV revenue recorded a strong growth of 14% YoY to reach Rs. 12.0 Bn for FY 2022.

DTV EBITDA recorded a sharp decline of 57% YoY at Rs. 1.6 Bn for FY 2022 due to currency deprecation as alluded to earlier. Downstream of EBITDA performance, the NPAT for DTV recorded a loss of Rs. 4.2 Bn for FY 2022.

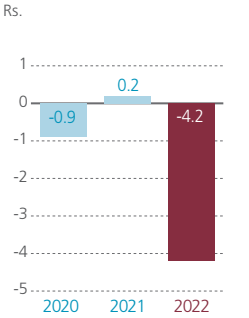
Revenue



EBITDA



NPAT



Business & Financial Review

Economic Outlook

Sri Lanka faced an unprecedented economic and political crisis in 2022. Most vital sectors witnessed a significant disruption and transportation-related services were halted or became exponentially expensive. Essential services such as Health and education were also affected due to the shortage of medicines, stationeries, and transportation difficulties.

Factories were largely under-operated, amid severe forex liquidity constraints, fuel shortages, power outages, widespread scarcity of key imported raw materials and other essentials, and the soaring cost of production, among other factors.

Domestic and global supply-side disruptions, the sharp depreciation of the Sri Lanka rupee against the USD, and demand pressures contributed to the steady rise in inflation which has hollowed out household purchasing power.

In the period thereafter, with the intention of helping the economy to transit to a stable and more sustainable footing, the government embarked on a reform programme through the introduction of a slew of measures.

The growth outlook of Sri Lankan economy is subject to high level of uncertainty and will depend on the progress in fiscal consolidation, debt restructuring, and growth enhancing structural reforms.

Industry Outlook

The telecommunications sector in Sri Lanka is one of the country's most dynamic sectors, contributing significantly, both directly and indirectly, to investment, employment, productivity, innovation, and overall economic growth. The telecommunications sector in Sri Lanka is responsible for substantial FDIs. Sri Lanka's telecommunication market has four mobile operators serving a population of 22 Mn.

Driven by Macro challenges, the telecommunications sector also recorded a contraction in terms of subscribers in 2022. Hence the multi sim behaviour in mobile segment depicted a sharp drop, where mobile-cellular penetration rate reduced to 130% in December 2022, which is 5 percentage points lower than last year. Similarly, Mobile-broadband subscriptions per 100 inhabitants recorded a decrease of 2 percentage points compared to similar period last year. Fixed Access Telephone Density marginally decreased whilst Fixed-broadband subscriptions penetration remained unchanged at 12.1%.

Industry faced significant operating and cost challenges during the year. Pro-longed power cuts affected the network availability and as a result, generators were running extended hours and consumed higher fuel. Escalation of operational activities, and operating cost resulting from the devaluation of the Sri Lankan Rupee, fuel cost increase, and the soaring cost of services and or materials affected the business profitability.

Mobile Voice and Data Leadership

The year witnessed the launch of multiple plans and packages to provide better value and service to customers and to meet increasing need for data and voice. Dialog enhanced the data experience by introducing the sharable data quota for the first time in Sri Lanka exclusively for Dialog Power Plan Customers. Further, the customers were also rewarded with nonstop video streaming via Unlimited YouTube, to meet the growing demand for YouTube with a proactive solution. In addition, Unlimited Dialog Power Plan customers were also offered with 100% Anytime Data, thereby enabling them to receive up to 50GB Anytime Data, along with its customary value propositions of Unlimited Calls & Unlimited SMS. Data rollover benefit was also introduced to the selected postpaid packs and affordable Anytime Data Only packs for prepaid were launched to cater to the high demand for anytime packs.

Adding to the Social Media experience, new ranges of fun blasters were introduced during the year. Fun Blaster 105 pack was introduced, with 15GB of Data with Facebook & WhatsApp addressing market demand for affordable social media packs. A new Prepaid Fun Blaster Rs. 297/- pack was introduced targeting the Instagram and TikTok savvy social media users with 30 days validity. Fun Blaster was further extended at Rs. 217/- including social media platforms such as Facebook, WhatsApp, Viber and IMO.

Special Free of charge 7-day validity package was launched to selected prepaid customers with 250 Mins, 250 SMS and 1GB Data in order to ease the burden of increasing wallet pressure.

Any network unlimited voice plans were launched for both prepaid and postpaid customers for the first time from Rs.155/- onwards with 30 days validity. Dialog to Dialog unlimited voice minutes was introduced to postpaid customers as an add-on "Call blaster Unlimited" starting from Rs. 100/-. Same was extended to Prepaid "Call blaster unlimited" plans starting from Rs. 495 /-.

As a digitisation initiative, self sim activation and door-step delivery was introduced partnering with Daraz and Kapruka. In addition, new recharge cards were released to the market with QR scan method, increasing the customer convenience.

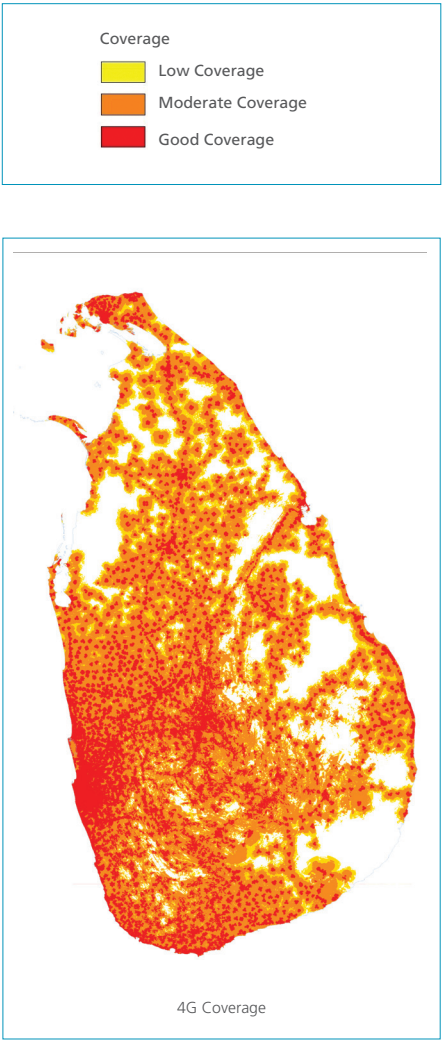
Mobile Network Leadership

The company continued to experience high data traffic demand, albeit within its capacity. The company continues to optimise its network and is well prepared to ensure our customers receive a reliable and consistent connectivity experience.

Dialog has surpassed 4,700 mobile 4G sites in its network by the end of 2022, the highest ever tower count recorded in Sri Lanka, as a result of its ongoing efforts to expand coverage and support customers during these unprecedented times. Dialog has also achieved 95% 4G Data population coverage, using Green Field towers to rapidly expand its coverage to deep rural communities and Lamp Pole solutions to meet urgent capacity requirements in dense areas.

Dialog's dedication to expanding its coverage footprint has been recognized by global network testing leaders, with Dialog being adjudged the overall winner by a leading third-party crowdsourced Network Experience Measuring agency; including the coveted titles of 'Best 4G coverage experience' and 'Fastest upload and download Speed experience'. The Company invested Rs. 43 Bn in Mobile network, which is 77% of Group EBITDA, with a focus on 4G Coverage and best user experience.

Mobile Coverage 2022



4G Coverage

Business & Financial Review

Dialog 5G

Dialog Axiata PLC, the first telecommunications service provider in the South Asian region to demonstrate 5G capabilities in 2018, announced the breakthrough achievement of becoming the first in South Asia to successfully trial the 5G Standalone (5G SA) network, the most advanced 5G technology in the world. This further advanced the nation's 5G journey and would enable more advanced use cases that require 5G SA support such as 'Ultra-reliable Low Latency Services (URLLC)' and 'Massive Machine Type Communication (MMTC)', that enable use cases such as autonomous driving and enhanced real-time immersive services such as AR/VR and massive IoT (Internet of Things).

Dialog showcased its 5G-ready advanced tech solutions including Digital Twin, Robot Arm, 360-Video, and Hologram, and the ground-breaking work conducted at its '5G Innovation Centres', and at the 'Google I/O Extended Sri Lanka 2022' in the Metaverse, held in May 2022. The event also featured Dialog's unparalleled Intelligent Video Content Analysis (IVCA) product portfolio and many more core innovations. Currently, customers can experience 5G Trial Network in over 80 locations island-wide. Implementing 5G will mean faster speeds & low latency for end consumers, providing limitless opportunities for individuals and enterprises.

Device Drive

The 2022 global smartphone shipments declined by 12% to 1.2 Bn units, the lowest since 2013 (source: Counterpoint). Similarly, a drop was experienced in Sri Lanka due to import restrictions and shortage of foreign currency. The company was able to improve the smartphone penetration amidst import and device availability challenges.

Dialog being the authorized reseller, partner network and eSIM service provider for Apple devices in Sri Lanka, launched the highly anticipated 5G ready Apple iPhone 14 series. Furthermore, Dialog, together with Samsung launched the Galaxy S22 series, Samsung Galaxy Flip 4 and the Samsung Galaxy Z Fold 4 enabling access to world's leading smartphones for all Sri Lankans which enables all Sri Lankans to experience Dialog 5G network experience. Dialog achieved 5G Download speeds up to 2.75 Gbps attaining significantly higher throughputs than current standards. Dialog launched Magicbit device, an easy-to-use STEM (Science, Technology, Engineering, and Mathematics) education platform to all children of Sri Lanka in partnership with Magicbits (PVT) LTD.

Innovation

2022 was a challenging year to all Sri Lankans, especially in terms of transportation and Dialog had to rely on technology for some of the annual tech events that were previously held with physical participation. Hence, during month of May 2022, Dialog Axiata PLC, Ideamart, and Innovation Foundry, in collaboration with the Google Developer Group Sri Lanka, hosted the highly anticipated tech event 'Google I/O Extended Sri Lanka 2022' in the Metaverse for the first time in South Asia. Drawing in over 200,000 viewers, the event empowered tech enthusiasts from across the country with an immersive and interactive Google I/O Extended Sri Lanka 2022 experience falling in line with Dialog's brand ethos of delivering 'The Future. Today'.

Learning from this metaverse experience and continuing to spearhead technology firsts in the country and the region, Dialog Axiata PLC, launched 'Futureverse' - Sri Lanka's first fully immersive, interactive and experiential Metaverse where people can shop for Dialog products and services, socialise, attend events, and play games in one persistent virtual world. Futureverse is an immersive and interactive virtual world where users can create their own custom avatars. This virtual world will enable visitors access to all Dialog products and services available at any Dialog Experience Centre, socialise with friends, watch movies, take part in workshops, and visit exhibitions. Adding to its immersive experience product portfolio, Dialog also launched the "Nonvoice" metaverse where consumers can have access to 10 amazing Augmented Reality games, apps and experiences in a single package. Another metaverse event, the "Divinci Digital Arts Competition" was held for digital artists to showcase their talent and for Dialog to popularize the metaverse experience among the public.

In addition to above, Dialog introduced Google Assistant-based customer care support for the first time in Sri Lanka. This enables android smartphone and Google Home Device users to get instant resolutions for their Dialog Mobile, Television and Home Broadband related inquiries through Google Assistant. Dialog customers can also check the active status of their prepaid or postpaid connections, check their outstanding bills, view reconnection eligibility and temporarily reconnect their Dialog accounts with ease via Google Assistant.

In December 2022, Dialog launched its "Future Zone" innovation center at the iconic Lotus Tower in Colombo. A proving ground for breakthrough technologies and a platform for innovations, Dialog Future Zone is now open to the public, featuring the latest in 4IR (4th Industrial Revolution) technologies. Here, Sri Lankans can experience emerging global tech trends, what's next in industrial applications and witness a nexus of technology designed for the future.

Dialog International Business

Dialog international business successfully navigated the year recording a >18% YoY growth in revenue and a ~20% YoY growth in net USD inflow due to significant growth in International Voice Wholesale, A2P and capacity & Data sales.

Fueled by the success of the previous cable investments, Dialog is also successfully proceeding with its 3rd submarine cable investment in partnership with Reliance Jio, which is expected to further enhance Dialog's capability to accommodate high bandwidth applications with the expected commercial launch of 5G.

Dialog's roaming wholesale business continued to pursue strategies to drive roaming revenue, along with healthy cost management. During 2022, Dialog was able to expand Preferred Roaming partnerships around the world with more than 138 individual partners and 25 Groups. In retail roaming, Dialog managed to introduce a new range of data plans for all customers to get a seamless, worry free travel experience with maximum data coverage and expanded 5G and VoLTE network coverage to provide enhanced service to customers. Overall, Dialog has partnerships with 695 Operators in 230 destination countries including 74 5G covered operators in 47 countries.

Value Added Services

Google DCB being the majority revenue generating service in the portfolio, had to be discontinued from Q2 2022 onwards, with a view to limit the exposure on foreign currency, resulting in a revenue drop. Several resilient initiatives were taken to diversify the customer experience along with new technology, localisation aspects. Further, Dialog partnered with Nonvoice to introduce a subscription service to offer a suite of metaverse and NFT (Non-Fungible Token) apps exclusively for Dialog customers, which will create a locally hosted culture with sustainable commercial models to grow the business from 2023 onwards.

Digital Services

Dialog Digital Services made changes to its internal operations and range of services in order to improve its ability to cater to the broader Digital sectors of FinTech, HealthTech, EduTech, and InsurTech. The effects of the Covid pandemic in 2020-21 and fuel and transport crisis during the year, resulting in a greater uptake of the company's digital services.

eZ Cash, the country's first and largest mobile money solution accounts for over 175,000+ system active wallets and 52,000+ merchant partners across the island. eZ Banking is a key feature introduced on eZ Cash which enables bank customers to deposit and withdraw money at chosen eZ Cash retailers. While it was launched with one major bank in 2022, there are plans to expand with other banks and financial institutes in 2023.

Genie, the first PCI-DSS certified mobile payment app grew by 8x in monthly Gross transaction value and doubled the one-month active base. Genie App which was rebranded and launched as a new app in 2021 as a comprehensive financial marketplace holds a registered customer base of 292,000+ and a merchant base of 3,000+ by the end of 2022. In addition, Dialog enabled digital stock trading on CSE via Genie

fintech platform, in which users can fund their trading account seamlessly using the payment instruments on the genie app which facilitates transfers from their genie digital saver and other bank accounts.

Genie Business, a fully-fledged mobile based merchant proposition was launched in 2022, focusing on financial inclusivity of the micro and medium merchants. It's a first in the market solution with 100% digital merchant onboarding whilst supporting trilingual functionalities.

The **Touch Corporate Fuel Solution** currently caters to 400 IOC, Laugfs and Ceylon Petroleum Corporation stations. Due to the increasing demand for cashless solutions in the context of the pandemic, Dialog plans to further expand its island-wide fuel network in 2023.

National Fuel Pass was launched together with ICTA, MillenniumIT ESP within a short lead time (~3 weeks) to ensure smooth functioning and distribution of fuel across the country during the fuel crisis in Sri Lanka. Since implementation, the National Fuel Pass platform has been successfully adopted by 98% of fuel stations across the country, with over 70 Mn transactions. The National Fuel Pass, which was introduced to provide the public with a convenient and easily accessible solution to obtain fuel and facilitate an allocation-based fuel distribution method, has also surpassed 6 Mn vehicle registrations.

Doc990, Sri Lanka's first all-in-one digital health solutions provider has revolutionised the country's integrated healthcare infrastructure with its combined expertise in health care and technology and is set to deliver state-of-the-art connected care services to its users via the Doc990 mobile app, web & IVR platform. It facilitates doctor channeling with over 5,500 doctors from over 160 hospitals across the island, audio/video doctor consultation (including a 24×7 operational health care hotline) with over 1,300 Specialists and General Practitioners, medicine delivery & pick up services, online lab test booking and reporting, mobile laboratory services and carefully curated health & wellness subscription packages to suit both corporate clients with insurance partnerships and retail clients from all walks of life. Doc990, the digital healthcare service provider for the government healthcare institutions, initiated digitising the government healthcare pillar with Lady Ridgeway Hospital.

Doc990's presence in the digital healthcare vertical was appreciated with the awards and recognition received in 2022 by winning both national and international awards. The comprehensive B2B & B2C solution was awarded as the winner of the "Telecare" Category in the 5th commonwealth digital health awards, which was a remarkable achievement for Doc990 & Sri Lanka. In parallel Doc990 won silver award in the "Health and wellness category" in the bestweb.lk awards.

Innovative tele doctor app to app consultations via hospitals, support system built to locate and deliver medicine ("Find My Meds") during times of medicine scarcity, and prepaid insurance facility for retail subscriptions for the 1st time in Sri Lanka are some of the key additions to Doc990 product portfolio in 2022. Despite the economic crisis Sri Lanka is facing at large, Doc990 was able to consolidate the regional presence with 22 new hospital additions, 80+ referral partner points and ended the year with favourable indications to become the digital healthcare market leader in 2023.

With the Mobile Retail market approaching saturation levels and the increased focus from Axiata Group to serve the needs of Enterprise customers for a more Sustainable Revenue, **Dialog Platform-play** team designed an Enterprise Marketplace that offered a collection of Digital Solutions to our Enterprise Customers (3,000 partners in SME, SOHO, and large Enterprises), primarily on a self-service model, also serving as a Sales Toolkit for our sales teams servicing these segments. Dialog Axiata took considerable time and effort to Digitally Transform, even with the availability of right tools, people and newly improved processes. As the majority of the teams were forced to adopt a Work from Home operation during the first COVID lockdowns, the decision to transform the most crucial factor—our Api Dialog family—was made more out of necessity. The team then understood that there is a clear opportunity to contribute value to other businesses in the area as they embark on their

own transformation journeys by utilising the lessons learned, the processes, and the digital technologies available to us locally.

Dialog Enterprise

Dialog Enterprise, the corporate solutions arm of Dialog Axiata PLC, recorded a solid revenue growth of 33% YoY, driven by growth in both connectivity and ICT verticals. ICT recorded significant growth driven by growth in Large Enterprises and Small Medium Enterprises. ICT products such as cloud and colocation, and security solutions recorded noteworthy growth during the year. Relatively newly established Business Insight and Education verticals also generated solid growth.

Key Partnerships and Products

Dialog Enterprise, strengthened its Flexnet managed SD-WAN service leveraging the Secure SD-WAN solution from Fortinet, a global leader in cybersecurity with broad and integrated solutions. By integrating Fortinet Secure SD-WAN solution to its Flexnet managed SD-WAN service, Dialog Enterprise will enable its customers with the ability to cost-effectively eliminate security gaps in their network, while gaining the benefits of advanced routing and self-healing WAN capabilities to ensure superior quality of experience for their users, and increase business uptime. Additionally, an improved connectivity and user experience can be achieved through an integrated security by prioritising network traffic and reduced latency. The benefit of an integrated security by prioritising network traffic is achieved by offering, unified thread management, SSL inspection and proactive security threat prevention. During 2022, Dialog Enterprise has been recognised as the Best SD-WAN Partner of the year 2022 in the SAARC region at the Fortinet SAARC Partner Sync 2022 conference held in Cairo. The honour comes in appreciation of Dialog Enterprise's unwavering service in the region and for leading the way in secure Software-Defined Wide Area Networking (SD-WAN) service offerings.

Further, Dialog Enterprise, announced its partnership with acclaimed cybersecurity solutions provider Cyber Security Works (CSW) & TekSek Cyber Security to bring the latest in world-class IT & OT security services to enterprises in Sri Lanka. Evolving with the technological shift from the traditional Telco domain over the years while addressing the pressing need among local enterprises to place increased emphasis on safeguarding their operations in the wake of alarmingly intense cyber threats across the globe, Dialog Enterprise has made global security solutions providers conveniently and easily accessible to local enterprises, further complementing its robust cybersecurity portfolio and boosting its cloud and telecommunication infrastructure.

Dialog Enterprise was recently appointed to the coveted status of a Dell CSP Gold Partner. Dialog Enterprise received this public vote of confidence from Dell Technologies in recognition of, among other things, its in-depth technical knowledge and promptness in servicing customers with the most advanced Dell Technologies solutions available. Appointed as the first and only Dell Technologies Cloud Solution Provider (CSP) in Sri Lanka in 2021, Dialog Enterprise offers Dell Technologies' Cloud Infrastructure-as-a-Service (IaaS) solutions to local customers. To date, this is the only hybrid multi-cloud partnership in the country, offering comprehensive solutions via secure access to private clouds as well as to the existing public cloud of Dialog Enterprise. The elite Gold tier status is conferred only on outstanding performers in Dell Technologies Corporation's Business Partner Programme. Gold tier partners are recognised for demonstrating exceptional levels of accreditation and certification in the resale, design and implementation of Dell Technologies.

Dialog Enterprise launches On-Premises Huawei Cloud Stack Online (HCSO) solutions which pave the way for local enterprises to use public cloud services, eliminating unnecessary data outflow from Sri Lanka. The new cloud stack improves data security relating to enterprises, due to the reduction in data being exported offshore and provides productive, comprehensive digital cloud-based tools, along with Dialog Enterprise's existing service offerings to boost their cloud journey.

Business & Financial Review

In September 2022 Dialog Enterprise launched VMware Cloud Foundation (VCF), a multi-cloud platform that provides a full-stack hyperconverged infrastructure (HCI) that is made for modernizing data centers and deploying modern container-based applications.VCF provides a single architecture for all enterprise applications and help to power their digital transformation by providing the simplest path to hybrid cloud and delivering a low Total Cost of Ownership.

The successful acquisition and integration of H One (Private) Ltd contributed towards the total Enterprise revenue growth as well as securing multiple Microsoft awards during 2022. This includes Sri Lanka Country Partner of The Year 2022, Sri Lanka Microsoft Cloud Solutions Direct CSP Partner of The Year 2022, Sri Lanka Security Partner of The Year 2022, Sri Lanka Microsoft Teams Excellence Partner of the Year, Sri Lanka Modern Work SMB Cloud Partner of The Year 2022 and Sri Lanka Modern Work Partner Of The Year 2022. In addition to that, H One was recognised as a Great Place to Work in 2022.

Dialog Enterprise, joined hands with renowned developer, Home Lands Skyline to connect Ariyana Resort Apartments - Athurugiriya, Sri Lanka's first resort apartment complex, to Dialog Fibre's state-of-the-art, optic, Fibre-based Broadband network.

Further, Dialog Enterprise announced a strategic partnership with Havelock City to extend its state-of-the-art fibre optic network across the entire development. Havelock City will now feature premier Gigabit capable connectivity, offered by Dialog Fibre with the lowest latency, and provide the basis of a multisensory experience for all residents, workers, and visitors.

The flagship Digital Education product "Zero Worries on Data" (ZWOD) was launched in a bid to help educational institutes digitise their offering. With home study gaining increased popularity, most educational institutes are migrating online. This sought-after product is the ideal solution to all leading large and medium-scale academic institutions in the country, which cater to the educational requirements of a growing student community. The new learning solution will enable academics to continue with their online education without facing any restrictions while also bringing about significant cost savings as part of its many benefits. This proposition allows educational institutes to provide convenient and equal access for students and teachers through its Learning Management Systems (LMS), website, and other resources without any additional charges.

Dialog Enterprise, unveiled a timely technological solution for monitoring and measuring fuel and energy consumption with precision. Developed in partnership with the University of Moratuwa Research Laboratory and rigorously tested and used on Dialog's own base stations, the solution was released ahead of schedule to help organisations efficiently manage their fuel usage and consumption.

Based on the Internet of Things (IoT) technology, this solution uses multiple sensor types to record and showcase information in systems in real time, 24/7 and alerts the users via SMS, email, or the web when critical thresholds are reached. The solution also offers users a wide range of options to trigger alerts based on their security clearance and allows them to view the status of all their currently operational vehicles on one dashboard.

Dialog has successfully used this IoT solution at locations where its towers are placed which brought about several benefits including reduction in maintenance and manpower cost, the elimination of fuel fraud, and better visibility of energy consumed, improved overall efficiency and reductions in waste. The data gathered from this solution also proved to be beneficial in future planning.

Further, in December 2022, Dialog Enterprise, the corporate ICT solutions arm of the Company deployed a customised mission-critical push-to-talk (MCPTT) solution for Lanka Electricity Company (Private) Limited - the rapid response arm of the Ceylon Electricity Board. Moreover, State Mortgage and Investment Bank (SMIB Bank) inked an agreement with Dialog Enterprise to upgrade its Core Banking System in 2022.

LOYALTY

Star Points

Star Points is the first and only mobile-based loyalty programme in Sri Lanka rewarding over 10 Mn customers across the country. Dialog allows its customers to earn points with every bill payment, reload or top-up for any amount of payment honouring the valued patronage with Dialog. Moreover, Dialog has partnered with over 70+ vendors having more than 1000+ outlets to earn points when transacting. Star points customers have the advantage of redeeming the points and are eligible for a world of benefits from Dialog at any partner merchant outlet.

Moreover, Star Points was the first loyalty programme to launch a cutting-edge e-voucher platform in collaboration with Wogi, an e-commerce platform across the Asia Pacific, that enables customers to instantly redeem Star Points from Sri Lanka's premium brands in real-time.

Lesi Pay

Lesi Pay is a revolutionary device financing product, which allows Dialog customers to obtain their dream device on very convenient monthly instalment schemes without a credit card and a guarantor. In 2021, Lesi Pay transformed its end-to-end journey via a Fintech platform and introduced AI & ML Credit scoring models for customer selection, and simplified & fully digitised customer onboarding and loan management via Genie App. Lesi Pay is integrated with a device management solution for automated Loan recovery. Lesi Pay won Two National Awards in 2021 for Business model innovation & Digitally Connected Product and Services awarded by the Federation of Information Technology Industry Sri Lanka. Over 6500+ device loans were digitally onboarded with a gross turnover value of LKR 230 Mn by the end 2022. Non-performing loan percentage is at a single digit with a positive EBITDA.

Dialog Tele Infra

The Company's infrastructure services arm continues to be the frontrunner in the provision of active and passive telecommunication infrastructure services in Sri Lanka.

It serves all licensed operators and broadcasters on their infrastructure and transmission requirements through modern and cost-effective technical solutions. Dialog continually expands its infrastructure network and Optical Fibre Network across the country and shares with operators providing high capacity, scalable and reliable Telecom Infrastructure services, supporting their business growth.

DIALOG BROADBAND NETWORKS

Business Review

Dialog Broadband Networks (DBN) serves more than 1 Mn individuals and corporates, providing multiple services including broadband internet, fixed telephony, hosted PABX offerings, Internet Data Centre (IDC), converged ICT solutions, telecommunication infrastructure, transmission and backbone services positioning itself as a strong contender in the Fixed Telecommunication market of Sri Lanka.

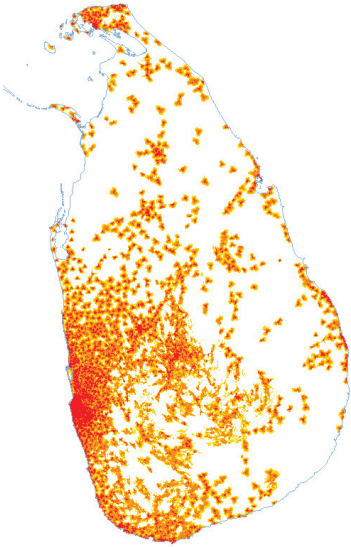
Fixed Business segment continued its growth to record a Revenue growth of 5% YoY, despite many challenges from adverse macro-economic factors. However, with power outages affecting the traffic and macro-economic conditions threatening affordability, the retail broadband revenue growth witnessed a slowdown in 2022.

Customers' behaviour dynamics shifted away from work and learn packages in the beginning of the year as the mobility restrictions were lifted. However, consumer demand dynamics have been evolving towards Anytime and Social Media data usage. To capture the growing demand for anytime and social media usage, DBN launched value-for-money anytime and social media packages for both prepaid and postpaid customers.

Business & Financial Review

The subscriber market share took a dip during the year by 0.8 pps with the reduced demand for work & learn broadband solutions and increased macro-economic pressures felt by the consumer. DBN continues to record positive EBIT performance in 2022 of Rs. 0.9 Bn, which translated from the sustainable revenue growth post pandemic, while optimising the cost in all areas amidst inflation and unfavourable exchange rate movement.

During the year, the company continued its investments in upgrading the Fixed LTE network to support higher demand, and digitised its customers by increasing MyDialog App (MDA) registrations, e-Bill registrations, and e-payments / top-ups. Further investments in coverage and capacity will continue in 2023 to ensure further enhancement of customer experience. In addition, Dialog HBB plans to continue to drive sector innovations and stay ahead of the curve with superior value propositions that exceed customer expectations.



HBB 4G 2022-Q4

DIALOG TELEVISION

Business Review

Dialog Television had a challenging year in terms of profitability (negative EBIT of ~ LKR 1 Bn. in 2022); the key challenge being the substantial depreciation of the local currency against the USD that eroded profit margins during the year despite recording a YoY revenue growth of 14%. The forex depreciation had a knock-on impact on costs that are denominated in local currency, thus worsening the impact.

Despite these unfavorable macro-economic events throughout the year, Dialog Television executed various cost control initiatives such as negotiations with channel and satellite partners supplemented by a rental revision in an effort to regain profitability. This was supplemented by retaining the total subscriber base of over 1.7 Mn through extensive churn management and win back campaigns.

To enhance the quality and reliability of its service, Dialog TV pursued further technological advancements. By upgrading its satellite systems, the TV business unit was able to offer improved picture quality and coverage. Moreover, a new set-top box was introduced, equipped with advanced capabilities such as 4K resolution and Dolby Atmos sound. Advertising segment of Television business, followed by an unsteady performance during the first half of the year achieved a phenomenal success in Q4 due to the increased viewership during sporting events, namely ICC T20 world cup, Asia Cup series and FIFA tournaments.

ViU entertainment app offered by Dialog, provides users with a wide range of content that allows users to stream content on their mobile devices, either over a Wi-Fi connection or a mobile data connection. The app has a large library of local and international content,

which is updated regularly. ViU was well received by DTV subscribers as well as non-DTV subscribers as an alternative to traditional Pay TV platforms with the demand increasing substantially during the sporting event seasons.

ViU recorded exemplary performance in 2022 with the total registered base increasing by 135% YoY and the revenue increasing by 147% YoY. ViU app offers both free and paid content, with a subscription-based model for premium content. The service is marketed as an affordable alternative to traditional cable or satellite TV, providing a convenient way for users to access a variety of entertainment options on the go.

Dialog TV continues to be the market leader in the Pay TV industry in Sri Lanka while continuing to leverage analytics engine to drive targeted offers to customers to ensure that customers receive the best price proposition that is tailored for their requirements. Further, continuous cost rescaling and digitising will continue to ensure future sustainability of the business.

Corporate Governance Report

INTRODUCTION

The Board of Directors of the Company is committed towards maintaining good corporate governance whilst pursuing its corporate objectives to enhance long term shareholder value and sustainable growth. In addition to the requirements outlined in the Listing Rules of the Colombo Stock Exchange (CSE) and other relevant regulations, the Company complies with Dialog's Code of Corporate Governance (the Code), which is an internally developed code, based on international corporate governance principles and best practices and is applicable to the Group and governs the activities of the Board, how the Group conducts its business operations, its relationships with all of its stakeholders while providing for accountability and sound internal control systems.

The Board confirms that the Company is compliant with the requirements stipulated in the Code, the Rules on Corporate Governance contained in the Listing Rules of the CSE and the requirements stipulated in the Companies Act, No. 7 of 2007. This report outlines the Corporate Governance framework, application and practice within the Group for the year 2022.

1. THE BOARD

The Company's business and Group 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 the 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 2022, 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	1 January 2017	Group Chief Executive Officer / Non-Independent, Executive Director
Dr. Hans Wijayasuriya	19 January 2001	Non-Independent, Non-Executive Director
Deshamanya Mahesh Amalean	15 May 2014	Independent, Non-Executive Director
Mr. Willem Timmermans	10 May 2017	Independent, Non-Executive Director
Mr. Vivek Sood	16 February 2019	Non-Independent, Non-Executive Director
Dato Dr. Nik Ramlah Nik Mahmood	13 May 2020	Non-Independent, Non-Executive Director
Mr. Azwan Khan Osman Khan	1 July 2020	Non-Independent, Non-Executive Director
Dr. Indrajit Coomaraswamy	1 February 2021	Independent, Non-Executive Director
Dr. Sharmini Coorey	15 October 2022	Independent, Non-Executive Director

Table 1 - Composition of the Board as at 31 December 2022

The profiles of the current Directors are given on pages 22 to 26 of this Report.

Composition and Balance of the Board

As at 31 December 2022, the Board comprised of 10 directors, of which 9 were non-executive directors and 01 executive director, who is also the Group Chief Executive Officer ("GCEO"). The composition mix of the executive and non-executive directors satisfies the requirements of the Listing Rules of the CSE.

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 2022, the Board included four qualified Chartered 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 is 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 it to the business needs and complexity of the Group's operations.

Board Independence

Based on the declarations made annually by each of the non-executive directors in accordance with the requirements set out in the Listing Rules of the CSE, Mr. Willem Timmermans, Dr. Indrajit Coomaraswamy and Dr. Sharmini Coorey are considered independent. Furthermore, the Board considers Deshamanya Mahesh Amalean as 'independent', given his objective and unbiased approach to matters of the Board notwithstanding that he has completed more than 9 consecutive years. These directors are independent of management and free from any business or other relationship, which could materially interfere with the exercise of their judgment.

The Board considers the other 05 non-executive directors, namely Mr. David Nai Pek Lau, Dr. Hans Wijayasuriya, Mr. Vivek Sood, Dato Dr. Nik Ramlah Nik Mahmood and Mr. Azwan Khan Osman Khan as non-independent, as they are nominees of Axiata Group Berhad, the major shareholder of the Company.

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 organization and conduct of the Board's function, 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 develop and recommend to the Board the business plans and budgets that support the Group's long-term strategy and vision that would lead to the maximisation of shareholder value.

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 07 meetings were held in 2022,

which included 04 special meetings. The attendance of directors at these meetings are set out in the table below:

Name of Director	Attendance
Mr. David Nai Pek Lau	7/7
Mr. Supun Weerasinghe	7/7
Dr. Hans Wijayasuriya	7/7
Mr. Mohamed Muhsin*	4/4
Deshamanya Mahesh Amalean	4/7
Mr. Willem Timmermans	7/7
Mr. Vivek Sood	7/7
Dato Dr. Nik Ramlah Nik Mahmood	7/7
Mr. Azwan Khan Osman Khan	7/7
Dr. Indrajit Coomaraswamy	7/7
Dr. Sharmini Coorey**	2/2

Table 2 - Board meeting Attendance

* Mr. Mohamed Muhsin retired from the Board on 21 June 2022

** Dr. Sharmini Coorey was appointed to the Board on 15 October 2022

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, 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, especially non-executive 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 in order that they are fully informed about the activities and business operations of the Company and its subsidiaries on joining the Board.

The Nominating and Remuneration Committee (NRC) is responsible for evaluating the Board's performance and decides how the Board's performance may be evaluated and also proposes the objective criteria.

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 set out clear guidance to management as to 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.

The Board is supported by the following Board Committees which have been delegated with certain specific responsibilities -

1. Board Audit Committee

2. Nominating and Remuneration Committee

3. Related Party Transactions Review Committee

4. Capital Investment and Procurement Management Committee

5. Board Risk and Compliance Committee

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 approval by the Board. The Chairpersons of each of the Board Committees report the outcome of the Committee meetings to the Board and the relevant decisions are incorporated in the minutes of the Board meetings. The Group Company Secretary acts as 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 58 to 60.

b) Nominating and Remuneration Committee (NRC)

The role of the NRC 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 the executive and non-executive directors and key positions within the senior management.

The NRC 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 to the Board an independent and objective perspective to ensure that balanced and well-considered decisions are made. The NRC also ensures that it receives quarterly updates from the Group HR Division on staff related matters.

The NRC comprised of 03 non-executive directors, namely Mr. David Nai Pek Lau (Chairman), Mr. Willem Timmermans and Deshamanya Mahesh Amalean as at 31 December 2022.

The NRC held 03 meetings during the financial year ended 31 December 2022 and the attendance at these meetings is set out below:

Name of Director	Attendance
Mr. David Nai Pek Lau - Chairman	3/3
Mr. Mohamed Muhsin*	2/2
Deshamanya Mahesh Amalean	3/3
Mr. Willem Timmermans**	1/1

Table 3 - NRC meeting Attendance

* Mr. Mohamed Muhsin retired from the NRC on 21 June 2022

** Mr. Willem Timmermans was appointed to the NRC on 22 June 2022

c) 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 a financial quarter.

Corporate Governance Report

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 61.

d) Capital Investment and Procurement Management Committee (CIPMC)

The role of the CIPMC is to support the Board in the performance of its duties by considering and approving, or recommending to the Board, strategic, operational and financial matters and procurement proposals.

The CIPMC comprises 04 representatives of the Board, namely Mr. Vivek Sood (Chairman), Mr. Willem Timmermans, Dr. Hans Wijayasuriya and Mr. Supun Weerasinghe and 02 ex-officio members who are the Group Chief Financial Officer and Group Chief Operating Officer of Dialog.

The CIPMC held 04 meetings during the financial year ended 31 December 2022 which included 02 special meetings.

e) 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 comprises 04 representatives of the Board, namely Dr. Indrajit Coomaraswamy (Chairman), Mr. Willem Timmermans, Mr. Vivek Sood, and Mr. Supun Weerasinghe.

The activities conducted by the BRCC are set out in the BRCC Report on pages 62 to 63.

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. Reporting to the GSMC are Group Leadership Committees that oversee the effective management of core functional areas and are headed by senior management members heading the respective functional area.

▸ Re-appointment 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 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.

The directors who are retiring and are eligible for re-election this year are mentioned in the Notice of the AGM on page 175.

During the year under review, the Board of Directors adopted and introduced a Fit & Proper Policy (F&P Policy) that require assessments of fitness and probity of individuals nominated as directors and senior management of Dialog before their appointment and employment as the case may be.

2. 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 NRC, in keeping with criteria of reasonability.

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 2022.

The remuneration of the executive director, in his capacity of 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 of qualitative and quantitative targets and the evaluation of the achievement of the KPIs is reviewed by the NRC and the recommendations are tabled for approval of the Board.

A total of Rs. 157,257,004 was paid to the Directors as emoluments for the financial year 2022.

3. 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 and 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 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.

4. 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 and risk 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 & 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 organization, which includes:

- Company's risk profile which includes risks facing the Company including financial and non-financial;
- Assessment and mitigation of cyber security risks and risks related to data privacy;
- Assessment and mitigation of risks related to bribery and corruption;
- Assessment and mitigation of risks related to legal and regulatory;
- 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 Board on a quarterly basis or as and when a significant risk arises.

Dialog has implemented a comprehensive Anti-Bribery Anti-Corruption program to uphold one of its core values "Uncompromising Integrity". Even though private sector bribery is not within the scope of the Bribery Act in Sri Lanka, Dialog emphasizes on its long-term commitment towards 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 - Training and Communication

In addition to the above, Dialog has a comprehensive policy for bidding for government contracts and tenders which is strictly followed by the Company. Further, Dialog ensures that all the projects including government contracts and awarded tenders are audited as part of the annual financial audit.

The key activities of the BRCC are detailed in the BRCC Report on pages 62 to 63.

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 audit/review. Once an audit/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 is detailed in the BAC Report on pages 58 to 60.

5. 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 of the practices necessary to maintain confidence in the Group's integrity and to demonstrate the commitment of the Group to ethical practices. The Company's Board Code of Conduct and Ethics guide the directors to carry out their oversight responsibility 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, 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 channel (whistle-blowing 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, and those who participate in or conduct investigation, from retaliation (link to whistleblowing / speaking up policy: https://dlg.dialog.lk/our-governance)

6. 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 of communication:-

1. Annual General Meeting (AGM)

The AGM is the main event for the 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, External Auditors and External Legal Counsel.

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 made to the media on all significant corporate developments and business initiatives through its Group Corporate Communications Unit.

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 http://www.dialog.lk/financial-announcements.

Investor Relations

In the year 2022, the Company virtually participated in 06 overseas investor forums held in London, Singapore and Bangkok. The Company also virtually participated in 03 local forums with the attendance of local stockbrokers. In addition, the Company conducted 08 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 provide analysts and investors with a comprehensive review of the Group's financial performance, but also gave them the opportunity to clarify related queries they may have. The contents of these briefings are posted on the Company's website at http://www.dialog.lk/quarterly-reports. Additionally, the Company hosted 01 investor forum during the year to brief investors / analysts on the company's performance for FY 2022.

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. Amendments to the ToR was approved by the BAC in the year under review. 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 Lucas Timmermans, who holds degrees in Business Administration from the Business Administration and Economic School of the State University Groningen, Netherlands and Business Economics and Financing from the State University of Groningen, Netherlands. The composition meets the requirements stipulated in the Listing Rules of the CSE. The Group Company Secretary functions as the Secretary to the BAC.

Mr. Mohamed Muhsin, who was the Chairman of the BAC, retired on 21 June 2022 and Mr. Willem Lucas Timmermans was appointed in place thereof as a member and Chairman of the BAC. The BAC wishes to place on record its sincere appreciation to Mr. Muhsin for his outstanding leadership and wise counsel as the BAC Chairman.

The members of the BAC as at 31 December 2022 were:

1. Mr. Willem Lucas Timmermans - Independent, Non-Executive Director (Chairman)
2. Dr. Indrajit Coomaraswamy - Independent, Non-Executive Director
3. Mr. Vivek Sood - Non-Independent, Non-Executive Director

MEETINGS

The BAC had six meetings during the year 2022, which included three special meetings. The meeting attendance of the members is set out in the table below:-

Name of Member	Attendance
Mr. Willem Lucas Timmermans - Chairman	3/3*
Dr. Indrajit Coomaraswamy	6/6
Mr. Vivek Sood	5/6
Mr. Mohamed Muhsin	3/3**

Note:
* Appointed on 22 June 2022
** Retired on 21 June 2022

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 reviewed reports submitted by the Special Affairs Unit on internal investigations. The BAC was also updated on the coverage of revenue assurance and fraud management initiatives and reviewed and approved revisions or enhancements to several internal policies, including the Whistle-blower governance matrix.

The following include other key routine activities carried out by the BAC during 2022:

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;

c) significant unusual events or exceptional activities;

d) compliance with relevant accounting standards and other statutory and regulatory requirements.

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;

- 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;

- Certificate of compliance attested by the GCEO and GCFO, confirming compliance with all applicable statutory and regulatory requirements.

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 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 recommended to the Board that Messrs. PricewaterhouseCoopers be re-appointed as the external auditors for the ensuing financial year.

Internal Audit

The BAC is supported by the Group Internal Audit Division, which was headed by Mr. Aroshan Indujeeva (DBA, MBA, ACMA, CGMA, DipM, ACIM, PMP), the Group Chief Internal Auditor (GCIA) until his resignation in April 2023. With the resignation of Mr. Indujeeva, Mr. Tilak Rahulan (DipM, MCIM, Chartered Marketer, CIPP, PMP and Six Sigma Black Belt) was appointed as the GCIA effective 1 April 2023.

Report of the Board Audit Committee

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, and Sales & 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 32 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.



Willem Lucas Timmermans
Chairman, Board Audit Committee

30 April 2023

Report of the Related Party Transactions Review Committee

ROLE OF THE COMMITTEE

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

The primary function of the Committee is to review Related Party Transactions (RPTs) as prescribed in Section 9 of 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 Committee was formulated and approved by the Board in 2016.

COMPOSITION

The Committee presently comprises of two independent non-executive directors. The composition meets the requirements stipulated in the Listing Rules of the CSE. The Group Company Secretary functions as the Secretary to the Committee.

Mr. Mohamed Muhsin, the Chairman of the Committee, retired with effect from 21 June 2022 and Mr. Willem Lucas Timmermans was appointed in place thereof.

The members of the Committee as at 31 December 2022 were:

1. Mr. Willem Lucas Timmermans - Independent, Non-Executive Director (Chairman)
2. Dr. Indrajit Coomaraswamy - Independent, Non-Executive Director

MEETINGS

The Committee had four meetings during the year 2022. The meeting attendance of the members is set out in the table below:-

Name of Member	Attendance
Mr. Willem Lucas Timmermans - Chairman	2/2*
Dr. Indrajit Coomaraswamy	4/4
Mr. Mohamed Muhsin	2/2**

Note:

* Appointed 22 June 2022

** Retired 21 June 2022

POLICIES & PROCEDURES ADOPTED BY THE COMMITTEE

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.

All forecasted recurrent RPTs are submitted by Management on a quarterly basis to the Committee for consideration and review. Non-recurrent RPTs are also reviewed and approved by the Committee 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 Committee is satisfied that all RPTs reviewed by the Committee during the year 2022 were in compliance with the CSE Rules, Related Party Transactions principles, at arm's-length terms and not prejudicial to the interests of Company and its minority shareholders and that the observations of the Committee have been duly communicated to the Board.

On behalf of the Related Party Transactions Review Committee.



Willem Lucas Timmermans
Chairman, Related Party Transactions Review Committee

30 April 2023

Report of the Board Risk and Compliance Committee

ROLE OF THE COMMITTEE

The Board Risk and Compliance Committee (BRCC) was a formally constituted sub-committee of the Board of Directors (Board) in 2020. It 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.

The BRCC continuously seeks out best practices in terms of the processes (performance assessment etc.) 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 other BRCC members, the Committee makes decisions and recommendations for the best interest of the Board collectively.

COMPOSITION

The BRCC comprises of no fewer than three members, all or majority of whom are Non-Executive directors. The BRCC is chaired by Dr. Indrajit Coomaraswamy. The Group Company Secretary functions as the Secretary to the BRCC.

The members of the BRCC as at 31 December 2022 were:

1. Dr. Indrajit Coomaraswamy - Independent, Non-Executive Director (Chairman)

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

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

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

MEETINGS

The BRCC had four meetings during the year 2022. The meeting attendance of the members is set out in the table below: -

Name of Member	Attendance
Dr. Indrajit Coomaraswamy - Chairman	4/4
Mr. Vivek Sood	4/4
Mr. Willem Lucas Timmermans	2/2*
Mr. Supun Weerasinghe	4/4
Mr. Mohamed Muhsin	2/2**

Note:
* Appointed w.e.f. 22 June 2022
** Retired w.e.f. 21 June 2022

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;

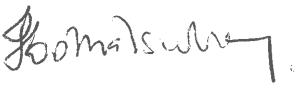
- Anti-Bribery and Anti-Corruption programme of Dialog and continuous monitoring of compliance activities to ensure adequate procedures have been implemented.
- Gifts, Donations & Sponsorship Policy implementation.
- Risk Management & Internal Control (SORMIC) Management Assurance.
- Governance of the Enterprise Risk Management Policy.
- Governance of the Business Continuity Framework.
- 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 initiatives including the Privacy assessment of 25 critical applications.
- Monitoring of Cybersecurity programme and risk mitigation activities. Implementation of National Institute of Standards and Technology Cybersecurity Framework (NIST) and ISO 27001:2013 Information Security Management System.
- Legal and Regulatory compliance and significant litigation issues impacting the Dialog Group.
- Environmental, Social and Governance (ESG) Programme of Dialog that is based on Telecom Industry Specific Metrics of Sustainability Accounting Standards Board (SASB) and ESG Metrics for Mobile recommended by Global System for Mobile Communications Association (GSMA).

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 is 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.



Dr. Indrajit Coomaraswamy
Chairman, Board Risk and Compliance Committee

30 April 2023

DIAL Share Information

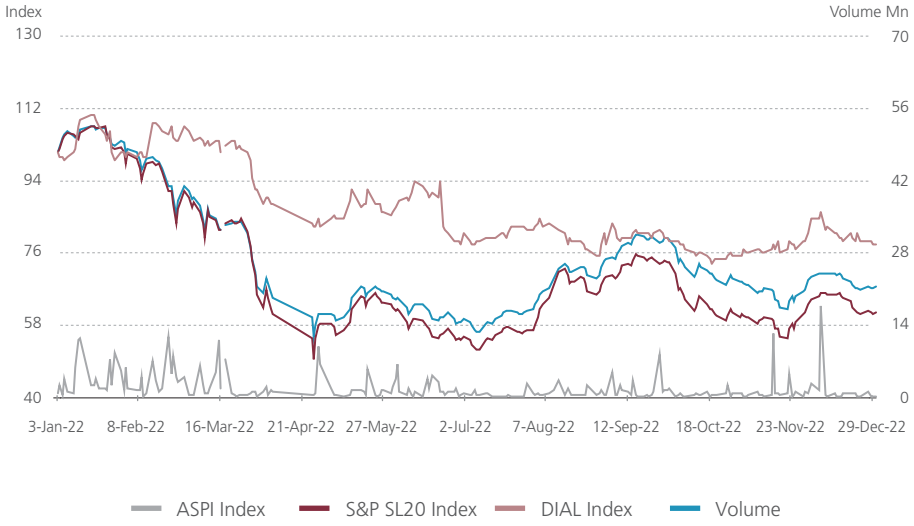


Figure 1: Share Volumes & Relative Performance Vs. Market

THE DIAL SHARE

The main indices of the Colombo Stock Exchange (CSE), All Share Price Index (ASPI) and S&P Sri Lanka 20 (S&P SL 20) delivered a negative performance due to unprecedented socio-economic headwinds witnessed during the year. Accordingly, ASPI ended 2022 with a decline of 30.6% while the more liquid S&P SL20 index declined 37.7% during the year.

Building on the positive momentum seen in 2021 the indices started the year on a steady footing with the ASPI reaching a historic high of 13,462 on 19 January 2022 (+1,236 points YTD). However, as the socio-economic challenges began to unwind, retail and HNI investors resorted to aggressive profit booking, which subsequently led to a heavy sell off across the board in Q1 2022. This was further exacerbated by continuous anti-government protests which led to a change in political leadership in May 2022. Furthermore, as CBSL policy rates were raised to new highs amid high inflationary environment, investors were seen moving from equity markets to fixed income securities in mid 2022. Notably, higher investors participation was observed in treasuries market due to significantly high yields.

The DIAL share was not spared from the poor run witnessed at CSE as the share closed at Rs. 8.50 having declined 22% during the year. The share traded between a high of Rs. 12.9 and a low of Rs. 7.9 and managed to remain amongst the top 10 companies on CSE in terms of market capitalisation.

	2022	Q4	Q3	Q2	Q1	2021
Share Information						
Highest Price (Rs)	**12.9**	9.8	9.2	10.3	12.9	13.3
Lowest Price (Rs)	**7.9**	7.9	8.1	8.4	9.9	10.6
Closing Price (Rs)	**8.5**	8.5	8.6	8.5	10.0	10.9
Trading Statistics						
Number of Transactions	**34,831**	5,392	7,723	6,745	14,971	29,221
% of Total Market Transactions	**0.6%**	0.5%	0.4%	0.9%	0.6%	0.4%
Number of Shares Traded (Mn)	**352**	60	54	69	170	340
% of Total Shares Traded	**1.2%**	1.3%	0.7%	1.7%	1.3%	0.6%
% of Public Float	**24.2%**	4.1%	3.7%	4.8%	11.7%	24.2%
Turnover (Rs Mn)	**3,571**	531	469	651	1,920	4,149
Avg. Daily Turnover (Rs Mn)	**15.5**	8.8	7.3	13.3	33.1	17.3
% of Total Market Turnover	**0.5%**	0.4%	0.2%	0.9%	0.6%	0.4%
Market Capitalisation (Rs Mn)	**70,105**	70,105	70,930	70,105	82,006	89,387
% of Total Market Capitalisation	**1.8%**	1.8%	1.7%	2.0%	2.6%	1.6%

Table 1: Market Information on DIAL Share

MARKET CAPITALISATION

The total market capitalisation of the Company declined by 21.6% to Rs. 70.1 Bn during the year while the contribution from DIAL to the overall market capitalisation of CSE increased to 1.8% by end 2022 relative 1.6% previous year, indicative of the sharper decline in the overall market capitalization for the year.

DIVIDENDS

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

However, given the unprecedented challenges faced in FY 2022 and significant forex losses recorded during the year, the group recorded a Net Loss of Rs. 33.4 Bn. Accordingly, guided by the groups' dividend policy, the Board of Directors, resolved to not propose a dividend for FY 2022.

TOTAL SHAREHOLDER RETURN

The Total Shareholder Return (TSR) for the share was a negative at 22.0% in 2022 mainly due to the decline in share price as there was no dividend declared for FY 2022 to negate the negative impact. The market TSR based on ASPI declined by 30.6%, while TSR based on S&P SL20 declined by a steeper 34.4% in 2022.

DIAL Share Information

EARNINGS PER SHARE

The basic earnings per share (EPS) for the year was negative Rs. 4.06 compared to the EPS of a positive Rs. 2.08 recorded in FY 2021, a decrease of over 100% YoY. EPS is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue by end of the year.

	2022	2021	2020
Market Cap (Rs Bn)	70.1	89.4	101.4
Market Value Added (Negative) / Positive - (Rs Bn)	(19.3)	(12.0)	1.2
Enterprise Value (Rs Bn)	132.2	109.1	125.1
EV / EBITDA (x)	2.6	1.9	2.5
Basic EPS (Rs)	(4.06)	2.08	1.48
PER (x)	NA	5.2	8.4
Price to Book (x)	1.6	1.0	1.2
Dividend Yield (%)	NA	11.4%	6.0%

Table 2: Trading Multiples

PRICE TO BOOK RATIO

The price to book ratio of the Group as at 31 December 2022 was 1.6 times, compared to 1.0 times last year mainly resulting from the steeper decline in Net Assets of the Company relative to share price.

LIQUIDITY

The liquidity of the share recorded a decline of 13.9% during the year owing to the sharp drop in share price by 22% as alluded to earlier. However, the activity level of the share was high both in terms of share volume and number of trades. Accordingly, the share volume increased by 3.5% whilst the number of trades increased by 19.2% indicating a lower weighted price for the share in 2022 relative to previous year.

The free float of the share, being 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 17.65% by end 2022.

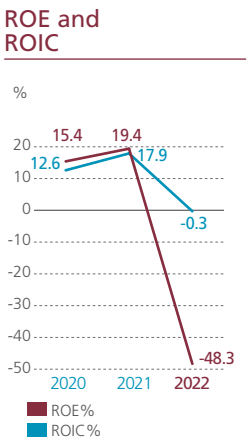


Figure 3: Return on Equity and Return on Invested Capital

COMPOSITION OF SHAREHOLDERS

The total number of Shareholders of DIAL increased to 23,704 as at 31 December 2022 compared to the 22,600 during the previous year.

The public float of DIAL was 17.65% as at 31 December 2022. In terms of the composition of the public float, foreign investors held 48% of the float, 35% was held by local institutional investors and 17% by local retail investors.

2022 marked an increase in foreign investor participation in DIAL in line with the net foreign investor inflow that was recorded at CSE for the year. Accordingly, overall foreign investor composition increased to 48% in 2022 from 46% recorded in the previous year.

Composition of Shareholders

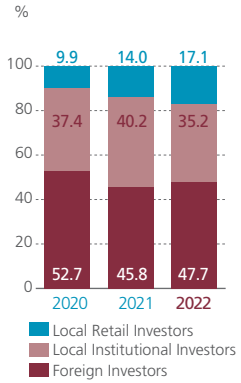


Figure 4: Composition of Shareholders

	Distribution of Shareholders							
	31 December 2022				31 December 2021			
	No. of Shareholders	%	No. of Shares Held	%	No. of Shareholders	%	No. of Shares Held	%
1 to 1,000	12,864	54.27	5,706,233	0.07	12,329	54.55	5,517,382	0.07
1,001 to 10,000	9,020	38.05	23,817,015	0.29	8,666	38.35	22,191,899	0.27
10,001 to 100,000	1,395	5.89	45,110,254	0.55	1,191	5.27	38,728,933	0.47
100,001 to 1,000,000	311	1.31	100,065,952	1.21	318	1.41	113,106,287	1.38
Over 1,000,000	114	0.48	8,072,940,851	97.88	96	0.42	8,021,063,004	97.81
Total	23,704	100.00	8,247,640,305	100.00	22,600	100.00	8,200,607,505	100.00

Table 3: Trading Multiples

* 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

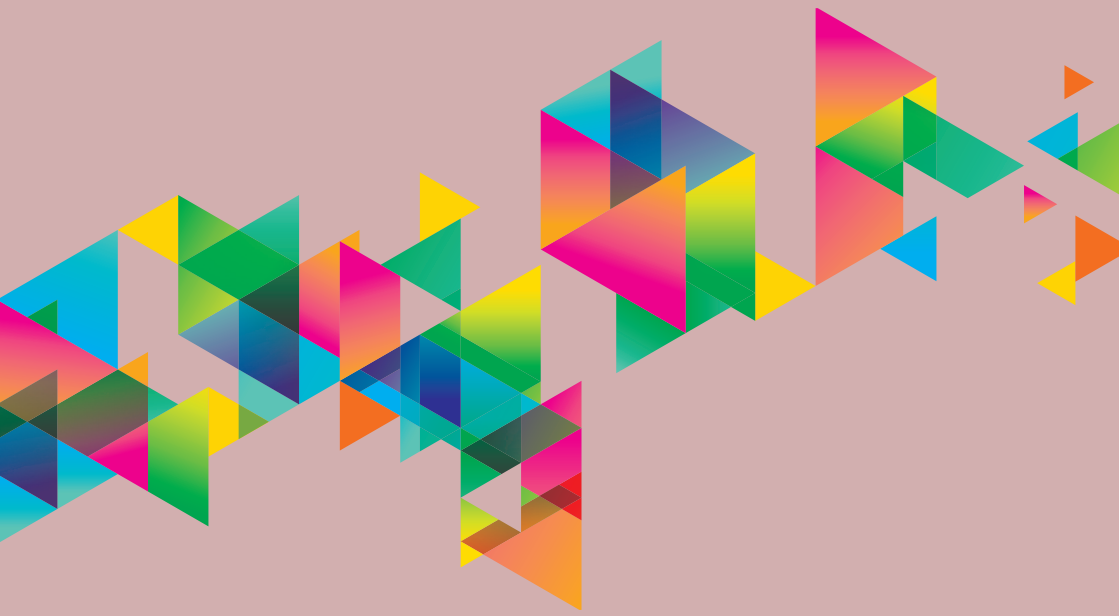
Reuters : DIAL.CM

DIAL Share Information

TWENTY LARGEST SHAREHOLDERS OF THE COMPANY

No	Name of Shareholder	No. of Shares as at 31-Dec-2022	% of Holding	No. of Shares as at 31-Dec-2021	% of Holding
1	AXIATA INVESTMENTS (LABUAN) LIMITED	6,785,252,765	82.27	6,785,252,765	82.74
2	EMPLOYEES PROVIDENT FUND	237,424,082	2.88	237,424,082	2.90
3	BBH LUXFIDELITY FUNDS-PACIFIC F	147,311,909	1.79	147,311,909	1.80
4	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	129,327,342	1.57	129,327,342	1.58
5	BNYM RE-CONSILIUM EXTENDED OPPORTUNITIES FUND, L.P.	78,771,442	0.96	78,847,620	0.96
6	BBH - FIDELITY FUNDS	55,240,998	0.67	55,240,998	0.67
7	SSBT-SUNSUPER PTY. LTD. AS TRUSTEE FOR SUNSUPER SUPERANNUATION FUND	50,351,813	0.61	18,492,884	0.23
8	EMPLOYEES TRUST FUND BOARD	49,934,024	0.61	49,934,024	0.61
9	CITIBANK HONG KONG S/A HOSTPLUS POOLED SUPERANNUATION TRUST	43,599,859	0.53	14,867,369	0.18
10	JPMCB NA-FIDELITY ASIAN VALUES PLC	38,530,079	0.47	41,762,540	0.51
11	J.B. COCOSHELL (PVT) LTD	37,347,084	0.45	55,989,063	0.68
12	NORTHERN TRUST COMPANY S/A HOSKING GLOBAL FUND PLC	30,971,698	0.38	19,191,976	0.23
13	CACEIS BANK, LUXEMBOURG BRANCH-NEF	26,206,391	0.32	17,433,297	0.21
14	MR. DP PIERIS	22,496,254	0.27	7,750,000	0.09
15	PERSHING LLC S/A AVERBACH GRAUSON & CO.	20,846,316	0.25	37,428,095	0.46
16	RUBBER INVESTMENT TRUST LTD A/C NO 01	16,521,103	0.20	13,554,973	0.17
17	CEYLON INVESTMENT PLC A/C # 02	13,594,932	0.16	13,797,647	0.17
18	CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02	13,270,454	0.16	11,470,454	0.14
19	MELLON BANK N.A.-UPS GROUP TRUST	12,369,731	0.15	12,369,731	0.15
20	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	12,144,887	0.15	13,544,887	0.17

Table 4: Twenty Largest Shareholders



Financial Statements

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Annual Report of the Board of Directors for the year ended 31 December 2022

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 2022.

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 the 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 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 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 2022 are set out on pages 84 to 169.

INDEPENDENT AUDITOR'S REPORT

The independent Auditor's Report is set out on pages 77 to 83.

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 financial statements are given on pages 89 to 108.

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 75.

REVIEW OF BUSINESS

The state of affairs of the Company and the Group as at 31 December 2022 is set out in the statements of financial position on page 84. An assessment of the financial performance of the Company and the Group is set out in the statements of comprehensive income on page 85.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in note 8 to the financial statements.

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 86 to 87 to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The parent company, Axiata Investments (Labuan) Limited, held 82.27% of the ordinary shares in issue of the Company at 31 December 2022. The main shareholders of the Company and the corresponding holding percentages are set out below:

	Name of Shareholder	2022 No. of shares	2022 % Holding	2021 No. of shares	2021 % Holding
1	Axiata Investments (Labuan) Limited	6,785,252,765	82.27	6,785,252,765	82.74
2	Employees Provident Fund	237,424,082	2.88	237,424,082	2.90
3	BBH Luxfidelity Funds-Pacific F	147,311,909	1.79	147,311,909	1.80
4	Citibank Newyork S/A Norges Bank Account 2	129,327,342	1.57	129,327,342	1.58
5	BNYM RE-Consilium Extended Opportunities Fund, L.P.	78,771,442	0.96	78,847,620	0.96
6	BBH - Fidelity Funds	55,240,998	0.67	55,240,998	0.67
7	SSBT - Sunsuper PTY Ltd as trustee for Sunsuper Supperannuation Fund	50,351,813	0.61	18,492,884	0.23
8.	Employees Trust Fund Board	49,934,024	0.61	49,934,024	0.61
9	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	43,599,859	0.53	14,867,369	0.18
10	JPMCB NA-Fidelity Asian Values Plc	38,530,079	0.47	41,762,540	0.51

The percentage of shares held by the public as at 31 December 2022 was 17.65%, in the hands of 23,700 public shareholders (2021 - 17.20% in the hands of 22,595 public shareholders). The Float-adjusted market capitalisation as at 31 December 2022 was Rs.12,373,606,655.

The Company is compliant with the Minimum Public Holding requirement under Option 1 of Rule 7.14.1(a) of the Listing Rules of the Colombo Stock Exchange.

DIRECTORS

The Directors of the Company as at 31 December 2022 were;

Mr. David Nai Pek Lau (Chairman)
Mr. Supun Weerasinghe (Group Chief Executive Officer)
Dr. Hans Wijayasuriya
Deshamanya Mahesh Amalean
Mr. Willem Lucas Timmermans
Mr. Vivek Sood
Dato Dr. Nik Ramlah Nik Mahmood
Mr. Azwan Khan Osman Khan
Dr. Indrajit Coomaraswamy
Dr. Sharmini Coorey

In accordance with the Articles of Association of the Company, Mr. Willem Lucas Timmermans and Mr. Azwan Khan Osman Khan retire by rotation and are eligible for re-election at the forthcoming Annual General Meeting.

Dr. Indrajit Coomaraswamy who attained the age of 73 years on 03 April 2023 and Mr. David Lau Nai Pek who attained the age of 70 years on 07 November 2022, retire pursuant to Section 210 of the Companies Act and resolutions that the age limit of 70 years referred to in Section 210 of the Companies Act shall not be applicable to Dr. Indrajit Coomaraswamy and Mr. David Lau Nai Pek will be proposed at the forthcoming Annual General Meeting.

As Dr. Sharmini Coorey was appointed to the Board since the last Annual General Meeting which was held on 21 June 2022, she will submit herself for re-election at the forthcoming Annual General Meeting pursuant to Article 109 of the Articles of Association of the Company.

The names of the Directors eligible for re-election are included in the Notice of the Annual General Meeting.

During the year under review, the following changes took place on the Board:

- Retirements from the Board:
  Mr. Mohamed Muhsin retired with effect from 21 June 2022.
- Appointments to the Board
  Dr. Sharmini Coorey was appointed with effect from 15 October 2022.

INTERESTS REGISTER

The Company maintains an interests 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.

LONG TERM INCENTIVE PLAN

Further to the Long Term Incentive Plan ("LTIP") established by the Company to reward and retain high performing eligible employees of the Company and its subsidiaries and pursuant to satisfying the vesting conditions pertaining to Grant 3 of the LTIP, a total of 47,032,800 ordinary shares in the Company were allotted and issued to the eligible employees on 28 September 2022, for non-cash consideration at a price of Rs. 10.50 per share.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

The details of direct and indirect shareholdings of Directors as at 31 December 2022 are as follows:

	2022	2021
Dr. Hans Wijayasuriya	2,408,910	2,408,910
Mr. Supun Weerasinghe	4,260,200	2,181,600
Deshamanya Mahesh Amalean*	500,000	1,114,500

**Shares were held by Amaliya (Private) Limited, in which Deshamanya Mahesh Amalean is a Director.*

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 PricewaterhouseCoopers Sri Lanka was Rs. 7.98 Mn (2021 - Rs. 6.7 Mn) and Rs. 20.5 Mn (2021 - Rs. 16.4 Mn) for the Company and the Group respectively. In addition to the above, Rs. 5.2 Mn (2021 - Rs. 10 Mn) and Rs. 5.6 Mn (2021 - Rs. 10.5 Mn) was payable by the Company and the Group for other permitted services.

STATED CAPITAL

The stated capital of the Company as at 31 December 2022 was Rs. 29,349,706,105 (2021 - Rs. 28,855,861,705) comprising 8,247,640,305 ordinary shares (2021 - 8,200,607,505 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 in compliance with Section 7.10 of 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 2022 audited financial statements, which require additional disclosure in terms of Rule 9.3.2 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 2022, 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.

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. 144,956,407 (2021 - Rs. 78,134,913).

Donation	2022
Manudam Mehewara	100,000,000
Ratmanala Audiology Centre	12,560,617
Nenasa & SMART School	15,577,154
Others	16,818,636
	144,956,407

Donation	2021
Critical Medical Equipments for Public Hospitals	62,000,000
Ratmalana Audiology Centre	2,000,000
Nenasa & SMART School	2,700,000
Others	11,434,913
	78,134,913

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 financial statements.

FUTURE DEVELOPMENTS

In line with its corporate vision to be a leader in multisensory connectivity as manifested in a quadruple play business and technology formulation, the Group will continue to be aggressive in establishing customer facing technology and service delivery infrastructures spanning mobile, fixed line, broadband, digital television and digital services sectors. The Company and the Group will continue to employ an up-to-date portfolio of access and core network technologies in keeping with a dynamic and regularly reviewed technology and service delivery roadmap architected in keeping with global best practices and technology evolution.

The Company will also continue to develop and consolidate its service delivery capability footprint across Sri Lanka in terms of the establishment of basic physical infrastructures such as domestic fibre optic transmission backbone, transmission towers and Internet Protocol (IP) transport networks capable of supporting the delivery of the multiple and converged connectivity services provided by the Group. Further the Group will also consolidate its position in the digital financial service. The Company will also focus on simplification of internal processes and digitisation to further improve customer experience.

INDEPENDENT AUDITOR

Messrs PricewaterhouseCoopers Sri Lanka, 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 PricewaterhouseCoopers 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 PricewaterhouseCoopers 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 40 to the financial statements.

By Order of the Board



Mr. Supun Weerasinghe
Director



Dr. Hans Wijayasuriya
Director



Ms. Viranthi Attygalle
Group Company Secretary

Colombo
10 February 2023

The 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 Companies Act'), are set out in the Independent Auditor's Report from pages 77 to 83.

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 Statement of Directors' Responsibility for Financial Reporting

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
10 February 2023

Independent Auditor's Report



TO THE SHAREHOLDERS OF DIALOG AXIATA PLC

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of Dialog Axiata PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") give a true and fair view of the financial position of the Company and the Group as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

What we have audited

The financial statements of the Company and the consolidated financial statements of the Group, which comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 Code of Ethics.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

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TO THE SHAREHOLDERS OF DIALOG AXIATA PLC (CONTINUED)

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Group:

Key audit matters	How our audit addressed the Key audit Matter
Impairment assessment of goodwill in subsidiaries (Refer accounting policies in note 2.5 (a) and note 7 in the financial statements) As at 31 December 2022, the Group's goodwill arising from its acquisition of subsidiaries was Rs. 4.8 Bn. The Group is required to test goodwill for impairment annually according to the requirements of the applicable accounting standard. Based on the impairment assessment performed, a loss of Rs. 4.8 Bn was recognised during the year ended 31 December 2022. This annual impairment test was significant to our audit due to following reasons: ▸ the goodwill balance of the Group as at 31 December 2022 and the impairment charge recognized in the current year 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 forecast of the related subsidiaries which are affected by the uncertainty of the expected future market or economic conditions.	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: 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 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; and 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 revenue growth rate. We found that the assumptions to be consistent and in line with our expectations.

Company:

Key audit matters	How our audit addressed the Key audit Matter
Impairment assessment of investment in subsidiaries (Refer accounting policies in note 2.8 and note 10 (b) in the financial statements) Based on the impairment assessment performed, the Company has recognised an impairment loss of Rs. 8.04 Bn from the investment made in Dialog Broadband Networks (Private) Limited and Rs. 8.04 Bn from the investment made in Dialog Television (Private) Limited. We focused on this matter because: ▸ the value of the impairment charge for the year ended 31 December 2022 is material; and ▸ the impairment testing performed by management in recognising the impairment was based on scenario-based valuations developed from assumptions and judgments relating to cash flow forecasts and earnings projections of the subsidiaries, which are sensitive to changes in future economic conditions.	Our procedures included checking the inputs used in the impairment testing and the reasonableness of the assumptions used in determining the recoverable value and are given below: a) assessed the key assumptions in the impairment test with assumptions made in the prior years in relation to revenue growth rates and EBIDTA margin. The pre-tax discount rate and terminal growth rate were assessed by benchmarking against publicly available market data; b) checked the appropriateness of the selected impairment testing method; c) checked the mathematical accuracy of the impairment testing calculation and agreed relevant data to the approved management plans; d) assessed the reliability of management's forecasts and projections by comparing actual performance against previous forecasts and projections; and e) discussed with relevant senior management the extent to which their assessment of uncertainty had been incorporated to cash flow projections. Our procedures did not result in material findings with respect to the impairment assessment of the investment in the subsidiaries.

TO THE SHAREHOLDERS OF DIALOG AXIATA PLC (CONTINUED)

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Group and Company:

Key audit matters	How our audit addressed the Key audit Matter
Revenue recognition - Accuracy of mobile service revenues recorded given the complexity of systems and the inherent nature of the revenue (Refer accounting policies in note 2.25 and note 26 in the financial statements) The mobile services revenue of the Company and the Group amounted to Rs. 101.3 Bn and Rs. 102.3 Bn respectively, and comprised revenues from voice, data, and value added services that is material to the financial statements. We focused on this area, in determining telecommunication service revenue involves risks due to: ▸ 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 ▸ systems involving processing of large volumes of data.	Our audit procedures included controls testing and substantive procedures as follows: a) evaluated the relevant IT systems and the design of key controls, and tested the operating effectiveness of such controls over the: ▸ capturing and recording of revenue transactions; ▸ authorization of rate changes and the rate input to the billing systems; and ▸ accuracy of the system calculation of amounts billed to customers. b) checked the accounting treatment for significant new products and promotions launched with multiple element arrangements and tested that they are appropriately incorporated into the billing systems; c) tested the results of the monitoring activities performed by the revenue assurance function; and d) examined material non-standard journal entries and other adjustments posted to revenue; Our procedures did not result in material findings with respect to the accuracy of revenue recorded in the year.

Group and Company:

Key audit matters	How our audit addressed the Key audit Matter
Useful lives of telecommunication network assets (Refer accounting policies in note 2.4 and note 8 in the financial statements) The Company and the Group has telecommunication network assets of Rs. 96.6 Bn and Rs. 129.6 Bn respectively as at 31 December 2022. We focused on this area as these assets are material to the financial statements of Company and Group and also because this focus area is subject to the following risks. ▸ determining useful lives of network assets involve significant estimation and judgment; ▸ useful lives of network assets shortening with technological obsolescence; and ▸ management's future plans may impact the useful lives of network assets.	Our audit procedures included controls testing and substantive procedures as follows: a) evaluated the reasonableness of management's annual assessment of the useful lives of network assets using available data of regional peers, global peers and other operating companies within the Axiata Group; b) participated as an observer and reviewed the minutes of quarterly senior management meetings where the remaining useful lives of network assets was discussed; c) checked whether approved changes in the asset life were appropriately applied to the related network assets; and d) inquired from senior management, whether the impact of industry technological advancements and initiatives in the business plan have been considered when assessing impairment or accelerated depreciation of network assets and review of the business plans. Our procedures did not result in material findings with respect to the determination of the useful lives of telecommunication network assets during the year.

TO THE SHAREHOLDERS OF DIALOG AXIATA PLC (CONTINUED)

Report on the audit of the financial statements (Continued)

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.

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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 separate / consolidated financial statements, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 judgement 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 / 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 separate / consolidated financial statements 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 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.

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 ethical requirements in accordance with the Code of Ethics 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, related safeguards.

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 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.

PricewaterhouseCoopers

CHARTERED ACCOUNTANTS
CA Sri Lanka membership number 4997

COLOMBO
10 February 2023

Statement of Financial Position

(all amounts in Sri Lanka Rupees thousands)

	Note	Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
ASSETS					
Non - current assets					
Intangible assets	7	13,317,262	16,857,691	7,119,264	6,081,492
Contract cost assets	26(c)(i)	10,573,568	10,909,988	2,852,882	2,613,195
Property, plant and equipment	8	156,236,582	127,452,429	116,246,596	91,360,686
Right-of-use assets	9(a)(i)	8,531,477	7,346,093	8,279,270	7,189,509
Deferred tax assets	23(a)	219,720	181,816	-	-
Investment in subsidiaries	10	-	-	39,207,068	50,621,104
Investment in associates	11	104,948	183,025	-	-
Other financial assets	13	2,228,434	1,469,431	-	-
		191,211,991	164,400,473	173,705,080	157,865,986
Current assets					
Inventories	14	2,870,804	3,712,248	197,918	216,670
Trade and other receivables	15	30,920,907	26,994,303	33,625,447	21,340,503
Other financial assets	13	1,599,862	1,814,547	-	-
Cash and cash equivalents	16	40,546,906	22,078,857	30,978,618	18,488,499
		75,938,479	54,599,955	64,801,983	40,045,672
Total assets		**267,150,470**	**219,000,428**	**238,507,063**	**197,911,658**
EQUITY					
Capital and reserves attributable to equity holders					
Stated capital	17	29,349,706	28,855,862	29,349,706	28,855,862
Reserves	18	15,866,349	64,731,300	15,136,848	68,176,351
Non-controlling interests		(66,107)	(72,275)	-	-
Total equity		**45,149,948**	**93,514,887**	**44,486,554**	**97,032,213**
LIABILITIES					
Non - current liabilities					
Borrowings	21	66,581,118	10,477,656	65,282,580	8,319,323
Contract liabilities	26(c)(ii)	4,945,910	1,921,962	4,208,273	857,022
Deferred income	22	283,735	408,132	283,735	408,132
Lease liabilities	9(a)(ii)	7,797,196	6,255,902	7,551,270	6,078,964
Other financial liabilities	20	20,544	86,947	-	-
Employee benefit payables	24	3,193,399	1,690,014	2,437,154	1,300,150
Provision for other liabilities	25	5,547,146	2,129,209	5,215,949	1,873,587
Deferred tax liabilities	23(a)	20,104	22,448	-	-
		88,389,152	22,992,270	84,978,961	18,837,178
Current liabilities					
Trade and other payables	19	80,517,912	56,985,403	63,956,319	44,254,044
Borrowings	21	37,008,681	31,357,958	35,107,225	26,531,973
Other financial liabilities	20	3,774,729	689,685	-	-
Lease liabilities	9(a)(ii)	1,924,449	1,457,784	1,873,519	1,422,379
Contract liabilities	26(c)(ii)	8,787,804	10,989,578	6,525,075	8,852,736
Current income tax liabilities		1,597,795	1,012,863	1,579,410	981,135
		133,611,370	102,493,271	109,041,548	82,042,267
Total liabilities		**222,000,522**	**125,485,541**	**194,020,509**	**100,879,445**
Total equity and liabilities		**267,150,470**	**219,000,428**	**238,507,063**	**197,911,658**
Net assets per share (Rs.)		5.48	11.40	5.40	11.83

The notes on pages 89 to 169 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. Hong Zhou Wong
Group Chief Financial Officer

Date: 10/02/2023

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. Supun Weerasinghe
Director
Date: 10/02/2023



Dr. Hans Wijayasuriya
Director
Date: 10/02/2023

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees thousands)

	Note	Group		Company	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
Revenue	26(a)	178,130,762	141,914,839	101,372,997	90,958,769
Direct costs	27	(117,947,759)	(80,261,683)	(52,523,333)	(42,028,347)
Gross profit		60,183,003	61,653,156	48,849,664	48,930,422
Distribution costs	27	(16,477,205)	(15,653,897)	(14,016,863)	(13,494,432)
Administrative costs	27	(39,847,190)	(22,318,503)	(40,261,413)	(18,396,568)
Net impairment losses on financial assets		(1,728,411)	(921,167)	(920,605)	(677,724)
Other income	29	438,230	680,416	253,362	454,450
Operating profit / (loss)		2,568,427	23,440,005	(6,095,855)	16,816,148
Finance income	30	2,396,014	456,564	2,450,721	463,255
Finance costs	30	(5,308,623)	(2,171,042)	(5,010,147)	(1,945,330)
Net foreign exchange losses	30	(30,280,313)	(2,644,003)	(26,902,351)	(2,336,111)
Finance costs - net	30	(33,192,922)	(4,358,481)	(29,461,777)	(3,818,186)
Share of loss of associates - net of tax	11	(78,077)	(28,765)	-	-
(Loss) / profit before income tax		(30,702,572)	19,052,759	(35,557,632)	12,997,962
Income tax expense	31	(2,706,119)	(2,033,991)	(2,751,125)	(1,846,881)
(Loss) / profit for the year		**(33,408,691)**	**17,018,768**	**(38,308,757)**	**11,151,081**
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		30,550	(13,010)	-	-
- remeasurements of defined benefit obligation, net of tax		(1,266,473)	102,539	(953,909)	73,229
Other comprehensive income for the year, net of tax		**(1,235,923)**	**89,529**	**(953,909)**	**73,229**
Total comprehensive income for the year		**(34,644,614)**	**17,108,297**	**(39,262,666)**	**11,224,310**
(Loss) / profit for the year is attributable to:					
- owners of the Company		(33,387,921)	17,060,812	(38,308,757)	11,151,081
- non-controlling interest		(20,770)	(42,044)	-	-
Total comprehensive income for the year is attributable to:					
- owners of the Company		(34,623,842)	17,151,777	(39,262,666)	11,224,310
- non-controlling interest		(20,772)	(43,480)	-	-
(Loss) / earnings per share					
- Basic	32(a)(i)	(4.06)	2.08	(4.66)	1.36
- Diluted	32(a)(ii)	(4.04)	2.06	(4.63)	1.35

The notes on pages 89 to 169 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

(all amounts in Sri Lanka Rupees thousands)

	Note	Attributable to owners of the Company		Non-controlling interest	Total equity
		Stated capital	Reserves		
Balance at 1 January 2022		28,855,862	64,731,300	(72,275)	93,514,887
Adjustment for Surcharge tax	38	-	(3,819,733)	-	(3,819,733)
Adjusted balance at 1 January 2022		28,855,862	60,911,567	(72,275)	89,695,154
Loss for the year		-	(33,387,921)	(20,770)	(33,408,691)
Other comprehensive income		-	(1,235,921)	(2)	(1,235,923)
Total comprehensive income for the year		**-**	**(34,623,842)**	**(20,772)**	**(34,644,614)**
Transactions with non-controlling interest		-	(18,121)	26,940	8,819
Employee share scheme - value of employee services		-	259,342	-	259,342
Dividends to equity shareholders	32(b)	-	(10,168,753)	-	(10,168,753)
Transfer from share-based payment reserve upon vesting		493,844	(493,844)	-	-
Balance at 31 December 2022		**29,349,706**	**15,866,349**	**(66,107)**	**45,149,948**
Balance at 1 January 2021		28,467,285	53,745,783	(10,006)	82,203,062
Profit / (loss) for the year		-	17,060,812	(42,044)	17,018,768
Other comprehensive income		-	90,965	(1,436)	89,529
Total comprehensive income for the year		**-**	**17,151,777**	**(43,480)**	**17,108,297**
Transactions with non-controlling interest		-	589	(18,789)	(18,200)
Employee share scheme - value of employee services		-	290,178	-	290,178
Dividends to equity shareholders	32(b)	-	(6,068,450)	-	(6,068,450)
Transfer from share-based payment reserve upon vesting		388,577	(388,577)	-	-
Balance at 31 December 2021		**28,855,862**	**64,731,300**	**(72,275)**	**93,514,887**

The notes on pages 89 to 169 form an integral part of these financial statements.

Company Statement of Changes in Equity

(all amounts in Sri Lanka Rupees thousands)

	Note	Attributable to owners of the Company		
		Stated capital	Reserves	Total equity
Balance at 1 January 2022		28,855,862	68,176,351	97,032,213
Adjustment for Surcharge tax	38	-	(3,373,582)	(3,373,582)
Adjusted balance at 1 January 2022		28,855,862	64,802,769	93,658,631
Loss for the year		-	(38,308,757)	(38,308,757)
Other comprehensive income		-	(953,909)	(953,909)
Total comprehensive income for the year		**-**	**(39,262,666)**	**(39,262,666)**
Employee share scheme - value of employee services		-	259,342	259,342
Dividends to equity shareholders	32(b)	-	(10,168,753)	(10,168,753)
Transfer from share-based payment reserve upon vesting		493,844	(493,844)	-
Balance at 31 December 2022		**29,349,706**	**15,136,848**	**44,486,554**
Balance at 1 January 2021		28,467,285	63,118,890	91,586,175
Profit for the year		-	11,151,081	11,151,081
Other comprehensive income		-	73,229	73,229
Total comprehensive income for the year		**-**	**11,224,310**	**11,224,310**
Employee share scheme - value of employee services		-	290,178	290,178
Dividends to equity shareholders	32(b)	-	(6,068,450)	(6,068,450)
Transfer from share-based payment reserve upon vesting		388,577	(388,577)	-
Balance at 31 December 2021		**28,855,862**	**68,176,351**	**97,032,213**

The notes on pages 89 to 169 form an integral part of these financial statements.

Statement of Cash Flows

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 December 2022	Group 31 December 2021	Company 31 December 2022	Company 31 December 2021
Cash flows from operating activities					
Cash generated from operations	33(a)	63,281,338	57,542,224	38,149,883	52,109,966
Interest received		1,961,857	465,177	1,523,053	406,049
Interest paid		(2,488,345)	(1,919,899)	(1,897,080)	(1,705,482)
Income taxes paid		(5,976,206)	(1,664,119)	(5,524,270)	(1,660,768)
Employee benefits obligations paid	24(a)(i)	(125,899)	(87,755)	(98,134)	(68,826)
Net cash generated from operating activities		**56,652,745**	**54,335,628**	**32,153,452**	**49,080,939**
Cash flows from investing activities					
Purchase of property, plant and equipment		(56,803,994)	(35,635,856)	(44,705,685)	(27,644,539)
Purchase of intangible assets		(3,038,639)	(3,473,476)	(2,216,730)	(3,371,872)
Acquisition of subsidiary, net of cash acquired / (used)		-	13,567	(188,541)	(642,221)
Investment in associates		-	(84,135)	-	-
Net cash flows used in other financial assets		(238,343)	(143,373)	-	-
Proceeds from sale of property, plant and equipment		8,572	30,833	8,572	31,193
Investment income received		-	240	-	-
Net cash used in investing activities		**(60,072,404)**	**(39,292,200)**	**(47,102,384)**	**(31,627,439)**
Cash flows from financing activities					
Repayment of borrowings	33(b)	(40,303,697)	(23,842,636)	(39,349,884)	(21,843,581)
Proceeds from borrowings	33(b)	74,159,017	18,334,500	74,143,017	16,334,500
Principal element of lease payment	33(b)	(2,802,628)	(2,753,749)	(1,245,491)	(2,650,980)
Redemption of preference shares from non - controlling interest		-	(15,356)	-	-
Proceeds from share issue - non controlling interest		5,132	6,566	-	-
Dividends paid to ordinary shareholders	32(b)	(10,168,753)	(6,068,450)	(10,168,753)	(6,068,450)
Net cash generated from / (used in) financing activities		**20,889,071**	**(14,339,125)**	**23,378,889**	**(14,228,511)**
Net increase in cash and cash equivalents		**17,469,412**	**704,303**	**8,429,957**	**3,224,989**
Movement in cash and cash equivalents					
At the beginning of year		14,969,061	14,029,038	15,322,265	11,862,294
Increase		17,469,412	704,303	8,429,957	3,224,989
Effect of exchange rate changes		(196,998)	235,720	(163,965)	234,982
At end of year	(Note a)	**32,241,475**	**14,969,061**	**23,588,257**	**15,322,265**

Note a

Cash and cash equivalents at the end of the financial year consist of the following.

		Group 2022	Group 2021	Company 2022	Company 2021
Cash in hand and cash at bank	16	40,546,906	22,078,857	30,978,618	18,488,499
Bank overdrafts	21	(8,305,431)	(7,109,796)	(7,390,361)	(3,166,234)
		32,241,475	**14,969,061**	**23,588,257**	**15,322,265**

The notes on pages 89 to 169 form an integral part of these financial statements.

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, navigation and 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 10 February 2023.

2 SUMMARY OF SIGNIFICANT 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 2022

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

(i) The amendment to LKAS 16, 'Property, Plant and Equipment (PPE),' prohibits an entity from deducting from the cost of an item of PPE, any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of PPE. The financial performance of the asset is not relevant to this assessment.

Entities must separately disclose the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The amendment to the standard is effective for accounting periods beginning on or after 1 January 2022.

(ii) Amendments to SLFRS 3, 'Business Combinations' update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of LKAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' and Interpretation 21, 'Levies'. This amendment also confirms that contingent assets should not be recognised at the acquisition date.

The amendment to the standard is effective for accounting periods beginning on or after 1 January 2022.

(iii) The amendment to LKAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. In relation to onerous contracts, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, prior to recognising a separate provision.

The amendment to the standard is effective for accounting periods beginning on or after 1 January 2022.

(iv) Annual improvements to following SLFRSs effective for accounting periods beginning on or after 1 January 2022;

- SLFRS 9, 'Financial Instruments' clarifies what should be included in the test for derecognition of financial liabilities.
- SLFRS 16, 'Leases' amends to remove confusion about the treatment of lease incentives.
- SLFRS 1, 'First-time Adoption of International Financial Reporting Standards' - This allows entities that have measured their assets and liabilities at carrying value, recorded in the parent's book to measure any cumulative translation differences using the amounts recognised by the parent. This amendment will apply to the associates and joint ventures taken the same SLFRS 1 exemption.

(b) New accounting standards, amendments and interpretations issued but not yet adopted in 2022

(i) Amendments to LKAS 1, 'Presentation of Financial Statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also clarify what amounts to a 'settlement' of a liability.

The amendment to the standard is effective for accounting periods beginning on or after 1 January 2023.

(ii) Amendment to LKAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

(iii) Amendments to LKAS 8, 'Definition of Accounting Estimates'

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, in accounting estimates prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment will be effective for annual reporting periods beginning on or after 1 January 2023.

(iv) Amendments to LKAS 1, 'Presentation of Financial Statements'

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments to LKAS 1 will be effective for annual reporting periods beginning on or after 1 January 2023.

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.

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in comprehensive income. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with SLFRS 9 in comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Intercompany 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.

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.

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.

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. 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 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.

2.5 Intangible assets

(a) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in comprehensive income.

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 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 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 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 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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Company designate certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges),
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- Hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group and the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining

maturity of the hedged item is more than twelve (12) months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve (12) months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to comprehensive income over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the 'Other comprehensive income' and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in comprehensive income within 'Other income'.

Amounts accumulated in equity are reclassified to the comprehensive income in the periods when the hedged cash flows affect the comprehensive income. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in comprehensive income within 'Finance costs - net'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows affect comprehensive income.

(iii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in 'Other comprehensive income' and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in comprehensive income within 'other income'. Gains and losses accumulated in equity are included in comprehensive income when the foreign operation is partially disposed or disposed.

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.

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.

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 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 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.

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.

(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.

(viii) 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.

(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.

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.

(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.

If Sri Lanka rupee fluctuates by 1% against United States dollar ('USD') as at 31 December 2022, with all other variables held constant, it will result in a net foreign exchange difference of Rs. 907 Mn (2021 - Rs. 315 Mn) and Rs. 833 Mn (2021 - Rs. 259 Mn) 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 16 and 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 2022, with all other variables held constant, it will result in a lower / higher interest expense of the Group and the Company amounting to Rs. 188 Mn.

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.

(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.

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 2022					
Borrowings	11,757,014	25,218,356	3,745,000	24,414,687	38,454,742
Trade and other payables	72,668,743	5,944,801	1,599,799	229,577	74,990
Lease liabilities	835,008	1,059,651	1,140,263	2,126,225	4,560,494
Other financial liabilities	8,555	3,765,835	11,174	9,719	-
At 31 December 2021					
Borrowings	13,535,408	19,304,699	6,970,213	5,044,106	-
Trade and other payables	52,075,932	-	-	-	-
Lease liabilities	600,215	1,378,134	1,859,505	2,875,961	2,666,763
Other financial liabilities	1,067,673	287,123	29,218	260	-

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 2022					
Borrowings	10,571,804	24,535,444	3,341,667	23,486,148	38,454,742
Trade and other payables	53,947,139	-	-	-	-
Lease liabilities	835,008	1,059,651	1,140,263	2,126,229	4,560,494
At 31 December 2021					
Borrowings	9,291,948	18,526,253	5,788,119	3,801,161	-
Trade and other payables	41,541,028	-	-	-	-
Lease liabilities	575,343	1,316,963	1,786,966	2,738,813	2,595,791

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 maximize 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Contd.)

The gearing ratios as at 31 December are as follows:

	Group		Company	
	2022	2021	2022	2021
Debt	103,589,799	41,835,614	100,389,805	34,851,296
Total capital	45,149,948	93,514,887	44,486,554	97,032,213
Gearing ratio (Debt to Total capital)	**2.29**	**0.44**	**2.26**	**0.36**

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.

	Measurement criteria and the fair value - Group					
	Level 1 Rs. '000		Level 3 Rs. '000		Total Rs. '000	
	2022	2021	2022	2021	2022	2021
Financial assets						
Financial assets at fair value through profit or loss (FVPL)						
Investment in quoted equities	2,865	1,919	-	-	2,865	1,919
Investment in unquoted equities	-	-	477,189	293,311	477,189	293,311
Financial assets at fair value through other comprehensive income (FVOCI)						
Investment in unquoted equities	-	-	205,847	170,609	205,847	170,609

(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.

(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 2021 and 31 December 2022.

	Unlisted equity securities at FVTPL	Unlisted equity securities at FVOCI	Total
As at 1 January 2021	**205,865**	**187,728**	**393,593**
Net fair value gain / (loss)	167,786	(17,119)	150,667
Transfer to Investment in subsidiaries	(78,421)	-	(78,421)
As at 31 December 2021	**295,230**	**170,609**	**465,839**
Net fair value gain / (loss)	(53,520)	30,550	(22,970)
Addition	238,344	4,688	243,032
As at 31 December 2022	**480,054**	**205,847**	**685,901**

4 FAIR VALUE MEASUREMENT (CONTINUED)

Description	Fair value 2022	Fair value 2021	Unobservable input	Relationship of unobservable input to the fair value		
				Change in assumption	Increase in assumption	Decrease in assumption
Unlisted equity securities at FVTPL	275,054	157,998	Cash flow projection based on the forecasts covering a five-year period	Discount rate by 1%	Reduce the fair value by Rs. 6.9 Mn	Increase the fair value by Rs. 7.6 Mn
	205,000	137,232	Price contained within an offered quote	N/A	N/A	N/A
Unlisted equity securities at FVOCI	203,727	168,508	Cash flow projection based on the forecasts covering a five-year period	Discount rate by 1%	Reduce the fair value by Rs. 4.8 Mn	Increase the fair value by Rs. 5.2 Mn
	2,120	2,101	Adjusted net asset value per share	Adjusted net assets per share by 5%	Increase by Rs. 106,010	Decrease by Rs. 106,010

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 2022					
Other financial assets at amortised cost - Loans and advance	3,088,466	-	3,093,453	-	3,088,466

	Carrying value	Level 1	Level 2	Level 3	Total
As at 31 December 2021					
Other financial assets at amortised cost - Loans and advance	2,816,220	-	2,816,220	-	2,816,220

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 amortization 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.

(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.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(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.

(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.

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 2022, the Group is organised into three main business segments:

- Mobile operation
- Fixed telephony and broadband operation
- Television operations

6 SEGMENT INFORMATION (CONTINUED)

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Total segmental revenue	113,253,121	68,793,923	12,047,718	-	194,094,762
Inter-segment revenue	(10,924,466)	(4,942,777)	(96,757)	-	(15,964,000)
Revenue from external customers	**102,328,655**	**63,851,146**	**11,950,961**	**-**	**178,130,762**
Segment operating (loss) / profit for the year	(5,407,754)	3,423,867	(2,150,414)	6,702,728	2,568,427
Finance costs - net					(33,192,922)
Share of loss from associates - net of tax					(78,077)
Loss before income tax					(30,702,572)
Income tax expense					(2,706,119)
Loss for the year					**(33,408,691)**

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	30,233,062	11,426,871	2,904,571	-	44,564,504
Impairment of goodwill [Note 7(g)]	-	-	-	4,835,089	4,835,089
Impairment of investment in subsidiaries [Note 10(b)]	11,602,577	-	-	(11,602,577)	-

The segment assets and liabilities at 31 December 2022 and capital expenditure for the year then ended are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Assets	252,828,100	61,068,807	9,470,244	(44,426,632)	278,940,519
Inter-segment assets	(10,614,546)	(1,169,340)	(6,163)	-	(11,790,049)
Total assets	**242,213,554**	**59,899,467**	**9,464,081**	**(44,426,632)**	**267,150,470**
Liabilities	205,827,358	22,647,346	12,127,686	-	240,602,390
Inter-segment liabilities	(9,644,854)	(8,019,988)	(937,026)	-	(18,601,868)
Total liabilities	**196,182,504**	**14,627,358**	**11,190,660**	**-**	**222,000,522**
Capital expenditure	49,869,731	12,773,250	505,639	-	63,148,620

The segment results for the year ended 31 December 2021 are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Total segmental revenue	99,163,022	44,790,240	10,605,891	-	154,559,153
Inter-segment revenue	(8,085,570)	(4,460,957)	(97,787)	-	(12,644,314)
Revenue from external customers	**91,077,452**	**40,329,283**	**10,508,104**	**-**	**141,914,839**
Segment operating profit for the year	17,021,037	5,309,232	463,659	646,077	23,440,005
Finance costs - net					(4,358,481)
Share of loss from associates - net of tax					(28,765)
Profit before income tax					19,052,759
Income tax					(2,033,991)
Profit for the year					**17,018,768**

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	23,229,648	9,484,203	3,222,758	-	35,936,609
Impairment of goodwill [Note 7 (h)]	-	-	-	76,137	76,137
Impairment of investment in subsidiaries [Note 10(b)]	**967,901**	**-**	**-**	**(967,901)**	**-**

The segment assets and liabilities at 31 December 2021 and capital expenditure for the year then ended are as follows:

	Mobile operation	Fixed telephony and broadband operation	Television operation	Elimination / adjustment	Group
Assets	207,420,963	53,496,804	10,730,050	(43,895,338)	227,752,479
Inter-segment assets	(6,624,498)	(304,473)	(1,823,080)	-	(8,752,051)
Total assets	**200,796,465**	**53,192,331**	**8,906,970**	**(43,895,338)**	**219,000,428**
Liabilities	108,390,997	17,769,073	8,320,693	-	134,480,763
Inter-segment liabilities	(5,300,569)	(3,375,111)	(319,542)	-	(8,995,222)
Total liabilities	**103,090,428**	**14,393,962**	**8,001,151**	**-**	**125,485,541**
Capital expenditure	28,347,386	7,590,799	101,526	-	36,039,711

7 INTANGIBLE ASSETS

(a) Group

	Goodwill	Licenses	Computer software	Others	Total
At 1 January 2022					
Cost	10,389,946	14,799,012	16,517,664	1,270,961	42,977,583
Accumulated amortisation / impairment	(736,465)	(10,576,540)	(13,628,645)	(1,178,242)	(26,119,892)
Net book amount	**9,653,481**	**4,222,472**	**2,889,019**	**92,719**	**16,857,691**
Year ended 31 December 2022					
Opening net book amount	9,653,481	4,222,472	2,889,019	92,719	16,857,691
Additions	-	1,209,761	1,830,139	781	3,040,681
Transfer from PPE	-	-	1,809,450	-	1,809,450
Impairment charge	(4,835,087)	-	(2,168)	-	(4,837,255)
Amortisation charge [Note 33(a)]	-	(1,538,101)	(1,962,954)	(52,250)	(3,553,305)
Closing net book amount	**4,818,394**	**3,894,132**	**4,563,486**	**41,250**	**13,317,262**
At 31 December 2022					
Cost	9,653,481	16,008,773	20,157,253	1,271,896	47,091,403
Accumulated amortisation / impairment	(4,835,087)	(12,114,641)	(15,593,767)	(1,230,646)	(33,774,141)
Net book amount	**4,818,394**	**3,894,132**	**4,563,486**	**41,250**	**13,317,262**
Year ended 31 December 2021					
Opening net book amount	9,415,639	4,060,575	3,838,465	153,913	17,468,592
Additions	313,978	1,569,564	1,846,578	1,750	3,731,870
Transfer to PPE	-	-	(382,109)	-	(382,109)
Adjustment	-	-	(8,925)	-	(8,925)
Disposals	-	-	(67,240)	-	(67,240)
Impairment charge	(76,136)	-	-	-	(76,136)
Amortisation charge [Note 33(a)]	-	(1,407,667)	(2,337,750)	(62,944)	(3,808,361)
Closing net book amount	**9,653,481**	**4,222,472**	**2,889,019**	**92,719**	**16,857,691**
At 31 December 2021					
Cost	10,389,946	14,799,012	16,517,664	1,270,961	42,977,583
Accumulated amortisation / impairment	(736,465)	(10,576,540)	(13,628,645)	(1,178,242)	(26,119,892)
Net book amount	**9,653,481**	**4,222,472**	**2,889,019**	**92,719**	**16,857,691**

(b) Company

	Licenses	Computer software	Others	Total
At 1 January 2022				
Cost	10,017,325	15,430,971	1,214,391	26,662,687
Accumulated amortisation	(6,632,477)	(12,827,046)	(1,121,672)	(20,581,195)
Net book amount	**3,384,848**	**2,603,925**	**92,719**	**6,081,492**
Year ended 31 December 2022				
Opening net book amount	3,384,848	2,603,925	92,719	6,081,492
Additions	960,004	3,066,176	-	4,026,180
Amortisation charge [Note 33(a)]	(1,112,031)	(1,824,127)	(52,250)	(2,988,408)
Closing net book amount	**3,232,821**	**3,845,974**	**40,469**	**7,119,264**
At 31 December 2022				
Cost	10,977,328	18,497,148	1,214,391	30,688,867
Accumulated amortisation	(7,744,507)	(14,651,174)	(1,173,922)	(23,569,603)
Net book amount	**3,232,821**	**3,845,974**	**40,469**	**7,119,264**
Year ended 31 December 2021				
Opening net book amount	2,829,076	3,497,797	153,913	6,480,786
Additions	1,500,002	1,721,122	1,750	3,222,874
Transfer to PPE	-	(382,109)	-	(382,109)
Amortisation charge [Note 33(a)]	(944,230)	(2,232,885)	(62,944)	(3,240,059)
Closing net book amount	**3,384,848**	**2,603,925**	**92,719**	**6,081,492**
At 31 December 2021				
Cost	10,017,325	15,430,971	1,214,391	26,662,687
Accumulated amortisation	(6,632,477)	(12,827,046)	(1,121,672)	(20,581,195)
Net book amount	**3,384,848**	**2,603,925**	**92,719**	**6,081,492**

(c) Other intangible assets mainly include costs incurred to acquire the indefeasible right of use of SEA-ME-WE under-sea cable.

(d) Amortisation has been charged under following expense categories:

	Group		Company	
Expense categories:	2022	2021	2022	2021
Direct costs	1,619,561	1,452,042	1,164,280	1,007,174
Administrative costs	1,933,744	2,356,319	1,824,128	2,232,885
	3,553,305	**3,808,361**	**2,988,408**	**3,240,059**

7 INTANGIBLE ASSETS (CONTINUED)

(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.

	2022	2021
Fixed telephony and broadband operation	3,562,557	7,125,114
Television operation	-	1,272,532
Device sales operation	231,923	231,923
Financial services operation	709,933	709,933
IT Services	221,512	221,512
Health Services	92,467	92,467
	4,818,392	**9,653,481**

The recoverable amounts of fixed telephony and broadband operation, television operation, device sales operation, e-learning operation, IT services operation and health services operation CGUs are determined based on the Value In Use ('VIU') calculations. 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 fixed telephony and broadband operation, television operation, device sales operation, e-learning operation, IT services operation and health services operation is calculated by applying DCF model using cash flow projections based on the forecasts and projections approved by the management covering a five-year period. Cash flows beyond the five-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 pre-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 fixed telephony and broadband operation, television operation, device sales operation, e-learning 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.

- **Pre-tax discount rate**

The Group's long term Weighted Average Cost of Capital (WACC) is representative of discount rate and is used as the pre-tax discount rate to discount cash flow projections.

- **Terminal growth rate**

Terminal growth reflects the management expectations on the fixed telephony and broadband operation, television operation, device sales operation, e-learning operation, IT service operation and health service operation growth potential in Sri Lanka for the foreseeable future.

Given below are the variables used for the impairment tests pertaining to CGUs that have significant goodwill allocated to them for 2022 and 2021 under DCF method:

	Fixed telephony and broadband operation		Television operation		Device sales operation		IT service operation	
	2022	2021	2022	2021	2022	2021	2022	2021
EBITDA margin	55.00%	50.00%	24.00%	36.00%	15.00%	6.29%	6.00%	4.72%
Capex to revenue ratio	30.00%	25.00%	20.00%	2.00%	-	-	0.10%	-
Pre-tax discount rate*	11.41% - 30.21%	13.60%	11.41% - 30.21%	13.60%	11.41% - 30.21%	13.60%	11.41% - 30.21%	13.60%
Terminal growth rate	3.00%	3.00%	3.00%	3.00%	0.10%	0.10%	3.00%	2.00%

***Pre-tax discount rate -** Multiple discount rates were used to generate more accurate results. Current forecasted Weighted Average Cost of Capital (WACC) of 30.21% and 22.19% for 2023 and 2024 resepctively, pre-crisis WACC of 16.27% for 2025 - 2027, and long-term WACC of 11.41% for terminal value.

Market value method

Market value is established based on the closing share price of Dialog Finance PLC as at 31 December 2022, quoted on the Colombo Stock Exchange. Costs to sell are established based on the transaction costs applicable for equity securities.

(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, with the exception of the e-learning operation [refer to Note 7(h)].

7 INTANGIBLE ASSETS (CONTINUED)

The recoverable amounts of fixed telephony and broadband operation, television operation, device sales operation and IT service operation CGUs would equal its carrying amount if the key assumptions were to change as follows:

	Fixed telephony and broadband operation		Television operation		Device sales operation		IT service operation	
	From	To	From	To	From	To	From	To
EBITDA margin	55.00%	54.11%	24.00%	22.93%	15.00%	(6.94%)	6.00%	1.14%
Capex to revenue ratio	30.00%	30.68%	20.00%	N/A	-	-	0.10%	N/A
Terminal growth rate	3.00%	2.71%	3.00%	2.10%	0.10%	N/A	3.00%	N/A

N/A - Any changes in the respective assumptions will not have a considerable impact on the above assessment.

As the approach is to use multiple discount rates for different periods, the pre-tax discount rate was not considered in the sensitivity analysis.

(g) Impairment of Goodwill of fixed telephony and broadband operations and television operations

Based on the impairment tests performed using current cashflow forecasts, it indicates impairment of Cash Generating Units (CGUs) of television and broadband businesses as recoverable amounts fell below the carrying value. The Group has taken full impairment of acquired goodwill amounting to Rs. 1,273 Mn of television business and partial impairment amounting to Rs. 3,563 Mn of broadband business during the year. The recoverable amount of the CGU reflects management expectations of cashflow forecasts and accordingly present value of the future cash flows.

(h) Impairment of Goodwill of e-learning operation

Based on the impairment test performed during the year ended 31 December 2021, a provision for impairment of goodwill of Rs. 76 Mn was recognized in respect of e learning operation, since the recoverable amounts fell below the carrying value. The respective impairment value is included under administrative costs in the statement of comprehensive income.

Given below are the key variables used for the impairment test for 2022 and 2021 under the DCF method.

	2022	2021
Pre-tax Discount Rate*	11.41% - 30.21%	11.53%
Terminal Growth Rate	3.00%	3.50%

***Pre-tax discount rate**

Multiple discount rates were applied, including the forecasted Weighted Average Cost of Capital (WACC) of the Group for 2023 and 2024 of 30.21% and 22.19% respectively, pre-crisis WACC of 16.27% for 2025-2027, and long-term WACC of 11.41% for terminal value.

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 2022						
Cost	6,217,868	284,526,783	13,829,672	107,619	17,009,028	321,690,970
Accumulated depreciation / provision for impairment	(1,798,098)	(178,633,723)	(12,843,392)	(98,289)	(865,039)	(194,238,541)
Net book amount	**4,419,770**	**105,893,060**	**986,280**	**9,330**	**16,143,989**	**127,452,429**
Year ended 31 December 2022						
Opening net book amount	4,419,770	105,893,060	986,280	9,330	16,143,989	127,452,429
Additions	-	3,154,520	7,762	-	60,691,208	63,853,490
Transferred to Intangible Assets	-	-	-	-	(1,809,450)	(1,809,450)
Transferred from CWIP	200,156	52,381,790	272,014	-	(52,853,960)	-
Disposals	(23,056)	(148)	(15,537)	-	-	(38,741)
Adjustments	(297)	(221,868)	176,074	-	(1,066,092)	(1,112,183)
Impairment reversal / (provision) and assets written off	-	(3,022,023)	-	-	62,688	(2,959,335)
Depreciation charge [Note 33(a)]	(303,695)	(28,273,621)	(567,913)	(4,399)	-	(29,149,628)
Closing net book amount	**4,292,878**	**129,911,710**	**858,680**	**4,931**	**21,168,383**	**156,236,582**
At 31 December 2022						
Cost	6,394,671	339,841,077	14,269,985	107,619	21,970,734	382,584,086
Accumulated depreciation / provision for impairment	(2,101,793)	(209,929,367)	(13,411,305)	(102,688)	(802,351)	(226,347,504)
Net book amount	**4,292,878**	**129,911,710**	**858,680**	**4,931**	**21,168,383**	**156,236,582**
Year ended 31 December 2021						
Opening net book amount	3,507,218	98,990,155	1,787,365	14,615	14,175,753	118,475,106
Additions	266	95,219	3,570	-	32,373,305	32,472,360
Transferred from Intangible Assets	-	382,109	-	-	-	382,109
Transferred from CWIP	1,215,795	29,095,529	136,789	-	(30,448,113)	-
Disposals	(5,175)	(1,302)	(16,158)	(885)	-	(23,520)
Adjustments	-	(86,670)	(223,059)	-	222,292	(87,437)
Impairment reversal / (provision) and assets written off	-	20,864	-	-	(179,248)	(158,384)
Depreciation charge [Note 33(a)]	(298,334)	(22,602,844)	(702,227)	(4,400)	-	(23,607,805)
Closing net book amount	**4,419,770**	**105,893,060**	**986,280**	**9,330**	**16,143,989**	**127,452,429**
At 31 December 2021						
Cost	6,217,868	284,526,783	13,829,672	107,619	17,009,028	321,690,970
Accumulated depreciation / provision for impairment	(1,798,098)	(178,633,723)	(12,843,392)	(98,289)	(865,039)	(194,238,541)
Net book amount	**4,419,770**	**105,893,060**	**986,280**	**9,330**	**16,143,989**	**127,452,429**

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(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 2022						
Cost	4,909,951	189,902,052	4,606,846	39,696	14,466,932	213,925,477
Accumulated depreciation / provision for impairment	(1,513,385)	(117,039,939)	(3,787,444)	(30,366)	(193,657)	(122,564,791)
Net book amount	**3,396,566**	**72,862,113**	**819,402**	**9,330**	**14,273,275**	**91,360,686**
Year ended 31 December 2022						
Opening net book amount	3,396,566	72,862,113	819,402	9,330	14,273,275	91,360,686
Additions	-	2,758,000	-	-	47,921,471	50,679,471
Transferred from CWIP	198,403	40,159,642	242,979	-	(40,601,024)	-
Transferred to Intangible Assets	-	-	-	-	(1,809,450)	(1,809,450)
Disposals	(23,056)	-	(15,537)	-	-	(38,593)
Impairment reversal / (provision) and assets written off	-	(2,837,489)	-	-	33,329	(2,804,160)
Depreciation charge [Note 33(a)]	(246,897)	(20,540,506)	(349,555)	(4,400)	-	(21,141,358)
Closing net book amount	**3,325,016**	**92,401,760**	**697,289**	**4,930**	**19,817,601**	**116,246,596**
At 31 December 2022						
Cost	5,085,298	232,819,694	4,834,288	39,696	19,977,929	262,756,905
Accumulated depreciation / provision for impairment	(1,760,282)	(140,417,934)	(4,136,999)	(34,766)	(160,328)	(146,510,309)
Net book amount	**3,325,016**	**92,401,760**	**697,289**	**4,930**	**19,817,601**	**116,246,596**
Year ended 31 December 2021						
Opening net book amount	2,452,613	66,551,680	1,095,464	13,730	12,203,618	82,317,105
Additions	-	69,243	484	-	25,324,177	25,393,904
Transferred from CWIP	1,189,574	21,925,722	121,139	-	(23,236,435)	-
Transferred from Intangible Assets	-	382,109	-	-	-	382,109
Disposals	(5,175)	(1,287)	(16,158)	-	-	(22,620)
Adjustments	-	(86,670)	-	-	-	(86,670)
Impairment reversal / (provision) and assets written off	-	54,846	-	-	(18,085)	36,761
Depreciation charge [Note 33(a)]	(240,446)	(16,033,530)	(381,527)	(4,400)	-	(16,659,903)
Closing net book amount	**3,396,566**	**72,862,113**	**819,402**	**9,330**	**14,273,275**	**91,360,686**
At 31 December 2021						
Cost	4,909,951	189,902,052	4,606,846	39,696	14,466,932	213,925,477
Accumulated depreciation / provision for impairment	(1,513,385)	(117,039,939)	(3,787,444)	(30,366)	(193,657)	(122,564,791)
Net book amount	**3,396,566**	**72,862,113**	**819,402**	**9,330**	**14,273,275**	**91,360,686**

(c) Capital work-in progress mainly comprises network related assets.

(d) Depreciation expense has been charged under following expense categories:

	Group		Company	
Expense categories:	2022	2021	2022	2021
Direct costs	26,207,286	20,573,805	20,536,977	16,033,754
Administrative costs	2,930,983	3,034,000	600,852	626,149
	29,138,269	**23,607,805**	**21,137,829**	**16,659,903**

(e) Impairment provisions and assets written off have been charged under following expense categories:

	Group		Company	
Expense categories:	2022	2021	2022	2021
Direct costs	171,413	39,093	-	-
Administrative costs	2,799,281	119,291	2,807,689	36,761
	2,970,694	**158,384**	**2,807,689**	**36,761**

(f) At 31 December 2022, property, plant and equipment includes fully depreciated assets that are still in use, the cost of which amounted to Rs. 112,183 Mn (2021 - Rs. 87,887 Mn) and Rs. 76,411 Mn (2021 - Rs. 53,323 Mn), for the Group and the Company respectively.

(g) Property, plant and equipment are not pledged as securities for any financing arrangements.

(h) The impairment provision relates to assets which are technologically obsolete, and assets decommissioned or discontinued.

(i) Dialog recognise the importance of keeping up with changing customer needs and evolving technologies. As part of our ongoing efforts to modernise the network infrastructure, Dialog has been investing in advanced network technologies such as 4G and 5G. In addition to upgrading the network, Dialog has also been simplifying the network infrastructure by decommissioning certain legacy network assets, including 3G network assets. These actions are aimed at enhancing the quality of service we provide to our customers and improving our operational efficiency. These initiatives have resulted in an impairment provision of Rs. 2,578 Mn in 2022 on account of 3G network shutdown.

Depreciation in future years in relation to these assets will be decreased by the following amounts:

Year ending 31 December	Group / Company
2023	1,309,037
2024	832,285
2025	405,878
2026	272,083
2027	99,924

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 2022					
Cost	11,451,217	3,831,110	2,140,884	573,538	17,996,749
Accumulated depreciation / impairment	(6,033,297)	(2,605,521)	(1,791,826)	(220,012)	(10,650,656)
Net book amount	**5,417,920**	**1,225,589**	**349,058**	**353,526**	**7,346,093**
Year ended 31 December 2022					
Opening net book amount	5,417,920	1,225,589	349,058	353,526	7,346,093
Additions	2,286,905	587,742	227,116	-	3,101,763
Adjustment	-	(176)	-	-	(176)
Depreciation charge [Note 33(a)]	(995,380)	(474,296)	(408,410)	(38,117)	(1,916,203)
Closing net book amount	**6,709,445**	**1,338,859**	**167,764**	**315,409**	**8,531,477**
At 31 December 2022					
Cost	13,738,122	4,418,852	2,368,000	573,538	21,098,512
Accumulated depreciation / impairment	(7,028,677)	(3,079,993)	(2,200,236)	(258,129)	(12,567,035)
Net book amount	**6,709,445**	**1,338,859**	**167,764**	**315,409**	**8,531,477**
Year ended 31 December 2021					
Opening net book amount	2,813,116	1,425,611	505,355	391,853	5,135,935
Additions	3,828,647	298,233	358,811	-	4,485,691
Adjustments	-	(304)	-	-	(304)
Depreciation charge [Note 33(a)]	(1,223,843)	(497,951)	(515,108)	(38,327)	(2,275,229)
Closing net book amount	**5,417,920**	**1,225,589**	**349,058**	**353,526**	**7,346,093**
At 31 December 2021					
Cost	11,451,217	3,831,110	2,140,884	573,538	17,996,749
Accumulated depreciation / impairment	(6,033,297)	(2,605,521)	(1,791,826)	(220,012)	(10,650,656)
Net book amount	**5,417,920**	**1,225,589**	**349,058**	**353,526**	**7,346,093**

Company	Land	Buildings	Advertising boards	Network infrastructure	Total
At 1 January 2022					
Cost	11,047,799	3,661,358	2,140,885	573,538	17,423,580
Accumulated depreciation / impairment	(5,780,609)	(2,441,624)	(1,791,826)	(220,012)	(10,234,071)
Net book amount	**5,267,190**	**1,219,734**	**349,059**	**353,526**	**7,189,509**
Year ended 31 December 2022					
Opening net book amount	5,267,190	1,219,734	349,059	353,526	7,189,509
Additions	2,150,610	532,284	227,117	-	2,910,011
Depreciation charge [Note 33(a)]	(933,532)	(440,191)	(408,410)	(38,117)	(1,820,250)
Closing net book amount	**6,484,268**	**1,311,827**	**167,766**	**315,409**	**8,279,270**
At 31 December 2022					
Cost	13,198,409	4,193,642	2,368,002	573,538	20,333,591
Accumulated depreciation	(6,714,141)	(2,881,815)	(2,200,236)	(258,129)	(12,054,321)
Net book amount	**6,484,268**	**1,311,827**	**167,766**	**315,409**	**8,279,270**
Year ended 31 December 2021					
Opening net book amount	2,658,865	1,367,824	505,355	391,853	4,923,897
Additions	3,788,852	309,352	358,812	-	4,457,016
Depreciation charge [Note 33(a)]	(1,180,527)	(457,442)	(515,108)	(38,327)	(2,191,404)
Closing net book amount	**5,267,190**	**1,219,734**	**349,059**	**353,526**	**7,189,509**
At 31 December 2021					
Cost	11,047,799	3,661,358	2,140,885	573,538	17,423,580
Accumulated depreciation	(5,780,609)	(2,441,624)	(1,791,826)	(220,012)	(10,234,071)
Net book amount	**5,267,190**	**1,219,734**	**349,059**	**353,526**	**7,189,509**

(ii) Lease liabilities

	Group		Company	
	2022	2021	2022	2021
Current	1,924,449	1,457,784	1,873,519	1,422,379
Non-current	7,797,196	6,255,902	7,551,270	6,078,964
	9,721,645	**7,713,686**	**9,424,789**	**7,501,343**

9 LEASES (CONTINUED)

(b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group		Company	
	2022	2021	2022	2021
Depreciation charge of right-of-use assets	1,916,203	2,275,229	1,820,250	2,191,404
Interest expense (included in finance costs)	837,674	768, 332	809,789	738,456
Expenses relating to short-term leases (included in administrative expenses)	149,131	22,515	2,787	1,682
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	2,787	159,722	149,131	159,722
	2,905,795	**3,225,798**	**2,781,957**	**3,091,264**

(c) The total cash outflow for leases are Rs. 2,803 Mn (2021 - Rs. 3,516 Mn) and Rs. 2,689 Mn (2021 - Rs. 3,389 Mn) for the Group and the Company respectively.

10 INVESTMENT IN SUBSIDIARIES

	2022			2021		
Name of the subsidiary	Group	Company	Investment	Group	Company	Investment
Dialog Broadband Networks (Private) Limited ('DBN')	100%	100%	34,224,101	100%	100%	37,786,658
Dialog Television (Private) Limited ('DTV')	100%	100%	-	100%	100%	8,040,020
Dialog Finance PLC ('DFP')	99.05%	99.05%	3,924,108	99.05%	99.05%	3,924,108
Digital Holdings Lanka (Private) Limited ('DHL') [Note 10 (b)]	100%	100%	796,871	100%	100%	608,330
Dialog Device Trading (Private) Limited ('DDT')	100%	100%	204,988	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')	56.24%	-	-	55.45%	-	-
Dialog Axiata Digital Innovation Fund (Private) Limited ('DADIF')	92.93%	-	-	89.04%	-	-
Dialog Network Services (Private) Limited ('DNS')	100%	100%	57,000	100%	100%	57,000
Headstart (Private) Limited ('Headstart')	97.31%	-	-	50.59%	-	-
H-One (Private) Limited ('HONE')	100%	-	-	100%	-	-
My Health Solutions (Private) Limited ('MHS')	56.24%	-	-	55.45%	-	-
			39,207,068			**50,621,104**

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	Sri Lanka

Note b)

Impairment of Investments in subsidiary - Digital Broadband Networks (Private) Limited and Dialog Television (Private) Limited in 2022 [Refer to 7(g)]

a) The Company has impaired an investment amounting to Rs. 3,562 Mn, made in Dialog Broadband Networks (Private) Limited in respect of fixed telephony and broadband network operations out of its total investment of Rs. 37,786 Mn during the year under review.

b) In addition, the Company has fully impaired its investment amounting to Rs. 8,040 Mn made in Dialog Television (Private) Limited in respect of television operations during the year as well.

Impairment of Investments in subsidiary - Digital Holdings Lanka (Private) Limited (DHL) in 2021

a) The Company has impaired an investment amounting to Rs. 967.9 Mn, made in Digital Holding Lanka (Private) Limited in respect of eCommerce and digital marketing services (Rs. 873.68 Mn) and e-learning products and services (Rs. 94.2 Mn) during the year ended 31 December 2021.

b) In addition, a provision for impairment of investment of Rs. 25.6 Mn was recognized in the other comprehensive income in relation to an investment (designated as FVOCI) in respect of machine learning and artificial intelligence technologies.

11 INVESTMENT IN ASSOCIATES

	Group	
	2022	2021
At 1 January	183,025	127,655
Investments	-	84,135
Share of loss [Note 33(a)]	(78,077)	(28,765)
At 31 December	**104,948**	**183,025**

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.

(b) The summarised financial information of Digital Reality (Private) Limited is as follows:

Financial performance	Digital Reality (Private) Limited	
	2022	2021
Income	9,383	847
Expenses	(232,461)	(83,033)
Loss before tax	**(223,078)**	**(82,186)**
Income tax expense	-	-
Loss after tax	**(223,078)**	**(82,186)**

Financial position	Digital Reality (Private) Limited	
	2022	2021
Non-current assets	772,466	856,445
Current assets	49,465	47,875
Non-current liabilities	(347,759)	(284,006)
Current liabilities	(181,688)	(104,752)
Net assets	**292,484**	**515,562**

The reconciliation of net assets of associates are as follows.

	Digital Reality (Private) Limited	
	2022	2021
Opening net assets - 1 January	515,562	362,810
Investments during the year	-	234,938
Loss for the period	(223,078)	(82,186)
Net assets	**292,484**	**515,562**

(c) The details of carrying amount of the associates of the Group are as follows:

	2022	2021
Group's share of net assets	104,276	182,353
Goodwill	672	672
At 31 December	**104,948**	**183,025**

12 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The group holds the following financial instruments:

Financial assets	Group		Company	
	2022	2021	2022	2021
Financial assets at amortised cost				
Trade and other receivables	30,920,907	25,989,351	32,874,211	20,601,173
Other financial assets at amortised cost	3,088,466	2,816,220	-	-
Cash and cash equivalents	40,546,906	22,078,857	30,978,618	18,488,499
Financial assets at Fair Value through Other Comprehensive Income ('FVOCI')	205,847	170,609	-	-
Financial assets at Fair Value through Profit or Loss ('FVTPL')	480,054	295,230	-	-

Financial liabilities	Group		Company	
	2022	2021	2022	2021
Liabilities at amortised cost				
Trade and other payables	88,109,143	56,825,008	53,947,138	44,093,645
Borrowings	105,537,799	41,835,614	100,389,805	34,851,296
Other financial liabilities	3,795,274	776,632	-	-
Lease liabilities	9,721,645	7,713,686	9,424,789	7,501,343

12 FINANCIAL INSTRUMENTS (CONTINUED)

(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	
	2022	2021	2022	2021
Subscribers				
- Individual	3,377,303	2,149,759	2,297,090	848,158
- Corporate	3,700,474	1,966,509	1,717,996	586,853
Operators				
- Domestic	4,218,955	3,261,994	1,761,948	2,735,226
- International	3,826,578	3,824,578	2,594,814	1,217,861
Distributors	2,063,599	2,241,869	1,825,428	1,880,249
Others	232,235	1,454,995	111,055	1,266
	17,419,144	**14,899,704**	**10,308,331**	**7,269,613**

The ageing of the trade receivables that are past due but not impaired is disclosed in the note 15 (d) to the financial statements.

Cash at bank and short-term bank deposits	Group		Company	
	2022	2021	2022	2021
AAA lka	14,548,902	1,816,743	12,239,082	802,660
AA+ lka	-	18,448	-	-
AA lka	3,124,247	128,916	637,149	604,325
AA- lka	13,046,675	11,671,437	12,499,193	10,603,879
A+ lka to A- lka	7,959,541	5,392,321	4,834,867	4,567,239
Below A	1,071,307	2,233,157	733,440	1,881,788
Not-rated	187,176	783,952	-	-
Cash in hand	609,058	33,883	34,887	28,608
At 31 December	**40,546,906**	**22,078,857**	**30,978,618**	**18,488,499**

The carrying amounts of cash and cash equivalents are denominated in following currencies:

Cash at bank and in hand and short-term bank deposits	Group		Company	
	2022	2021	2022	2021
Cash at bank and in hand				
Sri Lanka rupees	8,399,921	9,405,999	3,881,494	7,364,037
United States dollars	14,846,920	959,936	12,812,798	277,056
	23,246,841	10,365,935	16,694,292	7,641,093
Short-term bank deposits				
Sri Lanka rupees	17,300,065	10,820,805	14,284,326	9,955,288
United States dollars	-	892,117	-	892,118
	17,300,065	11,712,922	14,284,326	10,847,406
Cash and cash equivalents	**40,546,906**	**22,078,857**	**30,978,618**	**18,488,499**

(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.

	Effect of offsetting on the statement of financial position		
Group	Gross amount receivable / (payable)	Gross amount set off	Net receivable / (payable) amount presented
At December 2022			
Trade and other receivables	25,215,357	(4,484,498)	20,730,859
Trade and other payables	(6,060,851)	4,484,498	(1,576,353)
At December 2021			
Trade and other receivables	12,073,703	(4,613,100)	7,460,603
Trade and other payables	(5,932,495)	4,613,100	(1,319,395)

	Effect of offsetting on the statement of financial position		
Company	Gross amount receivable / (payable)	Gross amount set off	Net receivable / (payable) amount presented
At December 2022			
Trade and other receivables	6,556,444	(1,172,730)	5,383,714
Trade and other payables	(2,734,739)	1,172,730	(1,562,009)
At December 2021			
Trade and other receivables	5,119,481	(1,953,648)	3,165,833
Trade and other payables	(3,255,935)	1,953,649	(1,302,286)

13 OTHER FINANCIAL ASSETS

Non-current	Note	Group 2022	2021
Other financial assets at amortised cost	(a)	1,542,533	1,003,591
Financial assets at Fair Value through Other Comprehensive Income ('FVOCI')	(c)	205,847	170,609
Financial assets at Fair Value through Profit or Loss ('FVTPL')	(d)	480,054	295,231
		2,228,434	**1,469,431**

Current	Note	Group 2022	2021
Other financial assets at amortised cost	(a)	1,599,862	1,812,628
Financial assets at FVTPL	(d)	-	1,919
		1,599,862	**1,814,547**

(a) Other financial assets at amortised cost

	Group 2022	2021
Other loans and receivables	3,274,320	2,942,278
Less: Loss allowance	(131,925)	(126,058)
	3,142,395	**2,816,220**

(i) The movement of the provision for impairment of other financial assets at amortised cost are as follows:

	Group 2022	2021
At 1 January	126,058	417,163
Adjustment	-	37,795
Provision for impairment of other financial assets	45,966	15,296
Receivables written off during the year as uncollectible	(40,099)	(344,196)
At 31 December	**131,925**	**126,058**

(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 2022				
Gross loans and receivables	3,090,406	126,535	57,379	3,274,320
Less: Loss allowance	(45,740)	(48,621)	(37,564)	(131,925)
Net loans and receivables	**3,044,666**	**77,914**	**19,815**	**3,142,395**
31 December 2021				
Gross loans and receivables	2,798,713	20,259	123,306	2,942,278
Less: Loss allowance	(25,834)	(4,216)	(96,008)	(126,058)
Net loans and receivables	**2,772,879**	**16,043**	**27,298**	**2,816,220**

(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.

(e) 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. 3,088 Mn (2021 - Rs. 2,816 Mn).

14 INVENTORIES

	Group		Company	
	2022	2021	2022	2021
Phone stock	2,307,464	2,408,702	57,145	70,993
Accessories and consumables	1,675,531	1,775,345	221,891	218,579
Provision for slow moving inventory	(1,112,191)	(471,799)	(81,118)	(72,902)
	2,870,804	**3,712,248**	**197,918**	**216,670**

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
Current				
Trade receivables	23,468,984	20,001,238	13,190,235	9,762,337
Less: provision for impairment of trade receivables	(6,049,841)	(5,101,534)	(2,881,904)	(2,492,724)
Net trade receivables	17,419,143	14,899,704	10,308,331	7,269,613
Receivables from related companies	3,438,047	3,134,128	20,421,999	9,030,134
Less: provision for impairment of receivables from related companies	(28,693)	(350,537)	(556,892)	(451,990)
Net receivables from related companies [Note 37(d)]	3,409,354	2,783,591	19,865,107	8,578,144
Prepayments	1,052,010	1,004,953	760,237	739,330
Other receivables	9,040,400	8,306,055	2,691,772	4,753,416
At 31 December	**30,920,907**	**26,994,303**	**33,625,447**	**21,340,503**

(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'.

(c) Trade receivables by credit quality are as follows:

	Group		Company	
	2022	2021	2022	2021
Current	9,729,175	4,487,402	7,137,288	1,850,107
Past due but not impaired [Note 15(d)]	7,689,968	10,412,302	3,171,043	5,419,506
Impaired [Note 15(e)]	6,049,841	5,101,534	2,881,904	2,492,724
	23,468,984	**20,001,238**	**13,190,235**	**9,762,337**

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 Directors 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	
	2022	2021	2022	2021
Amount overdue:				
1 month to 6 months	4,957,768	7,287,147	1,632,805	2,752,665
6 months to 1 year	461,957	744,797	13,302	580,534
More than 1 year	2,270,243	2,380,358	1,524,936	2,086,307
	7,689,968	**10,412,302**	**3,171,043**	**5,419,506**

(e) The movement of the provision for impairment of trade receivables are as follows:

	Group		Company	
	2022	2021	2022	2021
At 1 January	5,101,534	5,712,410	2,492,724	2,909,641
Provision at acquisition	-	46,300	-	-
Provision for impairment of trade receivables	1,655,953	997,471	830,844	538,187
Receivables written off during the year as uncollectible	(707,646)	(1,654,647)	(441,664)	(955,104)
At 31 December	**6,049,841**	**5,101,534**	**2,881,904**	**2,492,724**

(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
2022					
Expected loss rate %	3.21%	19.68%	67.21%	63.48%	25.78%
Gross trade receivable	10,136,207	6,375,937	1,430,089	5,526,751	23,468,984
Provision for impairment	(325,601)	(1,254,682)	(961,198)	(3,508,360)	(6,049,841)
Net trade receivables	**9,810,606**	**5,121,255**	**468,891**	**2,018,391**	**17,419,143**
2021					
Expected loss rate %	4.54%	12.98%	51.07%	54.17%	25.51%
Gross trade receivable	4,681,443	8,131,766	1,943,258	5,244,771	20,001,238
Provision for impairment	(212,360)	(1,055,307)	(992,517)	(2,841,350)	(5,101,534)
Net trade receivables	**4,469,083**	**7,076,459**	**950,741**	**2,403,421**	**14,899,704**

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

Company	Less than 1 month	1-6 months	6 months to 1 year	Over 1 year	Total
2022					
Expected loss rate %	1.99%	22.25%	96.89%	54.85%	21.85%
Gross trade receivable	7,282,434	2,100,176	430,103	3,377,522	13,190,235
Provision for impairment	(145,237)	(467,371)	(416,711)	(1,852,585)	(2,881,904)
Net trade receivables	**7,137,197**	**1,632,805**	**13,392**	**1,524,937**	**10,308,331**
2021					
Expected loss rate %	4.09%	11.87%	43.35%	43.38%	25.53%
Gross trade receivable	1,929,099	3,123,413	1,024,765	3,685,060	9,762,337
Provision for impairment	(78,991)	(370,748)	(444,231)	(1,598,754)	(2,492,724)
Net trade receivables	**1,850,108**	**2,752,665**	**580,534**	**2,086,306**	**7,269,613**

(g) The carrying amounts of trade receivables are denominated in following currencies:

	Group		Company	
	2022	2021	2022	2021
Sri Lanka rupees	10,489,850	9,639,693	7,713,516	5,532,699
United States dollars	6,929,293	5,260,011	2,594,815	1,736,914
	17,419,143	**14,899,704**	**10,308,331**	**7,269,613**

Trade and other receivables are not pledged as securities for any financing arrangements.

16 CASH AND CASH EQUIVALENTS

(a)

	Group		Company	
	2022	2021	2022	2021
Cash at bank and in hand	23,246,841	10,365,935	16,694,291	7,641,093
Short-term bank deposits	17,300,065	11,712,922	14,284,327	10,847,406
At 31 December	**40,546,906**	**22,078,857**	**30,978,618**	**18,488,499**

(b) Cash and cash equivalents of the Group and the Company include restricted cash deposited in the following financial institutions:

	Group		Company	
	2022	2021	2022	2021
People's Bank, amount deposited in settlement account to facilitate NFC Travel card value	64,390	64,390	64,276	64,390
Hatton National Bank PLC, amount deposited in custodian accounts to facilitate Ez cash operation	610,000	611,603	610,000	611,603
Margin requirements against imports on documents against acceptance terms	444,263	276,081	30,745	256,936
	1,118,653	**952,074**	**705,021**	**932,929**

17 STATED CAPITAL

(a)	Ordinary shares issued and fully paid	Stated capital
At 1 January 2022	28,855,862	28,855,862
Share issue during the year [Note 17 (d)]	493,844	493,844
At 31 December 2022	**29,349,706**	**29,349,706**
At 1 January 2021	28,467,285	28,467,285
Share issue during the year [Note 17 (d)]	388,577	388,577
At 31 December 2021	**28,855,862**	**28,855,862**

(b) Movement in shares

	Number of ordinary shares
At 1 January 2022	8,200,607,505
Share issue during the year [Note 17(d)]	47,032,800
At 31 December 2022	**8,247,640,305**
At 1 January 2021	8,173,809,105
Share issue during the year [Note 17(d)]	26,798,400
At 31 December 2021	**8,200,607,505**

(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) Further to the Long-Term Incentive Plan ("LTIP") established by the Company to reward and retain high performing employees of the Company and its subsidiaries and pursuant to satisfying the vesting conditions pertaining to Grant 3 (2021 - Grant 2) of the LTIP, a total of 47,032,800 (2021 - 26,798,400) ordinary shares in the Company were allotted and issued to the eligible employees on 28 September 2022 for non-cash consideration at a price of Rs. 10.50 (2021 - Rs. 14.50) per share.

18 RESERVES

	Note	Group 2022	Group 2021	Company 2022	Company 2021
Attributable to the owners of the Company					
Retained earnings		15,704,248	64,365,247	14,978,014	67,783,015
Fair value through other comprehensive income ("FVOCI") reserve		3,267	(27,283)	-	-
Share-based payments reserve	(a)	158,834	393,336	158,834	393,336
		15,866,349	64,731,300	15,136,848	68,176,351
Attributable to the non-controlling interest					
Non-controlling interest		(66,107)	(72,275)	-	-
		(66,107)	(72,275)	-	-
At 31 December		**15,800,242**	**64,659,025**	**15,136,848**	**68,176,351**

The movement of the reserves is as follows:

Group	Note	Share-based payments reserve	FVOCI reserve	Retained earnings	Total
Balance at 1 January 2022		393,336	(27,283)	64,365,247	64,731,300
Balance adjusted for surcharge tax	38	-	-	60,545,514	60,911,567
Loss for the year		-	-	(33,387,921)	(33,387,921)
Other comprehensive income:					
- changes in the fair value of equity investments at fair value through other comprehensive income, net of tax		-	30,550	-	30,550
- remeasurement losses on defined benefit obligation, net of tax		-		(1,266,471)	(1,266,471)
Total comprehensive income for the year		**-**	**30,550**	**(34,654,392)**	**(34,623,842)**
Transactions with non-controlling interest		-	-	(18,121)	(18,121)
Employee share schemes - value of employee services		259,342	-	-	259,342
Transfer from share-based payment reserve upon vesting	17(d)	(493,844)	-	-	(493,844)
Dividends to equity shareholders	32(b)	-	-	(10,168,753)	(10,168,753)
Balance at 31 December 2022		**158,834**	**3,267**	**15,704,248**	**15,866,349**
Balance at 1 January 2021		491,735	(15,721)	53,269,769	53,745,783
Profit for the year		-	-	17,060,812	17,060,812
Other comprehensive income:					
- changes in the fair value of equity investments at fair value through other comprehensive income, net of tax		-	(11,562)	-	(11,562)
- remeasurement gains on defined benefit obligation, net of tax		-	-	102,527	102,527
Total comprehensive income for the year		**-**	**(11,562)**	**17,163,339**	**17,151,777**
Transactions with non-controlling interest		-	-	589	589
Employee share schemes - value of employee services		290,178	-	-	290,178
Transfer from share-based payment reserve upon vesting		(388,577)	-	-	(388,577)
Dividends to equity shareholders	32(b)	-	-	(6,068,450)	(6,068,450)
Balance at 31 December 2021		**393,336**	**(27,283)**	**64,365,247**	**64,731,300**

18 RESERVES (CONTINUED)

The movement of the reserves is as follows (Continued):

Company	Note	Share-based payments reserve	Retained earnings	Total
Balance at 1 January 2022		393,336	67,783,015	68,176,351
Surcharge tax	38	-	(3,373,582)	(3,373,582)
Restated total equity as at 1 January 2022		393,336	64,409,433	64,802,769
Loss for the year		-	(38,308,757)	(38,308,757)
Other comprehensive income:				
- remeasurement losses on defined benefit obligation, net of tax		-	(953,909)	(953,909)
Total comprehensive income for the year		**-**	**(39,262,666)**	**(39,262,666)**
Employee share schemes - value of employee services				
Transfer from share-based payment reserve upon vesting	17(d)	259,342	-	259,342
Dividends to equity shareholders		-	(10,168,753)	(10,168,753)
Issue of shares to employees		(493,844)	-	(493,844)
Balance at 31 December 2022		**158,834**	**14,978,014**	**15,136,848**
Balance at 1 January 2021		491,735	62,627,155	63,118,890
Profit for the year		-	11,151,081	11,151,081
Other comprehensive income:				
- remeasurement gains on defined benefit obligation, net of tax		-	73,229	73,229
Total comprehensive income for the year			**11,224,310**	**11,224,310**
Employee share schemes - value of employee services		290,178	-	290,178
Transfer from share-based payment reserve upon vesting	17(d)	(388,577)	-	(388,577)
Dividends to equity shareholders		-	(6,068,450)	(6,068,450)
Balance at 31 December 2021		**393,336**	**67,783,015**	**68,176,351**

(a) FVOCI reserve

The group has elected to recognise changes in fair value of certain investments in equity securities as explained in 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 has 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.

	2022	2021
Number of unvested shares granted as at 1 January	66,447,014	74,385,300
Movement during the year	(733,844)	18,860,114
Vested during the year [Note 17(d)]	(47,032,800)	(26,798,400)
Number of unvested shares granted as at 31 December	**18,680,370**	**66,447,014**

Share options outstanding at the end of the year have the following vesting dates.

Grant reference	Grant date	Vesting date	Volume weighted average share price in Rs. per share	Share options 31 Dec 2022	Share options 31 Dec 2021
Grant 1	1 October 2017	30 September 2020	12.10	-	-
Grant 2	1 May 2018	30 April 2021	14.50	-	-
Grant 3	1 October 2019	30 September 2022	10.50	-	47,766,644
Grant 4	1 October 2021	30 April 2023	10.77	18,680,370	18,680,370
				18,680,370	**66,447,014**

Employee share option scheme expenses have been charged under the following expense categories.

	Group		Company	
	2022	2021	2022	2021
Expense categories:				
Administrative costs	259,342	290,178	259,342	290,178

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
Trade payables	27,962,664	21,132,986	18,875,815	13,357,215
Amounts due to ultimate parent company [Note 37(e) - excluding borrowings]	2,144,927	2,047,273	2,144,927	2,047,273
Amounts due to related companies [Note 37(e)]	11,428,850	758,691	9,872,304	3,601,832
Deferred income (Note 22)	128,464	160,398	128,464	160,398
Accrued expenses	22,713,750	25,226,400	20,556,453	21,618,718
Customer deposits	1,106,138	1,164,348	974,007	1,028,657
Other payables	15,033,119	6,495,307	11,404,349	2,439,951
	80,517,912	**56,985,403**	**63,956,319**	**44,254,044**

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

20 OTHER FINANCIAL LIABILITIES

	Group	
Current	2022	2021
Deposits from customers	3,774,729	689,685
	3,774,729	**689,685**

	Group	
Non-current	2022	2021
Deposits from customers	20,544	86,947
	20,544	**86,947**

21 BORROWINGS

		Group		Company	
Unsecured	Note	2022	2021	2022	2021
Current					
Bank overdrafts		8,305,431	7,109,796	7,390,361	3,166,234
Bank borrowings	(a)	28,703,250	24,248,162	27,716,864	23,365,739
At 31 December		**37,008,681**	**31,357,958**	**35,107,225**	**26,531,973**

		Group		Company	
Non-current	Note	2022	2021	2022	2021
Bank borrowings	(a)	66,581,118	10,477,656	65,282,580	8,319,323
At 31 December		**66,581,118**	**10,477,656**	**65,282,580**	**8,319,323**

(a) Bank borrowings

(i) Bank borrowings - foreign

Bank borrowings comprise a loan facility from the International Financing Corporation of USD 136.5 Mn outstanding as of December 31st, 2022 and a loan extended by Axiata Group Berhad of USD 90 Mn.

The effective interest rate on bank borrowings (foreign) ranges from 2.75% to 6.25% p.a. (2021 - 1.34% to 1.42% p.a.)

(ii) Bank borrowings - local

Bank borrowings comprise four term loans 1). Term loan for Rs. 1.3Bn which carries a fixed interest rate of 7.0% p.a, 2). Term Loan for Rs. 2.1Bn which carries a fixed interest rate of 7.25% p.a, 3). Term loan for Rs. 0.9Bn which carries a fixed interest rate of 7.20% p.a for a period of 3 years and thereafter a floating rate of AWPLR (monthly review) p.a, 4). Term loan for Rs. 3.8Bn which carries a fixed interest rate of 8.0% p.a.

The effective interest rate on bank borrowings (Local) ranges from 7.0% to 8.0% p.a. (2021 - 7.0% to 8.0% p.a.)

(b) 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	
	2022	2021	2022	2021
3 months or less	11,765,325	13,197,917	10,571,781	9,038,599
3-6 months	1,125,022	6,832,586	783,333	6,615,920
6-12 months	24,118,333	11,327,455	23,752,111	10,877,454
1-5 years	66,581,119	10,477,656	65,282,580	8,319,323
	103,589,799	**41,835,614**	**100,389,805**	**34,851,296**

(c) The carrying amounts of the Company's and the Group's borrowings are denominated in following currencies:

	Group		Company	
	2022	2021	2022	2021
Sri Lanka rupees	17,078,937	22,479,289	13,878,943	15,631,154
United States dollars	86,510,862	19,356,325	86,510,862	19,220,142
	103,589,799	**41,835,614**	**100,389,805**	**34,851,296**

(d) Group and the Company have complied with the financial covenants of its borrowing facilities during the 2022 and 2021.

(e) The fair values are not materially different from the carrying amounts for the majority of borrowings.

22 DEFERRED INCOME

	Group		Company	
	2022	2021	2022	2021
At 1 January	568,530	741,685	568,530	741,685
Release of TDC disbursements to comprehensive income [Note 33(a)]	(156,331)	(173,155)	(156,331)	(173,155)
At 31 December	**412,199**	**568,530**	**412,199**	**568,530**

	Group		Company	
	2022	2021	2022	2021
Current (Note 19)	128,464	160,398	128,464	160,398
Non-current	283,735	408,132	283,735	408,132
	412,199	**568,530**	**412,199**	**568,530**

(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.

	Net deferred tax assets		Net deferred tax liabilities	
	2022	2021	2022	2021
Deferred income tax liabilities	(3,322,743)	(3,057,274)	20,104	22,448
Deferred income tax assets	3,542,463	3,239,090	-	-
Net deferred income tax assets / (liabilities)	**219,720**	**181,816**	**20,104**	**22,448**

(b) The movement on the deferred income tax assets / (liabilities) account is as follows:

Group	Net deferred tax assets		Net deferred tax liabilities	
	2022	2021	2022	2021
At 1 January	181,816	173,503	(22,448)	(108)
Acquisition from business combination				
PPE	(264,335)	(16,394)	-	-
Retirement benefit obligations	79,277	4,564	-	-
Impairment of financial assets	107,528	(37,949)	-	-
Assets retirement obligation	11,336	4,780	-	-
Lease liabilities	(31,043)	(6,374)	-	-
Net investment in leases	(1,062)	1,482	-	-
Unrealized fair value gain on financial assets at FVPL	-	(176)	2,344	(26,449)
Provision for bonus	5,059	24,611	-	-
Unutilised tax losses	131,216	34,196	-	-
Total amount recognised in profit or loss	37,976	8,740	2,344	(26,449)
Actuarial (gain) / loss on retirement benefit obligations	-	(427)	-	-
Unrealized fair value (gain) / loss on financial assets at FVOCI	(72)	-	-	4,109
Total amount recognised in other comprehensive income	(72)	(427)	-	4,109
At 31 December	**219,720**	**181,816**	**(20,104)**	**(22,448)**

(c) The balance comprises temporary differences attributable to:

Group	Net deferred tax assets		Net deferred tax liabilities	
	2022	2021	2022	2021
Retirement benefit obligations	152,448	73,171	-	-
Bonus provision	29,670	24,611	-	-
Impairment of financial assets	512,924	405,396	-	-
Assets retirement obligation	49,679	38,343	-	-
Lease liabilities	2,511	33,554	-	-
Unutilised tax losses	2,795,231	2,664,015	-	-
Total deferred tax assets before offsetting	**3,542,463**	**3,239,090**	**-**	**-**
Offsetting deferred tax liability on:				
PPE	(3,321,772)	(3,057,437)	-	-
Unrealized fair value gain on financial assets	(248)	(176)	(20,104)	(22,448)
Net investment in leases	(723)	339	-	-
Total deferred tax liabilities before offsetting	**(3,322,743)**	**(3,057,274)**	**(20,104)**	**(22,448)**
Deferred tax assets / (liabilities) after offsetting	**219,720**	**181,816**	**(20,104)**	**(22,448)**

23 DEFERRED INCOME TAX (CONTINUED)

(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 2018 / 2019 shall be treated as loss incurred in the year of assessment 2018 / 2019. Accordingly, deferred income tax assets of Rs. 2.53 Bn (2021 - Rs. 1.84 Bn) 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 2022	15 Mn	207 Mn	224 Mn	2,080 Mn	2,526 Mn
31 December 2021	1,740 Mn	71 Mn	9 Mn	20 Mn	1,840 Mn

24 EMPLOYEE BENEFIT PAYABLES

		Group		Company	
	Note	2022	2021	2022	2021
Defined benefit obligation	(a)	3,193,399	1,690,014	2,437,154	1,300,150

(a) Defined benefit obligation

(i) The movement in the present value of defined benefit obligation over the year is as follows:

	Group		Company	
	2022	2021	2022	2021
At 1 January	1,690,014	1,604,196	1,300,150	1,245,008
Transferred from / (to) related company	1,581	3,965	1,581	(3,245)
Transferred at acquisition	-	18,707	-	-
Current service cost	179,815	136,539	126,880	103,829
Interest expense	181,415	117,328	152,768	96,613
Total amount recognised in comprehensive income [Note 33(a)]	361,230	253,867	279,648	200,442
Remeasurement losses / (gains):				
- (Gain) / losses from changes in financial assumptions	963,073	(134,231)	744,318	(101,845)
- (Gain) / Losses from changes in demographic assumptions	-	(458)	-	1,288
- Experience adjustments	303,400	31,723	209,591	27,328
Total amount recognised in other comprehensive income	1,266,473	(102,966)	953,909	(73,229)
Employee benefits obligations paid	(125,899)	(87,755)	(98,134)	(68,826)
At 31 December	**3,193,399**	**1,690,014**	**2,437,154**	**1,300,150**

This obligation is not externally funded.

The gratuity liability of the Group is based on the actuarial valuation performed in December 2022 by Actuaries, Messrs Actuarial & Management Consultants (Private) Limited.

(ii) *The principal actuarial valuation assumptions used are as follows:*

	Group		Company	
	2022	2021	2022	2021
Financial assumptions				
Discount rate	12.75% - 17.77%	10.61% - 11.75%	15.00%	11.75%
Future salary growth rate	17.00%	10.00%	17.00%	10.00%
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

Adjusting the risk-free rate under present economic circumstances

From the treasury bond rate of the applicable tenure, the present Sri Lanka country default spread is eliminated and the country default risk prior to the sovereign debt default is added.

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.

As per the Minimum Retirement Age of Workers Act No.28 of 2021, the minimum retirement age of private sector employees was extended to 60 years.

(iii) *The defined benefit obligation's sensitivity to changes in the key assumptions for 2022 is as follows:*

		Impact on defined benefit obligation			
		Group		Company	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 16.49%	Increase by 2.39%	Decrease by 9.20%	Increase by 10.60%
Future salary growth rate	1.00%	Increase by 2.33%	Decrease by 16.61%	Increase by 10.60%	Decrease by 9.30%

The following table shows the sensitivity of the defined benefit obligation - 2021 to changes in the key assumptions:

		Impact on defined benefit obligation			
		Group		Company	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 8.59%	Increase by 9.98%	Decrease by 8.44%	Increase by 9.72%
Future salary growth rate	1.00%	Increase by 10.30%	Decrease by 9.09%	Increase by 10.06%	Decrease by 8.87%

24 EMPLOYEE BENEFIT PAYABLES (CONTINUED)

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 11.20 (2021 - 10.05) years and average time to benefit pay-out is 12.50 (2021 - 12.54) years for the Company. The distribution of the timing of undiscounted benefit payments is as follow:

	Group		Company	
	2022	2021	2022	2021
Less than 1 year	109,732	103,150	95,331	79,744
Between 1 - 2 years	219,097	262,077	188,684	216,654
Between 2 - 5 years	477,245	464,878	433,341	398,813
Over 5 years	2,167,205	6,087,837	1,719,798	4,830,413
	2,973,279	**6,917,942**	**2,437,154**	**5,525,624**

25 PROVISION FOR OTHER LIABILITIES

Provisions for other liabilities comprise the amounts provided for Asset Retirement Obligation ('ARO').

	Group		Company	
	2022	2021	2022	2021
At 1 January	2,129,209	1,984,542	1,873,587	1,760,790
Amounts capitalised / (reversal)	2,807,641	(4,407)	2,757,998	(17,433)
Adjustment for fully depreciated ARO assets	(7,029)	(4,543)	(6,559)	(4,544)
Charged to comprehensive income (Note 30)	617,325	153,617	590,923	134,774
At 31 December	**5,547,146**	**2,129,209**	**5,215,949**	**1,873,587**

The principal assumptions used to determine the Asset Retirement Obligation are as follows:

	Group		Company	
	2022	2021	2022	2021
Inflation rate	46.40%	6.00%	46.40%	6.00%
Discount rate	33.32%	13.60%	33.32%	13.60%

The sensitivity of the Asset Retirement Obligation to changes in the principal assumptions for 2022 is as follows:

		Impact on Asset Retirement Obligation			
		Group		Company	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by Rs. 304 Mn	Increase by Rs. 334 Mn	Decrease by Rs. 299 Mn	Increase by Rs. 329 Mn
Inflation rate	1.00%	Increase by Rs. 301 Mn	Decrease by Rs. 280 Mn	Increase by Rs. 297 Mn	Decrease by Rs. 276 Mn

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

The following table shows the sensitivity of the Asset Retirement Obligation - 2021 to changes in the key assumptions:

		Impact on Asset Retirement Obligation			
		Group		Company	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by Rs. 58.6 Mn	Increase by Rs. 63.6 Mn	Decrease by Rs. 57.0 Mn	Increase by Rs. 62.0 Mn
Inflation rate	1.00%	Increase by Rs. 67.7 Mn	Decrease by Rs. 63.2 Mn	Increase by Rs. 66.0 Mn	Decrease by Rs. 61.5 Mn

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	
	2022	2021	2022	2021
Mobile operation	102,328,655	91,077,452	101,372,997	90,958,769
Fixed telephony and broadband operation	63,851,146	40,329,283	-	-
Television operation	11,950,961	10,508,104	-	-
	178,130,762	**141,914,839**	**101,372,997**	**90,958,769**

Timing of revenue recognition	Group		Company	
	2022	2021	2022	2021
At a point in time	680,532	3,491,494	58,093	88,666
Over time	177,450,230	138,423,345	101,314,904	90,870,103
	178,130,762	**141,914,839**	**101,372,997**	**90,958,769**

26 REVENUE (CONTINUED)

(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	
	2022	2021	2022	2021
At 1 January	10,909,988	7,841,872	2,613,195	1,825,600
Additions	6,567,910	9,158,463	1,493,082	1,865,402
Amortisation	(6,904,330)	(6,090,347)	(1,253,395)	(1,077,807)
At 31 December	**10,573,568**	**10,909,988**	**2,852,882**	**2,613,195**

Contract acquisition costs comprise mainly of 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 (2021: twenty-four (24) to forty-five (45) months).

(ii) Contract liabilities

The following table shows unsatisfied performance obligations resulting from customer contracts.

	Group		Company	
	2022	2021	2022	2021
At 1 January	12,911,540	8,815,365	9,709,758	6,756,029
Additions	167,424,949	149,326,287	153,649,398	139,815,363
Realisations	(166,602,775)	(145,230,112)	(152,625,808)	(136,861,634)
Balance as at 31 December	**13,733,714**	**12,911,540**	**10,733,348**	**9,709,758**
Contract liabilities - current	8,787,804	10,989,578	6,525,075	8,852,736
Contract liabilities - non-current	4,945,910	1,921,962	4,208,273	857,022
Balance as at 31 December	**13,733,714**	**12,911,540**	**10,733,348**	**9,709,758**

(iii) Revenue recognised in relation to contract liabilities

During the current year the Group and the Company recognised Rs. 10,990 Mn (2021 - Rs. 7,201 Mn) and Rs. 8,853 Mn (2021 - Rs. 5,986 Mn) 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 56% (Rs. 1,163 Mn) and 41% (Rs. 547 Mn) of the transaction price allocated to the unsatisfied long-term contracts as of 31 December 2022 will be recognised as revenue by the Group and the Company respectively during the 2024 financial year. 25% (Rs. 526 Mn) and 30% (Rs. 406 Mn) of the transaction price allocated to the unsatisfied long-term contracts as of 31 December 2022 will be recognised as revenue by the Group and the Company respectively during the 2025 financial year. The remaining 19% (Rs. 391 Mn) and 29% (Rs. 391 Mn) will be recognised during the 2026 financial year by the Group and the Company respectively.

27 EXPENSES BY NATURE

	Group		Company	
	2022	2021	2022	2021
Directors' fees	157,257	157,918	154,182	154,182
Impairment of investment (Note 10(b))	-	-	11,602,577	967,901
Impairment of goodwill (Note 7(g) and 7(h))	4,835,089	76,137	-	-
Fees for professional services	219,112	194,840	207,395	139,163
Depreciation, impairment and amortisation	41,094,661	35,936,609	29,866,984	23,132,411
Domestic interconnection and international origination cost	43,350,363	28,433,976	3,294,866	3,706,398
Telecommunication development charge	2,625,069	1,898,304	1,140,528	798,353
Marketing, advertising and promotion	13,892,214	11,842,919	12,033,423	11,465,805
Rental for site and office premises	5,928,589	6,438,184	5,359,081	4,960,597
Electricity for site and office premises	5,759,317	4,276,744	5,002,651	3,580,864
Annual maintenance services	7,537,875	3,696,339	6,041,914	3,265,180
Employee benefit expenses (Note 28)	15,186,006	10,014,225	12,170,236	7,702,054
Telecommunication regulatory charges	2,228,092	2,539,734	1,952,103	2,248,603
Revenue share expenses	1,012,755	1,140,681	1,011,772	1,139,010
International network cost	5,061,135	3,197,668	3,635,100	2,101,154
Outbound roaming cost	952,145	415,375	952,145	415,375
Call centre services charges	529,890	265,637	414,982	386,844
Device and accessories consumption cost	6,047,600	821,869	158,380	221,783
Other operating costs	17,854,985	6,886,924	11,803,290	7,533,670
Total direct costs, administrative costs and distribution costs	**174,272,154**	**118,234,083**	**106,801,609**	**73,919,347**

Other operating expenses of the Company mainly consist of operations & maintenance expenses of Rs. 2,192 Mn (2021 - Rs. 1,752 Mn), head office support charges of Rs. 680 Mn (2021 - Rs. 458 Mn), annual tower tax expenses of Rs. 590 Mn (2021 - Rs. 511 Mn) and telephone charges of Rs. 476 Mn (2021 - Rs. 368 Mn).

28 EMPLOYEE BENEFIT EXPENSES

	Note	Group 2022	Group 2021	Company 2022	Company 2021
Wages, salaries and others		10,492,502	5,446,944	8,679,577	4,172,393
Staff allowances and benefits		3,198,315	3,288,391	2,358,189	2,623,179
Defined contribution plans		1,133,959	1,025,023	852,822	706,040
Defined benefit obligation	24	361,230	253,867	279,648	200,442
		15,186,006	**10,014,225**	**12,170,236**	**7,702,054**
Number of persons employed as at 31 December - full time		3,884	3,631	2,223	2,275

a) Provision for business transformation

The Group has embarked on a comprehensive business transformation journey in 2022, that aims to modernise and streamline our business operations. This transformation initiative encompasses the implementation of cutting-edge digital technologies and platforms across all our business activities, processes, and competencies. By fully embracing the digital age, we seek to enhance our operational efficiency, boost productivity, and improve our customer experience. Through this transformation, we aim to position ourselves as a leader in the digital space and stay ahead of the competition. One-off costs related to the settlement of obligations under this programme are estimated to be Rs. 4.16 Bn, which has been provided for in the financial statements for 2022 and classified under wages, salaries, and others.

29 OTHER INCOME

Other income of the Group and the Company consist of sundry income.

30 FINANCE INCOME AND COSTS

	Group 2022	Group 2021	Company 2022	Company 2021
Interest income on deposits [Note 33(a)]	2,396,014	456,564	2,450,721	463,255
Finance income	**2,396,014**	**456,564**	**2,450,721**	**463,255**
Interest expenses on:				
- bank overdrafts	(226,263)	(24,329)	(190,508)	(12,235)
- bank borrowings	(3,627,361)	(1,224,968)	(3,418,927)	(1,059,865)
- asset retirement obligation (Note 25)	(617,325)	(153,617)	(590,923)	(134,774)
- lease liabilities [Note 9(b)]	(837,674)	(768,128)	(809,789)	(738,456)
Finance costs	**(5,308,623)**	**(2,171,042)**	**(5,010,147)**	**(1,945,330)**
Net foreign exchange losses on foreign currency transactions / translations	(30,280,313)	(2,644,003)	(26,902,351)	(2,336,111)
Finance costs - net	**(33,192,922)**	**(4,358,481)**	**(29,461,777)**	**(3,818,186)**

31 INCOME TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
Current tax	2,755,453	1,872,043	2,751,125	1,846,881
Economic service charge	-	143,511	-	-
Deferred income tax charged / (credited) to comprehensive income	(49,334)	18,437	-	-
	2,706,119	**2,033,991**	**2,751,125**	**1,846,881**

(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% (2021:24%).

(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. (2021:24%).

(f) According to Inland Revenue (amendment) Act No.45 of 2022 section 33, income tax rate of resident Companies increased to 30% from 24% effective from 1 October 2022.

31 INCOME TAX EXPENSE (CONTINUED)

(g) The tax on profit before tax differs from the theoretical amount that would arise using the applicable tax rate to profit as follows:

	Group		Company	
	2022	2021	2022	2021
(Loss) / profit before tax	(30,702,572)	19,052,759	(35,557,633)	12,997,962
Tax at the standard tax rate of 30% (2021:24%)	(7,467,795)	4,572,662	(9,183,529)	3,119,510
Tax effects on:				
- Income not subject to tax	(10,718)	(15,009)	-	-
- Associates results reported net of tax	21,275	6,904	-	-
- Expenses not deductible for tax purposes	32,383	36,911	-	-
- Unrecognised deferred income tax	(934,825)	(238,620)	-	-
- Utilisation of previously unrecognised tax losses	(786,314)	(753,000)	-	-
- Adjustment for revenue-based tax (Note a)	11,934,654	(1,272,229)	11,934,654	(1,272,629)
- Rate differentials (Note b and c)	(33,207)	(465,176)	-	-
ESC expense / write off	-	143,111	-	-
Deferred income tax credited to comprehensive income	(49,334)	18,437	-	-
Income tax expense	**2,706,119**	**2,033,991**	**2,751,125**	**1,846,881**

According to Inland Revenue (amendment) Act No. 25 of 2021 section 51(4)(b), income tax rate of resident companies reduced to 24% from 28% effective from 1 January 2020.

As per Inland Revenue (amendment) Act No.45 of 2022 section 33, income tax rate of resident companies increased to 30% from 24% effective from 1 October 2022.

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	
	2022	2021	2022	2021
(Loss) / profit for the year attributable to ordinary shareholders	(33,387,921)	17,060,812	(38,308,757)	11,151,081
Weighted average number of ordinary shares in issue (thousands)	8,216,921	8,192,678	8,216,921	8,192,678
(Loss) / earnings per share (Rs.)	**(4.06)**	**2.08**	**(4.66)**	**1.36**

(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	
	2022	2021	2022	2021
(Loss) / profit for the year attributable to ordinary shareholders	(33,387,921)	17,060,812	(38,308,757)	11,151,081
Weighted average number of ordinary shares and potential ordinary shares from LTIP (thousands)	8,271,067	8,263,094	8,271,067	8,263,094
Diluted (loss) / earnings per share (Rs.)	**(4.04)**	**2.06**	**(4.63)**	**1.35**

(b) Dividends

The Company has not declared dividends for the financial year 2022 (2021 and 2020 - Rs. 1.24 per share amounting to Rs. 10,168,752,306 and Rs. 0.74 per share amounting to Rs. 6,068,449,554 respectively).

33 CASH FLOW INFORMATION

(a) Reconciliation of (loss) / profit before tax to cash generated from operations:

	Group		Company	
	2022	2021	2022	2021
(Loss) / profit before tax	(30,702,572)	19,052,759	(35,557,632)	12,997,962
Adjustments for:				
Exchange losses	27,122,122	2,368,568	26,991,448	2,247,132
Net impairment losses on financial assets	1,655,953	997,471	830,844	538,187
Bad debts written back	(71,434)	-	(39,128)	-
Loss / (gain) on sale of property, plant and equipment	33,941	(10,203)	33,927	(8,711)
Interest expense on borrowings	3,853,624	1,249,297	3,609,345	1,072,100
Interest expense on lease liabilities	837,674	768,332	809,789	738,456
Finance cost on asset retirement obligation (Note 30)	617,325	153,617	590,923	134,774
Interest income (Note 30)	(2,396,014)	(456,564)	(2,450,721)	(463,255)
Amortisation charge of intangible assets (Note 7)	3,553,305	3,808,361	2,988,408	3,240,059
Amortisation charge of contract cost assets [Note 26(c)(i)]	6,904,330	6,090,347	1,253,395	1,077,807
Depreciation charge of property, plant and equipment (Note 8)	29,149,628	23,607,805	21,141,358	16,659,903
Depreciation charge of ROU assets (Note 9)	1,916,203	2,275,229	1,820,250	2,191,404
Impairment and write off of non-current assets	2,970,693	154,867	2,807,689	935,071
Release of TDC disbursement (Note 22)	(156,331)	(173,155)	(156,331)	(173,155)
(Over) / under provision - site abandonment costs	(1,544,298)	(8,702)	(584,364)	(4,543)
Defined benefit obligation (Note 24)	361,230	253,867	279,648	200,442
Impairment provision / (reversal) of slow-moving inventory	242,406	(2,483)	32,694	(5,023)
Share based payment expense	-	290,175	-	290,175
Share of loss from associates (Note 11)	78,077	28,765	-	-
Investment and Other Income	-	(240)	-	-
Long term incentive plan	259,342	-	259,342	-
Net loss / (gain) from financial instruments at fair value through profit or loss	440,122	(406)	440,122	-
Investment impairment (subsidiaries and associates)	-	-	11,602,577	-
Goodwill impairment	4,835,089	76,137	-	-
Provision for business transformation	3,555,267	-	3,555,267	-
FV adjustment interest expense	-	-	440,122	-
Changes in working capital				
- Trade and other receivables	(27,684,978)	(10,867,062)	(19,499,252)	367,829
- Other financial assets	(14,425)	118,285	-	-
- Inventories	638,323	(2,534,478)	(13,941)	(154,541)
- Trade payables	34,072,375	9,942,131	16,964,104	10,227,893
- Other financial liabilities	2,754,361	359,504	-	-
Cash generated from operations	**63,281,338**	**57,542,224**	**38,149,883**	**52,109,966**

(b) Reconciliation of liabilities arising from financing activities:

	Group		Company	
	2022	2021	2022	2021
Bank Borrowings				
At 1 January	34,725,818	37,794,812	31,685,063	34,754,757
Proceeds from borrowings	74,159,017	18,334,500	74,143,017	16,334,500
Repayments of borrowings	(40,303,697)	(23,842,636)	(39,349,884)	(21,843,581)
Foreign exchange losses	24,072,766	2,318,512	24,072,766	2,318,512
Other movements	2,630,464	120,630	2,448,482	120,874
At 31 December	**95,284,368**	**34,725,818**	**92,999,444**	**31,685,062**

	Group		Company	
	2022	2021	2022	2021
Lease liabilities				
At 1 January	7,713,686	5,962,082	7,501,343	5,697,182
Additions during the year	3,070,690	4,485,692	2,909,755	4,457,016
Net accrual / payment of interest	28,504	24,273	-	-
Repayment of principle portion of lease liabilities	(2,802,628)	(2,753,749)	(1,245,491)	(2,650,980)
Terminations and other movements	1,711,393	(4,612)	259,182	(1,875)
At 31 December	**9,721,645**	**7,713,686**	**9,424,789**	**7,501,343**

(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)
- Options and shares issued to employees under the LTIP for no cash consideration - note 17 (d) and 18 (b).

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:

(i) Inquiry by Sri Lanka Customs

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 7 March 2023.

(b) Guarantees

Guarantees given by the Group and the Company as at 31 December are as follows:

	Group		Company	
	2022	2021	2022	2021
Corporate guarantees	8,842	503,000	8,842	3,513,524
Bank guarantees	1,616,576	1,459,853	1,444,217	1,357,487
	1,625,418	**1,962,853**	**1,453,059**	**4,871,011**

Corporate guarantees of the Company which are on demand, include cash deficiency support amounting to Rs. 445 Mn (2021 - Rs. 3.1 Bn) provided by the Company to its subsidiaries for outstanding borrowings as at 31 December 2022. The aforementioned cash deficiency support includes Rs. 175 Mn given to DCL for the term loans and overdrafts outstanding at the end of the reporting date.

As at 31 December 2022

	On Demand	Within 1 year	1 - 5 years	More than 5 years	Total
Bank Guarantees					
Group	-	550,042	1,066,534	-	1,616,576
Company	-	520,045	924,172	-	1,444,217

As at 31 December 2021

	On Demand	Within 1 year	1 - 5 years	More than 5 years	Total
Bank Guarantees					
Group	-	518,066	941,787	-	1,459,853
Company	-	460,314	897,173	-	1,357,487

35 COMMITMENTS

(a) Capital commitments

	Group		Company	
	2022	2021	2022	2021
Purchase of telecommunication equipment	9,599,006	28,596,912	6,077,476	22,139,556

(b) Financial commitments

At the end of the financial reporting period, the Group has the following annual commitments:

	2022	2021
Annual fees to the Board of Investment of Sri Lanka	3,409	1,772
Annual maintenance contracts	8,788,648	6,087,365
Undrawn loan facilities (on demand)	476,594	345,537

Undrawn loan facilities (on demand) are relevant to loan facilities granted by Dialog Finance PLC.

36 INCORPORATIONS AND ACQUISITIONS

(a) Dialog Axiata Digital Innovation Fund (Private) Limited ('DADIF'), which is a subsidiary of Digital Holdings Lanka (Private) Limited ('DHL'), issued 181,934 and 125,621 preference shares in respect of Fund 1 and Fund 2 in DADIF during the year 2022. DHL holds 176,802 and 125,621 of these Preference Shares in Fund 1 and Fund 2 respectively, while the remaining Preference Shares are held by individual shareholders. Pursuant to the transactions, DHL's stake in DADIF increased to 92.93% from 89.04%.

(b) Headstart (Private) Limited ('Headstart'), which is a subsidiary of DHL issued 608 ordinary shares to DHL on 24 May 2022, pursuant to the equity conversion of a loan granted by the Company to Headstart. Pursuant to the transactions, DHL's stake in Headstart increased to 62.01% from 50.59%.

The existing shareholders of Headstart, Messrs. S W W M R H Dela, S A D K H Senadheera and RAC Human Capital (Private) Limited transferred the ordinary shares held by them to DADIF, at a consideration of Rs. 51,120,460 on 7 October 2022. Subsequent to the above transfer, the Company's shareholding in Headstart increased from 62.01% to 100% (The effective holding of Headsart has increased to 97.31%).

(c) Pursuant to the conversion of shareholder advances, Digital Holdings Lanka (Private) Limited ('DHL') a wholly owned subsidiary of the Company issued and allotted 18,854,121 new ordinary shares in DHL to the Company on 16 December 2022. This share issue has not changed the composition of the Group.

Other than disclosed above there has not been a change in the composition of the Group which was disclosed in the audited financial statements for the year ended 31 December 2021.

37 RELATED PARTY TRANSACTIONS

(a) Axiata Investments (Labuan) Limited owns 82.27% of the total number of shares in issue of the Company. The remaining 17.73% 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.

(b) Details of transactions carried out with related parties in the ordinary course of business are set out below:

	2022	2021
Sales of goods and services		
Subsidiaries		
Site sharing services	1,259,421	1,265,312
Mobile telecommunication services	1,091,278	852,512
Local interconnection services	655,041	494,010
International interconnection services	1,640,417	1,254,010
Digital services	1,057	73
Managed services	76,578	49,546
Affiliates		
Mobile telecommunication services	-	10,894
International termination services	34,278	9,582
Inbound roaming services	8	65
Digital services	517,743	660,698
Managed services	47,716	18,231
	5,323,537	**4,614,933**

	2022	2021
Purchase of goods and services		
Ultimate parent company		
Head office support charges	1,856,708	457,974
Subsidiaries		
Fibre and transmission sharing services	2,238,161	2,211,742
Fixed telephony and broadband services	2,946,124	1,408,718
International interconnection services	29,263	21,547
Local interconnection services	27,033	46,186
Site sharing services	70,503	70,921
Data centre services	196,851	461,932
Television services	2,886	2,836
Advertising services	87,547	65,739
Purchase of devices	359,987	391,337
Purchase of property, plant and equipment	403,664	556,613
Managed services	482,899	56,828
Site maintenance and development services	2,130,626	1,746,806
E-learning services	5,214	-
E-learning services - donation	330	3,547
Manpower services	922,525	645,116
Affiliates		
International origination services	1,815	11,666
Outbound roaming services	4,830	1,746
Network services	-	9,827
Managed services	1,312,973	94,605
Software service fee	1,381,849	233,906
Purchase of software	233,303	716,135
Digital services	-	357,042
	14,695,091	**9,572,769**
Impairment expense on receivables		
Subsidiaries	148,741	101,453
Affiliates	-	-
Interest income on interest bearing deposits		
Subsidiaries	54,765	20,285

37 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Details of transactions carried out with related parties in the ordinary course of business are set out below: (Continued)

	2022	2021
Other transactions:		
Ultimate parent company		
Settlement of liabilities by the company on behalf of parent company	385,033	236,309
Settlement of liabilities on behalf of the company by parent company	118,189	142,564
Subsidiaries		
Settlement of liabilities by the company on behalf of subsidiaries	4,043,565	6,276,997
Settlement of liabilities on behalf of the company by subsidiaries	1,415,134	1,034,882
Associates		
Settlement of liabilities by the company on behalf of associates	14,787	13,275
Affiliates		
Settlement of liabilities by the company on behalf of affiliates	18,087	221,500
Settlement of liabilities on behalf of the company by affiliates	48,311	215,644
Parent company		
Dividends paid	8,413,713	5,021,087

(c) Key management personnel include members of the Group senior management of Dialog Axiata PLC:

	Group / Company	
	2022	2021
Short-term employee benefits	665,854	485,971
Defined benefit plans	200,693	170,862
	866,547	**656,833**

(d) Outstanding receivable balances arising from related company transactions:

	Group		Company	
	2022	2021	2022	2021
Current receivables (Note 15)				
Subsidiaries	-	-	17,014,568	5,182,253
Affiliates	3,409,354	2,783,591	2,850,539	3,395,891
	3,409,354	**2,783,591**	**19,865,107**	**8,578,144**

(e) Outstanding payable balances arising from related company transactions:

	Group		Company	
	2022	2021	2022	2021
Current payables (Note 19)				
Ultimate parent company	2,144,927	2,047,273	2,144,927	2,047,273
Subsidiaries	-	-	799,459	1,478,306
Affiliates	11,428,850	758,691	9,072,845	2,123,526
	13,573,777	**2,805,964**	**12,017,231**	**5,649,105**

The above balances are settled in the ordinary course of business.

	Group		Company	
	2022	2021	2022	2021
Borrowings (Note 21) from ultimate parent company				
Current borrowings	23,131,825	-	23,131,825	-
Non-current borrowings	10,980,222	-	10,980,222	-

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 6.25% p.a. This was executed on an arms-length basis.

(f) Investment in short term deposits

	Group		Company	
	2022	2021	2022	2021
Subsidiaries	542,618	-	542,618	587,413
	542,618	**-**	**542,618**	**587,413**

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 IMPACT TO THE FINANCIAL STATEMENTS FROM SURCHARGE TAX ACT NO.14 OF 2022

As per the Surcharge Tax Act No. 14 of 2022 which was issued on 8 April 2022, the Company and the Group are liable for the surcharge tax of Rs. 3,373,582,044 and Rs. 3,819,733,104 respectively on the taxable income pertaining to the year of assessment 2020/2021. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the financial year ended 31 December 2020. Since the Act supercedes the requirements of the Sri lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the Addendum to the Statement of Alternative Treatment ("SoAT") on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri lanka, in August 2022. Accordingly, surcharge tax is recorded as an adjustment to the opening retained earnings reported in the statement of changes in equity as at 1 January 2022.

The impact of the Surcharge tax under the Surcharge Tax Act on the comparative year would have been given below.

	Group	Company
Profit after tax for the year ended 31 December 2020	12,002,686	11,739,556
Surcharge tax levied under Surcharge Act	(3,819,733)	(3,373,582)
Adjusted comparable profit for the year ended 31 December 2020	**8,182,953**	**8,365,974**

The Company and the Group duly made the tax payments in line with due dates of the installments.

39 SIGNIFICANT UNUSUAL EVENTS OR TRANSACTIONS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

Implications of acute economic crisis

Sri Lanka is engulfed in an economic and political crisis resulting from the impacts of COVID - 19, significant tax cuts and large sovereign debt repayment collectively depleting the country's limited foreign reserves. The current situation has caused a significant rise in inflation, upward revision of interest rates, higher taxes, prolonged power cuts and a shortage of essential supplies including fuel and medical resulting in significant challenges in business operations.

The Sri Lankan Rupee ("LKR") depreciated by 82% against the USD during the year ended 31 December 2022, resulting in a forex loss of Rs. 30.3 Bn and Rs. 26.9 Bn for the Group and the Company respectively. The Group's and the Company's working capital cycle had been impacted by the negative business climate and the market's USD liquidity crisis. Due to the continued escalation of operational costs resulting from the devaluation of the Sri Lankan Rupee, mobile, broadband and pay TV tariff were revised by 20%, 20% and 25% respectively with effect from 5th September 2022, to be in line with the approval granted by Telecommunication Regulatory Commission of Sri Lanka.

The future impact will heavily depend on the time taken for the economy to rebound. The overall impact on the economy, consumer spending and the recovery of the country's enterprises will also be key determinants of future impact on our business. The board continues to monitor the potential implications of these factors on the Group's and the Company's business activities and takes the required proactive steps, including the additional funding to ensure smooth business operations and continuity. Furthermore, accounting assumptions and estimates used in the preparation of financial statements have been carefully evaluated given the movements in macroeconomics variables. Necessary changes have been incorporated where applicable and further changes will be incorporated based on these evaluations.

40 EVENTS AFTER THE REPORTING PERIOD

No other circumstances have arisen since the statement of financial position date which require adjustments to or disclosure in the financial statements

US Dollar Financial Statements

STATEMENT OF FINANCIAL POSITION

For Information purpose only	Group 31 December		Company 31 December	
	2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000
ASSETS				
Non-current assets				
Intangible assets	36,385	83,974	19,451	30,294
Contract cost assets	28,889	54,346	7,795	13,017
Right-of-use assets	23,310	36,593	22,620	35,813
Property, plant and equipment	426,867	634,881	317,607	455,097
Deferred tax assets	600	906	-	-
Investment in subsidiaries	-	-	107,121	252,160
Investment in associates	287	912	-	-
Other financial assets	6,088	7,320	-	-
	522,427	**818,932**	**474,594**	**786,381**
Current assets				
Inventories	7,844	18,492	541	1,079
Trade and other receivables	84,482	134,467	91,871	106,304
Other financial assets	4,371	9,039	-	-
Cash and cash equivalents	110,782	109,982	84,639	92,097
	207,478	271,980	177,051	199,480
Total assets	**729,905**	**1,090,912**	**651,645**	**985,861**
EQUITY				
Capital and reserves attributable to equity holders				
Stated capital	80,189	272,450	80,189	272,450
Reserves	43,350	419,953	41,357	436,355
Non-controlling interest	(181)	(336)	-	-
Currency translation difference		(226,241)	-	(225,455)
Total equity	**123,358**	**465,826**	**121,546**	**483,350**
LIABILITIES				
Non-current liabilities				
Borrowings	181,912	52,193	178,364	41,441
Other financial liabilities	56	433	-	-
Lease liabilities	21,303	31,163	20,631	30,281
Deferred income	775	2,033	775	2,033
Contract liabilities	13,513	9,574	11,498	4,269
Employee benefit payables	8,725	8,419	6,659	6,476
Provision for other liabilities	15,156	10,606	14,251	9,333
Deferred tax liability	55	112	-	-
	241,496	**114,533**	**232,178**	**93,833**
Current liabilities				
Trade and other payables	219,990	283,863	174,741	220,444
Borrowings	101,115	156,204	95,919	132,164
Other financial liabilities	10,313	3,436	-	-
Lease liabilities	5,258	7,262	5,119	7,085
Contract liabilities	24,010	54,743	17,828	44,098
Current income tax liabilities	4,365	5,045	4,315	4,887
	365,051	**510,553**	**297,922**	**408,678**
Total liabilities	**606,546**	**625,086**	**530,100**	**502,511**
Total equity and liabilities	**729,904**	**1,090,912**	**651,645**	**985,861**
Exchange rate	366.0074	200.75	366.0074	200.75

US Dollar Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

For Information purpose only	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Revenue	539,779	712,340	307,184	456,566
Direct costs	(357,410)	(402,872)	(159,158)	(210,961)
Gross profit	182,369	309,468	148,026	245,605
Distribution costs	(49,930)	(78,575)	(42,474)	(67,735)
Administrative costs	(120,746)	(112,027)	(122,002)	(92,341)
Net impairment losses on financial assets	(5,237)	(4,624)	(2,790)	(3,402)
Other Income	1,328	3,415	768	2,281
Operating profit	7,784	117,657	(18,472)	84,408
Finance income	7,260	2,292	7,426	2,325
Finance costs	(16,086)	(24,169)	(15,182)	(21,491)
Finance costs - net	(100,582)	(21,877)	(89,276)	(19,166)
Share of loss of associates - net of tax	(237)	(144)	-	-
Profit before income tax	(93,035)	95,636	(107,748)	65,242
Income tax expense	(8,200)	(10,210)	(8,337)	(9,270)
Profit for the year	**(101,235)**	**85,426**	**(116,085)**	**55,972**
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	93	(65)	-	-
- remeasurements of defined benefit obligation, net of tax	(3,838)	515	(2,891)	368
Other comprehensive income for the year	**(3,745)**	**450**	**(2,891)**	**368**
Total comprehensive income for the year	**(104,980)**	**85,876**	**(118,976)**	**56,340**
Profit / (loss) for the year is attributable to:				
- owners of the Company	(101,173)	85,637	(116,085)	55,972
- non-controlling interest	(63)	(211)	-	-
Total comprehensive income for the year is attributable to				
- owners of the Company	(104,919)	86,094	(118,975)	56,340
- non-controlling interest	(63)	(218)	-	-
Annual average exchange rates	330.007	199.224	330.007	199.224

Group Value Added Statement (Rs. '000)

For the year ended 31 December	2022	2021
Value added		
Revenue	178,130,762	141,914,839
Other operating income	438,230	680,416
Interest income	2,396,014	456,564
	180,965,006	143,051,819
Cost of materials and services bought in	(111,392,714)	(66,444,351)
Value creation	69,572,292	76,607,468
Distribution of value added		
To employees		
Salaries and other benefits	15,186,006	10,014,225
To government		
Taxes, fees and levies (Note 1)	7,563,424	8,423,491
To lenders of capital	4,691,298	2,017,425
Interest on borrowings	4,691,298	2,017,425
To shareholders as dividends	10,168,753	6,068,450
Dividend to shareholders	10,168,753	6,068,450
Retained in the business		
Profit retained	(12,601,729)	14,147,267
Depreciation and amortization	44,564,540	35,936,609
	31,962,811	**50,083,876**
	69,572,292	**76,607,468**
Distribution of value added		
To employees	21.83%	13.07%
To government	10.87%	11.00%
To lenders of capital	6.74%	2.63%
To shareholders as dividends	14.62%	7.92%
Retained in the business	45.94%	65.38%

Note 1: Includes direct taxes, fees and levies

Five Year Summary

31 December	GROUP 2022 Rs. '000	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000
OPERATING RESULTS					
Revenue	178,130,762	141,914,839	120,141,512	116,827,341	109,156,685
EBIT	2,568,427	23,440,005	16,682,890	15,336,207	16,723,030
Finance costs	(33,192,922)	(4,358,481)	(2,890,204)	(2,654,204)	(7,174,250)
Share of loss from associate	(78,077)	(28,765)	(4,221)	(263)	1,432
Profit before tax	(30,702,572)	19,052,759	13,788,465	12,681,740	9,550,212
Profit after tax	(33,408,691)	17,018,768	12,002,686	10,726,451	7,449,467
Total comprehensive income	(34,644,614)	17,108,297	11,697,439	10,568,855	7,513,925
CAPITAL EMPLOYED					
Stated capital	29,349,706	28,855,862	28,467,285	28,103,913	28,103,913
Hedging reserve	-	-	-	-	-
Share payment reserve	158,834	393,336	491,735	296,640	132,784
Fair value through other comprehensive income reserve	3,267	(27,283)	(15,721)	59,835	
Retained earnings	15,704,248	64,365,247	53,269,769	45,777,973	39,031,137
Shareholders funds	45,216,055	93,587,162	82,213,068	74,238,361	67,267,834
Non-controling interest	(66,107)	(72,275)	(10,006)	12,860	9,120
Total debt	103,589,799	41,835,614	40,425,911	47,811,677	49,778,716
	148,739,747	**135,350,501**	**122,628,973**	**122,062,898**	**117,055,670**
ASSETS EMPLOYED					
Property, plant and equipment	156,236,582	127,452,429	118,475,106	115,682,983	111,256,617
Other non-current assets	34,975,409	36,948,044	31,291,656	30,576,058	23,523,227
Current assets	75,938,479	54,599,955	37,925,927	30,873,983	29,813,163
Liabilities, net of debt	(118,410,723)	(83,649,927)	(65,063,716)	(55,070,126)	(47,537,337)
	148,739,747	**135,350,501**	**122,628,973**	**122,062,898**	**117,055,670**
CASH FLOW					
Net cash generated from operating activities	56,652,745	54,335,628	44,667,314	33,644,646	29,325,473
Net cash used in investing activities	(60,072,404)	(39,292,200)	(21,040,518)	(30,245,359)	(31,926,719)
Net cash (used in) / generated from financing activities	20,889,071.00	(14,339,125)	(13,459,812)	(6,066,085)	3,826,886
Net increase / (decrease) in cash and cash equivalents	17,469,412.00	704,303	10,166,984	(2,666,798)	1,225,640
Key Indicators					
Basic Earnings Per Share	-4.06	2.08	1.48	1.32	0.92
Interest Cover (Times)	1.71	29.47	13.76	6.51	8.55
Net Asset Per Share (Rs.)	5.48	11.40	10.06	9.12	8.26
Current Ratio (Times)	0.57	0.53	0.50	0.50	0.57
Price Earnings Ratio (Times)	-2.09	5.24	8.38	9.30	10.97
Dividend Per share	-	1.24	0.74	0.53	0.37
Dividend Yield (%)	N/A	11.38	5.97	4.31	3.70
Market Price Per Share (Rs.)	8.50	10.90	12.40	12.30	10.10

Group Real Estate Portfolio

Owning company and location	Number of buildings	Buildings in sq feet	Land in acres freehold	Net book value 2022 Rs. '000	Net book value 2021 Rs. '000	Fair value 2022 Rs. '000
Properties in Colombo						
Dialog Axiata PLC						
No. 475, Union Place, Colombo 02	3	74,255		270,149	275,848	716,021
No. 25, Samarakoon Mawatha, Thumbowila, Piliyandala	2	22,506	0.57	28,809	30,250	135,036
No. 11, De Soysa Road, Mt lavinia	1	9,500		95,540	99,035	104,500
Foster Lane Car Park and Training Centre	1	54,774		276,315	284,901	290,302
No. 475, Union Place, Colombo 02, New office Building	1	157,913		1,219,128	1,259,395	1,658,000
1039/4, Pothuarawa Road, Pothuarawa, Malabe			0.62	100,488	100,488	201,120
CDC Building - 25, Samarakoon Mawatha, Thumbowila, Piliyandala	1	2,554	0.01	244,594	251,029	251,029
Dialog Broadband Networks (Private) Limited						
390 D, Horizon Drive Road,Welivita, Malabe	2	40,960	3.76	537,922	564,398	777,600
No. 24, Foster Lane, Union place, Colombo 02			0.24	129,998	129,998	500,000
No. 55/2C, Old Avissawella Road,Kotikawatta	1	12,360	0.48	30,748	31,162	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
Properties outside Colombo						
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, Negombo			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	15,662	15,958	76,500
Furnishing and fixtures on leaseholding building				345,421	481,896	-
Total Land and building - Dialog				**3,394,259**	**3,623,843**	**5,666,817**

Notice of Annual General Meeting

DIALOG AXIATA PLC (PQ 38)

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AS A FULLY VIRTUAL MEETING ON WEDNESDAY, 7 JUNE 2023 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 2022 and the Auditors' Report thereon.

2. ORDINARY RESOLUTION 2

To re-elect as a Director, Mr. Willem Lucas Timmermans, who retires by rotation pursuant to Article 102 of the Articles of Association of the Company.

3. ORDINARY RESOLUTION 3

To re-elect as a Director, Mr. Azwan Khan Osman Khan, 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, Dr. Sharmini Coorey, 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, Dr. Indrajit Coomaraswamy, who attained the age of 73 years on 3 April 2023 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 Dr. Indrajit Coomaraswamy.

6. ORDINARY RESOLUTION 6

To re-elect as a Director, Mr. David Nai Pek Lau, who attained the age of 70 years on 7 November 2022 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

7. ORDINARY RESOLUTION 7

To re-appoint Messrs. PricewaterhouseCoopers, Chartered Accountants, as Auditors to the Company and to authorise the Directors to determine their remuneration.

8. ORDINARY RESOLUTION 8

To authorise the Directors to determine and make donations.

By Order of the Board



Ms. Viranthi Attygalle
Group Company Secretary

30 April 2023
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 31 May 2023 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.

v) Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman of the Meeting or any other Director of the Company to participate and vote on their behalf.

vi) For more information on how to participate virtually in the above meeting, please refer Administrative Details enclosed herewith.

Administrative Details for the 26th Annual General Meeting

The 26th Annual General Meeting (AGM) of Dialog Axiata PLC (the "Company") will be held as a fully virtual meeting on Wednesday, 7 June 2023 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 Wednesday, 7 June 2023 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 www.dialog.lk/shareholder-notifications.

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 31 May 2023 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 www.dialog.lk/shareholder-notifications on or before 4:00PM on 31 May 2023.

(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, 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 5 June 2023.

ANNUAL REPORT 2022

The Annual Report 2022 has been published on the corporate website and may be accessed at www.dialog.lk/annual-reports. If a shareholder wishes to receive a printed copy of the Annual Report 2022, please complete the Form of Request and forward it to the Group Company Secretary in accordance with the instructions given therein.

MEETING PROCEDURE & 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 31 May 2023 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 www.dialog.lk/shareholder-notifications 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 Sixth Annual General Meeting of the Company to be held by virtual means on 7 June 2023 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		

(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.

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 5 June 2023.

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 www.dialog.lk/shareholder-notifications.

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 2
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
Dr. Hans Wijayasuriya
Deshamanya Mahesh Amalean PHD H.C
Mr. Willem Lucas Timmermans
Mr. Vivek Sood
Dato Dr. Nik Ramlah Nik Mahmood
Mr. Azwan Khan Osman Khan
Dr. Indrajit Coomaraswamy
Dr. Sharmini Coorey

GROUP COMPANY SECRETARY

Ms. Viranthi Attygalle

AUDITORS

Messrs. PricewaterhouseCoopers
Chartered Accountants
100, Braybrooke Place
Colombo 2, Sri Lanka

REGISTRARS

SSP Corporate Services (Private) Limited
No. 101, Inner Flower Road,
Colombo 3
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 2023

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 – 100% (together with Dialog Axiata Digital Innovation Fund (Pvt) Ltd)
   - Digital Health (Pvt) Ltd (together with Dialog Axiata Digital Innovation Fund (Pvt) Ltd) – 55.58%
   - My Health Solutions (Pvt) Ltd – 100%
   - Dialog Axiata Digital Innovation Fund (Pvt) Ltd - Ordinary Shares – 25% and Preference Shares – 93%
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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Printed by Aitken Spence Printing and Packaging

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