Sri Lanka Telecom PLC

Interim Condensed Consolidated Financial Statements

For the Quarter ended

30 September 2025

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(All amounts in LKR Millions)

	Group Jul-Sep		Company Jul-Sep		Group Jan - Sep		Company Jan - Sep	
	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)
Revenue	29,479	28,543	18,406	18,093	84,646	82,090	53,919	53,056
Direct costs	(15,609)	(16,233)	(9,136)	(9,702)	(44,899)	(48,871)	(27,320)	(29,998)
Gross Profit	**13,870**	**12,310**	**9,270**	**8,391**	**39,747**	**33,219**	**26,599**	**23,058**
Sales and marketing costs	(3,314)	(2,895)	(2,095)	(1,644)	(9,357)	(8,602)	(5,671)	(4,749)
Administrative costs	(6,315)	(5,839)	(4,693)	(4,267)	(18,598)	(17,423)	(13,679)	(12,862)
Operating profit	**4,241**	**3,576**	**2,482**	**2,480**	**11,792**	**7,194**	**7,249**	**5,447**
Other income	1,085	521	1,085	527	2,107	1,172	2,101	1,255
Finance cost	(1,721)	(2,271)	(1,204)	(1,723)	(5,370)	(6,789)	(3,800)	(5,362)
Foreign exchange gain/ (loss)	159	(78)	25	(101)	194	618	156	(77)
Interest income	29	229	160	153	674	719	474	501
Share of profit / (loss) from equity	-							
- accounted investee	24	-	24	-	71	1	71	1
Profit/(loss) before tax for the period	**3,817**	**1,977**	**2,572**	**1,336**	**9,468**	**2,915**	**6,251**	**1,765**
Income tax (expenses)/reversal	(1,629)	(884)	(1,150)	(404)	(3,004)	(2,145)	(2,182)	(561)
Profit /(loss) for the period	**2,188**	**1,093**	**1,422**	**932**	**6,464**	**770**	**4,069**	**1,204**
Other comprehensive income								
Net change in fair value financial assets	1	-	-	-	1	-	-	-
Defined benefit plan actuarial gain/ (loss)	7	57	7	56	5	281	3	281
Tax on other comprehensive income	6	(121)	(2)	(151)	16	(13)	(1)	(84)
Other comprehensive income for the period (net of tax)	**14**	**(64)**	**5**	**(95)**	**22**	**268**	**2**	**197**
Total Comprehensive Income for the Period	**2,202**	**1,029**	**1,427**	**837**	**6,486**	**1,038**	**4,071**	**1,401**
Profit /(loss) Attributable to :								
Owners of the company	2,186	1,092	1,422	932	6,460	767	4,069	1,204
Non-controlling interest	2	1	-	-	4	3	-	-
	2,188	**1,093**	**1,422**	**932**	**6,464**	770	**4,069**	**1,204**
Total Comprehensive Income attributable to:								
Owners of the company	2,200	1,028	1,427	837	6,482	1,035	4,071	1,401
Non-controlling interest	2	1	-	-	4	3	-	-
	2,202	**1,029**	**1,427**	**837**	**6,486**	**1,038**	**4,071**	**1,401**
Earnings per share								
- Basic (Rs.)	**1.21**	**0.61**	**0.79**	**0.52**	**3.58**	**0.42**	**2.25**	**0.67**

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Financial Position

(All amounts in LKR Millions)

	Group		Company	
	30 Sep 2025 (Reviewed)	31 Dec 2024 (Audited)	30 Sep 2025 (Reviewed)	31 Dec 2024 (Audited)
Assets				
Non-Current Assets				
Property,plant and equipment	164,403	172,637	121,994	127,935
Investment Property	877	946	2,952	3,044
Right-of-use assets	4,661	5,360	668	223
Intangible assets and Goodwill	9,277	10,606	2,517	2,860
Investments in subsidiaries	-	-	14,429	14,341
Investments in associates	538	515	538	515
Deferred tax assets	12	14	-	-
Contract cost assets	1,223	1,013	199	218
Investments In equity Shares	4	3	-	-
Other receivables	3,705	3,353	3,704	3,353
Total Non-current Assets	**184,700**	**194,447**	**147,001**	**152,489**
Current Assets				
Inventories	3,161	3,143	2,308	2,204
Trade and other receivables	30,715	30,733	22,440	21,658
Current tax receivables	434	274	293	235
Contract cost assets	821	1,150	77	132
Other investments	1,785	868	1,748	830
Cash and cash equivalents	8,954	8,546	2,661	3,347
Total Current Assets	**45,870**	**44,714**	**29,527**	**28,406**
Total Assets	**230,570**	**239,161**	**176,528**	**180,895**
Equity and Liabilities				
Equity				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	300	300	300	300
Retained earnings	79,033	73,002	55,513	51,893
Equity attributable to equity share - holders of the company	**97,382**	**91,351**	**73,862**	**70,242**
Non controlling Interest	128	124	**-**	**-**
Total Equity	**97,510**	**91,475**	**73,862**	**70,242**
Non Current Liabilities				
Grants	105	111	-	-
Borrowings	51,320	57,360	43,700	49,500
Vendor financing	-	7,502	-	7,502
Lease liability	3,756	3,892	167	22
Contract liabilities	2,416	1,671	2,416	1,671
Deferred income	102	873	102	873
Deferred tax liabilities	14,413	11,626	10,768	8,586
Employee benefits	6,554	6,317	5,406	5,272
Trade and other payables	2,267	3,517	1,359	2,528
Total Non Current Liabilities	**80,933**	**92,869**	**63,918**	**75,954**
Current Liabilities				
Borrowings	20,987	14,365	13,159	7,284
Vendor financing	1,820	6,536	-	2,015
Lease liability	1,295	1,982	553	295
Contract liabilities	1,239	1,130	1,199	1,018
Deferred income	2,824	2,819	57	223
Current tax liabilities	36	83	-	-
Trade and other payables	23,926	27,902	23,780	23,864
Total Current Liabilities	**52,127**	**54,817**	**38,748**	**34,699**
Total Liabilities	**133,060**	**147,686**	**102,666**	**110,653**
Total Equity and Liabilities	**230,570**	**239,161**	**176,528**	**180,895**

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Signed
Sanjeewa Samaranayake
Chief Financial Officer

The Board of Directors is responsible for these financial statements.These financial statements were approved by the Board of Directors on 13 November 2025.

Signed for and behalf of the Board.

Signed
Dr.Mothilal de Silva
Chairman

Signed
Chandrasiri Kalupahana
Director

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Changes In Equity

For the nine months ended 30 September 2025

(All amounts in LKR Millions)

Group	Attributable to owners of the Group					
	Stated capital	Insurance reserve	Retained earnings	Total	Non controlling interest	Total equity
Balance as at 1 January 2024	**18,049**	**300**	**69,916**	**88,265**	**120**	**88,385**
Deferred tax and other assets write off after -amalgamation of subsidiaries	-	-	(288)	(288)	-	(288)
Total comprehensive income for period						
Net profit for the period	-	-	3,116	3,116	4	3,120
Other comprehensive income						
Defined benefit plan actuarial gain,net of tax	-	-	258	258	-	258
Total other comprehensive income for period	-	-	258	258	-	258
Total comprehensive income for the period	-	-	3,374	3,374	4	3,378
Balance as at 31 December 2024	**18,049**	**300**	**73,002**	**91,351**	**124**	**91,475**
Balance as at 1 January 2025	**18,049**	**300**	**73,002**	**91,351**	**124**	**91,475**
Total comprehensive income for period						
Net profit for the period	-	-	6,460	6,460	4	6,464
Other comprehensive income						
Net change in fair value financial assets	-	-	1	1	-	1
Defined benefit plan actuarial gain,net of tax	-	-	21	21	-	21
Total other comprehensive income for period	-	-	22	22	-	22
Transactions with owners,recorded directly in equity						
Contribution by and distribution to owners						
Dividends to equity share holders	-	-	(451)	(451)	-	(451)
Total comprehensive income for the period	-	-	6,031	6,031	4	6,035
Balance as at 30 September 2025	**18,049**	**300**	**79,033**	**97,382**	**128**	**97,510**

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Changes In Equity

For the nine months ended 30 September 2025

(All amounts in LKR Millions)

Company	Attributable to owners of the Company			
	Stated capital	Insurance reserve	Retained earnings	Total
Balance as at 1 January 2024	**18,049**	**300**	**49,555**	**67,904**
Total comprehensive income for period				
Net profit for the period	-	-	2,113	2,113
Other comprehensive income				
Defined benefit plan actuarial gain,net of tax	-	-	225	225
Total other comprehensive income for period	-	-	225	225
Total comprehensive income for the period	**-**	**-**	**2,338**	**2,338**
Balance as at 31 December 2024	**18,049**	**300**	**51,893**	**70,242**
Total comprehensive income for period				
Net profit for the period	-	-	4,069	4,069
Other comprehensive income				
Defined benefit plan actuarial gain,net of tax	-	-	2	2
Total other comprehensive income for period	-	-	2	2
Total comprehensive income for the period	**-**	**-**	**2**	**2**
Transactions with owners,recorded directly in equity				
Contribution by and distribution to owners				
Dividends to equity share holders	-	-	(451)	(451)
Balance as at 30 September 2025	**18,049**	**300**	**55,513**	**73,862**

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the nine months ended 30 September 2025

(All amounts in LKR Millions)

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Operating activities				
Cash generated from operations	31,623	21,326	21,712	18,994
Interest received	675	730	475	512
Interest paid	(5,452)	(8,197)	(4,275)	(7,261)
Tax paid	(347)	(836)	-	-
Gratuity paid	(580)	(595)	(505)	(465)
Net cash generated from operating activities	**25,919**	**12,428**	**17,407**	**11,780**
Cash flows from Investing activities				
Acquisition of property,plant and equipment	(9,344)	(18,981)	(6,301)	(10,504)
Acquisition of intangible assets	(371)	(2,464)	(351)	(595)
Investment in subsidiary	-	-	(88)	(60)
Proceeds from disposal of property, plant and equipment	691	317	459	153
Proceeds / (Purchase) of short term investments	(918)	(645)	(919)	(722)
Net cash used in investing activities	**(9,942)**	**(21,773)**	**(7,201)**	**(11,728)**
Cash flows from Financing activities				
Proceeds from borrowings	33,200	49,085	18,800	27,085
Cash payment for the principle portion of lease liability	(2,644)	(1,911)	(510)	(699)
Re-payment on borrowings	(39,134)	(42,722)	(24,600)	(26,711)
(Decrese) / Increase in vendor financing and other non current liabilities	(12,856)	1,207	(10,189)	(2,172)
Dividend paid to equity share holders	(451)	-	(451)	-
Net cash generated from / (used) financing activities	**(21,885)**	**5,659**	**(16,950)**	**(2,497)**
(Decrease) / Increase in cash and cash equivalents	**(5,908)**	**(3,686)**	**(6,744)**	**(2,445)**
Movement in Cash and cash equivalents				
Cash and cash equivalents at beginning of the year	4,389	5,058	749	(211)
Effect on exchange fluctuation on cash and cash equivalents	140	(574)	115	(245)
Increase/(Decrease) in cash and cash equivalents	(5,908)	(3,686)	(6,744)	(2,445)
Cash and cash equivalents at 30 September (Note)	**(1,379)**	**798**	**(5,880)**	**(2,901)**
Note				
Cash and cash equivalents	8,954	9,480	2,661	3,654
Bank overdraft	(10,333)	(8,682)	(8,541)	(6,555)
	(1,379)	**798**	**(5,880)**	**(2,901)**

Notes to the Interim Condensed Consolidated Financial Statements
For the quarter ended 30 September 2025.

I. Reporting Entity

Sri Lanka Telecom PLC (the 'Company') is a company domiciled in Sri Lanka. The address of the Company's registered office is Lotus Road, Colombo 1. The interim condensed separate financial statements relate to Sri Lanka Telecom PLC. These interim condensed consolidated financial statements (interim financial statements') as of 30 September 2025 and for the nine months ended 30 September 2025 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in providing a broad portfolio of telecommunication services across Sri Lanka. In addition, the range of services provided by the Group includes inter alia: internet services, data services, domestic and international leased circuits, broadband, satellite uplink, maritime transmission, IPTV service and directory publishing service. The Company is listed on the Colombo Stock Exchange.

II. Basis of accounting

These interim condensed consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34, 'Interim Financial Reporting' and do not include all the information required for a complete set of SLFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last audited financial statements as at 31 December 2024 and for the year ended 31 December 2024.

These interim financial statements were authorized for issue by the Company's Board of Directors on 13 November 2025.

III. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the audited financial statements as at 31 December 2024 and for the year ended 31 December 2024.

IV. Use of Judgments and estimates

The management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses when preparing these interim financial statements. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation were the same as those applied to the audited financial statements as of 31 December 2024 and for the year ended 31 December 2024.

V. Operating segments

Information relevant to the operating segments is presented in a method consistent with the management reporting provided to those charged with governance.

(a) Information about reportable segments
(All amounts in Rs.Mn)

	Fixed ICT Operations		Mobile Operations		Other Segments Operations		Total	
	Jan - Sep		Jan - Sep		Jan - Sep		Jan - Sep	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
External revenues	49,053	48,354	34,433	32,411	1,160	1,325	84,646	82,090
Inter- segment revenue	4,866	4,702	1,015	1,025	4,755	4,585	10,636	10,312
Reportable segment revenue	53,919	53,056	35,448	33,436	5,915	5,910	95,282	92,402
Reportable segment profit /(loss) - before tax	6,251	1,765	2,340	439	909	769	9,500	2,973
Interest expenses & Finance costs	(3,800)	(5,362)	(1,649)	(1,515)	(21)	(37)	(5,470)	(6,914)
Foreign exchange gain / (loss)	156	(77)	42	513	(5)	182	193	618
Interest income	474	501	550	210	2	16	1,026	727
Depreciation and amortization	(12,846)	(14,140)	(8,486)	(7,970)	(199)	(140)	(21,531)	(22,250)

Revenues	Jan - Sep **2025**	Jan -Sep **2024**
Total revenue for reportable segments	89,367	86,492
Revenue for other segments	5,915	5,910
Reportable segment revenue	95,282	92,402
Elimination of inter- segment revenue	(10,636)	(10,312)
Consolidated revenue	**84,646**	**82,090**
Profit or loss		
Total profit for reportable segments	8,591	2,204
Profit or (loss) for other segments	909	769
Reportable segment profit before tax before eliminations	9,500	2,973
Inter- segment profits adjustment	(32)	(58)
Consolidated profit or (loss) before tax	**9,468**	**2,915**

V. Operating segments (Continued)

Assets & Liabilities

	30 Sep 2025	31 Dec 2024
Assets		
Total assets for reportable segments	257,646	264,048
Assets for other segments	4,160	3,898
	261,806	267,946
Elimination of inter - segment assets	(31,236)	(28,785)
Consolidated total assets	**230,570**	**239,161**
Liabilities		
Total liabilities for reportable segments	147,266	159,012
Liabilities for other segments	2,602	3,153
	149,868	162,165
Elimination of inter- segment liabilities	(16,808)	(14,479)
Consolidated total liabilities	**133,060**	**147,686**

VI. Seasonal or cyclical factors

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

(a) Impact on Property, Plant and Equipment

The Group has assessed the impact on property, plant and equipment and spectrum assigned to the Group. The Group will continue to take proactive measures to mitigate any potential impact and will continue its contingency plans and risk management measures as the situation evolves.

VII. Property Plant and Equipment

(a) Acquisitions and Disposals

(i) During the nine months ended 30 September 2025, the Group acquired assets at a cost of Rs 18,873 Mn (nine months ended 30 September 2024- Rs. 18,526Mn).

(ii) Assets with a written down value of Rs.12 Mn were disposed during the nine months ended 30 September 2025 (nine months ended 30 September 2024 written down value of Rs 13 Mn), resulting in a gain on disposal of Rs.679 Mn (nine months ended 30 September 2024 gain of Rs.302 Mn), which was included in 'Other Income' in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Capital commitments.

	Group (Rs. Mn)		Company (Rs. Mn)	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
Property plant and equipment				
Approved but not contracted	6,550	6,931	6,392	5,135
Approved and contracted	5,325	4,717	4,636	3,049

VIII. Capital and Reserves

(a) Stated Capital

Stated capital of the Company consists of 1,804,860,000 ordinary shares.

IX. Loans and Borrowings

Material additions to loans and borrowings at Group level for the period under review:

Additions	Currency	Amount (Rs. Mn.)
Bank loan - 30 Sep 2025	LKR	33,200

Material repayment of loans and borrowings at Group level for the period under review:

Repayments	Currency	Amount (Rs. Mn.)
Bank loan - 30 Sep 2025	LKR	39,134

X. Contingencies

There were no significant changes to the list of contingencies disclosed in the latest annual report of 2024 and interim condensed consolidated financial statements for the quarter ended 30 September 2025.

XI. Related Parties

Material related party transactions during the period under review:

Company	Nature of Transaction	Transaction Value (Rs. Mn)		Amounts due from/(to) related parties (Rs. Mn)	
		30 Sep 2025	30 Sep 2024	30 Sep 2025	31 Dec 2024
Mobitel (Private) Limited	Sale of goods and services	4,777	4,600	2,724	2,047
	Purchase of goods and services	1,194	1,154	(8,973)	(7,138)

XII. Events After the Reporting Date

No material events have arisen since the date of the statement of financial position up to the date of this report which require changes to, or disclosure in the financial statements.

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Financial Statements

For the nine months ended 30 September 2025

Investor Information

Ratios

	Group		Company	
	30-Sep 2025	31-Dec 2024	30-Sep 2025	31-Dec 2024
Net asset value per share (Rs.)	53.96	50.61	40.92	38.92
Debt/equity ratio - Number of times	0.81	1.00	0.78	0.95
Quick asset ratio - Number of times	0.82	0.76	0.70	0.76

	For the 9 months ended		For the 9 months ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
Interest cover - Number of times	2.55	1.22	2.36	1.10

Market Value of Shares

Market Value of the Ordinary Shares of the Company (Rs.)	3 Months to 30 Sep 2025	3 Months to 30 Sep 2024
- Highest	70.00	84.00
- Lowest	58.00	54.90
- Last traded price	65.40	65.90

Dividend Payment

First and final dividend for the year 2024 - Rs. 0.25 per share paid on 03 July 2025

Share trading from 1 July to 30 September 2025

	3 Months to 30 Sep 2025
- No. of Transactions	6,563
- No. of Shares Traded	10,258,799
- Value of Shares Traded (Rs.)	637,833,474

Debenture Information

- Interest yield as at date of last trade	- Not traded after initial issue
- Yield to maturity of last trade done with trade date	- Not traded after initial issue
- Interest rate of comparable government security	- 9.00%
- Market prices (ex-interest) for the current interim period	- No trades during the Qtr 3,2025

1) List of 20 Major Shareholders

	Name & Address	Share Holding	Percentage %
1	Secretary to the Treasury	906,564,409	50.23
2	Global Telecommunications Holdings NV	811,757,869	44.98
3	Employee's Provident Fund	25,324,104	1.40
4	Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
5	Bank of Ceylon A/C Ceybank Unit Trust	4,001,276	0.22
6	Employees Trust Fund Board	3,302,188	0.18
7	Sri Lanka Insurance Corporation Ltd-General Fund	2,041,538	0.11
8	Mr.R.P.Weerasooriya	1,733,150	0.10
9	Seylan Bank PLC / K.L.G.Udayananda	1,424,974	0.08
10	Mr.D.G.Wijemanna	1,300,000	0.07
11	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	1,083,041	0.06
12	People's Leasing & Finance PLC/K.L.Udayananda	935,057	0.05
13	Dr.T.K.D.A.P.Samarasinghe	920,000	0.05
14	Bank of Ceylon A/C Ceybank Century Growth Fund	720,244	0.04
15	Senthilverl Holdings (Pvt) Ltd	511,839	0.03
16	Mr.B.T.De S Weerasooriya	400,000	0.02
17	Senkadagala Finance PLC/S.Gobinath	386,999	0.02
18	Mr.M.R.M.Simsan	261,862	0.01
19	Mr.R.C.D. De Silva	255,202	0.01
20	PMF Finance PLC/R.M.Samarakkody	245,887	0.01
		1,780,883,374	**98.65**

2) Percentage of public holding as at 30 September 2025 — 4.78%

3) Number of shareholders representing the public holding — 14,385

4) Float adjusted market capitalization — 5,645,452,129

The Company is not in compliance with option 4 of the Listing Rule 7.13.1 (a) which requiries the Company to maintain a minimum public holding of 10%

5) Directors' shareholding — None

6) Chief Executive Officer's shareholding — 1,824

7) Number of shares representing the Company's stated capital 1,804,860,000 ordinary shares issued at Rs.10 per share.