

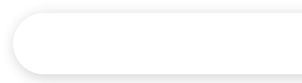


SLTMOBITEL

The Connection

POWERING THE PULSE

Annual Report 2025



Building the digital nation

From subsea cables to last-mile fibre, from 5G at the edge to cloud at the core, SLT-MOBITEL is building the digital nation, an open, resilient platform for people, business, and government. We connect classrooms and clinics, farms and factories, homes and entrepreneurs, with secure, always-on networks and services that scale. As Sri Lanka's trusted ICT backbone, we turn capacity into opportunity: faster access, smarter public services, thriving SMEs, and a future where every community can participate and prosper in the digital economy.

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Introducing our Integrated Annual Report

The 13th Integrated Annual Report of Sri Lanka Telecom PLC (SLT) presents a comprehensive overview of the Company financial and non-financial performance for the year ended 31 December 2025. The Report demonstrates how SLT creates and sustains value through the integrated management of six capitals – Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural Capital – while strengthening operational resilience, digital transformation, sustainability integration, and stakeholder value creation.

The Report has been prepared in accordance with the principles of Integrated Reporting and incorporates sustainability and climate-related financial disclosures aligned with SLFRS Sustainability Disclosure Standards. It should be read together with the consolidated financial statements and related notes.

➔ Reporting Frameworks and Standards

➔ Regulatory Requirements

Companies Act No. 07 of 2007

Continuing Listing Requirements of the Colombo Stock Exchange (CSE)

Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standards issued by CA Sri Lanka

Sri Lanka Telecommunications Act No. 25 of 1991 (as amended)

SLFRS S2 – Climate-related Disclosures

➔ Voluntary Frameworks and Standards

International Integrated Reporting Framework (<IR>)

Global Reporting Initiative (GRI) Standards

SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

SASB Telecommunication Services Standard

Corporate Governance Code issued by CA Sri Lanka

➔ Materiality and Stakeholder Engagement

SLT applies a materiality-driven reporting approach to identify matters that significantly influence stakeholder assessments and decision-making. In addition to financial materiality considerations, the Group also considers broader sustainability-related impacts to enhance transparency and completeness of disclosures. Stakeholder engagement remained central to identifying evolving expectations, sustainability priorities, operational risks, and opportunities relevant to long-term value creation.

➔ Assurance and Reliability

The consolidated financial statements were independently audited by Ernst & Young. Sustainability, climate-related, and other non-financial disclosures were reviewed and validated by relevant management authorities under the oversight of the Board of Directors and Board Committees.

➔ Forward-looking Statements

This Report contains forward-looking statements relating to SLT's strategy, growth initiatives, sustainability ambitions, climate transition plans, operational priorities, and future performance expectations. Actual outcomes may differ materially due to changes in economic, technological, regulatory, market, and climate-related conditions.

➔ Report Responsibility and Approval

The Board of Directors and Senior Management of Sri Lanka Telecom PLC are responsible for the preparation and presentation of this Integrated Annual Report and confirm that it provides a fair, balanced, and understandable assessment of the Group's performance, strategy, governance, and sustainability-related matters for the year ended 31 December 2025.

About Us



Our Vision

“All Sri Lankans seamlessly connected with world-class information, communication and entertainment services”.



Our Mission

“Your trusted and proven partner for innovative and exciting communication experiences delivered with passion, quality and commitment”.



Our Values

Customer Caring

We put our customers at the centre of everything we do

Trustworthy

We are true to our promises

Innovative

We continuously invent new opportunities through creative thinking

Responsive

We are ready to listen and act promptly

Teamwork

We are one team with a common purpose to achieve common goals

Excellence

We are committed to exceptional performance

Results Driven

We are committed to enhancing shareholder value

➔ Organisational Overview

Sri Lanka Telecom PLC (SLT), the national Information and Communications Technology (ICT) solutions provider, has served the nation for over 168 years, evolving in line with the country's social, economic, and technological transformation. As the custodian of Sri Lanka's core digital infrastructure, SLT plays a systemic role in enabling connectivity, inclusion, productivity, and resilience across the national economy.

Anchored in a strong public mandate and guided by long-term value creation, SLT has evolved from a traditional telecommunications company into an integrated digital services provider. The Company's strategy is designed to create sustainable value for stakeholders across multiple capitals – financial, manufactured, human, intellectual, social and relationship, and natural – while contributing meaningfully to the country's vision.

➔ Business Model and Core Activities

We deliver a comprehensive portfolio of fixed, mobile, enterprise, wholesale, and digital solutions that support connectivity, innovation, and digital transformation island wide. Fixed solutions encompass voice, broadband, Fibre-to-the-Home (FTTH), Internet Protocol Television (IPTV), and digital services. The nationwide fibre backbone and robust international connectivity, enabled through multiple submarine cable systems, support the delivery of uninterrupted, high-quality services to end customers. Mobile ICT operations, powered by Mobitel, provides nationwide Mobile services including Voice, mobile broadband 4G/5G services, Value Added Services, Roaming and Enterprise mobility solutions.

These integrated networks and platforms enable the Company to serve diverse stakeholder groups, including households, enterprises, small and medium-sized enterprises (SMEs), government institutions, local and global telcos, and wholesale customers.

➔ National Digital Infrastructure and Resilience

Operate the most extensive and advanced digital infrastructure in Sri Lanka, forming the backbone of national connectivity. The Company's fibre optic network and international gateways position Sri Lanka as an emerging regional digital hub, linking Asia, the Middle East, and Europe.

Complementing this infrastructure is a portfolio of secure, enterprise-grade data centres, designed to meet national requirements for data sovereignty, cybersecurity, and business continuity. These facilities underpin our cloud, hosting, and enterprise solutions, enabling digital resilience and supporting the increasing adoption of data-driven and cloud-enabled services across the economy. Expansion of data-centre and cloud capabilities remains a strategic priority aligned with long-term national digital readiness.

➔ A Trusted National Digital Lifeline

We carry a unique responsibility as Sri Lanka's digital lifeline. It consistently leads national connectivity restoration efforts during periods of crisis and disruption, ensuring the continuity of essential communications for citizens, businesses, and public institutions. The scale, redundancy, and resilience of its network infrastructure reinforce our role as a strategic national asset that underpins economic stability, public safety, and social connectivity.

➔ Quality, Governance, and Global Recognition

Strong governance frameworks and a culture of quality underpin our operational excellence. The Company holds multiple globally recognised certifications spanning cloud security, cloud privacy, information security, quality management, and environmental management, demonstrating compliance with international standards and a commitment to continual improvement across operations. These certifications elevate ICT benchmarks in Sri Lanka and strengthen stakeholder trust.

Our performance and leadership have been recognised through over 25 local and international awards in Environmental, Social, and Governance (ESG), integrated reporting, innovation, and customer experience. In the

second half of 2025, independent recognition from Ookla® identified the Company as Sri Lanka's Best Mobile Network, reinforcing its reputation for reliability, speed, and service quality.

➔ Global Presence Through Xyntac

Extending its value creation beyond national borders, SLT operates internationally through Xyntac, our global arm. Xyntac delivers specialised ICT and digital solutions to overseas markets, facilitating the export of Sri Lankan technical expertise and innovation. Through international engagements and partnerships, Xyntac contributes to foreign revenue generation, enhances global competitiveness, and positions the Company as an active participant in the digital value chain.

➔ Sustainability and Responsible Growth

Sustainability is embedded within our strategy, governance, and operational decision-making. We integrate environmental stewardship, social responsibility, and ethical business practices in line with global frameworks, including the United Nations Sustainable Development Goals (SDGs). As a member of the UN Global Compact Network Sri Lanka, we are committed to responsible growth, transparency, and long-term value creation for present and future generations.

➔ Strategic Outlook

We continue our transformation into a technology-driven organisation, guided by long-term national and stakeholder priorities. Strategic focus areas include the expansion of fibre and 5G networks, advancement of data centre and cloud ecosystems, and investments in emerging technologies such as artificial intelligence, cybersecurity, and the Internet of Things (IoT). Through these initiatives, the Company seeks to strengthen Sri Lanka's digital competitiveness while enabling inclusive growth and shared prosperity.

Backed by years of institutional trust, infrastructure leadership, and national service, SLT remains central to Sri Lanka's digital transformation, creating sustainable value, supporting national resilience, and connecting people, enterprises, and opportunities in a rapidly evolving world.

Financial Highlights

[All Amounts in Sri Lanka Rupees Million]

Group	2025	2024	Change %
Revenue [external]	114,176	111,148	2.7
– Fixed	66,102	65,028	1.7
– Mobile	46,448	44,390	4.6
– Others	1,626	1,730	-6.0
EBITDA	42,202	41,020	2.9
Operating profit	14,201	11,189	26.9
Profit/(loss) before tax	11,328	6,037	87.6
Profit/(loss) after tax	10,014	3,120	221.0
Earnings per share [LKR]	5.55	1.73	220.8
Current assets			
Current receivables	28,496	30,733	-7.3
Other investments, cash and balances with banks	13,066	9,414	38.8
Other current assets	4,706	4,567	3.0
Use of EBITDA			
Profit/(loss) before tax	11,328	6,037	87.6
Net interest cost	6,085	7,892	-22.9
Depreciation and amortisation	28,001	29,831	-6.1
EBITDA margin [%]	37	37	0.0
Company			
Revenue	72,980	71,309	2.3
EBITDA	26,360	26,227	0.5
Operating profit	9,278	7,289	27.3
Profit/(loss) before tax	8,083	3,020	167.6
Profit/(loss) after tax	6,245	2,113	195.6
Earnings per share [LKR]	3.46	1.17	195.7
Other information			
Taxes and levies paid to the Govt – Group [LKR Bn.]	33.7	31.5	2.2

Performance Highlights



The highlights presented herein are derived from the Group's overall operating performance for the year.

LKR 114.2 Bn.

Revenue

LKR 133.4 Bn.

Total Liabilities

LKR 234.3 Bn.

Total Assets

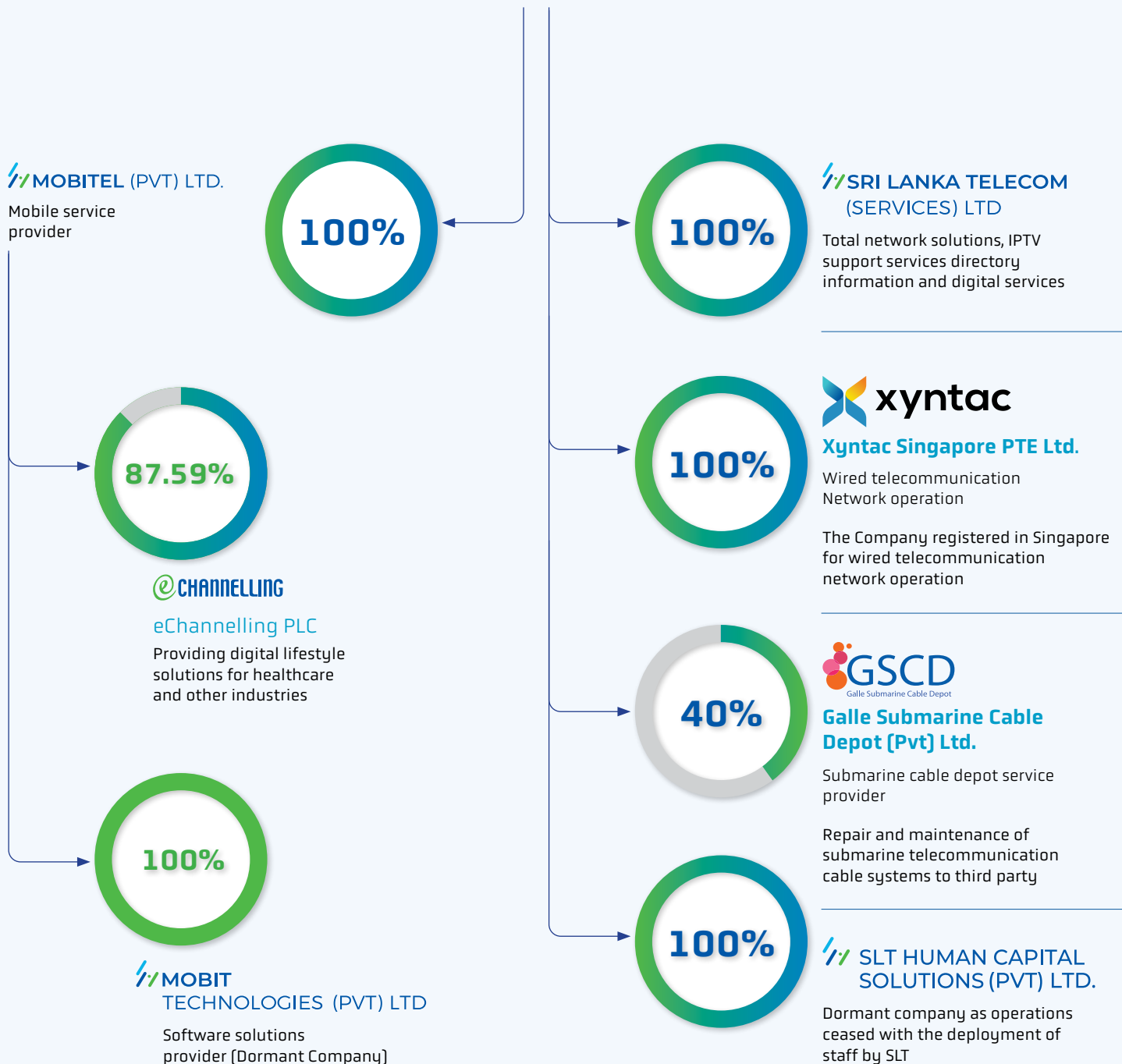
LKR 33.7 Bn.

Contributed to Government as Taxes

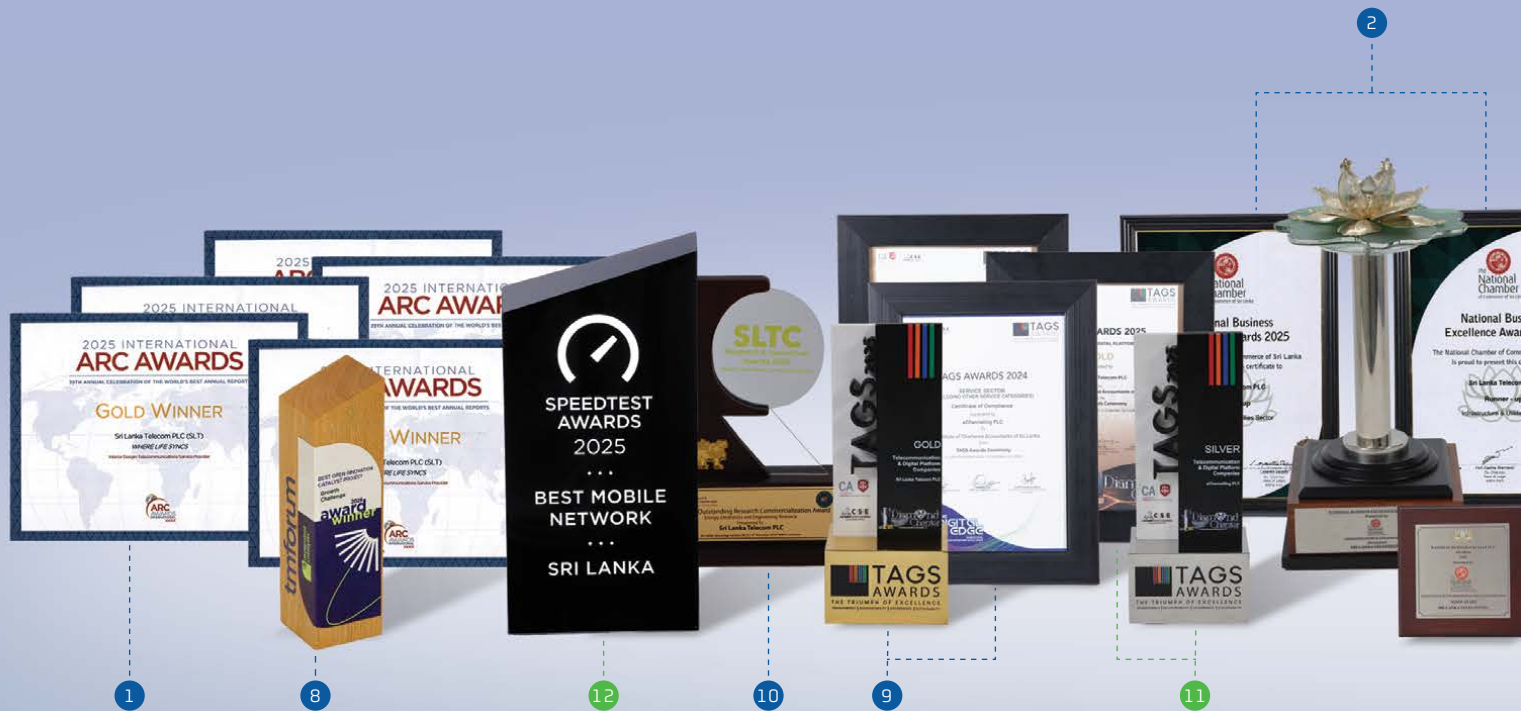
LKR 161 Bn.

Property, Plant, and Equipment

Our Group Structure



Awards and Recognition



Awards received during 2025 – SLT

1 ARC Awards 2025

Five awards under Telecommunications Service Provider

- Gold Award – Interior Design
- Gold Award – Written Text
- Gold Award – Infographics
- Bronze Award – Cover Photo/Design
- Bronze Award – Illustrations

2 National Business Excellence Awards 2025

- Runner-up – Infrastructure & Utilities Sector
- Merit Award – Excellence in Environmental Social Governance

3 National ICT Awards – NBQSA

- Bronze Award – Cybersight – Business Services – Security Solutions
- Merit Award – Akaza Containers – Business Services – ICT Service Solutions
- Bronze Award – My Business Portal/ App – Business Services – Marketing Solutions
- Merit Award – Smart Office – House Development – ICT Company
- Bronze Award – AgroPulse – Agriculture and Industrial Category

4 National Project Management Excellence Awards 2025

- Silver Award – MyBusiness Portal/ Mobile app – Best Managed Project in Digital Transformation Sector
- Silver Award – SecurePass AI – Best Manage Project in Technology & IT Sector
- Silver Award – PowerProx – Best Managed Project in Telecommunications Sector
- Bronze Award – HotelMate AI – Managed Project in Digitalisation Sector
- Bronze Award – Visage AI – Best Managed Project in AI & Data Science Sector



Awards received during 2025 – Mobitel

- 5 SAFA Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards**

 - Silver Award – Communication and Information Technology Sector
- 6 CMA Excellence in Integrated Reporting Awards 2025 organised by the Institute of Certified Management Accountants of Sri Lanka [CMA Sri Lanka]**

 - Winner – Best Integrated Report – Telecommunications Sector
 - Recognised with a Certificate of Compliance
- 7 The Great HR Awards presented by CIPM Sri Lanka in collaboration with Mercer**

 - Runner-up – The Telecommunication, ICT and BPO sector
- 8 Best Open Innovation Catalyst Project Award (Innovation with a Purpose) – 2025 [TMForum Innovate Asia, Bangkok Thailand]**

 - Best Open Innovation Catalyst Project Award (Innovation with a Purpose) – 2025
- 9 TAGS Awards**

 - Gold Award – Telecommunications and Technology sector [The Institute of Chartered Accountants of Sri Lanka]
- 10 SLTC Research and Innovation Awards 2025**

 - SenseGrid – Outstanding Research Commercialisation for 2022 – 2025 in the sector of Energy, Electronics and Engineering
- 11 TAGS Awards**

 - Silver Award – eChannelling PLC – Telecommunication and Digital Platform Companies
 - Certificate of Compliance – eChannelling PLC – Service Sector [Excluding Other Service Category]
- 12 Ookla Speed Test Award**

 - The best mobile Network – 2H of 2025
 - Fastest Mobile Network in Sri Lanka
- 13 SLIM Brand Excellence Awards 2025**

 - Silver Award – eChannelling PLC – Online Brand of Year

➔ Certification and Assurance

➔ Reinforcing Excellence Through International Standards

During the year, we strengthened our commitment to operational excellence, digital trust, service resilience, and sustainability through internationally recognised certifications and recertifications. Alongside renewing key certifications in quality management, information security, and business continuity, we also secured new certifications in cloud security, cloud privacy, and environmental management, reinforcing our focus on reliable services, secure infrastructure, and a sustainable digital future for Sri Lanka.



Commitment to Quality, Security and Resilience

- ISO 9001:2015 Quality Management System (QMS)
- ISO 27001:2022 Information Security Management System (ISMS)
- ISO 22301:2019 Business Continuity Management System (BCMS)
- ISO/IEC 27017:2015 Cloud Security Management
- ISO/IEC 27018:2019 Cloud Privacy & Protection of Personally Identifiable Information
- ISO 14001:2015 Environmental Management System
- Green Building Recognition GREEN SL Gold Certification [Pitipana Data Centre]

Steering with Vision and Resolve

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Officer's Review

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Group Chairman's Review

The year 2025 has been a transformative chapter for us. After facing significant headwinds, we haven't just survived—we have engineered a remarkable turnaround and emerged ready to shape Sri Lanka's digital future.

Dr Mothilal de Silva
Chairman SLT Group



The year 2025 has been a transformative chapter in our company's history, defined by what can only be described as a remarkable turnaround. After facing significant headwinds, we have emerged resilient, with a strong leadership position that is ready to shape Sri Lanka's emerging digital landscape.

The year 2025 has been a transformative chapter in our company's history, defined by what can only be described as a remarkable turnaround. After facing significant headwinds, we have emerged resilient, with a strong leadership position that is ready to shape Sri Lanka's emerging digital landscape.

First amongst our achievements was an operational turnaround that saw us reverse erosion of market share; achieved through shifts in strategy, proactive engagement with partners, and decisive action from our leadership and operational teams.

Concerted efforts enabled us to arrest the continuous loss of mobile connections experienced over the last 18 months, and regain a positive growth trajectory in both operational and revenue terms. This and other operational developments during the year saw Group profits surge. We achieved a staggering 221% YoY increase in profits, growing from LKR 3.1 Bn. to LKR 10 Bn. The Group recorded an overall revenue growth of 2.7%, driven by growth in the mobile segment and expansion of our fixed-line services.

Part of the Group's strategic focus for the year was aimed at restoring financial stability, developing our expertise and organisational capacity for future success, and leading Sri Lanka's technological growth arc.

We made significant strides in fortifying our group financial position; reducing our group debt burden from 91 billion to 76 billion over the last year and improving organisational cash flows, even as the Group's transformation and restructure continued to gather momentum. We were also successful in settling long-standing salary anomalies, rewarding the dedication of our workforce by issuing our highest bonus in many years.

Throughout this year, SLT-Mobitel has been at the forefront of Sri Lanka's digital transformation, supporting both National and grassroots initiatives to adopt new technology, drive innovation, and usher in the digital economy.

Another priority was achieving and maintain an unparalleled level of service quality for our customers and the Country. This commitment was put to the ultimate test when the devastating cyclone swept through many parts of our Island toward the latter part of the year.

Despite the scale and impact of the cyclone, our robust regional structure enabled us to re-establish critical connectivity points within 48 hours, and restore mobile network uptime to over 95% within a week. Beyond connectivity, we stood by our communities with support for healthcare and recovery in their time of greatest need.

The Group's operational turnaround, steady financial performance, bolstered balance sheet, continued technological leadership, and unwavering service excellence ensure we are well-positioned for the exciting next phase of our growth.

Engineering a Financial and Market Recovery

Our primary objective for 2025 was to secure our financial future while reversing the persistent erosion of our market share, for which we employed a financial strategy defined by strict discipline and aggressive deleveraging.

I am proud to report that we have significantly reduced our Group's debt burden from LKR 91 Bn. to LKR 76 Bn. over the last year, a move that has provided the stability needed for long-term organisational health.

Additionally, high collection ratios, tight credit control, and efficient working capital management have further bolstered our cash flows, allowing us to fund critical operations internally while preparing for the next investment cycle.

This financial resilience was supported by a rigorous focus on asset monetisation and cost optimisation. Our Facility Management division successfully transitioned from a cost centre to a profit centre, contributing approximately LKR 1 Bn. to the Group's bottomline by monetising underutilised assets. Notably, our Waste-to-Cash initiative proved particularly successful, proving that sustainability and profitability can go hand-in-hand.

On the commercial front, we effectively addressed an 18-month period of connection losses that had seen our mobile market share decline significantly. By decisively shifting our marketing strategies and proactively engaging with our partners and customers, including through roadshows and strategic campaigns, we successfully restored growth. New connections have now exceeded disconnections for six consecutive months.

Supporting these market gains is our ongoing commitment to operational excellence, where we are pursuing IT and network convergence to streamline internal processes and significantly lower operational expenditures.

➔ Uncompromising Quality of Service

Achieving top-tier service quality was a non-negotiable priority during the year 2025, with our commitment to excellence validated by global benchmarks and national recognition.

Measured by OOKLA, Mobitel was recognised as the best network in Sri Lanka during Q4 of 2025. Continued network improvements have enabled us to be almost 30% faster than our competitors in some areas.

The resilience of our network was tested and proven during the cyclone in the Q4 of 2025. In many affected areas, we were the only active network, which not only supported national disaster relief efforts but also supported existing and new customers who sought reliability when it mattered most.

➔ Technological Leadership

Our long-standing commitment to National technological leadership is closely aligned with our ongoing organisational transformation from Telco to Techco. The year 2025 saw the Group cement its position as the undisputed technology leader in Sri Lanka by spearheading numerous national initiatives and hackathons nationwide. This builds on all of SLT-Mobitel's ongoing work, through collaborative partnerships with universities and schools, to build a strong technology and innovation ecosystem and foster the next generation of tech talent.

A historic milestone in our technological journey was the commercial launch of 5G in December 2025, reinforcing our readiness to support the company's next phase of digital transformation. Building on learnings from our pilot projects in major cities during the previous years, this launch positions SLT-Mobitel to capture high-value consumer segments as we plan to introduce next-generation 5G services in the coming year.

➔ Advancing National Leadership

SLT-MOBITEL's commitment to technological leadership and innovation reached several important milestones during the year. Our efforts to strengthen network quality and customer experience received global recognition, with Ookla naming Mobitel the "Best Mobile Network in Sri Lanka". Mobitel was also recognised as the "Best Brand" in Sri Lanka by LMD during the latter part of 2025, reflecting growing consumer confidence and the strengthening of our market presence.

During the year, we also played a leading role in shaping Sri Lanka's emerging digital ecosystem. In collaboration with the Ministry of Digital Economy, SLT-MOBITEL successfully hosted the Country's National AI Conference, bringing together global experts, innovators, academia, and industry leaders to foster greater awareness, adoption, and innovation in Artificial Intelligence. This was complemented by regional AI programmes and technology initiatives aimed at driving digital inclusion and nurturing the next generation of innovators.

➔ Valuing our Employees

At the heart of our turnaround is a balanced approach to stakeholder engagement, with a particular emphasis on the people who power our success. Alongside programmes that prioritise employee well-being, we settled long-standing salary anomalies and issued the highest bonus in years. Investing in the strength of our human capital, we are reviewing recruitment and promotion processes that have remained largely unchanged for 25 years, with an eye to better alignment with the demands of our industry.

We are actively pursuing HR convergence – creating agile teams from across the Group for innovation and high-tech projects like AI development. To support this, our training arm, the Nebula Institute of Technology, introduced new programmes in Robotics and Data Science, ensuring we build a future-ready talent pool. Our ongoing Smart Employee and Smart Technician programmes, which serve to reskill and upskill the workforce, continue to produce results as we gear our staff and organisation to stay relevant in a digital-first economy.

➔ Navigating Challenges and the Path Ahead

While celebrating our successes, we remain mindful of the hurdles that lie ahead. The mobile market is saturated and volatile, requiring us to be aggressive in attracting and retaining customers.

Furthermore, we are entering a critical 5G investment cycle, which needs to be balanced against expanding and upgrading of our core network, following almost five years without major investment. To support this, we continue to lobby for a more business-friendly regulatory environment, including the need for a unified license, refarming of lower-band frequencies for 5G, and the ability to sunset legacy 2G and 3G networks to reduce operational costs involved in maintaining the infrastructure for multiple networks in parallel. Whilst leading the market with supportive products and incentives to accelerate adoption of new technology, we are also working with government partners and industry regulators, supporting and facilitating customer migration to newer technologies that are foundational to the formation and growth of a digital economy.

Part of creating and maintaining a future-ready network is the need to assess climate risks and integrate climate considerations into our infrastructure decisions. Having set our sights on achieving Net-Zero carbon emissions by 2045, we will continue to expand our renewable energy generation capacity. We will also explore internal options for energy efficiency and external opportunities such as infrastructure-sharing, which could unlock significant operational efficiencies and result in energy-saving on a large scale.

Modernising our infrastructure will involve continuous optimisation of our submarine cable infrastructure to meet rising demand, while addressing the high power-requirements of data centres. In order to ensure transparency and accountability in all strategic investments and decision-making, we are also committed to maintaining rigorous oversight through Board subcommittees, with a dedicated focus on risk management for all new projects.

➔ Conclusion

Our remarkable turnaround in 2025 was not the result of a single action, but the collective resilience of an entire ecosystem. I must first express my deepest gratitude to our employees: your dedication during our technological shift, commitment to serving Sri Lanka's digitalisation needs, and swift actions in restoring networks following the recent disaster were truly extraordinary.

I also extend my sincere thanks to our leadership team and Board of Directors for their disciplined oversight, which has given our Group a strong and stable footing for the direction we will take in the years to come.

To our customers, thank you for your unwavering trust and loyalty. It is our privilege to be your digital pulse, and we are excited to continue expanding and improving our offering to meet your needs in the years ahead.

Our success is shared with a wide network of partners who supported our vision. Your support was the catalyst for our remarkable turnaround this year, and will be instrumental in keeping Sri Lanka connected, innovative, and resilient.

We move into 2026 as a recognised technology leader, characterised by financial stability and a redefined corporate image. Having fortified our balance sheet and instated steps to reinforce our market position, we stand ready to support the next chapter of Sri Lanka's digital journey.



Dr Mothilal de Silva
Chairman SLT Group

Chief Executive Officer's Review



This monumental profit growth was not accidental; it was the direct result of an uncompromising focus on cost management and internal efficiencies, a feat we couldn't have achieved without the steadfast support of our employees.

Riyaaz Rasheed
Chief Executive Officer

Customer experience remains a cornerstone of our transformation strategy. We are leveraging AI-driven analytics, predictive maintenance, and real-time network optimisation to enhance service reliability and minimise disruptions.

If I were to recap SLT-MOBITEL's performance in 2025, it could be defined as a year of turnaround and transformation.

I am proud to report that strategic clarity, combined with operational discipline, has yielded exceptional financial and operational results for the year 2025.

Our team has demonstrated extraordinary resilience, operating in a macroeconomic environment still recovering from previous shocks. Chief amongst these being slow growth and flattened demand due to reduced consumer disposable income, and ongoing financial struggles experienced by SMEs. These pressures were compounded by the cyclone in late 2025, which heavily impacted a number of provinces, businesses, and consumers.

SLT-MOBITEL Group has navigated headwinds and gained momentum in the ongoing strategic pivot from traditional Telecommunications provider (Telco) to Technology Company (TechCo).

➔ Financial Turnaround Defined by Operational Excellence

The year under review saw the Group achieve steady revenue growth of 3% YoY, primarily driven by Mobitel's gains in increasing Average Revenue Per User (ARPU) and success of prepaid broadband; alongside SLT's continued expansion in fibre and broadband services.

Boosted by bottom-line growth, SLT-MOBITEL Group posted a staggering 221% increase in profits after tax, surging from LKR 3 Bn. to LKR 10 Bn.

At Company level, SLT recorded a 196% profits after tax increase, growing from LKR 2 Bn. to LKR 6 Bn.; while Mobitel achieved a 2,123% increase in profits after tax, from LKR 139 Mn. to LKR 3 Bn.

This monumental profit growth was not accidental; it was the direct result of an uncompromising focus on cost management and internal efficiencies, a feat we couldn't have achieved without the steadfast support of our employees. Success of these efforts contained operating costs at a marginal 3% increase YoY.

We successfully achieved a 21% reduction in interest costs through timely loan settlements, at both SLT and Mobitel, made possible by the tremendous improvement to cash flows experienced during the year.

The Facility Management division contributed positively to the Group's financial performance through the strategic monetisation and optimisation of underutilised assets, reinforcing our broader operational efficiency and value creation agenda.

Additionally, our innovative Waste-to-Cash project, involving the sustainable disposal of e-waste, used cables, and old vehicles, generated a further LKR 658 Mn.

Our Supply Chain management function has proactively leveraged synergistic advantages at Group level, identifying and addressing common requirements across the Group and directly integrating with Original Equipment Manufacturers (OEMs), which eliminated non-value-adding intermediaries and significantly drove down procurement costs. The function has also been an exemplar of harnessing the ongoing digital transformation drive; where a recently introduced reverse auctioning through e-tendering platform has optimised negotiations and contributed many financial benefits.

➔ Segment Performance: Leading the Market

Our Enterprise Business experienced a highly successful year, successfully positioning us so that we now cater to the entire Banking, Financial Services, and Insurance (BFSI) sector.

Recognising the shifting technological landscape, we successfully transitioned a number of enterprise customers from reliance on legacy MPLS, towards advanced SD-WAN technologies. We have now firmly established ourselves as a premier System Integrator, partnering directly with global OEMs like Cisco and Fortinet to deliver comprehensive, customised IT solutions rather than just standard connectivity. On the global front, our international brand, Xyntac, expanded its footprint by securing operations in Singapore and partnering with Over-The-Top (OTT) providers like Google and Amazon as capacity suppliers; positioning us favourably in the international carrier market.

Our Consumer Business also witnessed a number of dynamic and historic shifts during the year 2025. Consumer segmental revenue grew by 6.5% YoY, driven by double-digit growth in our core Fibre offering.

Recognising changing consumer demands, we transitioned away from volume-capped legacy models and introduced unlimited fibre broadband packages, which became a key market differentiator.

Further, to stimulate new growth amidst saturated traditional lines and better support an emerging stream of entrepreneurs in the economy, we successfully introduced a new Micro Business segment in 2025: specifically catering to the needs of Small Office/Home Office (SOHO) entrepreneurs. Strategic capital deployment for refurbishment and modernisation of physical outlets went hand-in-hand with ongoing improvements to our digital footprint, including the MySLT app. Together with a number of dedicated regional campaigns, these multi-front efforts have continued to improve the overall consumer experience.

➔ Empowering a People First Transformation

The Group has not been complacent with operational successes achieved during the year. As an organisation, we are cognisant that SLT-MOBITEL's evolution into a TechCo requires a fundamental cultural and capability shift. This is why our Human Resources strategy in 2025 was anchored in a People-First Transformation Agenda.

New features were rolled out to improve the employee experience, while ongoing structured efforts like the Executive Development Programme, Smart Sales Officer, and Smart Technician programmes accelerated capability development in priority areas.

We were also successful in resolving long-standing salary anomalies among executives and non-executives, which was a significant milestone for employee satisfaction. I am pleased to note that we maintained a strong, consensus-driven dialogue with all 25 of our trade unions, throughout the year; discussing and amicably resolving industrial issues.

To ensure our workforce is future-ready, we initiated comprehensive reskilling programmes, particularly in areas like Artificial Intelligence (AI) and data analytics, and widened our focus from purely technical training to include holistic leadership development.

The Group's skill development efforts continue to be bolstered by our very own premier education and training provider – the Nebula Institute of Technology (NIT). The Institute has been pivotal in enriching and maintaining a strong base of knowledge within the Group. In 2025, they extended partnerships with additional international institutions and introduced new categories of programmes, such as top-up degrees, providing standardised part-time learning opportunities to upskill our employees. With new programmes for Engineering, Robotics, Artificial Intelligence (AI), and Data Science set to kick off in 2026, we expect NIT's influence, as a Centre of Expertise, to grow steadily in the years to come.

➔ Sustainability and Disaster Resilience

As the National ICT Solutions Provider, SLT-MOBITEL demonstrated strong operational resilience during Cyclone Ditwah, rapidly restoring critical network services despite extensive infrastructure damage. The Sri Lanka Backbone Network (SLBN) was restored within 24 hours, enabling swift nationwide recovery with priority support extended to essential services.

In parallel, the Group continued to advance its sustainability agenda through expanded investment in renewable energy and energy efficiency initiatives.

During the year, SLT PLC commissioned 33 solar photovoltaic (PV) sites with a total capacity of 1,524 kWac, generating annual savings of 105,040 kWh and reducing emissions by approximately 76 MTCO₂e. SLT-MOBITEL also completed 840 PV sites with an installed capacity of 1,880 kWac, reinforcing the Group's transition towards cleaner and more resilient energy operations.

These efforts are further supported by ongoing initiatives to enhance energy efficiency across operations, including the adoption of high-efficiency systems, optimised facility design, and integration of energy-conscious building practices. The Group is also progressing towards ISO 50001:2018 certification, strengthening its commitment to structured energy management and long-term decarbonisation.

➔ Looking Ahead to 2026

In 2026, we will heavily focus on retaining and expanding our market share. Acquisition of high-value 5G customers through the introduction of next-generation Customer Premises Equipment (CPE) on the back of new device partnerships should serve to strengthen our existing revenue streams.

We will be moving toward more converged products that seamlessly combine our fixed, mobile, and television offerings, and will adapt to the needs of the market as they evolve.

Furthermore, following the success of our unlimited fibre packages, we are piloting a number of changes to the customer Fair Usage Policy (FUP), whilst maintaining service quality and standards within our network capacity. These changes,

scheduled to take shape in 2026, are expected to meet and surpass the expectations of our customers, while also boosting our revenue and market-share.

To continue transforming and improving our customer experience through dedicated support, we are targeting the deployment of a Unified Contact Centre with omni-channel support by the end of 2026.

This will feature the deep integration of AI, and tools specifically tested for local language interactions; empowering customers with immediate, automated responses and moving us toward a proactive, predictive service model.

Because SLT-MOBITEL's digital transformation depends on our workforce, 2026 will be defined by the Group's People First Transformation Agenda. Having initiated consultations with external and internal experts to critically redesign our organisational structure, we expect to institute a tiered structural overhaul; including realigning our variable pay and incentive schemes to better reward high performance. We will also implement a rigorous succession plan up to the managerial level with a priority for HR convergence talent mobility programmes that would assemble agile teams from across the Group's subsidiary companies to foster cross-pollination of skills and drive efficiencies.

➔ Acknowledgements

Our achievements this year are a testament to the collective effort of the entire SLT-MOBITEL family. I extend my deepest gratitude to our Group Chairman and the Board of Directors for their visionary guidance. I sincerely thank all our dedicated employees and trade union partners for their unwavering commitment to our shared goals. To our business partners, government stakeholders, and above all, our loyal customers — thank you for your continued trust in SLT-MOBITEL as we build a smarter, digitally empowered Sri Lanka.



M Riyaz Rasheed
Chief Executive Officer

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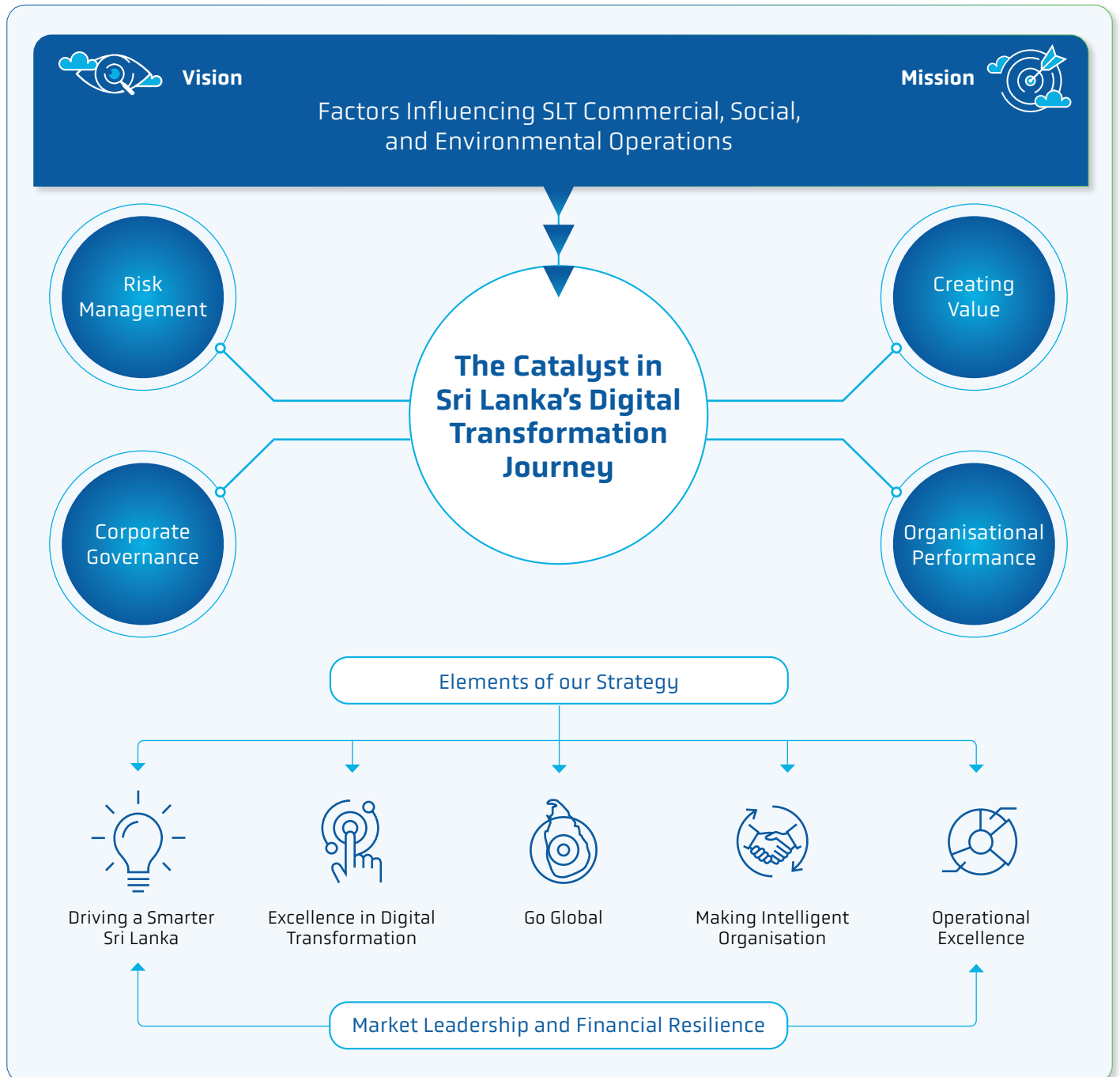


Strategy Overview

The Company's strategy consolidates our status as the Brand of Choice with a customer-centric heart.

On one front, our external-facing efforts are supporting the national digitalisation agenda through digital inclusion, connectivity, production evolution, and technological leadership. Part of this effort is going global – connecting Sri Lanka to the world as much as charting a course for the organisation's own efforts to penetrate global markets and perform on a global scale.

On the other front, we prioritise internal operational excellence and organisational transformation to enhance capabilities and set a future-ready trajectory, while continually improving service delivery and quality for all stakeholders.



➔ Our Strategic Journey

The Company's strategic trajectory over the past decade reflects a deliberate evolution from a traditional connectivity provider to a sophisticated technology leader, structured across four distinct phases of growth.

Between 2015 and 2017, we focused on Building the Digital Highway, laying the physical foundation for a digital economy through the i-Sri Lanka project. This era was defined by bridging the digital divide with high-speed optical fibre connectivity and positioning Sri Lanka as a regional hub via a series of submarine cables.

This set the stage for the next phase, from 2018 to 2020: a digital pivot while expanding global reach, where we shifted from infrastructure layout to pursuit of stronger monetisation. The Xyntac global business unit was established, and the Group's national data centre commissioned. During this time, our strategy also proved its resilience by pivoting to operational excellence and providing critical work-from-home solutions during the global pandemic.

From 2021 to 2024, we entered a period of unification, pursuing Group synergies and integration alongside launch of a unified SLT-MOBITEL identity. This phase also signalled a strong prioritisation of R&D and innovation; within the organisation, and in the external environment. Early homegrown innovations served to support the Country's digital ecosystem, while strategic partnerships with technology leaders and institutions helped strengthen Sri Lanka's digital footing.

Today, we are reaching a new stage of maturity in our transformation to a TechCo, expanding beyond connectivity into a diverse series of cloud, digital, and technological services; leveraging and promoting emerging technologies like AI and IoT; and charting a course for future readiness through the launch of 5G and new products and services alongside the Group's organisational transformation and capability development.

➔ Progress Overview

Driving a Smarter Sri Lanka



Achievements in 2025

- Commercial launch of 5G marked a technological milestone for Sri Lanka.
- Hosting Sri Lanka's first-ever National AI Conference and Expo, and taking the programme to regional areas to foster digital inclusion.
- Fostering a collaborative and innovative technology ecosystem through partnerships with universities, start-ups, and local and international technology providers.
- Serving as digitalisation catalyst for key sectors and institutions, such as Sri Lanka's entire Banking, Financial Services, and Insurance (BFSI) sector and key state institutions - including the Lanka Government Network and migration of state applications to a Lanka Government Cloud.
- Driving technology adoption among MSMEs. Launching a Micro Business segment catering to SOHO (Small Office/Home Office) entrepreneurs, and continually engaging with SMEs to raise awareness and increase technological adoption.

Strategic Priorities for 2026/27

- 5G rollout
- Supporting country digitalisation
- Supporting to minimise digital divide

Excellence in Digital Transformation



Achievements in 2025

- Enhancing consumer and enterprise digital touchpoints and moving toward proactive and predictive customer service through evaluating and integrating AI components.
- Launching innovative digital products, including new multi-cloud offerings, advanced cybersecurity services, and a host of new digital applications.

Strategic Priorities for 2026/27

- Operational efficiency initiatives using AI

Go Global



Achievements in 2025

- Xyntac secured operations in Singapore under a Service Based Operation (SBO) licence.
- New partnerships with Over-The-Top (OTT) providers like Google and Amazon.
- Preliminary steps to obtain a Facility Based Operation (FBO) license in Singapore.

Strategic Priorities for 2026/27

- Expand the business

Making an Intelligent Organisation



Achievements in 2025

- Successfully automating numerous operational processes using Robotic Process Automation (RPA), and enriching employee experience through digitalisation.
- Prioritising reskilling and talent mobility to keep abreast of technological advancements in emerging areas like AI and Data Science.
- Actively pursuing HR convergence to promote talent mobility across the Group.
- Capability acceleration through ongoing L&D programmes and the Nebula Institute of Technology, facilitating clearer pathways for employees to upgrade their skills and qualifications.
- Ongoing supply chain transformation and advancement through launch of new platforms and processes to optimise commercial negotiations.

Strategic Priorities for 2026/27

- Staff training to match with new technologies
- Introduce Digital transformation initiatives in HR operations
- Talent mobility

Operational Excellence



Achievements in 2025

- Record financial turnaround and debt reduction through aggressive loan settlements and strict cost management.
- Achieving cost saving by leveraging Group synergies and establishing strategic partnerships with global technology giants.
- Transforming cost centres into profit centres through asset monetisation, and achieving operational cost reductions through strategic developments and task and function optimisation.
- Achieving energy efficiency gains and making progress toward sustainability goals, by initiating replacement of legacy equipment, consolidating equipment facilities, and investing in renewable energy generation capacity.

Strategic Priorities for 2026/27

- Optimise operational efficiency through AI-driven automation, infrastructure modernisation, and sustainable cost management initiatives across the Company

Our Business Model

Upstream Value Chain

INPUTS

SLT's value creation process is enabled by six interconnected capitals:



Financial Capital

- Equity and debt capital supporting nationwide connectivity and digital transformation
- Strong liquidity and disciplined capital allocation



Manufactured Capital

- National fibre backbone and access network
- Mobile network infrastructure (4G and 5G)
- International submarine cable systems
- Tier III data centres and technology facilities
- Island-wide customer touchpoints and distribution network



Human Capital

- Skilled, unionised and professional workforce across technical, commercial and support functions
- Continuous learning through Nebula Institute of Technology and structured leadership development



Social and Relationship Capital

- Large fixed-line and mobile subscriber base
- Long-standing relationships with enterprise, public sector and wholesale customers
- Global technology partners, suppliers and strategic alliances
- Strong regulator and government relationships



Intellectual Capital

- Unified SLT-MOBITEL brand
- Innovation platforms and digital solution portfolios
- Proprietary processes and systems certified to ISO/IEC standards (Quality, Information Security, Business Continuity, Customer Contact)



Natural Capital

- Energy and water resources supporting network operations
- Deployment of renewable energy solutions in base stations and facilities

Internal Operations

VALUE CREATION ACTIVITIES

SLT transforms the capitals through integrated operational activities across the services value chain:

Network and Infrastructure Development

- Expansion, modernisation and optimisation of fibre, mobile and international networks
- Migration to next-generation technologies (4G/5G, cloud-ready infrastructure)

Marketing, Branding and Partnerships

- Brand building through campaigns, sponsorships and events
- Strategic partnerships to expand digital ecosystems and MSME enablement

People and Culture Development

- Talent acquisition, training, diversity and inclusion
- Performance management, leadership pipelines and employee engagement

Responsible Business Practices

- Environmental stewardship and energy efficiency initiatives
- Community development, digital inclusion and education programmes



Product and Service Development

- Fixed, mobile, broadband and IPTV services
- Enterprise digital solutions (cloud, data centre hosting, managed services)
- Digital platforms including IoT, smart solutions and healthcare services (eChannelling)

Service Provisioning and Customer Delivery

- Activation, maintenance and quality assurance of services
- Omni-channel service delivery (retail outlets, digital platforms, partner networks)

Customer Experience and Support

- Contact centres, field services and digital self-care platforms
- Continuous customer feedback, analytics and retention initiatives

Technology, IT and Cybersecurity Management

- Secure and resilient IT systems and data protection
- Disaster recovery and cyber risk mitigation

Downstream Value Chain

OUTPUTS

[Direct, Measurable Results]

Network and Technology Outputs

- Modernisation and expansion of Fibre network
- Wireless network upgrade and coverage expansion by adding new base stations International bandwidth and submarine cable capacity enhanced
- Tier III data Centre racks, servers and cloud capacity commissioned

Customer and Market Outputs

- New fixed, mobile, broadband and PEOTV connections activated
- Growth in value-added digital services subscriptions
- Enterprise customers onboarded for cloud, hosting and managed services
- Increased utilisation of eChannelling and digital payment platforms (mCash)

Operational and People Outputs

- Service orders provisioned within defined SLAs
- Contact centre interactions handled through digital and assisted channels
- Employee training hours delivered; professional and NVQ certifications awarded

Social and Environmental Outputs

- Schools, hospitals and public institutions connected or digitised
- Renewable energy installations at network sites
- E-waste and hazardous waste responsibly processed

OUTCOMES

[Medium to Long Term Benefits]

For Customers

- Consistently reliable, high-speed and secure connectivity
- Improved quality of experience, convenience and service accessibility
- Enterprise digital transformation enabled through trusted local infrastructure

For Employees

- Higher engagement, retention and productivity
- Future-ready skills aligned to next-generation technologies
- Strong leadership and succession pipelines

For Shareholders and Financiers

- Predictable cash flows from diversified revenue streams
- Sustainable profitability supported by infrastructure leadership
- Enhanced risk management and business resilience

For Partners, Government and Industry

- Strengthened national ICT backbone supporting public services digitalisation
- Enablement of MSMEs and innovation ecosystems
- Reduced dependency on foreign digital infrastructure

For Society and Environment

- Broad-based digital inclusion across urban and rural communities
- Improved access to education, healthcare and financial services
- Reduced emissions intensity through energy-efficient networks

IMPACT

[Long Term, System Level Value Creation]

National Digital Enablement

Positioning SLT as the backbone of Sri Lanka's digital economy and smart nation ambitions

Inclusive Economic Growth

Productivity gains across businesses, public sector institutions and communities

Social Progress

Better educational outcomes, improved healthcare access and digitally connected citizens

Environmental Stewardship

Progressive reduction of the Group's carbon footprint and responsible resource use

Organisational Resilience

A future-ready, trusted national operator with long-term financial and operational sustainability

Sri Lanka Telecom PLC creates sustainable value by fulfilling its mandate as the National ICT Solutions Provider, enabling Sri Lanka's digital transformation through reliable connectivity, advanced ICT solutions and inclusive growth. This Business Model demonstrates how the Company leverages its key capitals and integrates technology, operations and strategic partnerships to deliver consistent outputs, meaningful outcomes and long-term national impact. It underscores our commitment to responsible governance, technological leadership and stakeholder value creation, aligned with international integrated reporting best practices and the Group's long term strategic priorities.

Stakeholder Engagement

Stakeholders play an essential and collaborative role in sustaining and strengthening the technology ecosystem we inhabit. The strategic success of our transformation from a Telecommunications provider to a Technology Company (TechCo), hinges on how effectively we impact and integrate the entire spectrum of our stakeholders from our own employees to customers, business partners, and the wider community.

➔ Integration with Strategy

Stakeholder engagement is a vital component of the Company's core strategy, ensuring that our strategic focus creates shared, sustainable value. The creation, implementation, and achievement of our strategic objectives are co-dependent on our stakeholders. Their feedback, needs, and expertise are accounted for in decision-making, ensuring our technological advancements translate into tangible stakeholder value.

Achieving operational excellence

Is an ongoing aspiration, which is facilitated through strategic, integrated engagement with business partners and suppliers.

Driving a Smarter Sri Lanka

To achieve a digitally inclusive nation, we actively engage with the Government, regulators, and the community. We collaborate with key governmental and non-governmental partners to deploy large-scale national infrastructure projects like the Lanka Government Network (LGN) and Lanka Government Cloud (LGC), which directly meet the state's digitalisation needs. At the grassroots level, we incorporate regulatory directives and the government's policy ambitions, working to bridge the digital divide by expanding infrastructure and implementing a number of targeted projects that drive technology inclusion.

Excellence in Digital Transformation

Our success in supporting digital transformation is heavily influenced by continuous engagement with customers and innovation partners. It hinges on successful collaboration with a broad technology ecosystem, including a number of local and international technology partners. These partnerships enable us to support the digital transformation ambitions of our customers, from enterprises and SMEs, to entrepreneurs and retail consumers. In addition, our work with technology leaders, academia, startups, and industry experts serves to co-create transformative, commercially viable digital solutions that benefit thousands more.

Going Global

Expanding our international footprint requires robust engagement with international business partners, global carriers, and hyperscalers. Through our global business arm, Xyntac, we build strategic alliances with these partners. Our long-term collaboration with international submarine cable consortiums ensures that the Company secures the high-speed global connectivity necessary to attract foreign direct investment and to position Sri Lanka as a regional digital hub.

Making an Intelligent Organisation

Our transition to a future-ready TechCo is anchored in an empowering, transparent relationship with employees and trade unions. Driven by a People-First Transformation Agenda, we engage in consensus-driven dialogue to seamlessly implement structural changes, effectively manage this change, and swiftly resolve workplace issues. This collaborative approach builds on the action of our HR function, which is engaged in continuous reskilling and upskilling programmes to provide career development opportunities and create an agile, digitally-savvy workforce.

Achieving Operational Excellence

Achieving operational excellence is an ongoing aspiration, which is facilitated through strategic, integrated engagement with business partners and suppliers. These partnerships are central to the Company's efforts to create a transparent, highly efficient, and globally compliant supply chain. Similar contributions are made through incremental improvements, discipline benefits, and efficiency gains within the organisation. From process improvements and digital enablement to structural changes our stakeholders are the beneficiaries and the drivers of our continuous push for operational excellence.

Engaging our Key Stakeholders

Customers



Engagement Mechanism and Frequency

- Regular customer satisfaction surveys
- Regularly and direct engagement through Social Media, website, and mobile/web applications
- Regular communication through newsletters, media releases, and magazines
- Direct engagement through branches and dealers (on need basis)
- Direct engagement with our officers when/where necessary
- Continuous 24/7 support through contact centre

Priorities

- Adaptation to needs of Retail, SME, and Enterprise customers
- Availability of competent staff, engagement teams, tools, services
- Convenience and overall customer experience
- Innovative and efficient solutions

Our Response

- Regular product and corporate updates in line with market needs

Employees



Engagement Mechanism and Frequency

- Continuous engagement through meetings, emails, social media groups, events, training etc,
- Inclusive management process
- Health and Safety Programmes as required
- Annual performance evaluation process and one-on-one meetings

Priorities

- Positive and supportive work environment, including for a healthy work-life balance
- Bridging of skill gaps identified in assessments, and career development opportunity
- Workplace and industrial harmony, and organisational growth
- Fair compensation, recognition, and rewards
- Managing work during national challenges

Our Response

- Implementation of flexible and optimised working arrangements
- Strategies focused on enhancing job satisfaction and retaining employees
- Continuous internal and external training
- Conducive environment for trade union participation
- Continuous update of company policies
- Diverse services for employee well-being, including medical reimbursements, eChannelling services, *Agrahara* insurance, medical centre at the HQ premises, and the *Suwatha* health screening programme
- Fair and transparent performance assessment, including self-evaluations, peer reviews, supervisor feedback, and incentives to reward outstanding performance

Investors



Engagement Mechanism and Frequency

- Quarterly results
- Annual Reports/AGMs
- CSE disclosures (as needed)
- Regular media releases
- Annual rating reviews

Priorities

- Sustained earnings growth
- Dividend declarations
- Compliance with regulations
- Transparency in communication
- Organisational stability

Our Response

- Regular, accurate, and transparent financial reporting
- Timely dividend payments and sustained share price growth
- Publication of results and price-sensitive information via multiple channels
- Financial stewardship to maintain a strong balance sheet and liquidity position

Business Partners



Engagement Mechanism and Frequency

- Quarterly dealer and vendor satisfaction surveys
- Annual supplier assessment surveys
- Regular communication of requirements, including through direct meetings
- Publication of e-tenders and e-auctions
- Dealer and vendor awareness sessions
- Vendor and supplier forums

Priorities

- Timely payment of dues
- Fair business practices including communication and awareness raising
- Eligibility to participate in tenders
- Support to enhance performance
- Addressing economic challenges and provision of growth opportunities
- Addressing issues and concerns

Our Response

- Ensuring prompt payments
- Enforcing fair procurement practices through Tender Committees and Board oversight
- Evaluating supplier suitability for registration
- Rating and sharing supplier performance, offering improvement opportunities
- Facilitating direct procurement from principal vendors
- Gathering feedback from dealers and taking steps to enhance communication
- Conducting vendor awareness sessions, reviews, and post-evaluation discussions
- Implementing reward programmes to motivate better performance
- Hosting sessions to improve vendor understanding and collaboration
- Increasing communication to resolve concerns effectively

Government and Regulators



Engagement Mechanism and Frequency

- Regular official meetings
- Annual report
- Presentations as required

Priorities

- Sustained earnings growth
- Dividend declarations
- Compliance with regulations
- Transparency in communication
- Organisational stability

Our Response

- Advocating changes to regulatory requirements in response to market and customer developments
- Strengthening compliance procedures, including timely remittance of taxes and levies
- Investing in national telecommunications infrastructure
- Serving as a key partner in-government initiatives of national importance
- Contributing to developing the country's technology sector and addressing regulatory issues pertaining to same
- Connecting Sri Lanka to global opportunities maintaining relationship with regulatory authorities
- Collaboration with ministries and other government bodies to prioritise national digitalisation

Community



Engagement Mechanism and Frequency

- Engagement through network of branches, Social media, and our website, www.sltmobile.lk
- Direct engagement through events

Priorities

- Responsible business practices
- Engagement to uplift communities
- Development of ICT skills among Sri Lankan youth
- Stimulation of entrepreneurial and innovation interest in youth
- Upliftment of Sri Lanka's educational landscape

Our Response

- Providing for communication and digital needs of different customer/community segments
- Ensuring affordability of services and recognition of special needs groups
- Enhancing island-wide presence and coverage, while investing in capacity to cater to localised requirements
- Raising awareness about accessibility and utilisation of products and services to customers and the wider community
- Conducting, supporting, and sponsoring events with a focus on innovation and technology adoption
- Conducting programmes to enhance academic and other forms of development for youth

Materiality

Our materiality framework encompasses a broad spectrum of Environmental, Social, and Governance (ESG) considerations. Determination of these material issues is central to our business model, ensuring that strategic goals align with internal operational capacities, business goals, and the expectations of its diverse stakeholder base.

Guided by ISO 31000 standards

Our risk reporting structure ensures dynamic material issues are systematically categorised, with ultimate oversight provided by the Board's Audit Committee.

The Company relies on a comprehensive materiality assessment that balances quantitative and qualitative factors, the importance of which is based on two core criteria: its relevance and significance to both stakeholders and the Company. Significance is rigorously evaluated by relating the probability of an event or issue occurring to the magnitude or severity of its potential impact.

The materiality process employs a multifaceted evaluation approach, assessing the following:

- **Financial Significance:** Impact on the Group's financial standing is methodically assessed through quantitative metrics, encompassing revenue streams, cost structures, and capital allocation.
- **Operational Impact:** Key Performance Indicators (KPIs) evaluate and track operational efficiencies, and technological infrastructure requirements to gauge how specific issues will effect day-to-day operations.
- **Stakeholder Relevance:** Strategic planning is augmented by stakeholder mapping and synthesis of customer feedback, investor expectations, employee concerns, and public priorities.

- **Climate and Sustainability related risks and opportunities:**

The materiality assessment also incorporates climate and sustainability related risks and opportunities that may affect our strategic priorities, operational resilience and value creation. The SLFRS S1 and S2 Disclosures chapter provides further insights into these concerns.

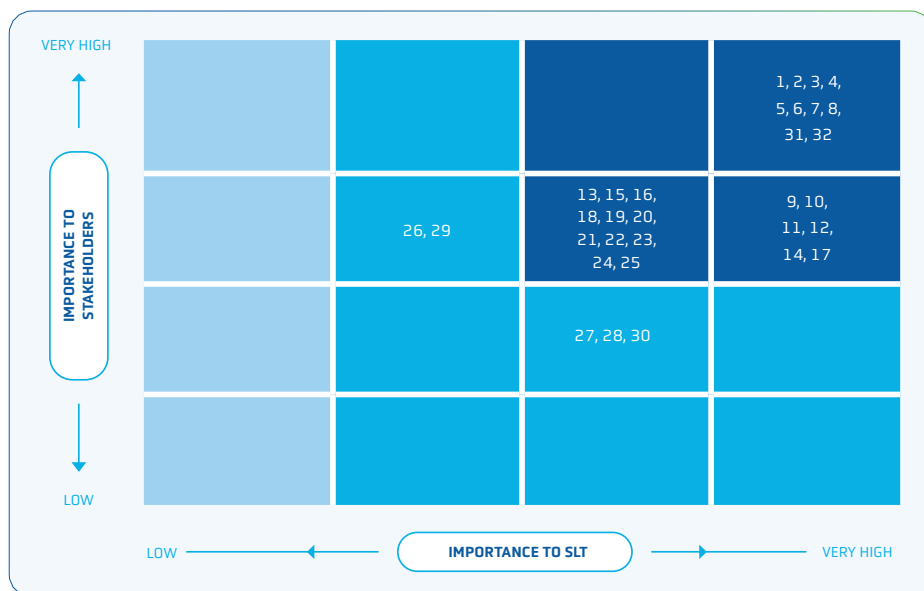
The materiality assessment process and outcomes are further shaped by the Company's legal and regulatory compliance framework, which in turn is influenced by local regulations and global best practices. The Group actively tracks changes in telecommunications regulations and ensures its operations align with appropriate standards. Furthermore, SLT embeds sustainability metrics and competitive intelligence into its assessments to align its reporting and business practices with internationally recognised ESG standards and benchmarks.

The Materiality Matrix, plotted on two dimensions, maps topics based on importance to SLT-MOBITEL and importance to stakeholders. This matrix visualises the priority material concerns, which inform management focus and resource allocation.

The identification of material topics is intrinsically linked to the Group's **Enterprise Risk Management (ERM)** framework, as the matters of highest stakeholder and business importance directly inform the Company's assessment of critical risks and emerging opportunities.

Guided by global best practices and ISO 31000 standards, the ERM framework systematically categorises these dynamic material issues into strategic, external, and internal risks, and embeds risk awareness into day-to-day business operations.

This alignment is actively managed through a robust risk reporting structure, where functional groups escalate potential risks to the Risk Management Steering Committee (RMSC) for management-level analysis, with ultimate governance and oversight provided by the Board's Audit Committee.

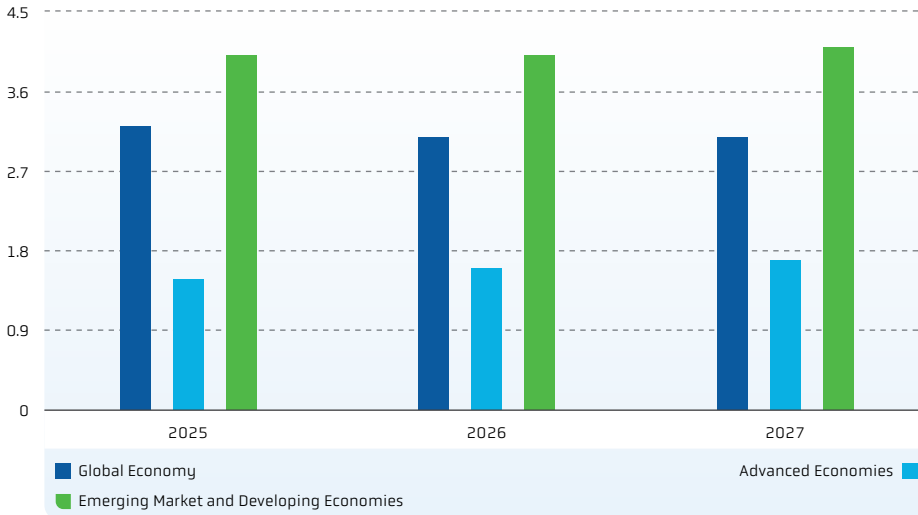


No.	Topic
1.	Financial and economic performance
2.	Employment
3.	Training and education
4.	Customer privacy
5.	Customer experience
6.	Work and lifestyle changes
7.	Purchasing power of consumers
8.	Macroeconomic conditions
9.	Indirect economic impacts
10.	Technology evolution
11.	Financial resilience
12.	Industry evolution in the country
13.	Procurement practices
14.	Crisis management
15.	Anti-corruption
16.	Anti-competitive behaviour
17.	Energy

No.	Topic
18.	Emissions
19.	Effluents and waste
20.	Environmental compliance
21.	Occupational health and safety
22.	Freedom of association and collective bargaining
23.	Socio-economic compliance
24.	Community health and safety
25.	Digital infrastructure for education
26.	Diversity and equal opportunity
27.	Research and development
28.	Local community engagement
29.	Biodiversity
30.	Marketing and labelling
31.	Climate-related Risks and Opportunities (CRROs)
32.	Sustainability-related Risks and Opportunities (SRRROs)

Operating Context

Growth Projections



Source: IMF

Global real gross domestic product (GDP) growth is projected at 3.3% in insert superscript 1 after 2026, broadly unchanged from 2025. Elevated trade tensions, high public debt, and geopolitical uncertainty continue to weigh on the outlook.

Advanced economies are projected to grow by about 1.8% in 2026, while emerging markets and developing economies are expected to grow at around 4.2%.

Global inflation is forecast to continue easing in 2026, although it remains above central bank targets in many major economies, influencing monetary policy decisions.

➔ Economic Performance of Sri Lanka

Sri Lanka entered 2025 with macroeconomic conditions materially better than the 2022–23 crisis period, underpinned by the International Monetary Fund (IMF) Extended Fund Facility (EFF) and domestic reforms (tax increases, cost-reflective utility pricing,

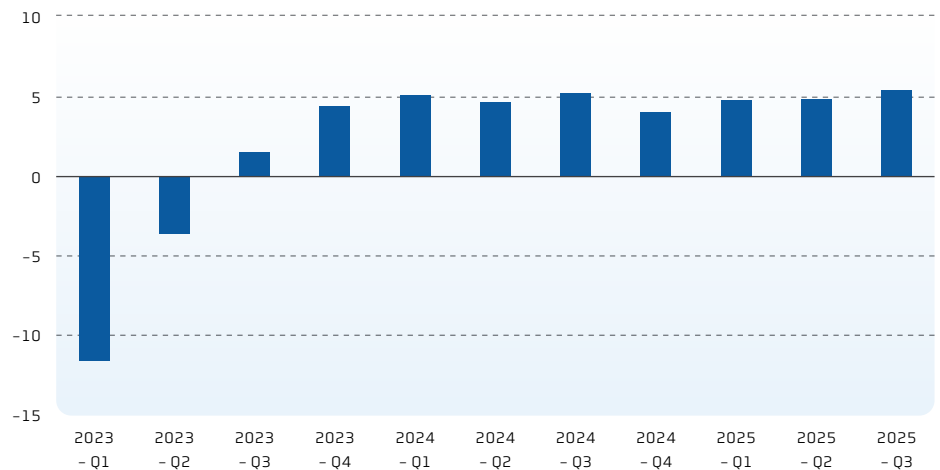
tighter monetary financing rules, etc.). The year was characterised by continued recovery in real activity, very low inflation at the end of the year after a long deflation spell, improving external buffers helped by foreign exchange inflows from tourism and remittances, and continued high sovereign risk.

The economy grew by 4.8% in the first quarter (Q1) of 2025, 4.9% in Q2, and 5.4% in Q3. The Central Bank of Sri Lanka (CBSL) projects that Sri Lanka's economy will grow by around 4.5% for the entire year 2025.

Multilateral financial institutions, such as the World Bank and IMF, project continued, moderate growth in 2026 as stabilisation takes hold. CBSL expects activity to remain on an improving trajectory, supported by ongoing reforms, investment, and tourism recovery.

Year-on-year inflation transitioned from negative readings for the most part of 2025 to low positive levels by the end of the year. Market interest rates broadly adjusted downwards in 2025. At the start of 2025, the exchange rate was around LKR 293 per USD, and by the end of December, the rupee had weakened further with rates reaching approximately LKR 310 per USD, marking a net depreciation of roughly 5.8% over the year.

Sri Lanka – Quarterly GDP Growth

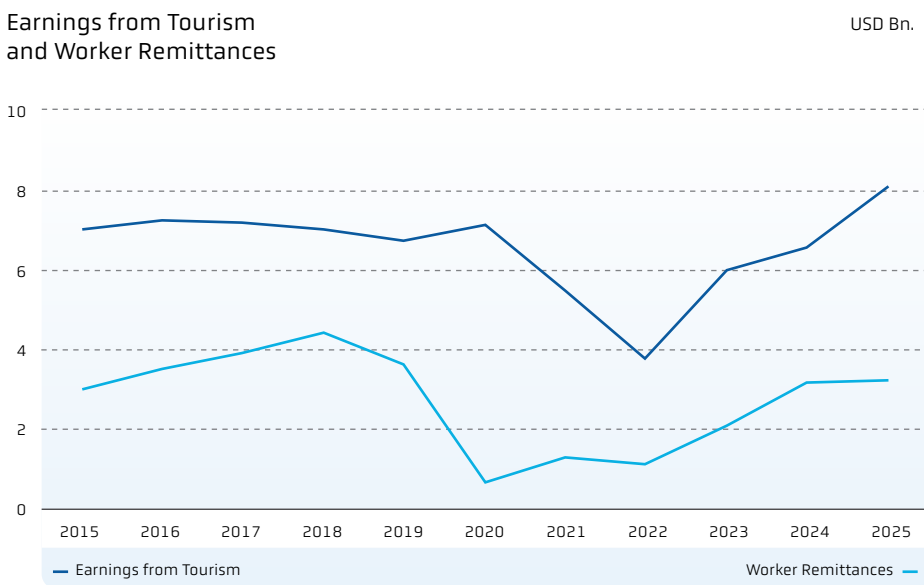


Source: Central Bank of Sri Lanka

➔ Tourism and Remittances

Sri Lanka recorded its highest-ever international arrivals in 2025, attracting approximately 2.36 million visitors, a 15% increase from 2024 [Sri Lanka Tourism Development Authority]. Tourism earnings for 2025 amounted to USD 3,219.2 Mn. [2024: USD 3,168.6 Mn.], based on CBSL data. Despite the challenges posed by Cyclone Ditwah, tourist arrivals and tourism earnings are expected to remain on an upward trajectory in 2026.

Sri Lanka’s remittance inflows in 2025 amounted to USD 8,076.2 Mn., a 22.8% increase year-on-year compared with 2024 and the highest annual total on record, according to official data.



Source: Central Bank of Sri Lanka, World Bank

➔ Key Trends in the Telecommunications Sector: Global and Asia-Pacific Perspectives

The convergence of telecommunications with artificial intelligence (AI), edge computing, and Internet of Things (IoT) technologies is creating new opportunities while disrupting traditional business models. Success in this evolving landscape will require telecommunications operators to transform from pure connectivity providers into platform-driven technology companies capable of delivering differentiated, and intelligent services across consumer and enterprise segments.

The telecommunications sector has emerged as one of the most critical drivers of global economic growth, serving as essential infrastructure that enables economic activity across virtually all industries. Recent data from 2024-2025 demonstrates unprecedented growth in the sector’s economic contribution, particularly driven by mobile technologies, 5G deployment, AI integration, and digital transformation across both global markets and the Asia-Pacific region. The industry faces the dual challenge of monetising significant infrastructure investments while preparing for next-generation technologies such as 6G. Building out the infrastructure to

connect everyone adequately will cost hundreds of billions of dollars by 2030, with 2.6 billion people (roughly a third of the global population) remaining unconnected globally.

The Asia-Pacific region has emerged as the global epicenter of telecommunications growth and innovation. The region’s leadership in 5G deployment, aggressive infrastructure investment, and rapid technology adoption position it as the primary driver of global telecommunications evolution through 2030 and beyond. However, significant challenges remain. Rising spectrum costs, persistent digital divides, cybersecurity threats, and the need for sustainable operations require coordinated action from operators, regulators, and policymakers.

The global telecom services market was estimated at USD 1,983.08 Bn. in 2024 and is projected to reach USD 2,874.76 Bn. by 2030, growing at a compound annual growth rate (CAGR) of 6.5% from 2025 to 2030.

The telecommunications sector’s contribution to global GDP reached unprecedented levels in 2024-2025, with mobile technologies generating 5.8% of global GDP (USD 6.5 Tn.) and projected to reach 8.4% (USD 11 Tn.) by 2030.

In 2024, mobile technologies and services generated 5.6% of Asia-Pacific’s GDP, contributing USD 950 Bn. in economic value (GSMA, 2025). This represents a substantial increase from USD 880 Bn. (5.3% of GDP) in 2023 (GSMA, 2024). The mobile industry’s economic contribution is forecast to grow to USD 1.4 Tn. by 2030, equivalent to 6.6% of Asia-Pacific’s GDP, driven by continued expansion of 5G, IoT, and AI.

The mobile industry’s contribution to the Asia-Pacific economy over the period 2023-2030 is expected to outpace the global average, growing by 15% in the region, compared to the global average growth of 12% over the same period.

Expanding meaningful and affordable connectivity will contribute directly or indirectly to accelerating progress towards 70% of the targets under the United Nations Sustainable Development Goals (SDGs). This underscores the telecommunications sector's role not just in economic growth but in broader social development globally, particularly in developing regions of Asia-Pacific.

➔ 5G Expansion and Path to 6G

The deployment of 5G networks continues at an unprecedented pace globally. According to Ericsson's Mobility Report (2024), global 5G subscriptions reached approximately 2.3 billion by the end of 2024, representing 25% of all global mobile subscriptions. More significantly, 5G subscription numbers are expected to overtake 4G subscriptions during 2027. By 2031, global 5G subscriptions are forecast to reach 6.4 billion.

The telecommunications industry has already begun preparations for 6G technology, with the first commercial deployments expected in the early 2030s. This preemptive positioning represents a strategic shift from traditional infrastructure roles to platform-driven ecosystems enabled by AI-enhanced radio networks and intelligent edge capabilities.

The Asia-Pacific region leads in both 5G deployment and adoption. Operators across Asia-Pacific invested nearly USD 220 Bn. in 5G networks between 2019 and 2024, with a further USD 254 Bn. committed through to 2030. 5G is expected to account for 50% of all mobile connections in the region by 2030, placing the Asia-Pacific region significantly ahead of many other global markets, with 5G already nearing mass-market levels in Australia, Japan, Singapore, and South Korea. India's 5G subscriber base is projected to surge to 980 million by 2030 from 290 million in 2024.

➔ Internet of Things (IoT)

Cellular Internet of Things (IoT) services represent an industry bright spot globally, with overall IoT revenue in the automotive sector projected to more than double between 2023 and 2028 to reach USD 34.1 Bn., rising at a CAGR of 15.8%. Every new electric vehicle (more than 17 million were sold globally in 2024) is essentially a mini data centre that comes with connectivity built in.

The number of IoT-connected devices in Asia-Pacific is expected to exceed 50 billion by 2030, requiring high-speed data connectivity to operate and communicate seamlessly.¹⁹ The region is at the forefront of IoT adoption, particularly in manufacturing, smart cities, and automotive sectors.

➔ Artificial Intelligence and Digital Transformation

AI has emerged as a transformative force in telecommunications operations. The global AI in telecommunications market was valued at USD 2.7 Bn. in 2024, and is projected to grow at a CAGR of 32.6% between 2025 and 2034. Telecommunications companies are deploying AI for network optimisation, predictive maintenance, customer service automation, and fraud detection.

The Asia-Pacific region demonstrates strong AI investment momentum with substantial financial commitments. The International Data Corporation (IDC) forecasts that AI and generative AI investments in Asia-Pacific will reach USD 175 Bn. by 2028, growing at a CAGR of 33.6% from 2023 to 2028. More broadly, IDC predicts that AI spending will grow at 1.7 times the rate of overall digital technology spending in the next three years, generating an Asia-Pacific (excluding Japan) economic impact of over USD 1.6 Tn. by the end of 2027. The software and information services sector is leading the charge, accounting for over 40% of total AI spending in 2025.

➔ Recent Developments in Sri Lanka's Telecommunications Sector

In 2025, Sri Lanka's telecommunications sector was defined mainly by the accelerated preparation for commercial 5G and a stronger state emphasis on digital infrastructure as part of the wider "digital economy" agenda.

In late 2025 and moving into 2026, the sector's key breakthrough was the transition from trials and policy announcements to a licensed 5G era, driven by Sri Lanka's first-ever spectrum auction and subsequent assignment of spectrum for IMT-2020 (5G) broadband services. The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) confirmed that it conducted the country's first spectrum auction and awarded 5G spectrum licences, marking a major national milestone in mobile broadband regulation and signalling that commercial network expansion could proceed under formal licensing. Overall, across 2025-2026, Sri Lanka's telecommunications narrative shifted from policy and readiness to licensed rollout and public access, with TRCSL's spectrum assignment acting as the central catalyst, and operators expanding both infrastructure and partnerships to convert 5G potential into mass-market connectivity.

➔ Our Recent Contributions to Sri Lanka's Economy

Advanced mobile technologies such as 5G are increasingly associated with productivity gains, particularly through improved network speed, low latency performance, and the ability to support high-demand digital services at scale. In January 2025, The Company conducted Sri Lanka's first 5G-Advanced (5G-A) trial, with the demonstration taking place on 12 January 2025. This development is economically significant because 5G-A capability represents an upgrade

pathway for high-performance enterprise solutions and future digital services, strengthening Sri Lanka's readiness for technology-intensive industries. Following the spectrum auction and awarding of 5G spectrum licences, The Company made its 5G network publicly accessible, thereby positioning 5G as a platform for nationwide digital transformation, and enabling improved user experience and future enterprise applications.

These technology deployments support the economy by improving connectivity for small and medium-sized enterprises (SMEs) and digital entrepreneurs, enabling better remote work infrastructure, strengthening digital education access and enhancing service-sector performance through high-quality network connectivity.

A further dimension of our economic contribution relates to the strengthening of Sri Lanka's international connectivity infrastructure. For small, open economies, international bandwidth capacity and redundancy can influence competitiveness in trade, tourism, and especially digitally tradable services such as information technology (IT) and business process management (BPM). A major strategic milestone was the landing of the SEA-ME-WE 6 submarine cable in Matara at the end of 2024, which was a historic national achievement, with commercial operation expected by mid-2026. Improved submarine connectivity is important for economic growth, because it supports the reliability and scalability of international data flows, reduces bottlenecks, and strengthens the country's ability to host and deliver global digital services. By enhancing network redundancy and capacity, such infrastructure supports export-oriented service sectors and can improve Sri Lanka's attractiveness for foreign investment in data-driven industries.

Collectively, these developments reinforce our function as a strategic

national digital infrastructure provider and a critical driver of modern economic transformation.

We play a central, state-aligned role in Sri Lanka's digital transformation, acting as the national ICT infrastructure provider for both the government and the public. Its contribution spans core government platforms, education connectivity, and rural inclusion initiatives, all of which directly support the country's push towards digital inclusion and a digitally enabled economy.

A key pillar of this contribution is the Lanka Government Network (LGN), which is designed, operated, and managed by the Company. The LGN serves as the digital backbone connecting government institutions across the island, enabling secure communication, data sharing, and integration of digital services across ministries and departments. Complementing this is the Lanka Government Cloud (LGC), also managed by SLT-Mobitel, which provides a centralised, scalable cloud infrastructure for government agencies. Together, these platforms enable e-government services, support advanced technologies such as AI and data analytics, and strengthen Sri Lanka's move towards efficient, transparent, and digitally driven governance. For detailed information, please refer the section Trailblazing Infrastructure on pages 50 to 57.

In the education sector, we have played a significant role through national school fibreisation initiatives, connecting schools with high-speed broadband infrastructure. This enables access to e-learning platforms, digital content, and online classrooms, thereby reducing disparities between urban and rural education systems. By integrating schools into the national digital network, we contribute to long-term human capital development and ensures that students across the country can participate in a modern digital learning environment.

At the infrastructure level, we have undertaken large-scale fibre expansion projects, including initiatives such as the "One Million Fibre Project", aimed at delivering high-speed broadband connectivity across Sri Lanka. This expanding fibre footprint supports not only households but also businesses, government institutions, and public services such as healthcare and education, forming the foundation for a digitally connected society.

Importantly, we have also focused on extending connectivity to rural and remote areas through programmes such as "Gamata Sanniwedanaya" and broader investments in mobile and broadband networks, including 4G and emerging 5G technologies. These efforts ensure that underserved communities gain access to reliable digital infrastructure, helping bridge the urban-rural digital divide. Improved connectivity in these regions enables access to e-government services, financial services, education, and new digital livelihood opportunities, thereby enhancing overall social and economic inclusion.

Beyond infrastructure, we further supported the government's financial inclusion agenda by providing a core banking system to support SMEs, thereby reaching sub-rural areas of the country. By enabling businesses and communities to participate in the digital economy, the Company helps drive innovation, productivity, and economic growth. We also provided online connectivity for peripheral legal services at the Courts Complex in Hulftsdorp.

Overall, the Company functions as a strategic national enabler of Sri Lanka's digital transformation. Through its role in government networks, education connectivity, nationwide fibre expansion, and rural inclusion programmes, it underpins the country's digital ecosystem and supports the transition towards a more inclusive, connected, and digitally empowered society.

➔ **Our Contribution to Economic Resilience in the Aftermath of Cyclone Ditwah**

In the aftermath of Cyclone Ditwah, which triggered severe flooding, landslides, and widespread disruption across multiple districts, we played a pivotal role in strengthening Sri Lanka's economic resilience by restoring and stabilising the country's core digital infrastructure. This ensured that businesses, public services, and emergency responders could continue functioning during the crisis and recover faster afterwards.

From the earliest hours of the disaster, the Company activated a coordinated national response using specialised engineering teams, regional operational structures, and emergency governance mechanisms to protect what it described as Sri Lanka's "digital lifeline". This is because network continuity is essential for maintaining access to banking and payment systems, supply-chain coordination, market communication, and public information flows during major shocks. A central pillar of this resilience contribution was the rapid protection and restoration of the Sri Lanka Backbone Network (SLBN), identified as the country's most critical digital artery. SLT-MOBITEL reported that only a limited number of backbone nodes were affected and that these were fully restored within 24 hours, preventing prolonged nationwide digital paralysis, and reducing the economic downtime experienced by communities and enterprises.

Beyond its own subscriber base, we positioned itself as a national enabler by prioritising restoration efforts that supported other operators and users, with the rapid recovery of its islandwide core network which acted as a catalyst for restoring both fixed and mobile connectivity across nearly all disaster-affected areas. This helped

to re-establish the communications environment required for economic activity to restart. At the national coordination level, telecom operators, including the Company, worked closely with government authorities and partners to reconnect affected populations, reinforcing the role of reliable connectivity in keeping families connected, enabling rescue operations, and facilitating urgent public coordination at scale.

Our economic resilience impact also extended into social and health stabilisation, which directly influences labour productivity and recovery speed, through initiatives such as a 24/7 "247" National Medical Helpline launched with the University of Colombo to support communities facing injuries, infections, and other flood-related health risks. This helped to reduce secondary health shocks that often delay economic normalisation after disasters.

➔ **External Risks and Emerging Global Dynamics**

As at the date of publication of this Report, escalating geopolitical tensions in the Middle East, including developments involving Iran, Israel, Lebanon, and the United States, continue to contribute to heightened global economic uncertainty. These developments have the potential to disrupt energy markets, global trade flows, supply chains, financial markets, and investor confidence, particularly through volatility in oil prices, inflationary pressures, and tighter global financing conditions.

For Sri Lanka, which remains in a gradual economic recovery phase, prolonged geopolitical instability could indirectly affect external sector performance, import costs, exchange rate stability, tourism flows, and overall business sentiment. As a digitally connected infrastructure provider operating within an increasingly globalised technology

ecosystem, we recognise the potential implications for international bandwidth markets, technology procurement, cybersecurity risk exposure, and capital investment environments.

While these developments were not materially evident during the primary reporting period covered by this Annual Report, the Group continues to closely monitor emerging geopolitical and macroeconomic risks. Supported by a resilient national digital infrastructure, diversified connectivity platforms, disciplined financial management, and responsive operational capabilities, we remain committed to maintaining service continuity, operational resilience, and long-term stakeholder value creation amid evolving global uncertainties.

**24/7
National
Medical
Helpline**

launched with the University
of Colombo

Financial Capital



Financial Resilience, Inclusive Progress

SLT-Mobitel's financial performance strengthened significantly in 2025, reflecting a combination of disciplined cost management, improved operational efficiency, and a more stable macroeconomic environment. The Group recorded a 221% increase in profit, rising from LKR 3 Bn. in 2024 to LKR 10 Bn. in 2025, alongside a 3% growth in revenue. This improvement was primarily driven by a 21% reduction in finance costs.

Strategic Intent

As the national ICT enabler, our financial capital strategy is focused on sustaining long-term infrastructure investment, strengthening operational resilience, and accelerating digital transformation while preserving financial stability and shareholder confidence. In 2025, amid a stabilising macroeconomic environment, the Group prioritised disciplined capital allocation, prudent debt management, operational efficiency, and targeted investments in next-generation digital infrastructure including fibre expansion, mobile network modernisation, cloud enablement, and digital platforms. Supported by improved profitability, stronger cash-flow generation, active deleveraging initiatives, and enhanced cost optimisation measures, the Group strengthened its balance sheet, improved capital efficiency and EBITDA conversion, reinforced liquidity and financial flexibility, and continued creating sustainable long-term value for shareholders while supporting Sri Lanka's digital economy ambitions.

Highlights

LKR 114.2 Bn.

Revenue Generated

37.0%

EBITDA Margin Achieved

LKR 100.9 Bn.

Equity Base

36.1%

Fixed Operations EBITDA Margin

31.5%

Mobile Operations EBITDA Margin

**How We
Impact SDGs**



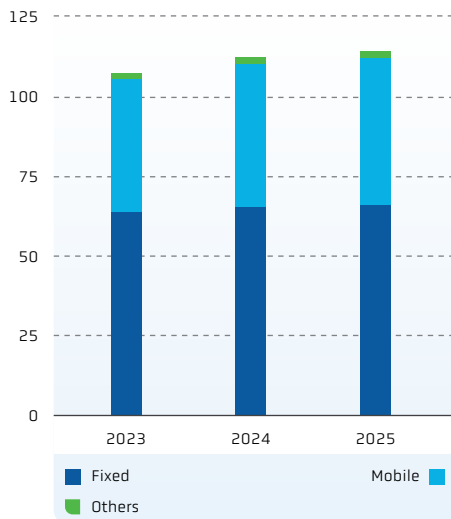
➔ Revenue

The Group's recovery trajectory continued through 2025, with revenue reaching LKR 114.2 Bn., representing a 3% increase over 2024. Growth was supported by:

- Expansion of Mobitel's prepaid broadband segment and increased Average Revenue Per User (ARPU)
- Continued growth in SLT's fibre broadband services

A stabilised macroeconomic environment, characterised by a relatively stable currency and easing interest rates, contributed to improved cost structures and enhanced financial predictability. While top-line growth remained modest, the Group successfully translated this into substantially higher earnings through disciplined cost management and improved capital allocation.

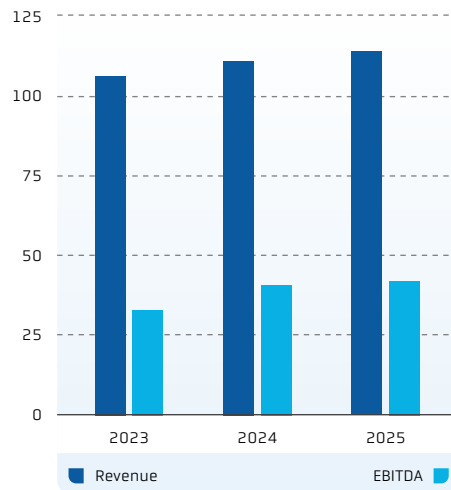
Revenue LKR Bn.



➔ EBITDA and Operating Performance

The Group achieved an EBITDA margin of 37%, reflecting improved operational efficiency and cost discipline. Operating costs were effectively contained with increase limited to approximately 3%.

Revenue and EBITDA LKR Bn.

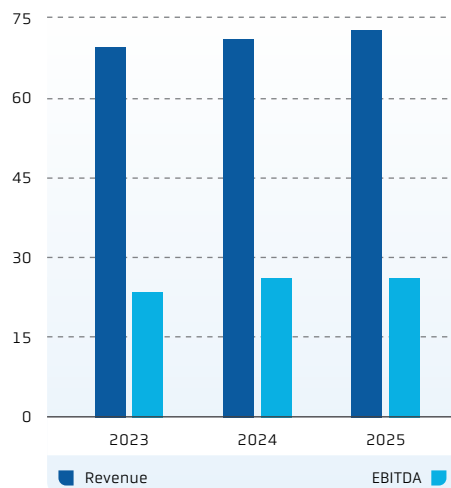


Segmental performance remained strong:

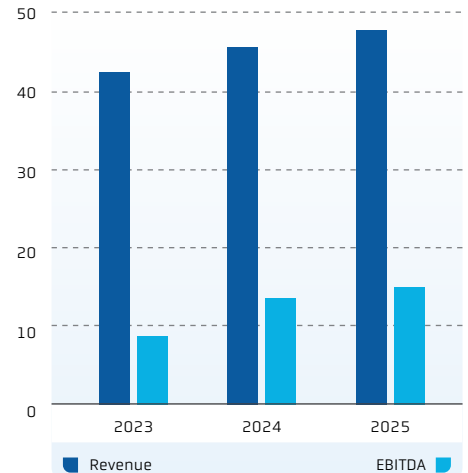
- Fixed Operations EBITDA margin surged to 36.1%
- Mobile operations EBITDA margin increased to 31.5%

This performance was driven by sustained growth in fibre broadband services, continued expansion of Mobitel's prepaid and postpaid segments and the cost efficiencies.

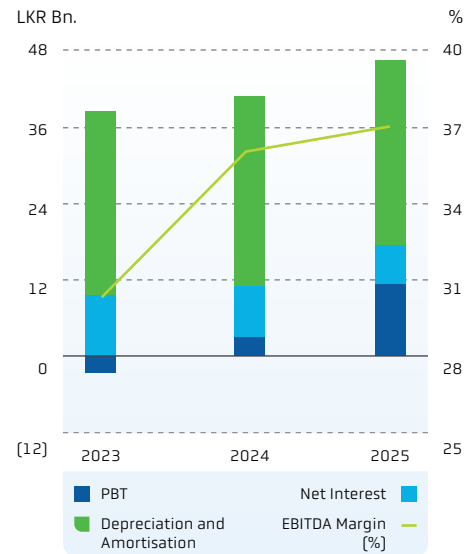
Revenue and EBITDA Fixed Operations LKR Bn.



Revenue and EBITDA Mobile Operations LKR Bn.



Use of EBITDA



➔ Cost Management and Efficiency

Cost discipline remained a key focus area in 2025. The Group implemented a range of initiatives to optimise operating costs, including:

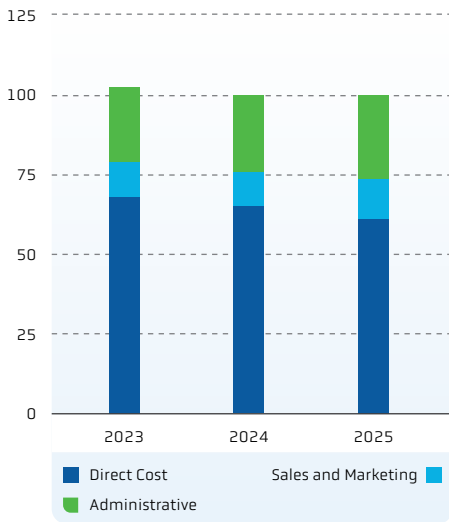
- Renegotiation of vendor contracts
- Field-force optimisation
- Reduction in vehicle hiring costs
- Tight control over discretionary spending

Mobitel’s network rationalisation and commercial optimisation initiatives contributed to reducing cost-to-serve while increasing revenue per user.

Capital expenditure was prioritised and closely monitored through Board subcommittees to ensure resource alignment with strategic objectives and efficient utilisation of resources. The parent company focused on fibre expansion while Mobitel focused on expanded coverage, resulting in an increase in operating cost only by 3%.

Cost Analysis

LKR Bn.



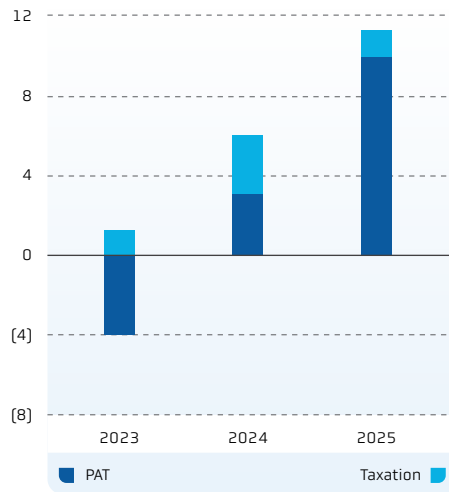
Profitability

The Group reported a Profit After Tax (PAT) of LKR 10 Bn., supported by:

- Improved EBITDA conversion
- Reduced finance costs driven by active debt management
- Return of Mobitel to profitability
- Favourable tax treatment following the expiry of the turnover based tax option. These factors collectively contributed to a meaningful improvement in overall profitability and financial resilience.

Profit After Tax

LKR Bn.

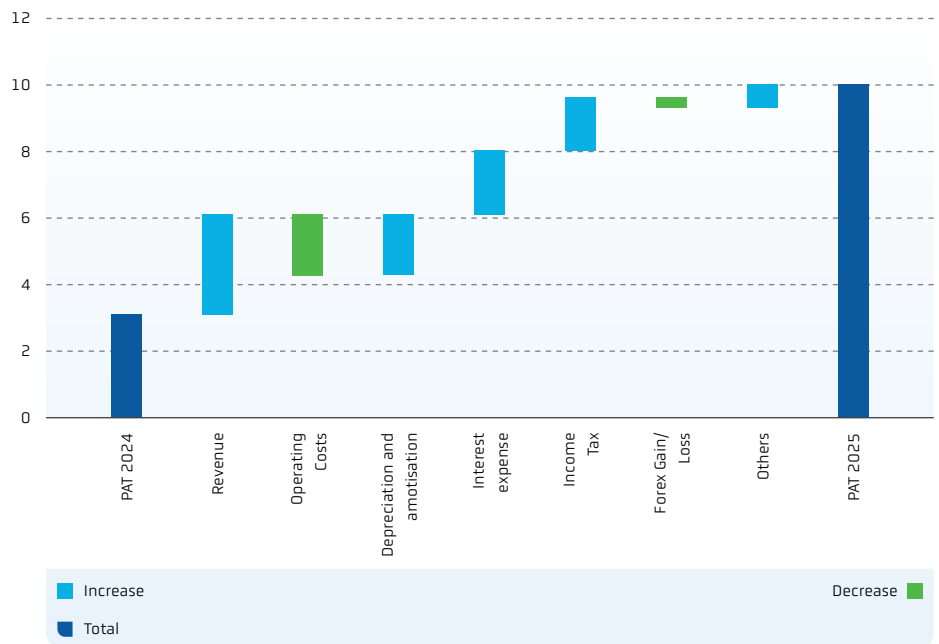


Financial Position

The Group’s financial position strengthened during the year, supported by improved cash flows and disciplined capital management. This was evidenced by enhanced operating cash flows, which enabled accelerated debt settlement, alongside strong collection ratios and tighter credit controls. The Group also continued to invest in fibre infrastructure and network expansion, reinforcing its long-term growth capacity. Looking ahead, the Group remains focused on progressive deleveraging, supported by enhanced collections, efficient working capital management, and improved credit terms from creditors.

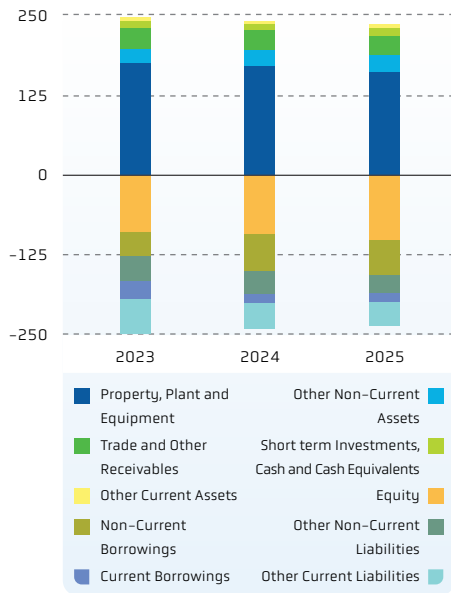
Group PAT Movement

LKR Bn.



Analysis of Total Assets and Funding

LKR Bn.

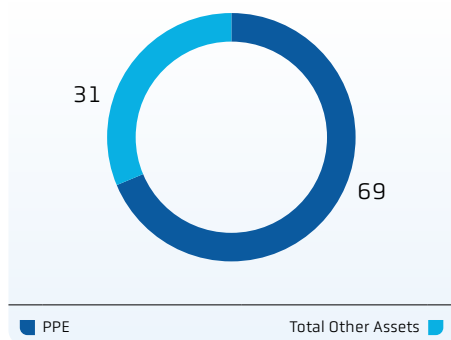


Non-Current Assets

Property, Plant and Equipment (PPE) remain the single largest component of the Group asset base, accounting for approximately 69% of Total Assets. The net book value of PPE of the Group decreased from LKR 173 Bn. as at 31 December 2024 to LKR 161 Bn. as of end 2025, reflecting ongoing depreciation and amortisation.

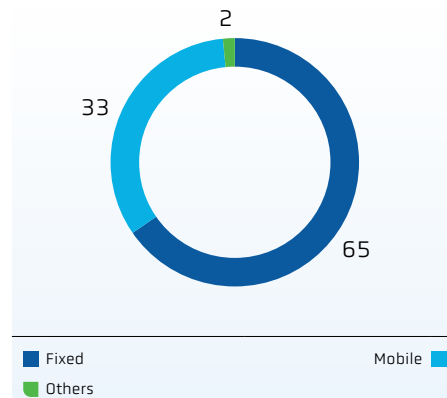
PPE as a percentage of Total Assets

%



Group Asset Base

%

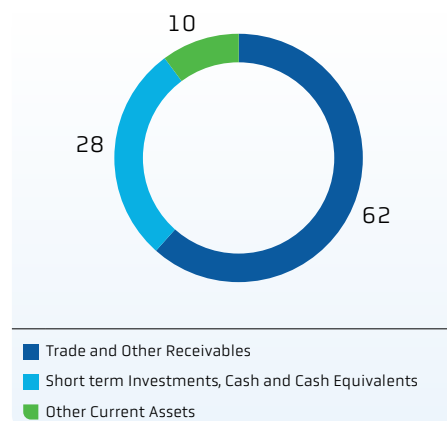


Current Assets

The composition of current assets improved during the year, with trade and other receivables reducing from 69% in 2024 to 62% of total current assets in 2025, reflecting enhanced collection efforts. Cash and short-term investments increased to 28% from 21% in 2024, strengthening the Group's liquidity position, while other current assets remained stable at 10% of the total current assets.

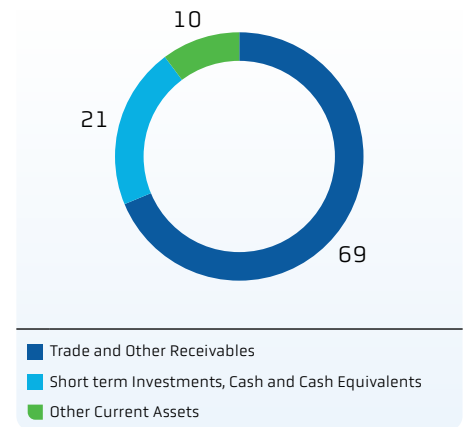
Current Assets 2025

%



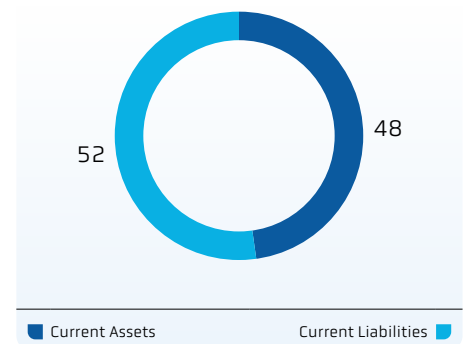
Current Assets 2024

%



Current Assets to Current Liabilities 2025

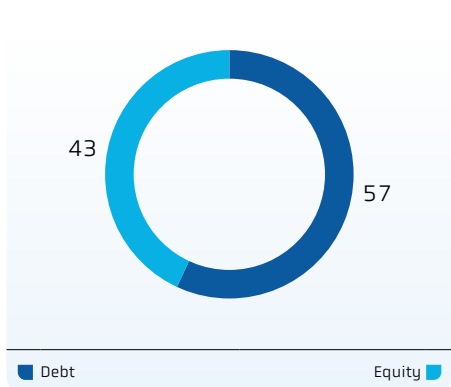
%



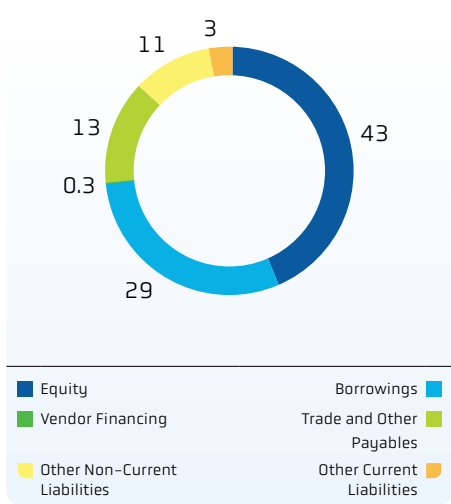
Capital and Funding

The Group's capital structure strengthened further in 2025, with equity increasing to LKR 101 Bn. as at the end of 2025 compared to LKR 91 Bn. as at the end of 2024, supported by improved profitability. The Group maintained a balanced funding structure, with continued emphasis on strengthening equity buffers, reducing borrowings and enhancing financial flexibility.

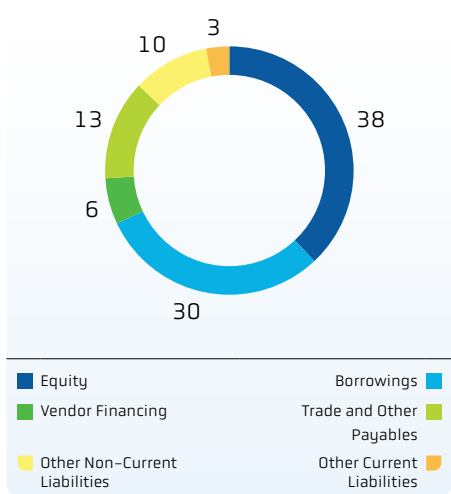
Capital Structure



Sources of Funding 2025



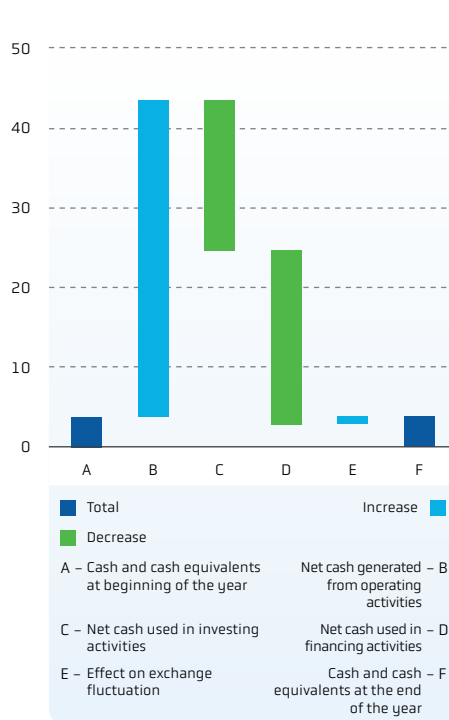
Sources of Funding 2024



Cash Flows

Net cash flows generated from operating activities increased significantly by 74% to reach LKR 40 Bn. This growth was primarily driven by a significant reduction in interest payments resulting from lower interest rates, tax structure changes in Mobitel, effective cost management and improved collections. Cash outflows for investing activities amounted to LKR 19 Bn. in 2025, compared with LKR 26 Bn. in 2024, reflecting continued investment in infrastructure and network expansion. Despite these investments, the Group maintained a healthy closing cash position of LKR 4 Bn., supporting both operational stability and future growth.

Cashflow Movement



Value to Investors

SLT Group has delivered sustained earnings growth underpinned by a coherent strategic framework that integrates brand unification, market positioning, and disciplined capital deployment. The unified SLT brand has strengthened customer recognition and cross sell opportunities across fixed and mobile platforms, while targeted capacity expansions and selective investments in advanced technologies have preserved competitive advantage and supported incremental revenue generation. These operational choices have translated into consistent value creation for shareholders over the reporting period.

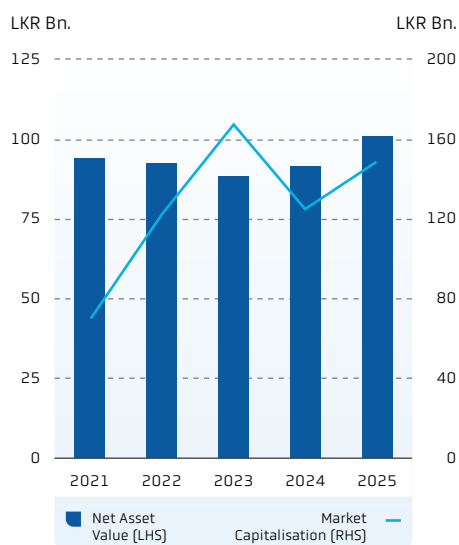
From a financial capital perspective, the Group's strategy has emphasised prudent allocation of resources to high return projects and the preservation of margin through cost discipline. Strategic capacity investments—particularly in fibre infrastructure and mobile network upgrades—have been financed with an eye to long term cash returns rather than short term revenue maximisation. This capital allocation discipline, combined with ongoing efficiency initiatives, has improved EBITDA conversion and strengthened free cash flow available for de-leveraging and reinvestment.

Corporate governance and stakeholder stewardship have been central to sustaining investor confidence. Robust governance practices, transparent disclosure, and a clear risk management framework have reduced information asymmetry and supported favourable financing terms. Concurrently, the Group's commitment to social and environmental responsibility has reinforced its license to operate, mitigated reputational risk, and aligned SLT's long term strategy with evolving regulatory and investor expectations regarding sustainability.

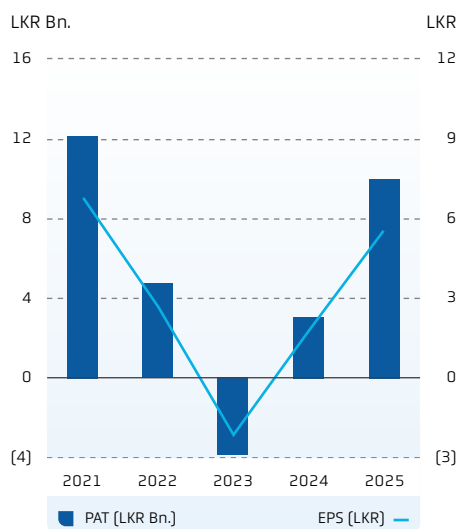
Taken together, these elements have produced measurable investor value: stable revenue foundations, improving margins, and enhanced balance sheet resilience. For the Board, the implication is clear—continue to prioritise disciplined

capital allocation, maintain rigorous governance and disclosure standards, and ensure that technology and capacity investments are tightly linked to demonstrable cash flow outcomes. These actions will preserve the durability of earnings growth and convert the Group's strategic advantages into sustained shareholder value.

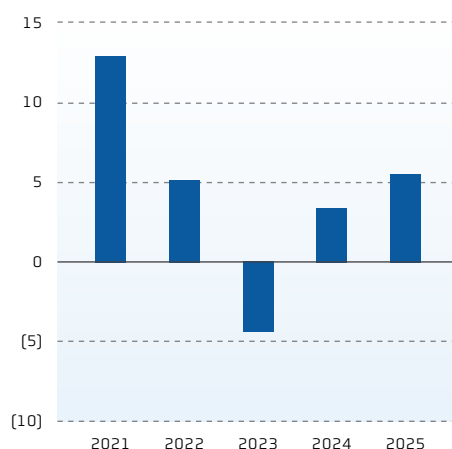
Value Delivered



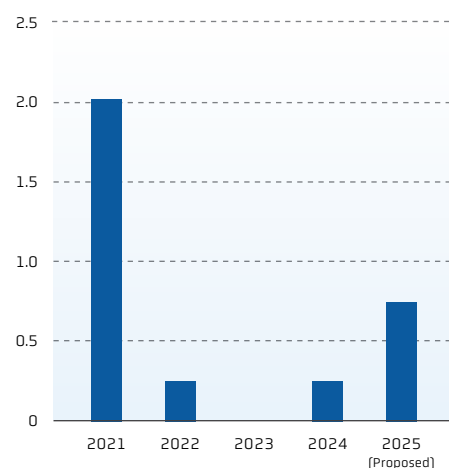
Earnings Per Share (EPS)



Return on Equity %



Dividend Per Share (DPS) LKR



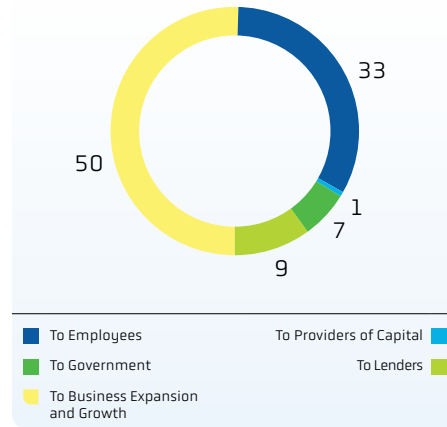
Value Added Statement

	2025		2024	
	LKR Mn.	%	LKR Mn.	%
Value Added				
Revenue	114,176		111,148	
Other Income	3,822		3,128	
	117,998		114,276	
Goods and Services purchased from other sources	(43,557)		(41,385)	
Value creation	74,441		72,891	
Distribution of Value Added				
To Employees				
- Salaries, wages, and other benefits	24,355	32.72	23,018	31.58
To providers of capital				
- Dividend to Shareholders	451	0.61	-	-
To Government				
- Taxes and Regulatory fees	5,376	7.22	8,642	11.86
To Lenders				
- Interest and Related Charges	6,695	8.99	8,280	11.36
To Business Expansion and Growth				
- Depreciation	28,001	37.62	29,831	40.93
- Retained Income	9,563	12.85	3,120	4.28
	74,441	100	72,891	100

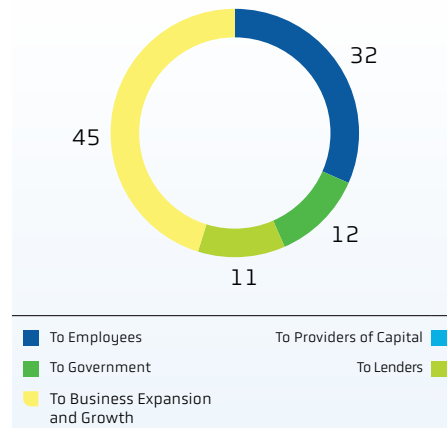
The unified SLT brand has strengthened customer recognition and cross sell opportunities across fixed and mobile platforms

while targeted capacity expansions and selective investments in advanced technologies have preserved competitive advantage and supported incremental revenue generation.

Value Added Statement 2025 %



Value Added Statement 2024 %



➔ Stock Market Performance Highlights

The market performance of Sri Lanka Telecom PLC's share demonstrated strong growth during the financial year ended 31 December 2025. The share price reached a high of LKR 91.60 and traded within a range of LKR 53.10 to LKR 91.60 during the year. The closing price as at 31 December 2025 was LKR 82.50, representing a substantial increase compared to LKR 69.50 at the end of the previous financial year. Market capitalisation as of 31 December 2025 was LKR 149 Bn.

Manufactured Capital



Trailblazing Infrastructure

As the national ICT enabler, our strategic priority is to ensure uninterrupted telecommunication and core services that are woven into the fabric of society, enhancing conveniences of the community in its daily life. With the government's digital drive in 2025 this was further heightened, emphasising the key contribution of the Company to achieve the nation's macroeconomic goals.

Strategic Intent

Our infrastructure strategy proactively looks to strengthen Sri Lanka's position as a regional telecommunications, cloud, and digital infrastructure hub by leveraging the Company's extensive fibre backbone, advanced data-centre ecosystem, and integration with major international submarine cable networks. Supported by sustained financial strength, the Company prioritised network expansion, fibre backbone growth, 5G rollout acceleration, cloud enablement, data-centre upgrades, and strategic partnerships to enhance national connectivity, operational resilience, and scalable digital service delivery. Sri Lanka's strategic location along key East-West undersea cable routes, combined with our carrier-grade infrastructure, low-latency connectivity, and renewable-energy-powered operations, positions the country as an attractive hub for hyperscalers, enterprise cloud adoption, edge computing, and digital commerce across Asia, the Middle East, and Europe. In addition, the nation's geographical resilience and secure inland infrastructure locations further strengthen its potential to host resilient, disaster-resistant digital infrastructure, reinforcing our role in enabling globally connected, future-ready digital ecosystems and supporting Sri Lanka's emergence as a strategic gateway in the global digital economy.

Highlights

**69,000 km
(Approximately)**

Nationwide Fibre Network

**Tier III Certified
Data Centre**

**Sri Lanka's First
Purpose-Built
Data Centre**

5 Data Centres

Capacity-wise market leader in Sri Lanka

**5 International
Cables**

with own capacity

**295
(SLT and Mobitel)**

Nationwide Reach and Customer Access

**How We
Impact SDGs**

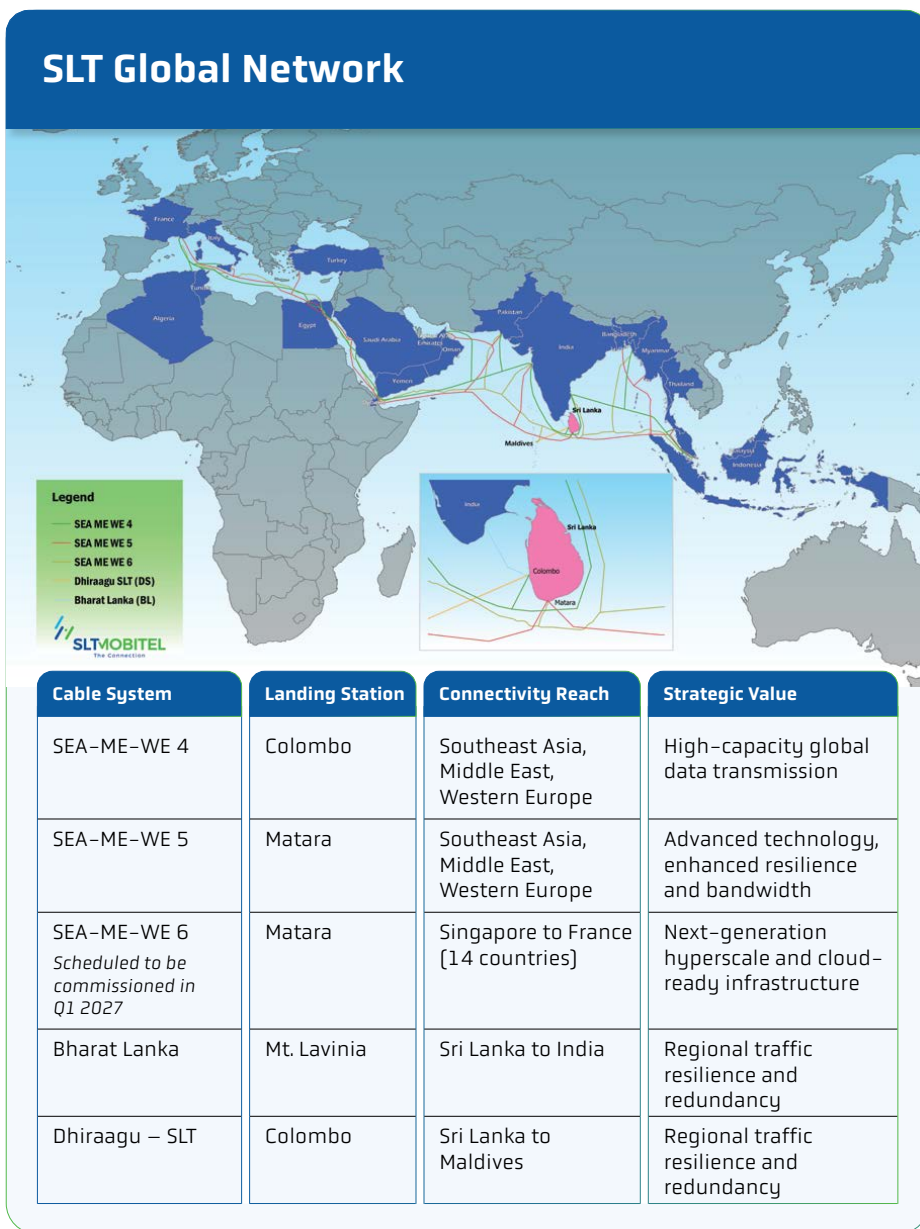


Empowering Connectivity Through World – Class Infrastructure

Located at the crossroads of major East–West connectivity routes, Sri Lanka is steadily emerging as a strategic telecommunications, cloud, and data–centre hub serving Asia, the Middle East, and Europe. The country’s position along key global submarine cable corridors strengthens its role as an evolving regional gateway for international data traffic and digital infrastructure.

In line with this strategic advantage, the Company operates a robust international connectivity portfolio comprising five submarine cable systems with dedicated capacity. This includes three consortium cable systems linking Singapore to Europe, and two bilateral cable systems connecting Sri Lanka to India and the Maldives respectively. Together, these investments significantly enhance the nation’s international bandwidth capacity, network resilience, and low–latency connectivity.

These high–capacity global connections enable the Company to effectively support the accelerating demands of hyperscale cloud services, enterprise digital transformation, content delivery networks, and next–generation digital applications. By continuously strengthening its international infrastructure footprint, the Company reinforces Sri Lanka’s position as a trusted digital gateway and a strategically important node in global connectivity networks.



Sri Lanka’s position along major East–West submarine cable routes strengthens its role as an emerging regional connectivity and digital infrastructure hub. Through multiple international submarine cable systems connecting Asia, the Middle East, and Europe, we continue to expand the country’s international bandwidth capacity, network resilience, and low–latency connectivity capabilities. These investments support the growing demands of hyperscale cloud services, enterprise digitalisation, content delivery, and next–generation technologies, while reinforcing Sri Lanka’s potential to serve as a strategic gateway for regional digital traffic and global connectivity.

➔ **Our Core Functions**

➔ **Network Expansion and Capacity Upgrades**

Expanding and densifying our national fibre network of approximately 69,000 km to increase backbone capacity and last-mile reach, we continued to work towards higher broadband penetration and enterprise connectivity. The strategy emphasised our resilience and redundancy leveraging multiple submarine cable landings, resulting in improved international bandwidth. The strategy reduced latency for business and government customers, and extended terrestrial routes impacting networking and connectivity.

The Strategy

Network expansion and capacity upgrades

Mobile network capacity coverage

Data centre capacity and cloud enablement

Strategic partnerships and ecosystem development

➔ **Mobile Network Capacity Coverage**

We further expanded our Mobile Network footprint during the year through the deployment of new sites initiatives, strengthening nationwide mobile coverage and enhancing service reliability across both urban and regional areas. Significant upgrades to the Radio Access Network (RAN) and core transport infrastructure improved overall

network capacity, enabling a superior customer experience while supporting growing demand for high-speed digital connectivity. Meanwhile, we completed strategic spectrum realignment and optimisation initiatives to enhance network efficiency, capacity utilisation, and operational performance.

Our investments during the year focused on spectrum optimisation, infrastructure sharing, enhanced asset utilisation, and reliability improvement initiatives aimed at improving service quality and reducing congestion during peak usage periods. These initiatives strengthened the network's readiness to support next-generation digital services while reinforcing our commitment to enabling inclusive national digital connectivity. Reflecting the success of these efforts and our leadership in delivering superior mobile performance, Mobitel was recognised as the "Best Mobile Network in Sri Lanka" by Ookla for the 2025 Q3 and Q4 period, based on network speed, video streaming quality, and web browsing experience.

The resilience of our network architecture and operational framework also enabled us to effectively manage disruptions arising from the Ditwah disaster situation during the year. Our Network Operations teams responded swiftly to restore connectivity in affected areas, ensuring continuity of telecommunication services and uninterrupted customer access during the period of disruption.

Building on the technical insights and operational expertise gained through earlier 5G trials, we successfully progressed towards the commercialisation of next-generation connectivity solutions during the year. As part of our long-term digital infrastructure strategy, we continue to position 5G as a key enabler of national digitalisation, with phased network expansion prioritising high-impact economic corridors, enterprise clusters, and digitally intensive regions.

Demonstrating continued technological leadership, we further advanced our 5G-Advanced (5.5G) capabilities through 3CC and 5CC carrier aggregation technologies, achieving broadband throughput speeds exceeding 10 Gbps for the first time in Sri Lanka. This milestone reinforced Mobitel's position at the forefront of next-generation connectivity and digital innovation in the country.

In December 2025, we secured 100 MHz of 3.5 GHz spectrum at a value of LKR 5.175 Bn., becoming the first operator to commercially launch public 5G services in Sri Lanka. This strategic spectrum acquisition, together with continued investments in advanced 5G infrastructure, further strengthens our role as a key enabler of Sri Lanka's digital transformation agenda and supports broader national development priorities. During the year, we also successfully transitioned our pre-commercial 5G network presence across 18 districts into a fully commercial 5G service network, marking a significant milestone in the evolution of the country's digital connectivity landscape.

Our network resilience was demonstrated during the Ditwah disaster period, where services remained operational across most affected regions, particularly within the Central and Northern Provinces. Through coordinated efforts involving operations teams, network vendors, subcontractors, the CEB, security forces, and the TRCSL, full network restoration was achieved faster than industry peers, reinforcing customer trust and positioning Mobitel as one of Sri Lanka's most reliable mobile networks.

➔ Data Centre Capacity and Cloud Enablement

Delivering secure hosting, managed services, and scalable cloud solutions to enterprises and government agencies, we operate one of the most advanced data-centre and cloud ecosystems in Sri Lanka. Integrated with national fibre backbone, its carrier-grade facilities are designed to support mission-critical workloads with high reliability and professional support.

Firmly anchored in sustainability, 70% of our data-centre energy usage is sourced from renewable power. Renewable energy adoption continued across our network infrastructure, with more than 700 base stations converted to solar power. By end-2025, approximately 18% of total base stations were operating on renewable energy.

This not only reduces the carbon footprint of critical digital infrastructure but ensure sustainable resilience against energy consumption and cost escalations. Integrating green energy into high-availability facilities is a hallmark of the Company, demonstrating its commitment and leadership to align technological growth with environmental responsibility. While supporting national climate goals, this positions the Company as a future-ready institution to meet global demand for low-carbon and data-centre services.

➔ Cloud Services

Our cloud services is a strategic convergence of carrier-grade infrastructure, sovereign data governance, and elastic compute paradigms that leverages the national fibre backbone and submarine cable connectivity. We continued to build its multi-tenant, hybridised cloud architecture integrating many platforms into a cohesive digital ecosystem, enabling scalable workload virtualisation, latency-optimised

content delivery and compliance-aligned data residency. By embedding cyber-resilience frameworks, renewable energy powered data-centre operations, and AI-driven orchestration tools, we positioned itself as a regional hyperscale-adjacent hub underpinning digital transformation aligning with global sustainability imperatives, while delivering its national commitment as the leader in country's telecommunication landscapes.

“Double Cloud” Solutions for High Resilience

Our Double Cloud architecture pairs geographically diverse cloud platforms in an engineered active-active or active-standby deployment across two independent cloud planes. Integrated security controls ensure compliance and rapid threat response, while unified management and tested runbooks minimise recovery time, reduce single-point-of-failure risk and gives enterprises a resilient, scalable foundation for digital continuity and rapid business recovery and business continuity.

Government and Enterprise Workloads

To host government and enterprise workloads locally, the Company expanded data centre capacity and cloud-enablement services, at a significant investment. The expansion included modular compute and storage, improved power and cooling efficiency, and strengthened physical and cyber security controls, to conform with regulatory and enterprise compliance requirements. These initiatives reduced dependency on offshore data hosting for critical public sector systems. Edge computing deployments and hybrid cloud integration architecture were advanced to support low-latency 5G and IoT applications, enabling distributed processing for latency-sensitive services. These were centrally managed to retain orchestration for scale and resilience.

➔ Platform Modernization

Mobitel commenced a strategic modernisation initiative on legacy Business Critical Platforms, migrating core services to a cloud-native modern software stack which will transform operating model, realising greater agility, resilience and innovation.

The modernisation program aims to deliver a robust BSS core with characteristics of Composable IT using API-first architecture powered by micro-services that is ready for hyper automation with AI based orchestration while enabling platform capabilities for partner ecosystem development.

This will improve long-term sustainability, operational relevance, and scalability.

These initiatives aligns with the long-term strategic vision of adopting technology with business imperatives, cost optimisation, security, and sustainability, gaining enduring value from cloud investments. Adopting selectively and purposefully, Mobitel is using cloud capabilities both private & public as deemed fit as a future-ready digital platform, enhancing operational efficiency through expanded automation and process digitalisation, reducing manual intervention.

Moreover, through the adoption of AI and next-generation technologies, Mobitel continued evolving its overall architecture, technology stack and operating model to improve reliability, operational efficiency, and customer experience.

➔ Strategic Partnerships and Eco-system Development

We were awarded 5G spectrum licenses in the government's 2025 spectrum auction and deepened its partnerships with several government agencies to accelerate public sector digitalisation.

Our offering includes integrated connectivity, cloud hosting, and managed ICT services. We closely collaborated with the regulators to comply with national infrastructure priorities and align the Group with spectrum policies.

On the global platform, the Company further strengthened its alliances with global carriers, hyperscalers, technology vendors, system integrators, and local FinTech partners to expand digital payment ecosystems, digital identity solutions, and enterprise automation capabilities. Supported by an upgraded network backbone and advanced data centre infrastructure, these partnerships accelerated the commercialisation of scalable digital services and reinforced our positioning as a globally connected digital infrastructure provider through its international brand, Xyntac.

During the year, the Company also signed an MoU with Rakuten Symphony to explore Open RAN deployment trials in Sri Lanka, supporting our long-term network modernisation and future-ready infrastructure ambitions.

➡ Empowering the National Digitalisation Drive

Deepening our partnership with the government, we accelerated the national digital drive, aligning our infrastructure investments with public policy priorities. We provided the technological foundation for e-government services, digital education, digitalisation for peripheral legal services at the Court Complex, and financial inclusivity activities through a core banking system that reaches the far-flung communities in Sri Lanka to engage in traditional banking. We significantly contributed to smart-city development ensuring that individuals and businesses benefit from a secure and reliable, future-ready digital solution.

As the foundational infrastructure provider for the Lanka Government Network (LGN) and Lanka Government Cloud (LGC), we drive the seamless digital operation of government institutions nationwide.

Partnering with the Government of Sri Lanka

Digital Public Infrastructure

Island wide digital capacity

Enabling Digital Education

School fiberisation

Expanding affordable digital inclusivity

Extended 4G network to rural communities

Expanding economic hub capacities

Strategic roll out of 5G network in the Urban areas

Fraud Prevention for the Banking Financial Services and Insurance Sectors

Mobile Number Verification (MNV) API

Building National awareness to demystify AI

Awareness Campaign and Sri Lanka's First National AI Expo and Conference

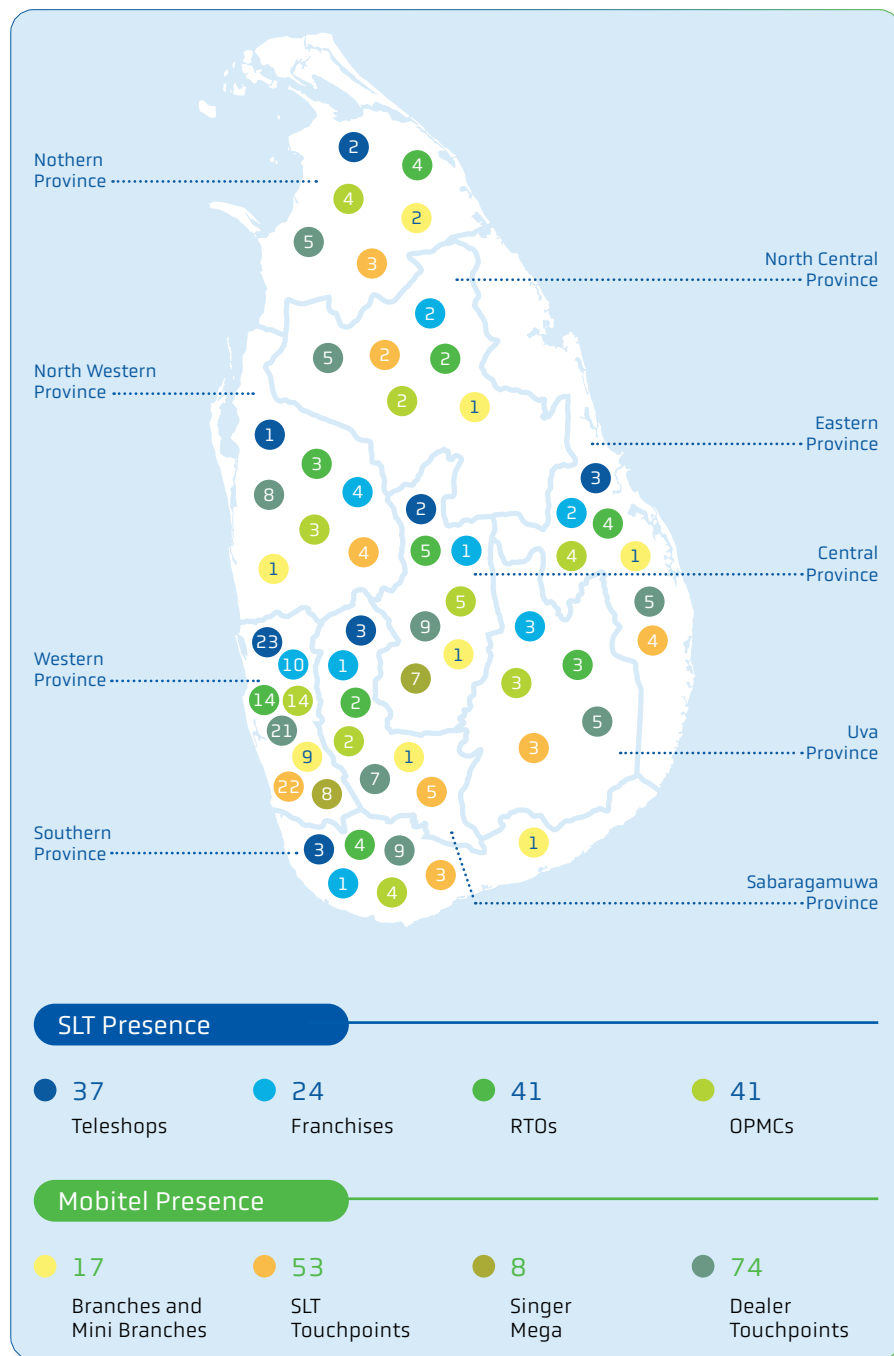
Additionally, the Company continued serving as the digital platforms provider for several national systems, including the Sri Lanka Railway Ticketing platform, the Electronic Travel Authorisation (ETA) platform, the University Grants Commission admissions system, and the Grade 6 admissions platform for scholarship recipients.

➡ Our Infrastructure Footprint

Strategically configured, our pervasive footprint ensures ubiquitous access to its services via a diversified network of customer touchpoints. Advancing its dual mandate of enhancing physical accessibility and expanding digital connectivity, we enable communities to engage with and access reliable high-quality services. The broader objective of promoting digital participation thereby supporting national connectivity targets that translates to financial inclusivity, are institutional commitments the Group upholds, as a key contributor to national development.

➔ Nationwide Reach and Customer-centric Accessibility

SLT's extensive presence across Sri Lanka is designed to provide seamless access to its services through a variety of customer touchpoints. As the national telecommunications provider, SLT is committed to bridging the gap between physical accessibility and digital connectivity. This focus ensures that customers and communities alike are empowered with reliable and efficient services, reflecting the Group's dedication to fostering inclusive digital access and supporting the nation's connectivity goals.



➔ Property, Plant and Equipment (PPE)

Expanding, maintaining, and optimising the our infrastructure is pivotal to an uninterrupted service delivery, and as such the Group concluded its annual PPE maintenance by October 2025.

➔ Facility Management and Governance

Zero-downtime maintenance approach is underpinned by a mature change management, while maintenance windows coordinated with operation teams to deliver uninterrupted service. This approach also helped to ensure asset health through condition-based maintenance and scheduled preventive tasks, extending asset life and control capital expenditure. Enhanced monitoring through power quality meters, thermal imaging, and BMS integration helped detect anomalies early. The Company conducted extensive training programmes in collaboration with engineering institutions, emphasising adherence to standards and safety procedures.

➔ Property Management Committee

A dedicated Property Management Committee (PMC) was set up in 2025, to centralise oversight and elevate stewardship of the Group's real-estate and infrastructure portfolio. Reporting to the executive leadership, the committee reflects a strategic shift towards integrated asset management for consolidated decision-making and asset health prioritisation, resulting in transparency, auditability, and fiscal prudence.

➔ Power and Cooling

We continued to strengthen the resilience, efficiency, and sustainability of our power and cooling infrastructure during the year through a series of preventive maintenance, energy optimisation, and infrastructure modernisation initiatives. Focused investments in uninterrupted power supply systems and precision cooling infrastructure enhanced operational reliability across critical network and facility environments while supporting long-term cost optimisation and energy efficiency objectives.

Operational improvements included the introduction of new applications for effective system operation management, together with quality enhancement initiatives such as load balancing, UPS system upgrades, power audits, and power factor correction measures. Structured preventive maintenance programmes further improved protection coordination and strengthened the reliability and longevity of generator and UPS handover systems, reducing operational failure risks and improving system resilience.

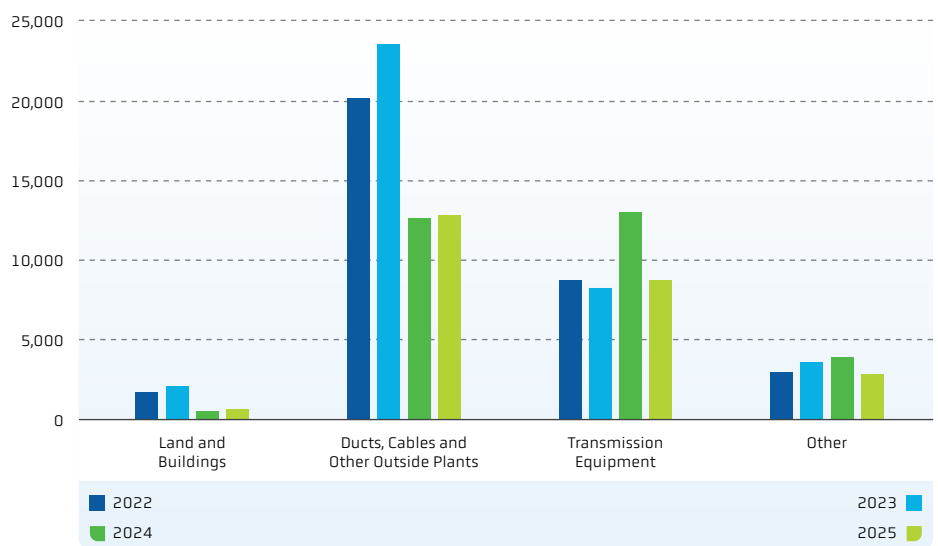
As part of our ongoing renewable energy transition strategy, solar energy systems were commissioned at the Matara MSU, Pitabeddara, Tangalle, Weligama, Angunakolapellessa, Akuesssa, Matara SEA-ME-WE 5 Station, Weveset, Welikada SLT, and Welikada Mobitel facilities during 2025, adding a total installed capacity of 620 kW. This builds on the 19 photovoltaic (PV) solar sites already operational with a combined installed capacity of 904 kW. The Mobitel Welikada facility was also designed to maximise daylight utilisation, reducing dependency on the national grid and supporting more sustainable facility operations.

To further enhance operational continuity under extreme weather conditions, extended annual maintenance contracts were implemented for precision air-conditioning systems and redundancy cooling units. Legacy cooling systems were progressively replaced with more energy-efficient alternatives, while large-scale common equipment rooms were introduced at selected SLT facilities to optimise cooling efficiency and reduce overall energy consumption

	2025 LKR Mn.	2024 LKR Mn.	2023 LKR Mn.	2022 LKR Mn.
Land and buildings	612	530	2,107	1,728
Ducts, cables and other outside plants	12,838	12,636	23,518	20,153
Transmission equipment	8,700	13,011	8,251	8,697
Other	2,840	3,914	3,586	2,976

Property, Plant, and Equipment – Group

LKR Mn.



➔ Asset Security

Safeguarding a national asset requires minute planning, prudent deployment of resources, monitoring and managing in a cost-effective manner. Remote security systems (CCTV) were installed in many of our asset locations, reducing the cost of manpower.



Outlook for 2026

In 2026, we will continue to accelerate our transformation into a future-ready digital technology provider by strengthening next-generation infrastructure, expanding cloud and AI capabilities, and deepening enterprise and public-sector digital enablement initiatives. The Company remains focused on enhancing network resilience, advancing secure digital ecosystems, and delivering scalable technology platforms that support long-term growth, operational agility, and evolving customer requirements.

AI-Ready Data Centre Infrastructure

We plan to further enhance the capabilities of its National Data Centre (NDC) at Pitipana through the deployment of liquid-cooled infrastructure designed to support GPU-intensive workloads. The facility will be developed on a modular basis, enabling both local and international colocation customers to host high-performance computing environments and AI-driven applications within a secure and scalable data centre ecosystem.

Additionally, the Company intends to introduce GPU Infrastructure-as-a-Service (IaaS) offerings through SLT Cloud, enabling enterprise customers to access advanced AI computing capabilities without the need to invest in dedicated GPU environments. These initiatives are expected to strengthen our positioning within Sri Lanka's emerging AI and digital innovation landscape.

Advancing Software-Defined Data Centre Connectivity

All three data centres located in Colombo, Welikada, and Pitipana currently operate on spine-and-leaf switching architecture supported by Software-Defined Networking

(SDN) technologies. Building on this foundation, the planned deployment of a dedicated Data Centre Interconnect (DCI) platform in 2026 will enable the seamless integration of these facilities into a unified multi-data-centre environment.

The implementation of DCI capabilities is expected to enhance high-speed, low-latency connectivity between facilities while supporting the automated deployment of multi-data-centre services, improved operational flexibility, and enhanced service resilience for enterprise and cloud customers.

Strengthening Cybersecurity and Service Reliability

We also plans to further strengthen its cyber resilience and managed services capabilities through the enhancement of Web Application Firewall (WAF) protection across its data centre operations. These capabilities will support improved protection for internet-facing applications while enabling advanced traffic management, including local and global load balancing functionalities.

Moreover, all managed services delivered through Data Centres will continue to be monitored and supported through an enhanced Managed Network Operations Centre (NOC), reinforcing service reliability, operational continuity, and customer service performance.

Expanding the Akaza Cloud Ecosystem

The Akaza Cloud platform will continue to evolve during 2026 through the introduction of additional cloud platforms and service enhancements designed to support enterprise, government, and SME customers.

The expansion will further diversify our cloud services portfolio while enabling more flexible, scalable, and cost-efficient deployment models tailored to varying operational and digital transformation requirements.

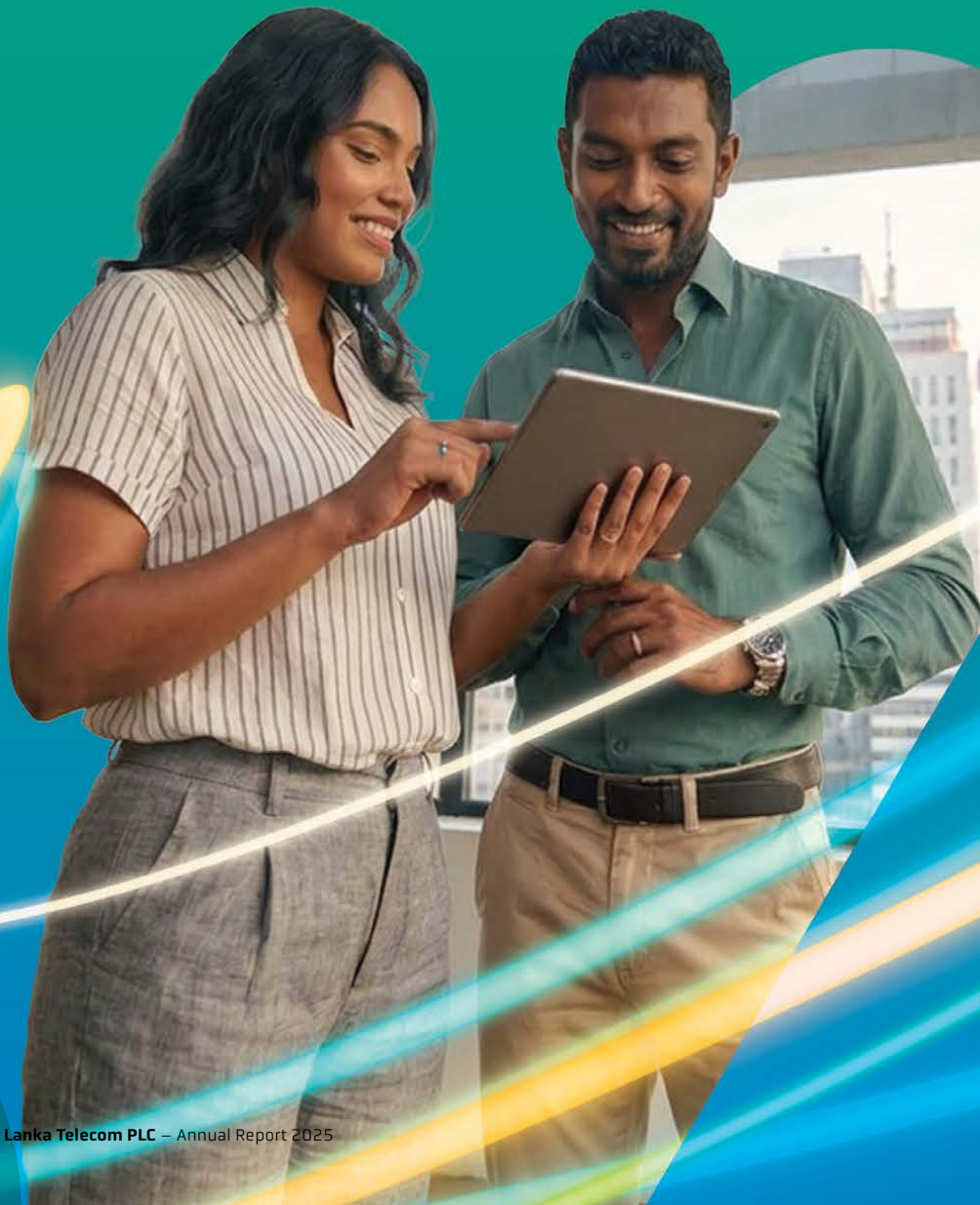
Facilities Management and Operational Excellence

During 2026, the Facilities Management function will continue to strengthen its focus on operational efficiency, sustainability, and value creation across the Company infrastructure ecosystem. Efforts are underway to progress toward ISO 41001:2018 certification standards, reinforcing internationally aligned facilities management practices across operational environments.

The department is also expected to continue supporting cost optimisation, resource efficiency, infrastructure upkeep, and operational continuity initiatives across our nationwide facilities network. In parallel, ongoing initiatives relating to energy efficiency, logistics optimisation, waste management, and infrastructure support services are expected to further strengthen operational effectiveness while contributing to broader sustainability and business continuity objectives.

Additionally, the continued expansion of renewable energy adoption across network infrastructure, including ongoing tower solarisation initiatives, will support improved energy efficiency and long-term operational resilience.

Human Capital



Empowering Talent

A manpower-intensive industry, our progress in the telecommunication sector in Sri Lanka depends on its nationwide human capital, providing a broad range of services to ensure continuous connectivity. Operational excellence, technical expertise, and local presence of our people converge to provide network reliability, quick issue resolution, deliver superior customer service, and drive innovation across the nation.

Strategic Intent

Our Human Capital strategy strives to build a digitally capable, agile, and high-performing workforce to support the Company transformation into a next-generation TechCo and enable long-term value creation. Aligned with the Company's priorities of sustainable growth, digital transformation, operational excellence, and an inspiring people culture, strategic initiatives in 2025 centred on workforce optimisation, HR digitalisation, leadership development, employee engagement, constructive industrial relations, and continuous learning to strengthen future-ready capabilities. Leveraging its nationwide operational footprint, deep technical expertise, and established learning ecosystem, the Company continued investing in workforce upskilling, artificial intelligence capabilities, leadership acceleration, and industry partnerships to enhance innovation, operational resilience, and service excellence. At the same time, transparent governance practices, inclusive employee engagement, collaborative decision-making, and participatory people practices strengthened workforce stability, institutional knowledge retention, and organisational resilience, positioning the Company to sustain its leadership within an increasingly technology-driven and highly competitive digital services landscape.

Highlights

Over 7,900*

Employees

**Male 4,289
Female 1,531**

Diversity Representation

705

Promotions Effected

210

New Recruits

25,763

Employees Trained

23.44

Average Training Hours per Employee

93%

Retention Rate

**How We
Impact SDGs**



* Note: This figure is applicable to SLT Group.

Trade-offs across financial, social, and natural capitals

are founded on strict ethical standards, focusing on diversity and inclusion.

Ask HR Among this suite of people-centric initiatives

Stands out as indispensable instruments of employee voice in submitting enquiries and requests to the HR function.

➔ Human Resource Governance

We play a pivotal role in enabling our workforce by ensuring compliance with applicable laws and regulatory instructions, internal governance frameworks, while driving people strategies aligned with the Company's transformation agenda. The function is responsible for attracting, developing and retaining talent, strengthening performance management practices, and fostering an inclusive and high-performance culture across the organisation.

In line with SLFRS S1 and SLFRS S2, we integrate ESG principles into people management practices, with a focus on ethical conduct, diversity and inclusion, employee wellbeing, and sustainable workforce practices.

Trade-offs across financial, social, and natural capitals are founded on strict ethical standards, focusing on diversity and inclusion. Transparent reporting allows stakeholders to assess both financial and non-financial outcomes, building trust and partner with SLT for long term value creation.

➔ HR Initiatives for Good Governance

In 2025, the HR function engaged in transforming the governance framework by aligning people practices with corporate priorities and organisational agility to augment the performance driven culture.

➔ Workforce Optimisation

To ensure the right workforce for current and future demands on connectivity, a workforce optimisation drive continued by reviewing talent deployment across business units, adopting flexible resourcing models (eg: gig work, outsourced, contract hires, internships) aligning functions with the Company's objectives.















➔ Digitalised HR Processes

A significant number of HR processes were digitalised implementing Robotic Process Automation (RPA), AI and ERP automation.

As part of the HR digitalisation initiative, most HR processes were transitioned from manual to digital platforms. These activities aligned with the corporate digital transformation strategy by improving efficiency, data accuracy, transparency, compliance, and enabling faster, self-service-driven HR operations.

Among this suite of people-centric initiatives, Ask HR stands out as indispensable instruments of employee voice in submitting enquiries and requests to the HR function. A centralised and confidential platform where queries are logged through a secure portal. Responses to employee HR-related inquiries are provided based on established policies and procedures, with specialist input where necessary.

Empowering Employees with Digital Convenience and Smarter HR Solution

 Neylie App - A mobile app with self-service feature for employees	 Ask HR to Resolve HR Related Queries	 Face Recognition for Attendance	 RPA for Personal Loan Processing
 RPA for auto-earn, no-pay feature notification	 Record Room Digitalisation	 SLT HR INFO SMS Alerts	 Historical Documents Integration Initiation
 The Transfer Process	 Preferred Work Location	 Uniform and Shoes Data Entry	 Medical Facility Balance Inquiry
 Medical Claim Letter Generation		 Workflow Document Update	
Mobile First Access anytime, anywhere	Employee Empowerment Self-service for faster and easier HR processes	Operational Efficiency Automation and digitalisation for greater efficiency	Transparency & Accuracy Reliable, timely and secure information

The Neylie App is our official employee mobile application for managing HR operations and employee account services, restricted to staff using corporate credentials. The App makes routine HR services a self-service, optimising time for both the employee and the HR function. Employees are able to conveniently manage a range of HR-related activities through their mobile devices. This includes marking daily attendance, submitting leave applications, accessing published circulars, and viewing their individual performance grades. These digital capabilities enable employees to stay informed and engaged while ensuring seamless and efficient access to key organisational information anytime, anywhere.

➔ Policy Review

A policy review exercise was conducted to strengthen the governance framework, focusing on fairness and inclusivity, compliance with statutory labour practices and aligning with current business objectives.

➔ Pride in Performance Culture

Mid-year reviews and performance calibration steps were introduced enhancing transparency, fairness, and trust, in performance evaluations. The Line Manager Development Programme continued to build leadership capability, driving leadership performance, enhanced engagement, and consistent talent outcomes.

➔ HR Consultancy Project

A strategic HR Consultancy Project was initiated with third-party expertise to recalibrate its organisational architecture, talent frameworks, and reward systems with the Company transformation agenda. The initiative is expected to support our long-term strategy by cultivating a future-ready team by aligning talent and performance-linked reward frameworks to drive growth in a technology-driven market.

➔ Employer Branding Strategy

With the strategic intent of positioning the Company as a first choice employer and adding bench strength, we refreshed the Employee Value Proposition and established stronger partnerships with universities through campus career fairs. We launched a Trainee Engineer Programme to secure and fast-track high-potentials for development and mentoring.

Panel members on interview boards were refreshed with soft skill tools to generate a consistent and positive candidate experience, at the first contact.

➔ Talent Acquisition

To attract high-potential talent while ensuring alignment with organisational needs and future growth, the Company primarily utilises traditional hiring channels in combination with alternative talent sources, gig work, contract-based recruitment, internships, and outsourced models. This creates recruitment flexibility to garner diverse and specialised skills that are a prerequisite for the Company's sustainability. Early engagement with universities, implementing targeted campus programmes and conducting trainee initiatives ensure a steady pipeline of talent, that are mentored and developed as a future-ready team.

The Company's Recruitment Policy is governed by a rigorous framework that promotes fairness and equal opportunity for all candidates.

Attracting talent, as well as retaining staff with high-demand skill sets is always a challenge. To circumvent this issue, we offered a competitive compensation package, structured training, and development, and created space for innovation and progression for our employees to achieve their career goals.

➔ Employees by Gender

	SLT		Mobitel	
	2025	2024	2025	2024
Male	4,289	4,462	977	983
Female	1,531	1,576	428	414

➔ Employee by Category

	SLT		Mobitel	
	2025	2024	2025	2024
Permanent Staff	5,714	5,992	1,304	1,322
Contract Staff	106	46	101	75

➔ Employee by Age

Age	SLT	
	2025	2024
<30	388	402
31-50	3,441	3,533
>51	1,991	2,103

➔ Service Duration at SLT

Age	2025	2024
Less than 5 years	731	680
5-10 years	2,357	2,650
11-20 years	658	751
21-30 years	964	1,166
Above 30 years	1,110	968

➔ Talent Management Process

Our workforce exhibits a broad spectrum of technical competencies, professional experience, and functional specialisms. To retain and build a future ready team for a sustainable organisation, we committedly implement capability development, reskilling, and upskilling, equipping the employees with strong digital capacities and adaptive skills required for a dynamic telecommunication marketplace. To extend and diversify the existing talent reservoir, we conducted several initiatives for Talent development and Capability Acceleration.

➔ Talent Development and Capability Acceleration

We have invested LKR 131.93 Mn. in 2025 to cultivate future-ready capabilities through systematically designed training programmes, targeted digital and artificial intelligence curricula and flagship initiatives like the SMART programmes. These converged with formal professional development pathways for employees establishing a continuous learning architecture that enabled employees to acquire emergent technical proficiencies.

- Development of Multidisciplinary workforce through SMART Employee programme was continued. SMART Technician, SMART Sales Officer program and SMART Telecommunication technical officer programme continues to train over 2500 employees through the SMART employee framework.
- Executive Development programme was continued to ensure the development of middle level executives. More than 200 employees are already in the programme and being developed to take on challenging roles in the future.
- Special emphasis was given to develop skills of the staff in Artificial Intelligence and Leadership development.

➔ **SLT-Mobitel Nebula Institute of Technology (The Nebula Institute)**

The Nebula Institute is the education arm of the Company offering high level academic education in tandem with hands-on experience.

In 2025, the Nebula Institute formalised strategic partnerships with the National Apprentice and Industrial Training Authority (NAITA) to deliver structured industrial training to its student cohorts, and with Ceylon Electricity Board (CEB), to provide six-month industrial placements for students. These collaborations integrate workplace-based learning into the curriculum, enhancing technical proficiency, industry exposure, and employability, while strengthening linkages with key national institutions.

In 2025, the Nebula Institute expanded its portfolio of academic offerings by introducing BEng in Robotics and Artificial Engineering and a BSc in Data Science. It also formalised a tripartite agreement with London South Bank University and Pearson UK to deliver top-notch degrees in BSc Electrical and Electronics, BSc Cyber Security, and BSc Artificial Intelligence. The Institute secured ISO9001:2015 re-certification for its Welisara, Moratuwa,

and Kandy campuses, underscoring its commitment to quality management. As a distinctive centre for ICT and technical training, the Nebula Institute continues to supply industry-ready talent and specialist capability.

➔ **Total Hours of Training**

Age	2025	2024
Senior Management	3,501	2,407
Middle Management	5,552	5,402
Executive	34,898	41,498

Note: The above information is pertaining to SLT

➔ **Total Hours of Training by Gender**

	SLT 2025	Mobitel 2025
Male	90,246	8,156
Female	46,176	5,572

Key Training Conducted in 2025



<p>AI and Prompt Engineering</p> <hr style="border: 2px solid #0056b3;"/> <p>Stress Management</p> <hr style="border: 2px solid #0056b3;"/> <p>Digital Marketing</p> <hr style="border: 2px solid #0056b3;"/> <p>Red Hat Certified Engineer</p>	<p>Azure AI Fundamentals (AI-900)</p> <hr style="border: 2px solid #0056b3;"/> <p>Python Programming</p> <hr style="border: 2px solid #0056b3;"/> <p>AWS Cloud Practitioner and Solutions Architect Associate</p> <hr style="border: 2px solid #0056b3;"/>	<p>Machine Learning and Automation</p> <hr style="border: 2px solid #0056b3;"/> <p>Counselling Skills for Efficient Relationships at work</p> <hr style="border: 2px solid #0056b3;"/> <p>Workshop on Work Life Balance</p> <hr style="border: 2px solid #0056b3;"/>
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➔ **Excelling in Customer Service**

The Contact Centre Staff Development Programme and the Customer Service Agent Training Programme for Regional staff were delivered to strengthen frontline capabilities for customer facing practices.

The training programmes focused on advanced communication skills, complaint handling, performance coaching, service behaviours, product knowledge, and empathy centered engagement to ensure high quality customer interactions.

➔ **Collaborating for Sustainability**

Representatives from the University of Hertfordshire, London South Bank University and Pearson, UK visited the campus in Welisara, to strengthen collaborative bonds with the Nebula Institute.

➔ **Partnered as a Gold Sponsor at EDEX EXPO 2025**

The Nebula Institute’s role as the Gold Sponsor at EDEX EXPO 2025 materially advanced our talent development objectives by strengthening employer branding and industry-academia linkage. This helped in expanding the talent pipeline and creating a platform for future recruits from the national student population. It also paved the way to reinforce our social license as a strategic partner in national development and education-to-employment ecosystem.



➔ **Overseas Exposure**

Selected staff members were provided with opportunities to participate in industry related overseas programmes to enhance and augment their knowledge and skill levels. Such opportunities afforded them exposure at an international level while some participated as resource persons at such forums gaining brand visibility for the Company.

In addition, our holistic approach, spanning from development of internal experts to dynamic internal workshops and knowledge-sharing sessions, embody a commitment to harnessing and leveraging the wealth of tacit knowledge and deep reservoirs of experience deposited within the Company. This strategy propels the Company forward, ensuring a culture of continuous learning and innovation that remains a cornerstone for the success of the employees.

➔ **Value Additions**

The Nebula Institute is the only educational institute in Sri Lanka capable of offering this unique combination of industry-aligned education, live-system exposure, and comprehensive training opportunities to students. The key differentiating factor of the Nebula Institute is that it serves as the educational arm of the Company. It is the only such academic institute which has the direct relationship with industrial giants. It adds value to the industry in many ways.

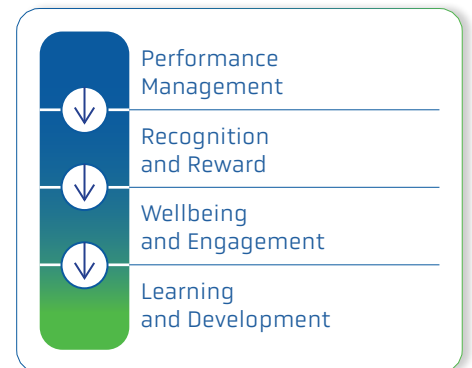
All the laboratories and facilities in the Nebula Institute are being developed according to the international standards imposed by respective academic partners. It has given an opportunity to our employees also to access such facilities which are of international standard.

The Nebula Institute is establishing CDIO (Conceive-Design-Implement-Operate) Laboratory, to integrate learning, experimenting, and innovating within a single immersive environment. Providing hands-on, problem-based, industry-aligned education, the laboratory aims to develop future engineers and technologists. This positions the Nebula Institute as a future-ready centre of excellence developing globally competitive talent, well equipped to meet the evolving needs of the global industry.

Mobitel invested LKR 12.33 Mn., while SLT invested LKR 131.93 Mn. in training and development.

➔ **Talent Retention**

Our talent retention is holistic and structured, reinforcing employee engagement, career progression, capability development, and recognition that are aligned to the transformation agenda. An integrated set of initiatives were implemented to secure retention, elevate motivation, and preserve institutional knowledge, that generates a sustainable organisational performance and long-term value creation to our many stakeholders.



➔ Employee Turnover by Age

Age Category	SLT		Mobitel		Total	
	2025	2024	2025	2024	2025	2024
18-30	45	27	122	88	167	115
31 - 55	154	214	86	105	240	319
Over 56	222	202	5	9	227	211

➔ Grievance Handling

We follow a structured engagement with employees and representative bodies, combining local regulations on employment and an open-door policy, to create a dialogue-conducive environment for grievance resolution. Workforce development, internal mobility, and recognition programmes are emphasised, to strengthen retention and gain conflict resolution. This process is pivotal to balance employee welfare, with operational resilience and public service responsibilities.

A structured and transparent Grievance Handling framework is in place to address employee concerns fairly, promptly, and consistently. In addition, the open-door policy and

routine engagement with employee representatives take place, facilitating constructive dialogue for resolution. Governance oversight is by a dedicated Grievance Handling Committee, which convenes regularly to address the issues in a confidential and impartial manner, in line with a defined time frame which typically does not exceed a month. Formal recommendations, thereafter are submitted to the Chief Executive Officer.

Specific grievance handling processes are embedded in performance management and transfer pathways, enabling employees to escalate their concerns and grievances on this score, to review committees. Employee views are systematically considered for mutually beneficial outcomes, and communicated to the relevant parties within stipulated time frames.

To further enhance the objectivity and efficiency of disciplinary inquiries, external Investigation Officers are retained. We are entrusted with the responsibility for non-financial disciplinary issues that were previously handled by the Internal Audit Division. This created a more streamlined, consistent, and people-centric approach that blended well with HR practices and policies.



Trains our employees in future technologies through extensive hands-on experience.	Students can focus their academic projects on real industry issues and use live systems for testing.	Industry visits, to state-of-the-art ICT facilities such as undersea cables landings stations, Tier-3 Data Centres etc.
Six-month industrial training with the aim of placements in the Company.	Offers NVQ qualifications at the Nebula Institute Welisara and Moratuwa campuses.	Lab development in line with international industry standards.
Comprehensive academic, welfare, and financial support for educational inclusivity. 30% fee discounts for students based on results.	Special educational financing plan available for our employees to pursue higher education.	15:1 Student to Lecturer ratio, inviting personal attention to academic achievements and training.

↻ Industrial Relations

Through proactive engagement with recognised 25 Trade Unions, we foster constructive employer–employee relations through commitment to good governance, transparent communication, and cordial negotiations. Employee perspectives are received through regular Trade Union consultations that help make informed HR decisions. Additionally, we maintain an open–door policy for all employees offering a cordial platform for issue resolution.

Trade Union representatives advocate for their members in key HR processes including transfers and performance management, provide constructive feedback, and perform a critical function for a mutually beneficial and sustainable workplace. To encourage and build their leadership skills, union officials were granted overseas training and financial assistance to further their educational aspirations.

We introduced the Check-off Agreement to Trade Unions and reinforced adherence to the formal dispute resolution mechanism underlining its commitment to strong employee relations and promoting industrial peace and harmony.

↻ Whistleblowing Policy

We maintain a robust Whistleblowing policy, under strict confidentiality where employees can report breaches of company’s Code of Conduct or violation of legal or regulatory discipline. Reports are received by an independent external resource through multiple channels and are directed to the Board Audit Committee for oversight. Investigations are conducted protecting the identities of Whistleblowers, and the process is governed by a Board–approved policy.

To inculcate a culture of integrity and accountability, targeted awareness initiatives are communicated across the organisation with full procedural details accessible on the intranet

↻ Employees Who are Non-Permanent

Within a strong governance framework and aligning with established workforce standards, contractual employment was strategically deployed to provide operational flexibility and customer service excellence. Contract job roles were used selectively for project-based, specialist, and peak-demand

needs, complying with labour laws, equitable treatment, and transparent remuneration frameworks. Rigorous onboarding, performance metrics, and training pathways where needed were offered through HRD. As of end 2025, SLT deployed 106 of contract resources across all its plants and premises.

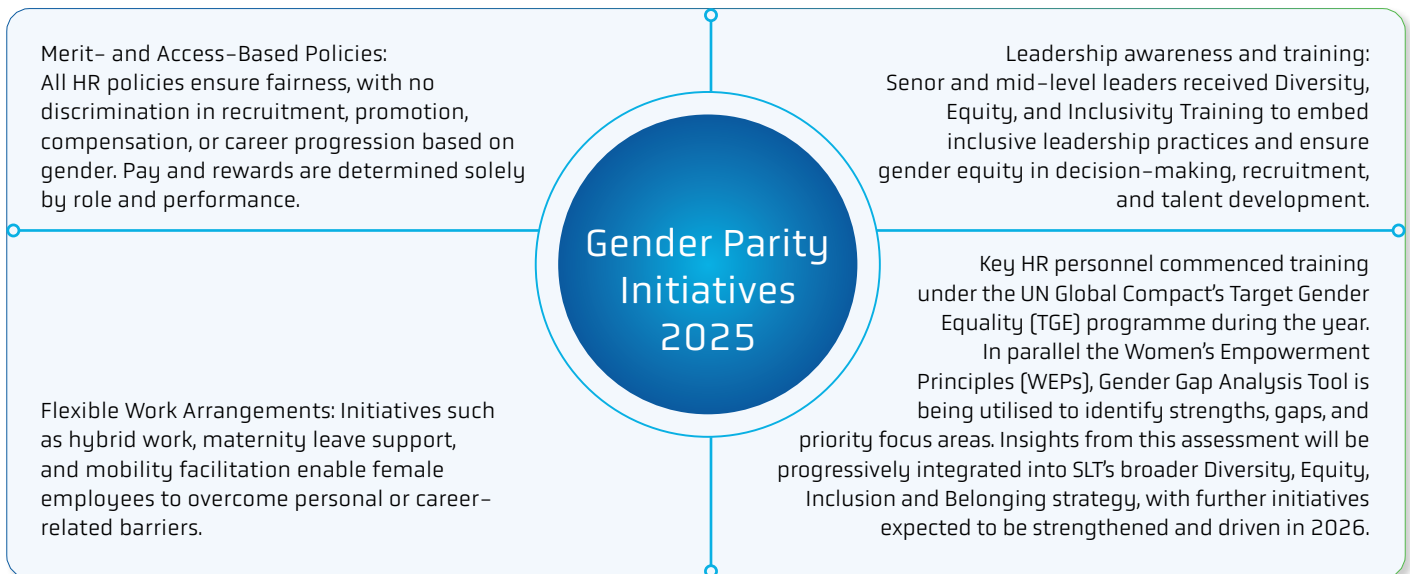
↻ Diversity Equity Inclusion and Belonging (DEIB)

We are currently in the process of focusing on awareness building and inculcating merit-based practices and is intentional in rolling out a fully fledged DEI strategy in 2026.

Several initiatives were implemented in 2025 to embed DEI principles across the organisation.

↻ Gender Parity

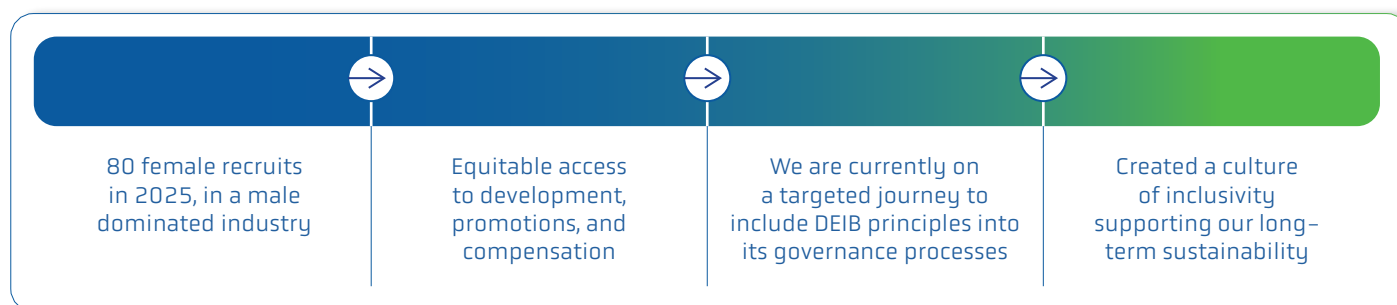
Achieving gender parity across the workforce which is currently being strategised to be implemented in 2026. The journey commenced in 2025 on a four-pronged direction as depicted. Gender parity is an aspect of a broader approach to foster an inclusive workplace culture.



Recruitment by Gender

Gender	SLT		Mobitel		Total	
	2025	2024	2025	2024	2025	2024
Male	130	82	125	118	255	200
Female	80	94	95	73	175	167

We implemented several initiatives to remain robust, in adhering to gender parity principles. Achieving the expected outcomes underscores our position as a leading champion of gender parity.



We maintain a zero-tolerance stance on harassment of any form, including sexual harassment, governed by robust policy and procedural structures. Any incident of this nature is swiftly investigated with comprehensive support for complainant's safety and dignity. The policy requires the submission of anonymised reporting on any incident, resolution timelines, and remediation measures.

Employees by Gender and Grade as of end 2025

Grade	SLT			Mobitel		
	Male	Female	Total	Male	Female	Total
Senior Management	140	31	171	113	23	136
Middle Management	340	216	556	254	97	351
Other Executive	106	104	210	580	307	887
Non-executive	3,703	1,180	4,883	30	1	31
Total	4,289	1,531	5,820	977	428	1,405

Gender Equality in Remuneration

Full pay parity underpins all rewards and benefits without gender bias, other than arising from legitimate factors such as length of service, specialised skills, or project or role specific needs.

Conducted awareness sessions and training programmes to development skills on inclusive leadership, unconscious bias, gender and generational sensitivity.

From our Employee Resource Groups (ERGs) to bring together employees from diverse cultural, religious, and professional backgrounds, creating strong platforms for inclusion, collaboration, and belonging.

Celebrated Diversity Day and Women’s Day with interactive activities, knowledge-sharing sessions, and Video art and poetry competitions to reinforce inclusion.

HR Capability building by offering specialist training to HR resources, through Target Gender Equality (TGE) programme of the UN Global Compact, which is currently ongoing, enhancing their understanding of global best practices in gender equality and inclusion.

Integration of DEI into the Company’s Code of Conduct and HR policies, reinforcing expected workplace behaviour and accountability.

ERGs helped to promote a vibrant and respectful workplace culture by organising a wide range of activities throughout the year – including sports felicitation programmes, religious celebrations such as Vesak, Poson, Christmas, and New Year festivals, and talent shows that allow employees to showcase their creativity and individual strengths, encouraging social engagement in informal surroundings.

Migrated best practices through Global ESG Learning: As a member of the UN Global Compact, all employees have access to the UNGC Academy to pursue learning programmes on sustainability, inclusion, and governance.

➔ Recruitment by Region (SLT)

Category	2025	2024
Western	172	144
Central	6	1
Southern	5	2
Eastern	6	19
Sabaragamuwa	5	3
North Central	5	2
North Western	3	2
Uva	2	2
Northern	6	1
Total	210	176

➔ Remuneration and Benefits

Anchored in a Total Rewards framework, we offered a market-competitive remuneration package that is designed to attract, retain, and motivate high-calibre talent for operational excellence and institutional sustainability. The approach integrates financial and non-financial rewards, ensuring that employees are recognised and supported holistically, beyond fixed compensation.

The compensation packages remained performance-linked with long-term reward mechanisms to promote sustainable outcomes. Fairness and equity were the cornerstones of package definition, deviations occurring only where specialist skills were required. In addition to a market-competitive remuneration packages, we offered a range of financial and non-financial benefits to our Human Capital. A significant proportion of HR investment was directed towards employee compensation and benefits, including salary revisions and the correction of salary anomalies, reinforcing fairness and equity.

Recruitment-related investments were selectively deployed to address critical skill gaps, particularly in digital, technology, and transformation-related roles, while maintaining overall workforce strength at optimised levels.

Benefit	Description
Financial	Vehicle Allowance, Staff Loans, Professional Allowance, Membership Reimbursements, Annual Bonus, Performance-based increments, Incentive Schemes; staff loans, transport and meal allowance
Life Insurance	Personal Accident Insurance Scheme
Health Care	Medical Benefits, Agrahara Insurance Cover, Critical Illness Benefits, Regular Medical Check-ups, Annual Health Screening
Flexible Work Environment	Hybrid, Work from Home arrangements and Work from Nearest Office
Retirement Provision	Medical check-ups at concessional rates, SLT holiday bungalow facilities
Uniforms	T-shirts, denims, safety shoes
Parental Leave	Maternity Leave No. of Employees who took maternity leave in 2025 - 60 Number returned to work after maternity leave in 2025 - 50
Wellbeing Care	Counselling, Recreation for fitness, Health and Wellness Programmes
Concessions	Fixed line and mobile telephone expense at concessional rates Reimbursement of mobile phone purchase cost, within a limit

➔ Minimum Wage Requirements

Our remuneration packages are well above the minimum wage stipulations.

Minimum Notice Period Regarding Operational Changes.

We place strong emphasis on internal promotions and lateral movements as a means of retaining institutional knowledge, developing talent, and enhancing employee engagement.

An annual internal transfer process provides employees with a formal and transparent platform to express their mobility preferences. Individual requests are reviewed and facilitated through a defined process that balances employee aspirations with business needs, skill requirements, and operational continuity. This approach enables need-based as well as aspiration-based redeployment, ensuring fairness and clarity in decision-making.

➔ Occupational Health and Safety

A healthy and safe workplace is a key priority and employee wellbeing initiatives form an important component of HR Capital investment. Ergonomically designed workspaces contribute to physical wellbeing, enhancing productivity and comfort. Simultaneously, we promoted mental and social wellbeing through inhouse yoga and Zumba classes and counselling services.

First-aid training, fire drills, health and safety awareness programs were conducted periodically to ensure preparedness and response speed. These areas are continuously monitored by the Premises Department, and preventive measures are implemented where necessary.

The annual Medical Camp was convened to deliver comprehensive health assessments for preventive care and where necessary, for timely intervention. Signaling a strategic commitment to employee welfare, this initiative strengthened workforce wellbeing, reducing the risk of future long-term absenteeism, and contributing to sustained operational capacity.

➔ Training on Occupational Health and Safety

Programme	Number of Participants	
	Programmes	
Business continuity plan, disaster recovery plans	8	470
Workplace Safety	11	194
Total	19	664

➔ Promotions and Performance Management

Industry-leading technical expertise and the repertoire of talent are our hallmark in a tightly competitive telecommunication industry in Sri Lanka. Identifying and encouraging exemplary inputs, promotions were offered on a best-fit basis. A fair and transparent internal selection structure are in place and were adhered to, in this process.

Performance management system was refined in a structured manner to include mid-year appraisals and performance calibration protocols. Combining a monthly-KPI linked recognition scheme, annual excellence awards, and performance-based rewards, we acknowledge individual contributions in an incentivised manner. These enhancements materially increased transparency, procedural fairness, and aligned individual objectives with organisational priorities.

Internal promotion mechanisms supported professional progression, enhancing employee motivation and impacting retention. The meritocratic and development-oriented culture helped in improving individual performance that positively impacted our transformation agenda.

Together, These transparent measures improved retention and encouraged desired behaviours that supported our success in 2025.

Internal mobility is further supported through job rotation. Employees promoted to higher roles are provided opportunities to gain exposure across different functions, enabling broader skill development and leadership readiness. In addition, internal employees who possess the relevant qualifications are encouraged to apply for vacancies that are advertised externally for the Company's vacant slots. This practice promotes equal opportunity, allows internal talent to compete on merit, and provides employees with exposure to new functional areas and business domains.

➔ Employee Engagement Activities

The Company engaged employees primarily through regular dialogue with recognised trade unions, including structured discussion forums and consultative meetings that enabled two-way communication on matters relating to employee concerns, policies, and workplace issues. This approach supported collaboration, mutual understanding, and the maintenance of industrial harmony. A motivated workforce is a productive workforce and to provide social integration of the workforce, several initiatives were implemented in 2025, creating an informal gathering space for all levels of employees. Employee engagement was also reinforced by open communication channels and employee involvement in HR processes, encouraging participatory decision-making. These measures enhanced organisational trust and contributed to sustained employee commitment and retention.

Communication

Omni channel communication was encouraged through Ask HR and Neylie app, in addition to business specific HR professionals that assisted employees. Further, Grievance Handling and Whistleblower systems helped employees to escalate issues directly to the management which were dealt with in an impartial manner, within agreed timescales.

Recognition

Employees recognised through structured methods were spot lighted through internal communications. Exceptional performance rewards and annual excellence awards contributed to a motivated team with further career aspirations with the Company.

Development

Cultivated a culture of relentless upskilling and professional excellence and acts as a catalyst for continuous professional development and career progression.

Participation

Employee participation in shaping engagement initiatives is embedded through formal consultation mechanisms, representative forums, and routine engagement in HR and operational decision-making processes, amplifying employee voice, strengthening governance, and fostering collaborative problem-solving.

Overall, the employee engagement process emphasised dialogue, accessibility, and care through multiple platforms for connection and participation. This strengthened employee relations, enhanced morale, sustained workforce stability, and a cohesive organisational culture.

➔ Commitment to Human Rights and Fair Labour Practices

As a labour-intensive organisation, we strictly adhere to protecting the inalienable rights of every person. This commitment is reflected in the manner in which we conduct our operations, supported by a strong governance framework and multiple forums available for employee voice and engagement. We consistently follow recognised best practices in relation to human rights and actively participate in addressing all human inquiries, ensuring due attention, transparency, and applicable legal and regulatory requirements.

We do not engage in nor advocate child labour or forced labour.

➔ Challenges and Mitigation Measures

Several interrelated Human Capital challenges emerged in 2025, that impacted talent supply, capability, and organisational agility.

➔ Industrial Relations

As a highly unionised telecommunications organisation, the Company faces the risk of industrial unrest that could affect service continuity and productivity. This risk was mitigated through regular and structured engagement with 25 recognised trade unions, transparent communication on policy and remuneration matters, and proactive dialogue-based dispute resolution, enabling the maintenance of industrial harmony.

➔ Key Initiatives During the Year

Digital channels complemented traditional engagement mechanisms, expanding reach and enhancing accessibility. Neylie App was pivotal in disseminating information, HR service access, and real-time communication functioning as a centralised platform for timely updates and inclusive participation. These digital platforms increased engagement and supported a dispersed workforce in a consistent and cohesive manner.

Cross functional platforms to foster connection, recognition, and belonging were created throughout 2025, initiating “SLT Games”, year-end sports felicitations, and Employee Resource Groups to encourage inter-unit collaboration. Collectively, these measures enhanced morale, strengthened organisational commitment, and aligned employee engagement with the Company’s strategic objectives.

➔ Talent Retention and Brain Drain

The telecommunications sector is exposed to the risk of losing skilled and high-performing employees, particularly in technology and engineering roles. Mitigation measures included internal promotions, performance-based rewards and recognition, targeted allowances, and professional development opportunities, alongside focused initiatives to retain high-value performers and build long-term career pathways.

➔ Skills Obsolescence and Capability

Rapid technological advancement within the Telco and ICT sector creates the risk of workforce skills becoming misaligned with business needs. This was addressed through accelerated learning and development programs, increased training man-days, and focused capability-building initiatives in digital and emerging technologies.

➔ Aligning Workforce with Financial Recovery Objectives

The financial turnaround efforts required a sensitive balance between cost optimisation, investing in capability building, and maintaining motivation. This needed careful workforce planning and prioritisation of critical roles.



Outlook for 2026

Focus will be placed on redesigning operating models to enhance customer-centricity and enabling cross-functional collaboration. Skill based talent acceleration for internal mobility will be done as a priority.

Initiatives will be implemented to upskill high performance team delivery and visionary leadership qualities. Employee engagement will be further supported to build trust, collaboration, innovation, and calculated risk-taking.

Efforts will be concentrated on upskilling a team to deliver sustained high performance and to demonstrate visionary leadership qualities. Employee engagement will be enhanced to build trust, collaboration, innovation and calculated risk taking.

Social and Relationship Capital

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Building Resilient Communities

Our social and relationship capital is built through the trust we cultivate with customers, communities, business partners, regulators, and the nation. As Sri Lanka's trusted ICT backbone, we go beyond connectivity to enable inclusion, collaboration, and digital empowerment through reliable services, strategic partnerships, and community-focused initiatives.

Strategic Intent

Our Social and Relationship Capital strategy works towards building trusted, long-term relationships that strengthen stakeholder confidence, enhance customer experience, and create shared value across the communities and ecosystems that we serve. Through continuous engagement with customers, employees, regulators, investors, suppliers, strategic partners, technology providers, and communities, the Group integrates service excellence, digital engagement, responsible business practices, ethical governance, and community empowerment into its operations to support inclusive and sustainable growth. Guided by ESG principles, transparency, responsiveness, and collaboration, we fosters resilient stakeholder relationships that enhance innovation, accessibility, operational continuity, and long-term value creation. These strong relationships and collaborative partnerships strengthen market positioning, brand credibility, operational agility, and sustainable business resilience, enabling the Group to respond effectively to evolving market dynamics while accelerating digital transformation and reinforcing its social licence to operate.

Highlights

From 100 Mbps to 1000 Mbps high speed fibre

With unlimited data and voice packages

**143 (SLT)
152 (Mobitel)**

Customer Touch Points Nationwide

+8 million

Growing customer base

5G

Most Reliable Network in Sri Lanka

Sustainable Growth

Driven by proactive risk management

How We Impact SDGs



Customers for Trust and Connectivity

In an increasingly digital economy, customer trust, connectivity resilience, and service excellence remained central to our value creation strategy. As Sri Lanka's National ICT Solutions Provider, we continued to strengthen our role as a trusted enabler of digital lifestyles, enterprise transformation, and national connectivity through sustained investments in fibre infrastructure, digital platforms, customer experience enhancement, and next-generation technologies.

Serving individuals, households, enterprises, public institutions and local and global telcos and wholesalers, we remained focused on delivering secure, reliable, and future-ready solutions that empower customers to live, work, learn, and grow in a digitally connected world. Through customer insights, data-driven decision-making, agile innovation, and a customer-first culture embedded across all business functions, we continuously refined our value proposition to address evolving expectations while creating long-term stakeholder value.

Beyond connectivity, we seek to build enduring customer relationships founded on trust, accessibility, innovation, and service excellence, while contributing meaningfully to national digital inclusion and socio-economic progress.

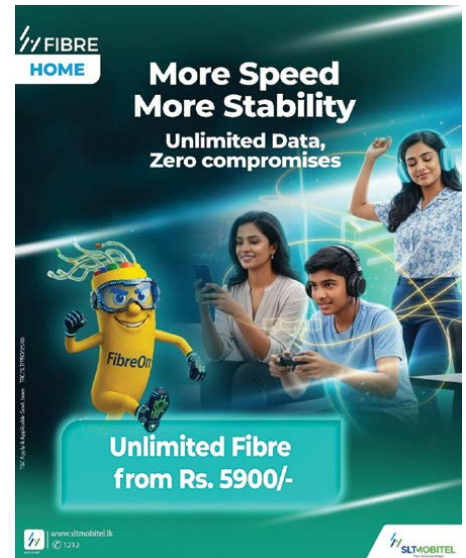
In executing this vision, we focus on expanding fibre-led broadband and advanced digital services to meet growing demand for high-speed, secure, and reliable connectivity, while continuously improving customer experience through digital platforms, service quality enhancements, and tailored solutions for consumers, enterprises, SMEs, and government institutions.

Our extensive nationwide fibre footprint, integrated fixed, mobile, and digital service portfolio, and trusted role in national ICT development enable us to deliver end-to-end solutions at scale. This positions us to support complex customer requirements, drive digital adoption across sectors, and sustain long-term customer relationships in a competitive market.

🔗 Fibre and Network Leadership

We introduced our new Fibre Unlimited Data Packages during the year, reinforcing our commitment to delivering high-performance, reliable, and seamless connectivity nationwide. The packages offer speed tiers ranging from 100Mbps to 1000Mbps, enabling customers to select plans aligned with their usage needs while supporting bandwidth-intensive activities such as streaming, video conferencing, online gaming, and large file downloads. Enhanced with improved latency, reliability, and flexible data usage, the offering is designed to meet the demands of modern digital lifestyles, including remote work and e-learning.

In addition, the plans incorporate value-added features such as parental controls, Wi-Fi optimisation, and bundled entertainment options, delivering a more personalised and enriched home broadband experience. Leveraging SLT-MOBITEL's advanced fibre infrastructure, the service ensures consistent high-speed performance even during peak usage periods, strengthening our position as a leading fixed broadband provider in Sri Lanka.



🔗 5G Rollout

The More-for-More value framework addressed the needs of clearly defined 5-G customer segments. The 5G technology offering is designed to capture premium demand for higher speed, lower latency, and enhanced experience. SLT Mobitel continued to aggressively expand our existing 5G footprint further, to support the commitment to long term digital infrastructure development.



➔ **Our Consumer Business**

The Consumer Business remained a major revenue contributor for the company, supported by a diversified portfolio comprising fixed voice, broadband, and entertainment services. Fibre broadband continued to serve as a key strategic focus, addressing the growing customer demand for high-speed and reliable connectivity, while fixed voice services continued to cater to customer segments with established usage preferences.

During the year, the unit further expanded its customer base through the introduction of a dedicated micro-business offering targeting SME customers, strengthening our position within a segment traditionally dominated by mobile operators. In parallel, the successful rollout of unlimited fibre packages enhanced affordability and market differentiation, accelerating fibre adoption and reinforcing our leadership in the fixed broadband market.

➔ **Our Enterprise Business**

Our Enterprise Business segment continued to strengthen its role as a trusted digital transformation partner for businesses, government institutions, multinational corporations, and SMEs by delivering an integrated portfolio of connectivity, cloud, cybersecurity, data centre, and managed ICT solutions.

During the year, strong momentum was recorded across the SME, Government, and Large Enterprise sectors, driven by increasing demand for secure, scalable, and intelligent digital infrastructure. The accelerated transition from traditional MPLS networks to SD-WAN architectures, particularly within the Banking and Financial Services sector, reflected the growing need for application-aware connectivity, enhanced resilience, and centralised network management.

➔ **Advancing National Digital Infrastructure**

A key milestone during the year was the successful deployment and onboarding of the Lanka Government Cloud (LGC 2.0), representing a significant advancement in Sri Lanka's national digital transformation agenda.

Built on Tier 3 data centre infrastructure, the platform delivers secure, sovereign, and scalable cloud capabilities to support critical government workloads while ensuring enhanced security, operational resilience, and regulatory compliance. The initiative further enabled improved digital service delivery, inter-agency collaboration, and greater efficiency across public sector institutions.

➔ **Advancing Enterprise Digital Transformation**

Our Enterprise portfolio continued to strengthen through next-generation digital product and services spanning multi-cloud services, cybersecurity, managed services, enterprise connectivity, and AI-ready infrastructure. During the year, cloud-native platforms, secure storage, backup and disaster recovery products and services, SD-WAN technologies, and scalable digital platforms were introduced to support evolving business requirements across organisations of all sizes.

As organisations accelerated their digital transformation initiatives, cybersecurity continued to remain a strategic priority across all industry sectors. In response to the evolving threat landscape, SLT-MOBITEL Enterprise further strengthened our portfolio of integrated cybersecurity services, enabling customers to safeguard critical digital assets, ensure business continuity, and maintain regulatory compliance.

Through continuous investments in advanced cybersecurity technologies, managed security operations, and secure digital infrastructure, SLT-MOBITEL Enterprise further reinforced our position as a trusted cybersecurity partner enabling secure digital transformation across Sri Lanka's enterprise ecosystem.

A strong focus was also placed on enabling SME digital adoption through simplified, secure, and scalable technology products and services. These capabilities supported businesses in enhancing operational efficiency, strengthening cyber resilience, improving business continuity, and adapting confidently to an increasingly digital business environment.

➔ **Building AI-Ready Digital Infrastructure**

In line with emerging global technology trends, strategic investments continued towards building AI-ready infrastructure capabilities. Focus areas included high-performance cloud environments, intelligent analytics platforms, GPU-ready compute environments, and advanced enterprise digital services.

Network modernisation initiatives also strengthened high-capacity fibre infrastructure, secure SD-WAN capabilities, and data centre interconnectivity to support low-latency, high-bandwidth digital workloads and future AI-driven applications.

➔ **Strategic Partnerships and Ecosystem Development**

We strengthened our technology ecosystem through strategic collaborations with leading global technology providers including Cisco, Red Hat, Fortinet, CrowdStrike, Hewlett Packard Enterprise, Veeam, Hitachi, Commvault, and Ekinops.

These partnerships strengthened the delivery of enterprise-grade digital products and services supporting cloud modernisation, cybersecurity resilience, application performance optimisation, secure connectivity, and digital transformation across multiple industry sectors.

➔ Expanding Global Connectivity

Through Xyntac, we strengthen our role in expanding global connectivity by delivering seamless international ICT and connectivity solutions to enterprise and wholesale customers worldwide. Xyntac leverages our extensive network infrastructure, submarine cable connectivity, and technical expertise to provide secure, scalable, and high-performance services across borders.

By enabling reliable global reach, supporting digital transformation, and connecting international markets with regional and local networks, Xyntac enhances our international footprint while positioning the Group as a trusted global ICT service provider.

➔ Customer Experience Enhancement

Customer Experience Management (CEM) function is strategically embedded across all customer touchpoints, ensuring seamless service integration, operational alignment, and consistently superior customer experiences.

To strengthen service delivery nationwide, dedicated Customer Experience Management Officers have been appointed across regional offices. These officers play a pivotal role in overseeing customer interactions at key touchpoints and upholding service quality standards. Their capabilities are continuously enhanced through structured monthly training programmes focused on customer experience best practices and service excellence.

In addition, ongoing customer journey enhancement initiatives are undertaken across Consumer, SME, and Enterprise segments. These initiatives focus on identifying friction points, streamlining processes, and redesigning end-to-end journeys to deliver more intuitive, efficient, and value-driven experiences aligned with evolving customer expectations.

Complementing this, a structured pain point management framework is in place to systematically identify, prioritise, and resolve recurring service issues. Through cross-functional collaboration, root causes are addressed to enhance service reliability, strengthen accountability, and drive continuous improvement across the customer experience ecosystem.

➔ Customer Satisfaction and Net promoter score

Sustainability of the business depends on continued customer satisfaction generated through excellent service delivery. Capturing the authentic voice of the customer, therefore, is an imperative. We conducted monthly, quarterly, and annual surveys, to gain deeper insights into the latent and emergent needs of the customers where performance was tracked through tailored metrics. Customer Satisfaction Index (CSI), Net Promoter Score (NPS), Brand Loyalty Index (BLI), Brand Equity Index (BEI), Net Trust Score (NTS), First Time Resolution (FTR) Index, Time to Resolve Index (TRI), and Customer Effort Score (CES) delivered clear and actionable measurements of experience outcomes.

Quantitative measurement and qualitative analysis converge to demarcate drivers of satisfaction and pinpoint improvement areas, through an integrated framework that spans across Consumer, SME, and Enterprise segments. These evidence-based insights helped in enhancing satisfaction indices in 2025, that reinforced a disciplined and data-driven approach to customer experience management.

Index	Score
Customer satisfaction Index	80
Brand Equity Index	70
Net Promoter Score	55

➔ Customer Loyalty

We are committed to strengthening customer loyalty by delivering lasting value through innovation, service excellence, and personalised engagement. We continue to build long-term relationships by ensuring consistent service quality across all touchpoints and by actively listening to customer feedback to enhance satisfaction throughout the customer journey.

During the year, loyalty initiatives were further enhanced through targeted engagement with high-value customers, including appreciation visits, personalised interactions, and structured feedback sessions. Regular follow-ups, personalised greetings, and proactive communication helped reinforce relationships, improve responsiveness, and ensure customers felt consistently valued and supported.

Data-driven insights were leveraged to better understand customer behaviour, anticipate needs, and offer tailored service enhancements, ensuring improved value delivery. Exclusive customer engagement sessions also enabled deeper interaction, recognition of loyal customers, and refinement of service offerings based on customer expectations.

➔ Customer Health, Safety and Data Protection

We continued to prioritise our customer health, safety, and data security through rigorous operational controls, resilient infrastructure, and robust governance mechanisms.

Field operations were conducted under strict safety protocols by certified technical personnel, while products and network infrastructure underwent comprehensive quality testing, compliance reviews, and operational audits to minimise service risks and ensure reliability.

We further strengthened cybersecurity safeguards through encryption technologies, access controls, real-time threat monitoring, and proactive risk management measures designed to protect customer data, maintain service continuity, and prevent unauthorised access or service abuse.

➔ Digital Enablement

During the year under review, Digital Customer Experience team continued to play a pivotal role in advancing customer satisfaction and accelerating the organisation's digital transformation journey. With a strong focus on innovation and service excellence, key digital initiatives were directed towards delivering seamless, personalised, and efficient customer interactions across all digital touchpoints.

A series of awareness and engagement programmes were implemented to drive greater digital adoption among customers and internal stakeholders, enabling smoother transition and increased utilisation of self-service and digital channels. Continuous enhancements were also made to user experience design, service automation, and feedback analytics, resulting in improved responsiveness, convenience, and service reliability.

In alignment with our broader digital strategy, the team worked closely with cross-functional units to streamline processes, reduce manual interventions, and strengthen a data-driven culture in Customer Experience Management.

These initiatives collectively enhanced operational efficiency and strengthened customer engagement, further reinforcing our commitment to being a digitally empowered, customer-centric organisation driving Sri Lanka's journey towards a fully connected digital future.

➔ Customer Experience Highlights

Key milestone during the year was the successful celebration of International Customer Service Week 2025, held in October under the theme "Mission Possible". The initiative recognised the invaluable contribution of both customers and employees in driving service excellence and fostering stronger relationships. A series of interactive activities and engagement programmes were conducted throughout the week to promote customer appreciation, strengthen collaboration, and reinforce a service-oriented culture across the organisation.

We also launched the MyBusiness Portal/App, a unified digital platform enabling enterprise customers to efficiently manage telecom services, billing, and service requests. Enhancing convenience and operational agility, the platform also received national recognition with awards at the National Project Management Excellence Awards and National ICT Awards 2025 for its contribution to digital innovation and business transformation.

➔ Network Modernisation and Enhanced Customer Experience

Through sustained investment in network upgrades and optimisation initiatives, we significantly enhanced our mobile and broadband service performance, delivering improved 4G customer experience and expanded network coverage across the country.

A major milestone achievement includes the upgrade of over 80% of network sites with high-capacity fibre backhaul, substantially strengthening network capacity, stability, and service quality. These advancements have reinforced our competitive position in the mobile data market and increased value delivered to broadband customers.

As a result of these continuous improvements, Mobitel was recognised as the Best Mobile Network in Sri Lanka 2025 by Ookla, reflecting superior network performance and customer experience leadership.

➔ Customer Support Excellence

Our Contact Centre is the main customer touch point for customer care solutions, delivered on a timely and efficient manner, leveraged across a full channel mix, that includes voice, non-voice, emails, chatbot service (KITO), and the Social Media. Our Customer Service Hotline 1212 serves as the customer-facing voice channel that includes automated Interactive Voice Response (IVR) service and live agent support.

➔ **Contact Centre Interactions on an average basis**



25,000
Daily Call Volume

20,000
Monthly ChatBot Interactions

2,000
Monthly Social Media Interactions

45,000
Monthly Outbound Calls

50% of Complaints Received to Agents as Fault and Bill Complaints
Monthly Resolution Rate [FCR]

Monthly 138,000 out of Agent Handled 178,000
Number Escalated to Workflows

6,000
Number of Mail Support generated

To deliver efficient and effective customer service, 50% of contact centre interactions are handled automatically through the IVR and KITO chatbot, for real-time resolution. The balance 50% interactions are managed by agents with most cases resolved at the point of first contact. The First Contact Resolution [FCR] exceeds 50% of the complaints requested with the agents' support. If further actions were necessary, those were re-directed to relevant work groups that included online technical officers or field teams for resolution. Proactive and outbound support complement this customer service model offering a variety of services and managing Book a Call requests to ensure timely end user care.

Contact Centre performance is evaluated through this multi-channel footprint by obtaining the customer feedback on real time basis and as a post survey. The same insights are drawn up for informed decision making to improve the service we offer to our customers. Survey frameworks are fed by the generated data enabling rapid identification of friction points and priorities remediation.

➔ Frequent Support Requirements

Service/Requirement	Monthly average call demand
Fault reporting and resolution	200,000
Bill inquiries and complaints	105,000
Data (GB) balance and purchases	210,000
Product information	80,000
Privileged agent service for loyalty customers	6,000
Directory service	5,000
eChannelling services	4,500
Rail ticket booking	65
Book-a-call service	1,500
Other assistance agent services	50,000

Contact Centre Availability

24 x 7 Customer Support Service with over 94% response rate and a 75% issue resolution through IVR and Agent Support

Automated chatbot service “KITO” exist in SLT-Mobitel web site, MySLT App, WhatsApp and in Face Book Messenger, with zero queue time with live agent support

Social media responsiveness within 15 minutes

Email support as a nearly real time service, especially during the day time until 11:00 PM

➔ Enabling Inclusive Value Creation and Stakeholder Engagement

As Sri Lanka’s National ICT Solutions Provider, we continued to strengthen our role in enabling inclusive digital progress through strategic initiatives spanning education, enterprise development, innovation, customer empowerment, and national digital infrastructure.

Through technology-led engagement, capability development, and ecosystem partnerships, we expanded access to digital opportunities, strengthened institutional connectivity, and empowered communities, businesses, and future innovators across the country.

➔ Schools Fibre Connectivity Programme

Led by the Telecommunications Regulatory Commission of Sri Lanka and the Ministry of Education, and executed by SLT-Mobitel, this national initiative delivered unlimited fibre-based internet connectivity to secondary schools across the country.

The programme significantly enhanced access to digital learning resources and enabled the adoption of modern, technology-driven education delivery. During the year, connectivity had been successfully extended to over 2,300 secondary schools under this initiative.

➔ Managed Services for Enterprise and Government

We strengthened our managed services portfolio by delivering integrated end-to-end ICT solutions to enterprises and public sector institutions across Sri Lanka.

The portfolio encompassed secure connectivity, managed networking, cloud infrastructure, cybersecurity, and digital business solutions, supported by robust Service Level Agreements (SLAs) that ensured high standards of reliability, security, and operational performance.

➔ Enabling the National Digital Ecosystem

We continued to support the Ministry of Digital Economy and several strategic government institutions through secure connectivity, data centre infrastructure, and cloud hosting services.

These capabilities strengthened the foundational infrastructure of Sri Lanka’s national digital ecosystem, supporting digital governance, institutional modernisation, and strategic digital transformation initiatives.

➔ Nationwide Fibre Transformation of Public Sector Networks

During the year, we accelerated the modernisation of public sector ICT infrastructure through the migration of legacy copper-based networks to high-speed fibre connectivity.

This transformation enhanced network reliability, strengthened secure communications, reduced latency, and improved operational efficiency across government institutions and public sector operations.

➔ SME National Product Forum 2025 – Unleashing SME Growth Potential

The Product Forum 2025 was held under the theme “Unleash Your Business Potential” with the tagline “Break Barriers, Achieve More.” The forum focused on Cloud, Cybersecurity, and Business Applications, featuring flagship solutions including CloudFusion (Powered by Huawei), EdgeDefend, and WorkFlow X (Powered by Zoho).

The forum strengthened SME awareness of digital solutions and reinforced our position as a key enabler of business innovation in Sri Lanka.

➔ Digital Enablement of SME Businesses – Hybrid Product Webinar

The hybrid webinar showcased our SME solutions across Cloud, Cybersecurity, and Business Applications. The session included expert insights, live demonstrations, and product videos, reaching over 250 SME customers through a multi-location broadcast format.

The initiative improved awareness of practical digital solutions and enabled SMEs to explore tailored applications for their business needs, supported by strong collaboration between product and regional teams.

➔ Rewarding Home Broadband Customer with Bonus Data

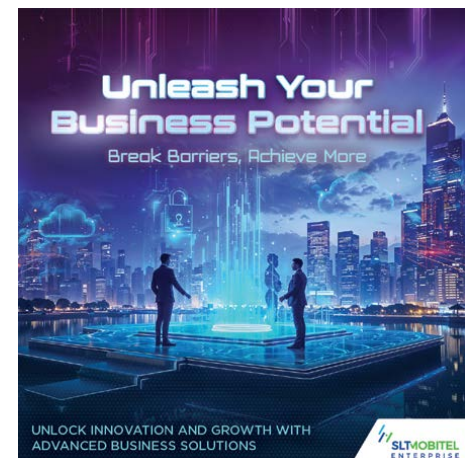
Reinforcing our customer-centric approach and commitment to digital inclusion, we extended approximately LKR 2.5 Bn. worth of bonus data benefits to Fibre, LTE postpaid, and ADSL customers during 2025.

Delivered seamlessly and without conditions, the initiative improved affordability, enhanced digital access, and strengthened long-term customer loyalty.



➔ SME National Campaign 2025 – Engagement Impact

The campaign, launched under the theme “Unleash Your Business Potential”, continued for a month in 2025 and beyond select activities. It engaged over 5,000 customers through physical meetings, webinars, and on-site demonstrations across multiple regions.



The programme focused on driving SME digital adoption through product showcases, hybrid engagement sessions, and direct customer interactions.

➔ National AI Expo & Conference 2025: Advancing Sri Lanka’s AI Ecosystem

The National AI Expo & Conference conducted, marking a significant milestone in Sri Lanka’s journey towards becoming a regional artificial intelligence hub. The event represented a bold national initiative to accelerate AI adoption across key economic sectors and strengthen the country’s position within the Asia-Pacific digital landscape.

Product Portfolio

Consumer Product Portfolio



Broadband

- Unlimited and Anytime Packages
- Extra GB (Prepaid and Postpaid)
- Loyalty Data
- Happy Day
- Mid Night Thriller
- Flexi net for short period requirement

Voice

- Home Plan
- Office Plan
- Unlimited Calling Plan
- Caller Tune Service

PEO TV

- Local and Foreign Channels
- HD Channels
- On demand and Entertainment Contents
- PEO Mobile Service

Apps

- MySLT App
- PeoMobile
- HitFlix
- Eazy Storage
- eChannelling
- Ceylon Remit

Education

- Home Schooling and WFH Bundles
- Study Platform Data Bundles
- Sisu Connect

Health

- eChnannelling
- TeleHealth
- TeleLife

Entertainment

- Unlimited Entertainment Pack
- 7x Fun Data Bundle
- YouTube Bundle
- Messenger Bundle
- Gaming Bundle
- HitFlix
- PlayStreet (Hyper Casual Games)
- eSports platform (professional gamers)
- Rupahala

Ease of Life

- MySLT App/Portal
- Data Gifting
- Fibre new connection portal
- eBill Service
- SLT Gaman – Public Transport Information Service (1220 short code)
- Digime – digital business card and profile

Package selection and upgrade

Usage meter

Call forwarding

Extra GB purchase

Data gifting (gift data to your loved ones)

Faults reporting

Digital Life

- Kaspersky
- Eazy Storage
- eSports
- Smart Home
- SLT LYNKED
- Fleet Management

Hot device selling

Purchasing VAS

Purchase new services

- Fibre
- Megaline
- 4G LTE

Bill payment

Data add-on

- Unlimited entertainment pack
- You Tube (7days)
- 7x Fun Data Bundle

- Messenger (7 days)

- Meet lite
- Meet Max
- Peo TV go
- Gamer Lite
- Gamer Premium
- Streamer premium
- LMS Lite
- LMS Max

Enterprise Product Portfolio



Infrastructure

- Antenna Tower Space
- Outdoor Space
- Indoor Space
- DC Power
- AC Power

Networking

- IP VPN
- Ethernet service
- EDL
- SD-WAN
- RVPN
- M3VPN
- Value VPN

Akaza Multi Cloud

- Akaza Containers
- Enterprise Premium Cloud Service
- Intelligent Cloud Services
- Oracle Cloud Services
- Email Solution
- Storage Services
- Backup Services
- Microsoft Licenses
- Cloud Managed Service

Data Centre

- IDC Co-location
- Metered Power
- Cross Connection
- Workspace Dedicated
- Workspace Shared
- DC Firewall
- Switch TOR
- WAF
- DDoS
- Storage
- Backup
- Managed Services

Business Internet

- BIL
- Integrated Internet Service
- Secured Internet
- E-net
- Enterprise Wi-Fi

Cybersecurity

- Web Application Firewall
- Managed Firewall
- Cloud Firewall
- DDoS protection service
- SSL Certificate
- CyberSight Service

Digital Services

- Akaza HR
- Akaza ERP
- Akaza LMS
- Fleet Management Service
- Google Workplace
- Robotics process automation

Voice Services

- Hosted Contact Centre Solutions (Avaya, ConneXt, 3CX)
- IP End Point Service
- IP Trunk line Service
- IP Interconnection service
- NGN Centrex Service
- E-campaign Manager

Global Connectivity

- GBDL
- Global VPN
- Capacity Lease
- IX Service IRU

SME Product Portfolio



Digital Products and Business Applications

- SLT Bizchat
- Traverse
- SLT Checkin (PMS)
- SLT Lynked
- WorkFlow X (Powered by Zoho)

Hosting, Cloud and Cybersecurity Solutions

- Hostingcub
- CubKit
- Kaspersky Endpoint Security
- Akaza CloudFusion (Powered by Huawei)
- EdgeDefend
- CyberSight
- LK Domain
- Cloud POS
- Digital QR Menu (Powered by ordernow.lk)

Entertainment and Education Solutions

- PEO TV Biz
- eSiphala

Unified Communication Solutions

- Unlimited Voice Packages
- Vobox
- Univo
- Biztune

Internet and Network Infrastructure Solutions

- Dataone
- LTE Flash Packages
- School BB
- Bizlife
- IT Solutions

Mobitel Products



Mobile Broadband

- Anytime Data Bundles
- Social App Combo Plans
- Anytime Data Roll over Ads ons
- Non-Stop Data Plans
- Enterprise Data Share Bundles
- Uber Data Plan – Duwana Data offering for Uber Riders
- E SIM based Plans available Online

VAS Digital Services

- Entertainment based services – Call a Tune
- Gaming – Mobistation Games, Quiz based
- Bidding Services
- Health Tech – eChannelling, Doctor Channeling using AI
- E Channeling Premium membership services
- Ticketing Services – Railway Ticket Reservation via Mobitel
- Lend tech – Mobile Loan services

Devices

- Buy Now Pay Later – Devices Offers for Upahara Pensioners, Post Paid Customers.
- Exclusive Unveiling devices for Club Magnate customers

Loyalty

- Rewards – Reward Points program for Pre-Paid and Post-Paid customers
- Club Magnate – Exclusive Premium services for High Value customers

International Roaming

- Daily Roaming Plans – Starting from 1USD per Day
- Monthly Roaming Plans for Extended stays

Tourist Segment Services

- Tourist Combo Pack
- Online E SIM Tourist Plan
- M Ticketing – for Railway Booking
- E Visa Service
- M Guide – Tour Guide services

Post Paid

- Uphara Post Paid Plans for State Sector Employees
- M Plus Post Paid Combo Plans
- Family Bundle share plans
- Smart Phone device offers
- Mobile Router plans

Voice

- Unlimited Calling Plans
- VOLTE for crystal clear calling

Portfolio Review

Sri Lanka Telecom (Services) Ltd. (SLTS) is a wholly owned subsidiary of Sri Lanka Telecom PLC, and a leading information and communications technology (ICT) enterprise that consolidates three Strategic Business Units (SBUs) – Network and Solutions, PEO TV and Content, and Digital Services.

➔ The Strategy

The SBUs focused on delivering distinct value propositions and business models tailored to diverse client segments. Integrating service delivery and strategic alignment, the SBUs advocate scalable innovation across the organisation.

Aligned with our strategic objective to become the most reliable ICT Solutions and Content provider, we focused on consolidating on the SLT Mobitel brand and establishing a reputation for responsiveness, trustworthiness, and innovation. This was supported by our comprehensive portfolio that maximised local value addition, materially strengthening our market position and driving sustainable growth, which are reflected in revenues, profits, and customer acquisitions.

Network and Solutions

The Network and Solutions Unit continued to strengthen its market leadership in system integration, service fulfillment, service assurance, and large-scale development and maintenance projects, playing a pivotal role in enhancing both SLT and customer network infrastructure. Driven by a commitment to innovation, quality, and operational excellence, the unit successfully delivered scalable and future-ready solutions across the country.

OSP

Telecommunication Outside Plant Development and Maintenance

ICT

Comprehensive Information Technology (IT) solutions for government, small and medium-sized enterprise (SME), and corporate sectors

This performance was underpinned by two key service pillars—Outside Plant (OSP) solutions and services, and ICT solutions—which collectively enabled the expansion, modernisation, and reliability of network ecosystems, supporting the evolving digital demands of customers and stakeholders.

➔ Outside Plant (OSP) Solutions and Services

The Outside Plant (OSP) Solutions and Services Unit continued to play a vital role in strengthening and expanding the SLT network through the delivery of critical field engineering solutions. Supporting SLT's accelerated fibre expansion strategy, the unit actively contributed to growing the Fibre-to-the-Home (FTTH) customer base by enabling both new connections and the migration of existing copper-based customers to fibre. In 2025 alone, SLT successfully delivered over 94,000 new FTTH connections, accounting for over 70% of SLT's total new service implementations.

Operating across 27 OPMCC areas nationwide, the unit consistently provided cost-effective and reliable service assurance solutions, ensuring uninterrupted connectivity and enhanced customer experience. In parallel, the OSP team undertook large-scale development initiatives, including network design and the deployment of new infrastructure, further strengthening SLT's network capabilities.

Through its continued focus on quality, efficiency, and innovation, the OSP unit remains instrumental in enabling robust connectivity, service continuity, and scalable network capacity to meet the growing demands of both residential and enterprise customers.

The Unit secured and completed a significant Passive Optical Network (PON) deployment for a major resort hotel complex in the Maldives, collaborating with a local system integrator. This augmented SLT's capability to deliver complex, cross-border infrastructure projects, reinforcing its commercial and technical credentials in the region.

➔ ICT Solutions

A range of ICT solutions were delivered to the SLT Group of Companies, government agencies, telecom operators, and private enterprises.

- Turnkey ICT projects
- Custom and proprietary software solutions
- Critical ICT infrastructure
- Information security solutions
- Data centre development

Created an online platform to facilitate peripheral legal services for the Supreme Court of Sri Lanka.

Developed and installed a fully automated system for a public health regulatory council.

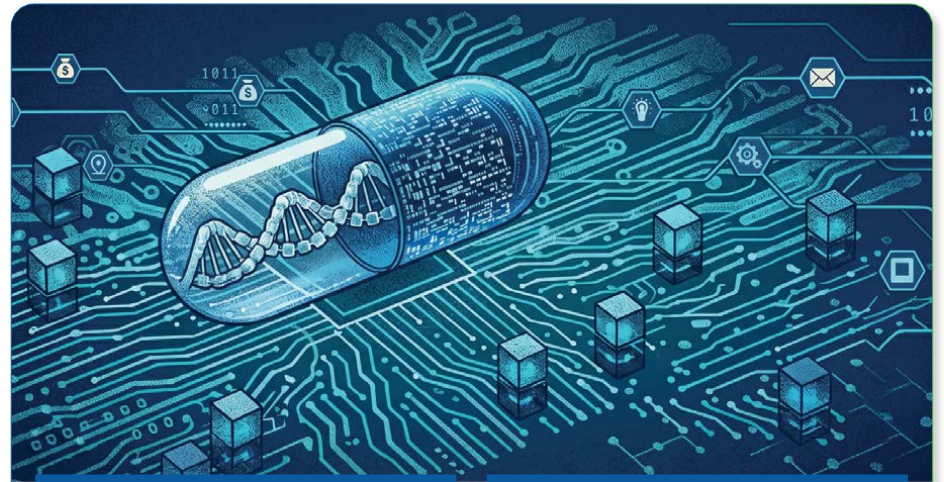
Developed an automated Enterprise Resource Planning (ERP) system for the Construction Industry Development Authority (CIDA).

FinOps – Introduced a Software-as-a-Service banking solution to facilitate microfinancing, thereby supporting the government’s efforts in poverty alleviation.

➔ Innovations, Products, and Services

Innovation is the foundation for our strategic agenda. It includes deploying new technologies, advancing proprietary software, and continued product development to secure competitive advantage and sustainable profitability. To overcome the shortage of specialised talent, we cultivated strategic partnerships with leading local and international technology providers, and engaged with our customers, staff, and other service providers to gather insights for further refinement of our products and services.

As a systems integrator, SLTS successfully completed several key programmes in 2025.



Information Security Awareness

In collaboration with a global security solutions provider, several forums were conducted for government sector clients to enhance awareness on cybersecurity.

Empowering ICT Decision-Makers

Provided consultancy and guidance to streamline ICT strategies with compliance requirements.

Artificial Intelligence (AI) for IT Operations (AIOps)

Leveraged AI and machine learning to deliver insights for informed decision-making and monitoring.

Collaborative Partnerships and Ecosystem Engagement

Continued to maintain strong partnerships with globally respected ICT manufacturers for service breadth and innovation potential.

Promoting Internet Protocol (IP) – based Communication

Conducted awareness sessions on the transitioning from legacy analog voice systems to IP voice and video platforms for consultants and decision-makers in the industry.

IT Communication in the Health Sector

Successfully conducted knowledge-sharing sessions with the health sector on the advantages of IP communication infrastructure.

Managed Detection and Response (MDR)

Collaborated with a global security solutions provider “Sophos” to strengthen the capabilities of the Security Operations Centre.

Financial Operations (FinOps)

FinOps was introduced to support the development of the SME and microfinance sector, and was implemented at over 1,000 bank branches and societies in 2025.

Overall, our nationwide contribution helped promulgate sectoral best practices in increasingly complex information security environment by executing a series of strategic initiatives to address elevated threat levels. Collaborating with Sophos, a globally recognised cybersecurity company, we delivered targeted awareness programmes for nationwide clients to help sustain business resilience and enable speedy threat identification and remediation.

SLTS was honoured with the Best Performance in the Public Sector Award by Hewlett Packard Enterprise (HPE) Aruba Networking and recognised as a Gold Partner by Sophos Ltd. for its outstanding contribution to the security solutions portfolio in 2025.

SLT's continued commitment to advancing the modernisation of communications infrastructure was further reflected through the promotion of IP-based voice and radio collaboration solutions, and focused engagement and awareness sessions for consultants and decision-makers supported by GrandStream, facilitating the migration from legacy analogue systems to unified IP platforms.

Extremely selective recruitment from local and international institutions ensures strong technical competence within SLT-MOBITEL Subject matter experts from technology partners deliver tailored training sessions. Mandatory partner certifications are maintained and regularly updated to uphold technical standards. Leveraging a motivated, qualified workforce and our extensive legacy and resources, we remain aligned with emerging technologies and contribute significantly to the economic development of the nation.

➔ Building Blocks of Value Delivery

Several factors converged to deliver value to our customers

Commitment to service excellence and innovation through tailored solutions and superior experience.

Fostering innovation by strengthening relationships with high-end international technology providers for value addition.

Switching and Wi-Fi: Hewlett Packard Enterprise (Aruba), Cisco, Huawei, Grandstream.

Surveillance Solutions: Hikvision, Dahua, Axis Communications.

Information Security: Palo Alto Networks, Sophos, SonicWall, A10 Networks.

Strategic vision of brand strengthening through local value addition.

Significant investments targeted talent development to improve service quality and responsiveness.

Customer-centricity through complex operational landscapes, enhancing loyalty to the SLT brand.

ELV Solutions: Leading provider of in-building IP networking, communication, and surveillance, partnering with major construction firms across the country.

Remaining agile by swiftly adapting to technological advancements and identifying high-potential products to be included in our portfolio.

Advanced Data Centre Development: Supporting Tier-certified data centre developments with cutting-edge infrastructure from planning to delivery of all electrical, renewable energy, and ICT critical infrastructure.

Information Security: Secured and delivered major information security projects for universities, government institutions, and the SLT-MOBITEL Group. SLTS was successful in implementing a managed service for Endpoint Detection and Response (EDR) solution.

Digital Services



Digital Services concentrated on three core verticals, i.e., National Business Directory, Digital Solutions, and Digital Marketing Services, enhancing its value proposition and delivering a combination of tangible benefits to customers through integrated and market-relevant digital offerings.

National Business Directory



The National Business Directory, RainbowPages, continued to be a significant contributor to revenue. It is being modernised from a traditional print and e-book listing into an interactive digital platform, integrating QR-enabled information interactivity, location mapping, and enhanced e-book

functionality. Social media integration is planned to transition the Rainbow Pages into a digital marketplace to enable direct commercial transactions.

With over 160 million annual impressions, 10,000+ daily searches, and 170,000+ verified listings across 2,000+ classifications, RainbowPages.lk offers unmatched reach and visibility. The platform has been enhanced with QR-enabled interactivity, location mapping, and improved digital accessibility, strengthening user engagement.

It entered a strategic partnership to integrate Promise.lk, strengthening Sri Lanka's e-Government Procurement (e-GP) system. This integration will increase the visibility of businesses that are registered on Promise.lk and enable more effective participation in government tenders, while providing government agencies with a more accurate and verified supplier base. It will also lead to transparent procurement processes, create transactional value for businesses, and strengthen long-term customer loyalty.

With a current directory customer base exceeding 5,000 SMEs and businesses, and expansion expected with a reviving economy, RainbowPages is well positioned to scale its digital services. We plan to intensify investment in our digital portfolio and pursue targeted innovations that support customer digitalisation, broaden market reach, and drive sustained growth in Sri Lanka's digital economy.

Electronic Government Procurement [e-GP] System

Minister of Finance Planning and Economic Development

RAINBOWPAGES
by SLT-MOBITEL

The National Business Directory,
Operated by the SLT-MOBITEL Group

➔ Pettah Hub



PettahHub.lk, launched by SLT-SERVICES, is a digital classifieds and trading platform designed to connect businesses and consumers with Sri Lanka's largest commercial marketplace, Pettah. The initiative supports online trading, process efficiency, and business visibility while strengthening SLT's role in enabling digital commerce and economic growth.

➔ Digital Solutions



Digital Solutions primarily focuses on web development, digital platform creation, and solution delivery for a diverse customer base. The unit recorded a year-on-year revenue growth of 52%, driven by the successful acquisition of new public and private sector clients, and increased demand for scalable digital platforms in 2025.

➔ FleetHub



The Digital Fleet Management (FleetHub) system is a fully managed, end-to-end fleet management platform that delivers real-time visibility, analytics, and intelligent controls to optimise operational efficiency. Available to both enterprise and retail customers, the system enhances safety and cost optimisation. Automated process management improves monitoring and resource utilisation, and also improves regulatory and safety compliance.

Our principal stakeholder base comprises Business-to-Business (B2B) clients, notably SMEs, government agencies, and retail organisations. Our next-generation technology solutions are designed to deepen these partnerships by extending comparable digital capabilities to long-standing directory and advertising clients. Identifying emerging trends of the tech-savvy younger business owners, we focused on equipping businesses with precise information and practical tools to support modern enterprises. A suite of digital solutions, encompassing digital marketing and advertising, workflow management, eVoucher, invoice management, and fleet management, is designed to streamline operations for sustainable growth.

➔ Digital Marketing Services



SLTS provides a full spectrum of digital marketing and engagement solutions, enabling organisations to strengthen their digital presence and customer interactions.

Core offerings include integrated digital campaigns (online, social, email, SMS, IVR), creative content production (branding, animation, 2D/3D, motion graphics), search engine optimisation (SEO) and local search enhancement and, data-driven performance marketing and analytics.

The Digital Marketing Services vertical operates as a dedicated profit centre, recording a 15% year-on-year revenue growth, driven by the expansion of its client portfolio across both public and private sectors. The unit continues to support SLT-MOBITEL Group-wide marketing initiatives, reinforcing its role as a trusted partner in delivering measurable and scalable digital engagement solutions.

Sharpening its digital marketing around the national SME development agenda, SLT Mobitel launched the "Unleash Your Business Potential" campaign, promoting cloud, cybersecurity, and business applications for the small and medium business sector. Additionally, SLT Mobitel's mAdvertising products, such as SMS, Outbound Dialer (OBD) voice ads, and USSD promotions, reached customers directly, supporting campaign activation and lead generation. These activities combined to enhance B2B messaging, regional enterprise outreach, and integrated digital amplification to drive adoption of SLT Mobitel's cloud enterprise services.

Digital Marketing Services recorded a year-on-year growth of 15% as a trusted digital marketing partner.

The principal objective of our Digital Services business is to facilitate the transition of Small and Medium Enterprises from traditional models to digitally enabled operations. We commenced this with a rigorous needs assessment and deployed tailored digital interventions, establishing online presence on websites, e-commerce platforms, virtual shops and social media. These were followed up by targeted digital marketing, social media campaigns and search-engine optimisation, integrating online and offline channels for maximum reach.

PEOTV and Content Business



The SLT-MOBITEL PEOTV platform offers distinct advantages over antenna-based and direct-to-home (DTH) broadcasting systems, and provides advanced interactive functionalities for a sophisticated and immersive viewing experience. In 2025, PEOTV continued its transformational journey with a clear mandate to aggregate, develop, store, and distribute premium video content across multi-platform ecosystems to seamlessly connect customers through PEOTV (IPTV), PEO MOBILE (OTT), and emerging digital channels.

PEO SPORTS



PEO Sports, through strategically developed collaborations over the year, delivered a robust and well-curated portfolio of international, regional, and domestic sporting events towards a growing customer base. Audience-centric initiatives, together with Content development efforts, contributed significantly to revenue growth, reinforcing PEO Sports' role as a key driver in the evolving sports media landscape of Sri Lanka.

Charana TV



Charana TV expanded its viewership across PEOTV, PEO MOBILE, YouTube, and affiliated cable networks. The expanded reach resulted in incremental revenue generation in 2025, through advertising and digital monetisation streams. Newly developed productions, designed for multi-platform distribution, generated additional reach and revenue for the Company.

Event TV



The Event TV channel portfolio was substantially strengthened by incorporating a diverse range of live events, along with locally produced content sourced from community institutions and reputed sports associations in Sri Lanka.

➔ Value Delivery

PEOTV maintained its position as the preferred platform for interactive television and high-definition (HD) video content across domestic and Over-the-Top (OTT) markets. We continued to offer an extensive portfolio of HD content locally. In 2025, the business delivered strong revenue and profit growth (refer to page 205 of the Financial Statements), supported by disciplined cost optimisation and deliberate content optimisation.

Although a significant proportion of operational expenditure was dedicated to the acquisition of international content, careful curation and repackaging produced cost-efficient, high-impact programming that enhanced the entertainment value of PEO TV. Market penetration was strengthened through coordinated strategies and synergised operational efforts.

Driven by the delivery of highly customised solutions, PEO TV Corporate Solutions significantly expanded its corporate customer portfolio in 2025, including premium-tier customers.

➔ Partnerships

While maintaining our long-standing, mutually beneficial partnerships with leading international content creators and technology providers, we strengthened our engagement with local creators who were facing many challenges. We empowered local creators through inclusion on PEO TV and provided a more equitable avenue for showcasing their creative work to wider audiences.

➔ Product Development

PEOTV continued to strengthen its leadership in interactive television services by offering the largest HD channel line-up in Sri Lanka, complemented by a series of exclusive HD premieres throughout the year. Customer acquisition and retention remained a key focus, supported by targeted product and service enhancements, alongside the promotional rollout of the PEOTV Loyalty Offer for existing SLT FTTH broadband customers. The introduction of a dedicated high-definition content package for FTTH customers further encouraged the adoption of HD streaming. In parallel, digital campaigns, brand-building initiatives, and SEO activities were implemented to support these efforts and enhance overall brand visibility.

➔ Awards

Charana TV received notable recognitions at the Presidential Awards 2025 and the Bauddhaloka Literary Festival 2025, affirming the channel's strategic focus on high-quality, value-driven content creation and its growing influence in the mediascape of Sri Lanka.



Charana TV logos and social media handles: CH-05 HD CH-305, PEOTV, PEO, and @CharanaTVOfficial.



Outlook for 2026

We are currently working on several initiatives to support the government's digital transformation, anchored by a robust software division that delivers flagship products and bespoke solutions to both public and private sectors. Our proprietary core-banking platform, offered as a managed service, provides a cost-effective alternative that has secured growing industry adoption.

The National Business Directory will strengthen its footprint by transitioning into a comprehensive trading platform, designed to enhance B2B enablement for its existing customer base.

With a clearly defined strategic roadmap focused on platform innovation, content ownership, and customer-centricity, PEOTV is strongly positioned to accelerate growth in the converging IPTV and OTT landscape, whilst prioritising our direction towards accelerating exclusive content creation with original productions in sports and entertainment.

PEOTV will continue to lead Sri Lanka's digital entertainment evolution and drive long-term shareholder value, amid tight competition from both local and global OTT providers. The product will retain its competitive advantage through integration with SLT MOBITEL's fixed-line network. This enables data-free, cost-effective HD streaming, with interactive and on-demand features, and a differentiated locally tailored content mix that global networks cannot replicate.

Our Global Brand



Overview

Xyntac, the Global brand of Sri Lanka Telecom (SLT) is a well established and globally trusted carrier partner, delivering seamless connectivity across borders. Xyntac empowers hyperscalers, carriers, and global enterprises with ultra reliable, high performance connectivity and next generation infrastructure solutions.

**Being
recognised
among the
world's top
100 ISPs**

Xyntac's international backbone network demonstrates exceptional strength.

The Focus and Strategy

Backed by major submarine cable systems and worldwide network hubs, Xyntac enables secure, scalable international connectivity that expands business reach worldwide. With the capacity ownership of SEA ME WE 4, SEA ME WE 5, and SEA ME WE 6 submarine cable systems and other private submarine cables such as Dhiraagu SLT and Bharat Lanka cables, Xyntac has built a robust and resilient global network. It's global presence is strengthened through the Points of Presence (PoPs) across South East Asia, Europe, and the USA. Being recognised among the world's top 100 ISPs, Xyntac's international backbone network demonstrates exceptional strength and performance. Further, Xyntac delivers world class data center solutions that help customer's business scale and its digital operations securely and efficiently across global markets. In the international voice service stream, Xyntac ensures high quality, reliable international voice services, enabled by direct interconnects with 120+ global carrier partners.

Xyntac engages in leading global carrier conferences worldwide to strengthen partnerships with global carriers, hyperscalers and enterprises to convert its digital expertise into exportable services, unlocking new revenue streams.

Xyntac Service Portfolio

Global Connectivity Services

With diversified submarine cable systems at its core, Xyntac provides robust, high capacity connectivity across entire global regions, supported by a state of the art network infrastructure connecting major commercial data center hubs in the USA, Europe, and South East Asia.

Notable characteristics include:

- Extensive global coverage
- Optimised redundancy for enhanced reliability
- Industry-specific Service Level Agreements (SLAs)
- 24/7 engineering support for uninterrupted service



Combining multi-cloud orchestration

With vendor-certified virtualisation stacks, Xyntac offers end-to-end digital infrastructure solutions.

➔ Internet Services

Empowered by its world class network infrastructure, Xyntac deliver high performing internet services optimised for speed, uptime, and cost efficiency. Through ASN 45489, Xyntac's ISP, recognised within the top 100 Global Internet Service Providers, reflects our exceptional performance and solid reputation in the international landscape.

➔ Cloud Services

Combining multi-cloud orchestration with vendor certified virtualisation stacks from VMware, Microsoft, and Oracle, Xyntac offer end-to-end digital infrastructure solutions. Through these alliances it delivers a coherent portfolio of managed infrastructure offerings spanning virtual data centres, proactive disaster recovery and avoidance mechanisms, load balancing, enterprise backup and storage, time-to-market operational services, improve service continuity and ensure compliance. For global enterprises seeking depending, scalable cloud adoption pathways, Xyntac's value proposing offers operational governance, service level commitments, and integrated security controls for mission critical workloads.

➔ Colocation Services

Leveraging Carrier-grade and Tier-III certified offering, Xyntac provides a secure and resilient colocation and interconnection services with rigorous operational controls and guaranteed contractual availability to its global customers.

➔ Managed Services

Xyntac's comprehensive suite of managed services include solution design, implementation, maintenance, monitoring, capacity expansion, and system upgrades. This enabled enterprises to focus on core business activities, while ensuring sustained, high-performance, and uninterrupted service delivery. The services include:

- Managed firewall for robust cybersecurity
- Managed security to safeguard critical assets
- Managed infrastructure for optimised IT operations
- 24/7 live support from a skilled engineering team, ensuring guaranteed service levels, network uptime, and rapid issue resolution

➔ Voice Services

Xyntac provides wholesale voice and ITFS services supported by direct interconnects with more than 120 global carrier partners, ensuring reliable, high quality international voice delivery.

Cybersecurity and Digital Trust

As Sri Lanka's national ICT enabler, we recognise that resilient digital infrastructure must be supported by equally robust cybersecurity, information governance, and service continuity frameworks. As we continued to expand our fibre backbone, cloud infrastructure, data-centre ecosystems, and next-generation digital platforms during 2025, strengthening cyber resilience remained a strategic priority underpinning customer trust, operational continuity, and national digital security. Operating within an increasingly interconnected and digitalised environment, we maintained a proactive and risk-based approach to cybersecurity governance, integrating information security principles across technology operations, enterprise systems, cloud environments, and customer-facing services. This approach aligns with internationally recognised standards and supports our broader commitment to secure, reliable, and future-ready digital infrastructure.

🔗 Cybersecurity Governance and Oversight

SASB: TC TL 230a.2 | ISO/IEC 27001:2022 | Framework

We maintain a comprehensive cyber and information security governance framework aligned with internationally recognised standards and industry best practices. Governance oversight is supported through clearly defined management responsibilities, structured policy frameworks, and enterprise-wide accountability mechanisms designed to safeguard critical information assets and digital operations.

Our Information Security Management System (ISMS) operates on a structured and risk-based framework that supports the identification, assessment, mitigation, and monitoring of cyber risks across operational environments. Security policies and governance controls are periodically reviewed to ensure continued effectiveness in responding to evolving cyber threats and changing digital risk landscapes.

To strengthen consistency across the organisation, we have implemented an extensive information security policy framework covering key domains including the below:

- Information security governance
- Access control and identity management
- Cryptography and data protection
- Asset management and information classification
- Secure development and application security
- Logging, monitoring, and incident management
- Cloud security and third-party risk management
- Remote working and mobile device security

These frameworks support the consistent implementation of cybersecurity controls while reinforcing regulatory compliance and operational resilience across the Group.

🔗 Cyber Risk Management and Security Operations

SASB: TC TL 230a.2 | ISO/IEC 27001 | Framework

We adopt a proactive and intelligence-driven approach to cyber risk management, embedding cybersecurity considerations within broader enterprise risk management processes. Risks are continuously identified and managed through layered security controls, continuous monitoring mechanisms, governance procedures, and secure operational practices.

A dedicated 24x7 Cyber Security Operations Centre (CSOC) provides continuous monitoring, threat detection, incident management, and rapid response capabilities across our critical systems and digital infrastructure. Advanced monitoring tools and threat intelligence capabilities enable real-time identification and mitigation of potential cyber threats, helping safeguard network operations, enterprise systems, and customer services.

Our cybersecurity posture is further strengthened through a defence-in-depth architecture and zero-trust operating model, delivering multiple layers of protection across networks, cloud platforms, applications, and operational environments. We continued to deploy industry-standard security technologies, supported by stringent policy enforcement and access governance mechanisms.

Key security measures implemented across operations

- Next-generation firewalls deployed across data-centre perimeters
- Two-factor authentication and controlled administrative access
- Endpoint detection and response capabilities
- Network detection and monitoring systems
- Logging and anomaly detection mechanisms
- Secure application development practices
- Continuous security monitoring and incident response protocols

Collectively, these capabilities form an integrated cybersecurity ecosystem designed to protect critical national digital infrastructure while supporting secure digital transformation initiatives.

🔗 Data Security and Customer Privacy

[SASB: TC-TL-220a.1]

Protecting customer information and safeguarding digital trust remain fundamental priorities for us. The Group maintains policies, governance frameworks, and operational controls designed to ensure the secure collection, processing, storage, and transfer of customer and enterprise data across its digital platforms and services.

The organisation complies with applicable regulatory and privacy requirements, including the Personal Data Protection Act (PDPA), while embedding privacy considerations into service design and operational processes.

Data protection enabled security controls

- Data classification frameworks
- Access control mechanisms
- Encryption protocols
- Monitoring and logging systems
- Secure information handling procedures

These measures help ensure that sensitive information remains protected against unauthorised access, misuse, and cyber threats while reinforcing transparency and customer confidence across digital interactions.

➔ Identifying and Addressing Cybersecurity Risks

[SASB: TC-TL-230a.2]

We employ a structured and continuously evolving approach to identifying and managing cybersecurity and data security risks through its enterprise-wide ISMS framework. Our cyber risk management processes integrate operational monitoring, governance oversight, technical controls, and security assurance mechanisms to strengthen organisational resilience against emerging threats.

Cybersecurity approach safeguards

- Periodic risk assessments and vulnerability management
- Continuous monitoring through the CSOC
- Logging and monitoring controls
- Secure development and application security practices
- Third-party security and compliance assessments
- Alignment with internationally recognised cybersecurity standards

In addition, we continued to strengthen cyber resilience through employee awareness programmes, policy enforcement, and the integration of secure-by-design principles across operational and development processes.

The renewed National Cyber Protection Strategy 2025–2029 introduced by the Government during the year further reinforced the national cybersecurity

ecosystem by strengthening legal frameworks, response preparedness, and public-private collaboration initiatives.

➔ Network Management, Service Continuity and Operational Resilience

[SASB: TC-TL-520a.3 and TC-TL-550a.2]

As a provider of critical national telecommunications infrastructure, we continued to prioritise network resilience, service continuity, and regulatory compliance across its operations. We maintain network management practices aligned with applicable telecommunications regulations while ensuring fair, transparent, and reliable service delivery across customer segment.

Potential risks relating to evolving regulatory developments, traffic management practices, and network neutrality considerations are continuously monitored and managed to maintain compliance and strengthen customer trust.

Our Business Continuity Management System (BCMS), aligned with ISO 22301:2019 standards, supports effective response, recovery, and continuity planning across critical infrastructure and digital operations.

Key resilience measures

- Redundant network and infrastructure architecture
- Backup and recovery systems
- Incident response and crisis management procedures
- Continuous operational monitoring through the CSOC
- Rapid response and service restoration capabilities

These measures help minimise operational disruption while ensuring the continuity of critical telecommunications and digital services across the country.

➔ Certifications and International Standards

Our cybersecurity and information governance framework is reinforced through internationally recognised certifications and standards that support operational integrity, service resilience, cloud security, and data protection across our digital ecosystem. During the year, we continued to strengthen its compliance with global best practices in information security management, business continuity, cloud governance, and privacy protection through a series of internationally benchmarked certifications.

Key certifications

- ISO/IEC 27001:2022 – Information Security Management Systems
- ISO 22301:2019 – Business Continuity Management Systems
- ISO/IEC 27017 – Cloud Security Controls
- ISO/IEC 27018 – Protection of Personally Identifiable Information (PII)

These certifications demonstrate our continued commitment to safeguarding critical information assets, ensuring service continuity, strengthening cloud security practices, and maintaining customer trust across increasingly digital and data-driven operating environments.

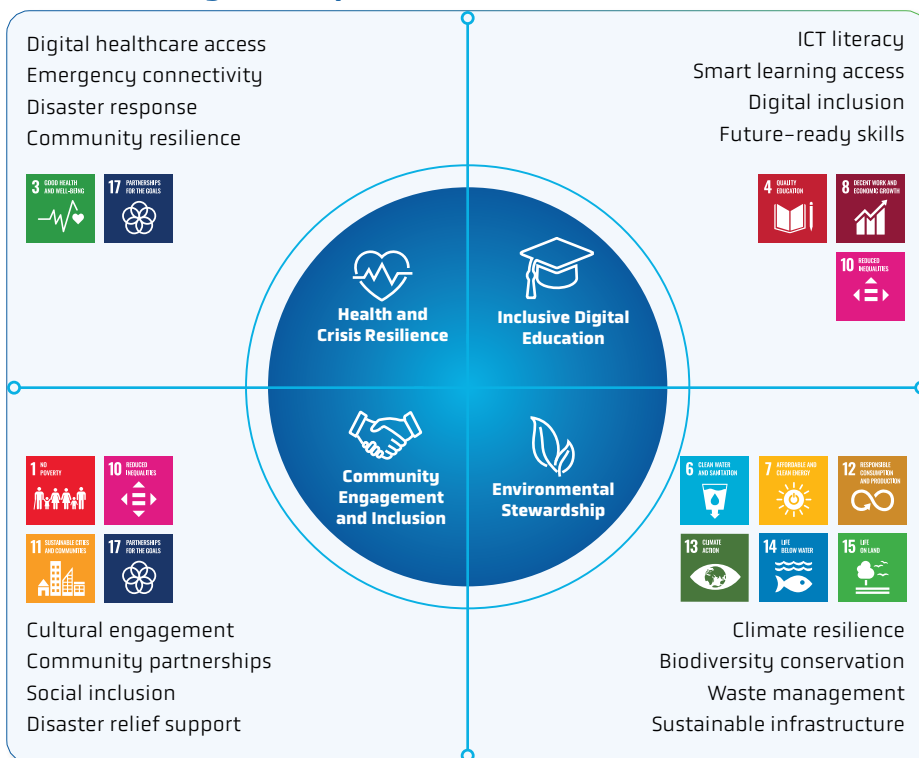
➔ Strengthening Digital trust for the future

As digital ecosystems continue to evolve in scale and complexity, we remain committed to continuously strengthening its cybersecurity, data governance, and operational resilience capabilities. Through sustained investments in secure digital infrastructure, advanced monitoring systems, internationally aligned governance frameworks, and enterprise-wide cyber resilience practices, we continue to safeguard critical national connectivity infrastructure while enabling secure and trusted digital experiences for customers, enterprises, and public-sector institutions across Sri Lanka.

Community Development

As a national connectivity enabler, our community development approach integrates environmental stewardship and social inclusion to build resilient societies. Aligned with UN SDGs, we focus on digital inclusion, health, sustainability, and youth empowerment to deliver long-term value. An ESG committee oversees funding and accountability, while cross-functional teams execute these initiatives. We proactively assess and mitigate climate and social risks during planning, ensuring transparent progress and sustained accountability through clear KPIs and targets.

Community Development



Inclusive Digital Literacy and Access

Objective: Reduce the digital divide by expanding access and skills particularly in rural and underserved communities, community readiness for county's digitalises program, and create opportunities for free access to the ICT education Island wide.

Code Club: Advancing Inclusive Digital Education

In 2025, the Code Club initiative, delivered in collaboration with the STEMUP Educational Foundation, continued to expand its reach through structured, interactive learning sessions at Nebula Technology Institutes and 17 public libraries islandwide. This approach enhanced accessibility to digital education, particularly for students in underserved and regional communities.



Targeting primary and secondary school learners, the programme offered a well-rounded curriculum that combined coding fundamentals with essential future-ready competencies, including critical thinking, creativity, collaboration, and communication. Exposure to emerging technologies further encouraged innovation and problem-solving from an early stage.

By fostering inclusive, hands-on learning environments, the initiative has strengthened digital literacy and inspired greater interest in STEM disciplines. Its growing footprint reflects a meaningful contribution towards bridging the digital divide and enabling equitable access to opportunities, supporting long-term community development.

➔ **Learning for students from diverse socio-economic backgrounds**

➔ **Powering Rathbalagama School with Digital Access**

A targeted initiative was undertaken to transform Thanamalwila Rathbalagama School into a digitally enabled learning environment, addressing critical gaps in access to technology within an underserved rural community. The programme involved restoring non-functioning computers in the school's laboratory and establishing reliable internet connectivity, enabling students to access online educational resources for the first time.



Serving approximately 300 students, the initiative significantly enhanced the school's digital infrastructure, creating new opportunities for interactive and technology-driven learning. In parallel, all students were supported with school bags containing essential educational items, ensuring they are better equipped for their academic activities, while a collection of books was donated to strengthen the school library and promote reading and knowledge development.

This intervention reflects a continued commitment to ESG principles by improving equitable access to education, narrowing the digital divide, and

empowering students with the tools and resources needed to participate in an increasingly digital world.



➔ **Health and Crisis Resilience**

Objective: Health and Crisis Resilience through Connectivity by leveraging our networks for rapid communication and real-time data sharing impacted national resilience. Coordinated responses across public and private platforms served the nation to access health and emergency care when needed.

➔ **Health Camp 2025 in line with Vesak**

For the second consecutive year, a community-focused Health Camp was organised in line with Vesak, delivering comprehensive healthcare services to over 350 residents at the Regional Office in Gampaha. Conducted under the "Sambandiyawe Dahami Sathkaraya" programme, the initiative reflected a strong commitment to promoting community wellbeing through accessible and inclusive healthcare.



The camp offered a wide range of free medical services, including general consultations, diabetes screening, ECG tests, eye examinations, blood pressure monitoring, and nutrition advisory services. Qualified healthcare professionals provided personalised medical attention throughout the day, benefiting communities with limited access to regular healthcare services across surrounding areas.

Extending beyond the physical event, digital healthcare access was enabled through eChannelling, allowing individuals

to consult doctors remotely. By integrating in-person care with digital health solutions, the initiative significantly broadened access to essential medical services, reinforcing efforts to enhance community health outcomes and overall quality of life.



➔ **Delivering Care When It Matters Most**

A free "24/7 Helpline" was launched to support flood-affected communities in the aftermath of Cyclone Ditwah. Introduced in collaboration with the University of Colombo, the helpline provided round-the-clock medical advice, connecting callers to a dedicated panel of medical professionals available at all times to offer guidance during this challenging period.

As the National ICT Solutions Provider, a strong commitment is maintained towards supporting communities in crisis situations, ensuring connectivity for essential care, and enabling priority access to communication and medical support.



➔ **Leading Connectivity Recovery post Cyclone Ditwah**

The impact of Cyclone Ditwah caused significant challenges for the national telecommunication network, threatening connectivity for households, businesses, emergency responders, and critical national institutions.



In response, we activated a comprehensive, nationwide recovery strategy, underscoring its role as the country's National ICT Solutions Provider and backbone of Sri Lanka's digital infrastructure.

A centralised “War Room” was established as part of the network restoration efforts to prioritise critical services, and deploy resources effectively. This central command ensured that recovery actions were aligned with national and regional needs, from major urban centres to remote areas affected by infrastructure damage. These efforts resulted in rapid restoration of approximately 98% of affected sites within a week from the disaster.



Environmental Stewardship and Sustainable Infrastructure

Objective: Embedding sustainability as a core principle for community infrastructure development to ensure the preservation of the environment.

Empowering the Youth for a Sustainable Future

Affirming our commitment to environmental sustainability, we awarded three scholarships to undergraduate students of the University of Colombo, Wayamba and Uva Wellassa campuses, for research-based scholarship grants. These focused on blue carbon ecosystems in Sri Lanka, fostering a deeper understanding and conservation of these vital environmental assets.



The scholarship programme is open to all undergraduate students who are registered under the University Grants Commission where research is a compulsory module. Selected scholars received financial aid to complete their research, gaining hands-on experience and advancing knowledge in this crucial area. The research topics encompassed areas such as biology, ecology, restoration, conservation, and the sustainable utilisation of blue carbon ecosystems. Additionally, students were encouraged to analyse the interactions between these ecosystems and the local communities that rely on them for their livelihoods.

Each scholarship valued at up to LKR 250,000, provides the recipients with the opportunity to explore practical applications, promote sustainable practices, and engage in innovative research as well as publish their scientific findings.



UNGC Climate Ambition Accelerator

We are proud to be an active participant in the United Nations Global Compact (UNGC) Climate Ambition Accelerator (CAA) program—an internationally recognised initiative designed to support companies in raising their climate action targets.

Our involvement in the Climate Ambition Accelerator reflects our deep commitment to combating climate change. Through this program, we are committed to accelerating our transition to net-zero greenhouse gas emissions, enhancing our climate resilience, and aligning our corporate strategy with globally accepted climate science.

As a participant of the programme, we engage in several initiatives:

- Strengthening our climate governance and accountability mechanisms
- Setting ambitious, measurable targets to reduce emissions across scopes 1 and 2 for 2026

- Advancing actionable roadmaps to transition to low-carbon operations
- Collaborating with global peers to share insights, best practices, and innovative solutions

Our participation in this accelerator reinforces our role as a responsible corporate citizen that not only supports national climate commitments but also demonstrates leadership within the telecommunications sector. By integrating climate action into our business strategy, we contribute to a sustainable future while creating long-term value for our stakeholders and the communities we serve.



Mangrove Restoration Project – Pubudugama

In collaboration with the Department of Forest Conservation, a five-year mangrove restoration project in Pubudugama, initiated in 2024, continues to progress. The initiative focuses on the restoration and long-term sustainability of 4.2 hectares of mangrove ecosystems, as previously reported.



During the year under review, implementation activities were further advanced in partnership with the Forest Department, strengthening efforts to rehabilitate coastal ecosystems and enhance environmental resilience. The project contributes to climate change mitigation, biodiversity conservation, and the enhancement of ecosystem services that support surrounding communities.

This long-term initiative reflects a continued commitment to environmental stewardship and sustainable development, promoting nature-based solutions that generate lasting ecological and social value in line with national sustainability priorities.



➔ Dragonfly Calendar 2025 – Celebrating Connectivity and Renewal

The 2025 corporate calendar, themed “Dragonflies of Sri Lanka”, creatively reflected the vision of connectivity, renewal, and environmental harmony. Inspired by the ecological importance and symbolism of dragonflies, it highlighted themes of transformation, resilience, and sustainable progress.

Featuring artistic depictions of Sri Lanka’s diverse dragonfly species, the calendar also served to raise awareness of biodiversity conservation while drawing connections between nature, technological advancement, and community resilience.



As part of an annual tradition of developing concept-driven calendars, this initiative continued to serve as both a meaningful communication platform and a creative expression of corporate values. Distributed across key stakeholder channels, it reinforced brand identity while fostering appreciation for Sri Lanka’s natural heritage.

This creative engagement is expected to continue in the coming year as well, with the development of another thoughtfully curated calendar that reflects evolving themes of relevance, sustainability, and national significance.



➔ Community Engagement, Inclusion and Resilience

➔ Ramadan Celebrations

Ramadan celebrations were hosted at Iftar for Kalutara student community at Al Madhrasathul Badhriya in Kalutara, providing nearly 75 students with the opportunity to break their Ramadan fast, reinforcing the Company’s dedication to social responsibility and community welfare.



In addition we donated essential school utensils to students as part of its Environmental, Social, and Governance (ESG) initiatives. This thoughtful contribution not only ensures that students have the necessary resources for their education and well-being but also reflects the Company’s dedication to fostering sustainable community development



➔ ICT Partnership with Sri Dalada Maligawa

The long-standing ICT partnership with Sri Dalada Maligawa was further extended during the year, continuing a decade-long collaboration as the official ICT service provider. This enduring partnership reflects a sustained commitment to supporting one of Sri Lanka’s most revered cultural and religious institutions through advanced digital infrastructure.

Under this collaboration, comprehensive ICT solutions—including high-speed fibre connectivity, voice services, and digital broadcasting support—are provided to facilitate seamless communication and global dissemination of religious and cultural content. These services also enable the live broadcasting of key annual events, including the Kandy Esala Perahera, ensuring wider accessibility for devotees locally and internationally.

The partnership continues to play a vital role in preserving cultural heritage through technology, while enhancing the Temple’s digital capabilities in archiving and sharing historical and religious content. This initiative reinforces a long-term commitment to cultural preservation, digital inclusion, and national heritage development.”



➔ Disaster Relief and Community Support

In response to the impact of Cyclone Ditwah, we extended timely relief support to affected communities across the island through the distribution of essential food items and basic necessities, addressing urgent needs during a period of significant disruption.

This initiative was further strengthened through collaboration with the Sri Lanka Rupavahini Corporation, enabling wider outreach and more effective coordination of relief efforts.

These actions reflect our continued commitment to community well-being and responsible corporate citizenship, contributing to national recovery efforts while reinforcing resilience among vulnerable communities.



➡ Youth Empowerment and Future Skills

Objective: Education and Youth Empowerment through Digital Skills. Develop future-ready talent through education partnerships and innovation platforms

Nebula Esports Showdown 2025

Nebula Exports Showdown 2025 organised by the Nebula Institute of Technology reaffirmed position as a key contributor to Sri Lanka’s growing Exports ecosystem. Hosted by the Nebula Institute Esports Club, the event brought together 1,100+ university and school students competing across 12 PC and mobile game titles, with a total prize pool of LKR 850,000. The tournament was attended by SLT-MOBITEL officials, Esports industry representatives, Nebula students, and gaming enthusiasts, creating a vibrant platform for youth engagement and digital skill development.



HELLO AI’ Youth Package – Democratising Access to AI and Digital Learning

In 2025, Mobitel, our mobile arm launched ‘HELLO AI’, Sri Lanka’s first AI centric mobile data package designed specifically to empower youth aged 16–25 with affordable access to artificial intelligence tools and global learning platforms. The initiative provides dedicated data allocations for AI applications such as ChatGPT, Copilot, Claude, DeepSeek, and leading education platforms including Coursera, Udemy, and Canva, enabling students and young professionals to upskill without data constraints.



This initiative supports national digital transformation goals while fostering AI literacy, innovation, and future ready digital competencies among Sri Lankan youth.



Championing Youth Innovation through the SLIoT Challenge 2025

We played a pivotal role in empowering future technology leaders by sponsoring and supporting the SLIoT Challenge 2025, Sri Lanka’s premier Internet of Things (IoT) competition. The programme engaged school students, university undergraduates, and young professionals across the country, encouraging them to develop innovative IoT based solutions to real world challenges.

Beyond sponsorship, SLT MOBITEL conducted hands on workshops on microcontrollers and IoT fundamentals, led by industry experts and university mentors, thereby strengthening practical, job ready skills. Winning teams received continued support including technical mentorship, access to mSpace APIs, data centre hosting, and media exposure through our platforms.



➡ Managing Negative Impacts on Local Communities

As the National ICT Solutions Provider, we are committed to delivering uninterrupted islandwide connectivity while responsibly managing our impact on local communities. Through resilient and reliable network infrastructure, we enable inclusive digital access, support social and economic connectivity, and minimise service disruptions to ensure communities can communicate, engage, and thrive effectively in an increasingly digital world.

Our Operation

Board-level governance and policy

CEO-level Sustainability and ESG committee governs programme selection, funding, implementation, and outcome monitoring

Stakeholder Mapping and Engagement

Structured stakeholder engagement during planning and execution and post-implementation phases to identify and resolve issues.

Mitigation and Management

A time-bound mitigation plan is integrated to project contracts and consents.

Grievance Remediation

An accessible grievance mechanism is in place with defined SLA response, escalation, and remediation, ensuring affected communities or individuals can seek redress.

Monitoring KPIs and Targets

Each community pillar is tracked with quantitative KPIs and 2025 targets such as resilience uptime and avoided social disruption.

Third-party verification and Audits

Independent audits are committed to assess community impact and disclosures, validate compliance and improve credibility.

Public Disclosure and continuous Improvement

Community-impact outcomes are published in sustainability reports and aligns disclosures with GRI guidance, using feedback loops to refine policies and operational controls.

→ Regulators

We adhere to several regulatory authorities in the conduct of our business, through comprehensive, risk-based compliance framework. Maintaining all statutory licenses and approvals, we operate under documented policies for telecom regulation, data protection ensuring we remain compliant, accountable, and aligned with national telecom and corporate governance standards.

→ Principal Regulators and their Roles

Regulatory Authority	Regulatory Purview
Telecommunications Regulatory Commission of Sri Lanka (TRCSL) – primary telecom regulator	Responsible for licensing, spectrum allocation, quality of service, device approvals and consumer complaints; TRCSL is the statutory body that governs SLT's core network and service obligations.
Ministry of Digital Economy/Ministry of Digital Infrastructure and Information Technology – policy and sector stewardship	Sets national digital strategy, coordinates agencies (including TRCSL, ICTA and SLCERT) and oversees major national programmes that affect SLT's strategic direction.
Data Protection Authority of Sri Lanka – regulator for personal data protection and privacy	Enforcing data handling standards that apply to SLT's customer records, billing, and digital services
Securities and Exchange Commission of Sri Lanka (SEC) and Colombo Stock Exchange (CSE) – capital markets and corporate governance regulators	Regulations that govern disclosure, insider trading rules, financial reporting and investor protection for SLT as a listed entity.
Other sectoral regulators and agencies – Central Environmental Authority, Consumer Affairs Authority, and public health or safety agencies	Regulate specific activities (tower siting, environmental permits, consumer protection) depending on the project.

Collaborating for Excellence

Being the national ICT solutions provider, we connect people, businesses, institutions, and infrastructure, driving inclusive economic growth, social cohesion, and digital transformation. Our enduring strength lies in the trust and partnerships we cultivate across customers, communities, employees, regulators, and business partners.

➔ Our Roadmap

Forging long term partnerships with our stakeholder groups is an imperative to strengthen country's telecom ecosystem, ensuring reliable and secure access for consumer and enterprise businesses for sustainable economic growth.

The strategies we adopted capturing the consumer and enterprise business segments is documented in detail in the Customer Capital section at page 76 and the way we build and nurture a future ready team at page 59 in the Human Capital section.

As such, this section is dedicated to our Suppliers, the Partners, the Community and the Regulators.

We focused on disciplined financial management, cost, and efficiency gains, accelerated digital infrastructure, and public sector digitalisation initiatives for a resilient nation and a sustainable economy.

➔ A Strong Supplier Base

A deliberate and well-structured programme enforcing local and global compliance, ethical sourcing, and measurable performance standards govern our supplier management process. Our selection process is through rigorous due diligence, clear contractual safeguards, and established audits to ensure regulatory adherence, sustainability, and social responsibility. We continued to implement strategies that bolstered economies of scale.

Group Level Negotiations

Achieved cost efficiencies

Unified Licensing Models

Strategic negotiations strengthen our bargaining power, securing greater pricing and benefits that we pass directly to our customers.

Procurement Process Optimisation

Process reimagining streamlined tender procedures, accelerating timelines, and delivering speedy and efficient outcomes for suppliers.

Global Price Benchmarking

Regular benchmarking of frequently procured items maximises cost savings and strengthens supplier relationships.

Suppliers are the backbone of our mission to sustain connectivity. Our Supply Chain Management Team ensures reliable delivery and national resilience. For this purpose, we adopt stringent selection protocols.

↓ Rigorous Evaluation Process ensuring quality products

↓ Direct procurement from Original Equipment Manufacturers (OEMs) to ensure competitive pricing without intermediaries

↓ Open Communication Channels for healthy dialogues and growth

To maintain high Service Level Agreements (SLAs) and monitor Key Performance Indicators (KPIs), we are developing advanced dashboards to oversee procurement, payment, inventory management, and order triggers. These tools equip decision-makers with critical, real-time insights essential for operational success.

➔ Strategic Mobile Partnerships and Collaborations in 2025

During the year our Mobile arm, Mobitel expanded its strategic partnership ecosystem through collaborations designed to accelerate digital transformation, enhance service delivery, and improve customer experience across healthcare, public services, entertainment, education, financial services, and emerging technology domains. These partnerships continue to reinforce the Company's role as a key digital enabler in Sri Lanka's evolving ICT landscape.

Key strategic partnerships entered into during the year:

- eChannelling PLC – introduced eHomecare as Sri Lanka's first doctor-led elderly care service and extended digital healthcare collaboration through initiatives such as Medicare 2025 and mental healthcare support programmes.
- Sri Lanka Railways – digitalisation of the pension warrant process to improve efficiency and accessibility for pensioners.
- Department of Pensions – enhancement of digital access and service delivery for state sector pensioners through renewed collaboration.
- Roopa Hala – expansion of access to Sri Lanka's leading Sinhala entertainment platform.
- AI Pazz – introduction of Sri Lanka's first AI-powered legal research platform.
- KOKO – enabling flexible payment solutions for devices through integrated financing options.
- Ministry of Digital Economy – hosting of Sri Lanka's first National AI Expo & Conference 2025, strengthening national digital innovation initiatives.
- Rakuten Symphony – deployment of Open RAN trial in Sri Lanka to support next-generation network innovation.
- Fairfirst Insurance Limited – introduction of mobile billing-enabled third-party motor insurance, enabling seamless digital insurance payments.

➔ Enterprise partners

Cloud, Virtualisation and Platform Services

- VMware by Broadcom
- Microsoft
- Google
- Oracle
- Red Hat
- Huawei

Automation, AI and Digital Platforms

- UiPath
- hSenid
- Blue Lotus 360
- Omobio
- Ram Studio
- Web3Genes
- i-context
- Intercom Global

Cybersecurity and Managed Security Services

- Fortinet
- Palo Alto Networks
- F5
- Nescout
- Ziwit
- Eguardian
- A-Networks

Backup, DR and Data Protection

- Commvault
- Veeam

Networking, UC and Connectivity Services

- Cisco
- HPE Aruba Networking
- Ekinops
- Versa
- Starlink

Unified Communications and Contact Center

- Simsyn
- Duo Software
- Grandstream
- Duzzcall

System Integrators and Distribution Partners

- Crayon
- Bluechip
- Pinnacle

➔ Strengthening Collaboration within the SME Ecosystem

During the year we further strengthened our SME partner ecosystem by onboarding a number of new SME Solution Partners and SME Sales Partners. These partnerships were established to expand our digital solutions portfolio, enhance market reach, and deliver innovative, customer-centric solutions to the SME sector.

New SME Solution Partners onboarded during the year included:

1. Cloud Solutions Lanka (Pvt) Ltd
2. DCS International (Pvt) Ltd
3. eBEYONDS (Pvt) Ltd
4. KBSL Information Technologies Limited
5. mobiOs (Pvt) Ltd
6. Skybell (Pvt) Ltd
7. Softlabs Innovation (Pvt) Ltd
8. 7CS Telecommunication Services (Pvt) Ltd
9. Digital One Labs (Pvt) Ltd
10. Hrock Digital (Pvt) Ltd
11. Skysmart Technology (Pvt) Ltd
12. Zigma Solution Lanka (Pvt) Ltd

In addition, new SME Sales Partners onboarded during the year included:

- Mobitel (Pvt) Ltd
- BellEx Solution (Pvt) Ltd
- Prolabs Innovation (Pvt) Ltd

Through the continuous expansion of our SME partner network, we remain committed to accelerating digital transformation for SMEs while fostering collaboration, innovation, and sustainable business growth across the ICT ecosystem.

➔ Multi-Tenant Partner Ecosystem

Our multi-tenant partners comprise a diverse ecosystem of leading property developers and real estate operators who leverage our advanced digital infrastructure to enhance their developments. Through our reliable, high-speed connectivity and integrated ICT solutions, we enable these partners to deliver smarter, more connected living and working environments. This collaborations underscore our role as a trusted digital infrastructure provider, powering modern developments with scalable, future-ready connectivity solutions.

The following represent a selection of key partners within this expanding ecosystem:

- Home Lands Skyline (Pvt) Ltd
- Expo Property Developers (Pvt) Ltd

- John Keells Properties Ja-Ela (Pvt) Ltd
- Prime Land Residencies PLC
- Grafeio One (Pvt) Ltd
- Mode Engineering (Pvt) Ltd
- Orion Development (Pvt) Ltd
- Keonn Investment (Pvt) Ltd

These partnerships reflect only a portion of our multi-tenant partner base. Collectively, they demonstrate our role in enabling high-speed, reliable and future-ready digital infrastructure that enhances property value and customer experience across the real estate sector.

➔ CONBES Partner Ecosystem and Strategic Vendor Network

Our CONBES partner ecosystem comprises a network of specialist vendors of high-end equipment, enabling the Company to strengthen its customer offering through strategic consignment partnerships.

Driven by our commitment to superior customer experience and supported by access to premium technologies, this model enables the introduction of the latest consumer innovations to the market. It enhances product availability, expands customer choice, and delivers tangible value while enriching our overall product ecosystem.

The CONBES partner network includes several leading industry players such as:

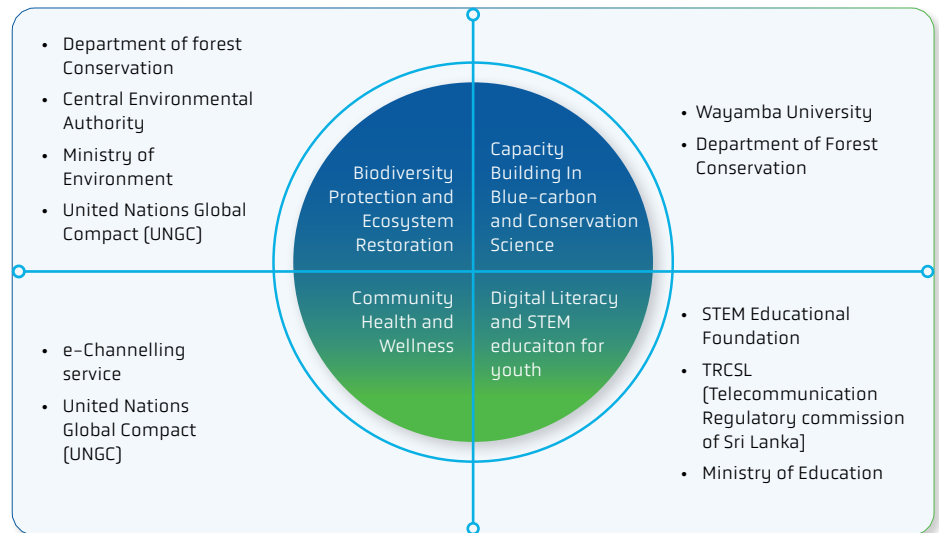
- Sala Enterprises
- Siyol International (Pvt) Ltd
- KLM Enterprise
- SENSE Micro Distributions (Pvt) Ltd
- AJ Technics (Pvt) Ltd
- Xichuan Lanka (Pvt) Ltd

among many other strategic partners within the ecosystem.

Through these collaborations, the Company continues to strengthen its position as a trusted provider of advanced digital solutions while fostering a resilient and innovation-driven supplier ecosystem.

➔ Partnerships for ESG

Forging partnerships with government agencies, academia, NGOs and private sector leaders, we translate our ESG strategy into measurable outcomes. By synergising capabilities and resources, we accelerate climate action, advance social inclusion, and strengthen governance, that result in delivering scalable and accountable outcomes. This is also another aspect of SLTMobitel's support towards national development.



➔ Catalysing Innovation Through Strategic Alliances

Beyond traditional business collaborations, we actively nurture collaborations with government institutions, professional bodies, academia, and industry partners across key national platforms, including technology, engineering, artificial intelligence, education, esports, and youth development. Through these engagements, we continue to enable knowledge sharing, nurture future-ready talent, and accelerate digital transformation, while reinforcing its commitment to inclusive growth and sustainable national development.

➔ SLIoT Challenge 2025 – Nurturing Next-Gen IoT Innovation

We reaffirmed our continued commitment to innovation and youth empowerment by supporting the SLIoT Challenge 2025, Sri Lanka's premier Internet of Things (IoT) competition, organised by the Department of

Computer Science and Engineering, University of Moratuwa in collaboration with the Institution of Engineers Sri Lanka (IESL).

The initiative culminated in a platform that brought together students and professionals across school, university, and open categories to present IoT-based solutions addressing real-world challenges.

➔ IESL RoboGames 2025 – Driving Robotics Innovation

We continued our long-standing support for the IESL RoboGames 2025, elevating the competition into a national showcase of robotics innovation. Organised by the Institution of Engineers Sri Lanka (IESL), the grand finale highlighted emerging technological excellence and set new benchmarks for robotics development in Sri Lanka.

We reinforced our commitment to advancing digital transformation and nurturing young engineering talent, contributing to the growth of the country's innovation ecosystem.

➔ **National AI Expo & Conference 2025 – Advancing Sri Lanka’s AI Ecosystem**

In collaboration with the Ministry of Digital Economy, we supported Sri Lanka’s first-ever National AI Expo & Conference 2025 held in Colombo, marking a significant milestone in the country’s journey toward becoming a regional artificial intelligence hub.

The two-day conference brought together local and global stakeholders, including industry leaders, innovators, and policymakers, to explore the role of AI across key sectors such as the digital economy, education, healthcare, agriculture, and national security.

The initiative reinforced national dialogue on ethical AI adoption, innovation ecosystems, and future-ready skills development, supporting Sri Lanka’s vision for an inclusive and AI-driven digital future.



➔ **Nebula Esports Showdown 2025 – Empowering Youth through Responsible Esports**

In collaboration with our education arm, the Nebula Institute of Technology, conducted the Nebula Esports Showdown 2025, celebrating youth talent in Sri Lanka’s growing esports ecosystem under the theme “Responsible Esports and Digital Wellbeing”.



The national-level event, held at the Nebula Institute of Technology in Welisara, engaged over 1,100 students from schools and universities across the island, competing across multiple PC and mobile gaming titles.

The initiative reaffirmed our commitment to nurturing digital skills, strategic thinking, and technological proficiency among youth, while strengthening its role in Sri Lanka’s digital innovation landscape.

➔ **EngEx 2025 – Advancing Engineering Excellence through Strategic Partnership**

We played a pivotal role as the title partner of EngEx 2025 in supporting Sri Lanka’s most significant engineering exhibition, organised in collaboration with the Faculty of Engineering of the University of Peradeniya during its Diamond Jubilee. The event successfully brought together industry leaders, innovators, students, and the general public, attracting over 52,000 attendees.



➔ **Southern AI Expo & Conference (Rextro 2025) – Enabling the Future of AI Innovation**

We served as the official AI & Technology Partner for the Southern AI Expo & Conference Rextro 2025, held at the Faculty of Engineering, University of Ruhuna, Galle. The event, provided a platform to explore emerging possibilities in artificial intelligence and technology innovation, engaging academia, industry experts, and aspiring technologists.



➔ **Techno 2025 – Driving National Digital Transformation**

We served as the Principal Sponsor of Techno 2025, the country’s leading engineering and technology exhibition, organised by the Institution of Engineers, Sri Lanka (IESL) under the theme “Engineering for a Smart Nation”.



Through this partnership, we showcased cutting-edge innovations and AI-driven solutions, reinforcing its commitment to advancing Sri Lanka’s digital transformation. The engagement further strengthened its role in fostering innovation, creativity, and digital inclusion across society and the economy.

➔ **EDEX Expo 2025 – Empowering Youth through Digital Connectivity**

This initiative reflects our commitment to empowering youth and advancing educational opportunities through inclusive and reliable digital connectivity.

We continued its long-standing partnership as the Official Telecommunication Partner of EDEX Expo 2025, marking over a decade of collaboration with the country’s largest education exhibition and job fair.

Held at BMICH, Colombo and Kandy City Centre, the event was supported through the provision of free Wi-Fi connectivity, enabling seamless digital access for visitors, exhibitors, and stallholders.



Intellectual Capital



Insights and Innovation

We, as the national ICT solutions provider in Sri Lanka over 168 years owns a rich intellectual capital that encompasses brand equity, proprietary technology platforms, world-class submarine cable infrastructure, digital innovation capabilities, and a global business unit, Xyntac, that positions Sri Lanka as a strategic digital hub in the Indian Ocean.

Strategic Intent

Our Intellectual Capital strategy is focused on transforming institutional knowledge, digital capability, and innovation capacity into sustainable competitive advantage as we accelerate our transition from a traditional TelCo to a future-ready TechCo. Leveraging decades of experience in operating Sri Lanka's critical telecommunications infrastructure, the Company continues to strengthen specialist expertise across cloud technologies, cybersecurity, artificial intelligence, data analytics, network engineering, and digital platforms to deliver scalable digital solutions for enterprises, government institutions, and consumers. Strategic investments in workforce reskilling, research and development, knowledge management, innovation ecosystems, and global partnerships further enhance our ability to accelerate innovation, improve service reliability, and deploy emerging technologies at scale. Supported by strong institutional credibility, established governance frameworks, and long-standing public-sector trust, we continue to create differentiated value through platform-based services, enterprise digital solutions, and innovation-led business models, reinforcing long-term competitiveness within an increasingly digital economy.

Highlights

No. 1 Telco Brand

Telco Category by LMD

No. 1 Best Mobitel Network

by Ookla Q3 and Q4 – 2025

Robust Innovation Eco System

Embryo Innovation Centre

DIGIWAY

Transformation Programme Advanced – Telco to Techo

How We Impact SDGs



➔ Brand Equity

Shifting from traditional commodity TelCo to a platform-led, enterprise, and consumer hybrid model of TechCo, we focused on reliability, digital services, and national development, launching a unified digital platform of connectivity, cloud, and managed services. This reframed brand messaging around national resilience and digital empowerment. Localised campaigns, simplified pricing, omnichannel support, and community programmes highlighted our role in national development, retaining customer loyalty, enhancing customer experience, and staying relevant, in a competitive market. Reflecting our commitment to industry leadership, we were named LMD's No. 1 Telecom Brand for Customer Service Excellence and awarded Best Mobile Network by Dokla for the second half of 2025.

The improved service quality, broader network coverage, and elevated brand experience have driven measurable customer satisfaction and loyalty. We acquired the tender to digitalise government service capabilities, while corporates and SME segment's accelerated appropriation of SLT services boosted productivity. These outcomes enhanced our role as a strategic partner in the nation's ongoing digital transformation.

➔ A Direct Commercial Engine

Our financial strength is a direct translation of its intellectual capital of skills, processes, and specialist knowledge, where engineers, product manager, and operation teams share standardised procedures into customer experience. Playbooks, automated deployment pipelines, and pre-validated service templates, and pilot cycles compressed from months to weeks, facilitates the speed advantage, capturing early adopter enterprise customers and consumers. This allows us to respond ahead of the competition to market windows and iterate of pricing and features while customer acquisition costs remain low.

➔ Monetising Streams

We are able to package premium offerings based on skilled cloud and security teams, sovereign cloud hosting, managed security, and systems integration at enterprise price

points rather than competing in commodity connectivity alone, that translates into higher enterprise ARPU and new monetising streams. Tacit knowledge is converted to billable IP, that encompass professional services and outcome based contracts such as migration, managed SOC, and IoT analytics, increasing contract sizes and lengthening customer lifetime value.

➔ Lower Incident MTTR

Operational knowledge and institutionalised runbooks drive lower incident MTTR and higher service reliability, which are critical commercial differentiators for enterprise and government customers. Faster incident resolution reduces SLA penalties, preserves revenue, and strengthens reference ability for which enterprises are willing to pay a premium for predictable uptime and rapid recovery.

➔ Sovereign Capability and Public-sector Trust

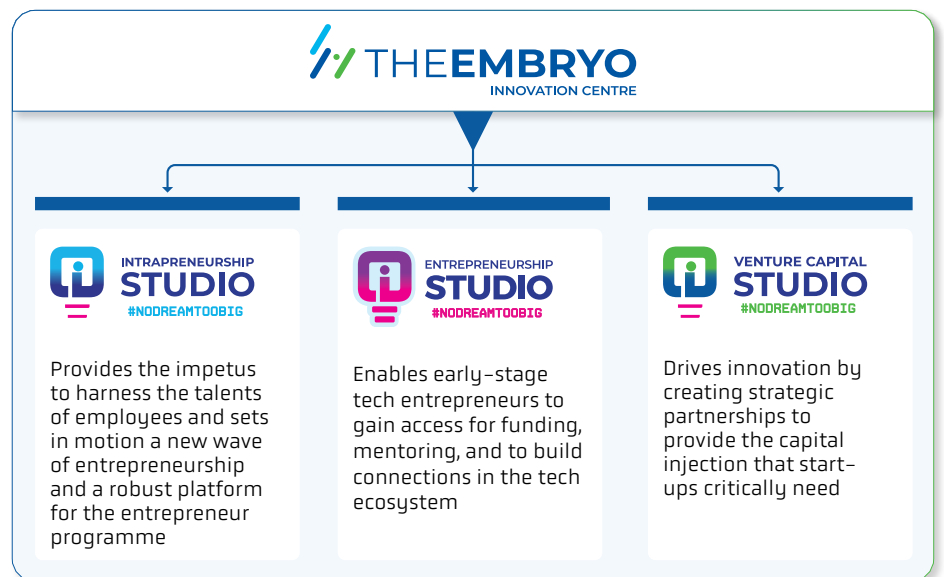
Legacy experience combined with futuristic approach to technology and digital transformation has earned the trust of the government and the public sector opening access to government contracts and partnering national infrastructure projects, that requires local control, compliance and demonstrable expertise ISO certified processes, audited processes, and locally hosted data solutions allows us to acquire leadership in national digital initiatives, converting people and knowledge into sustained commercial advantage and national impact.

➔ Driving Innovation

Accelerating innovation across the organisation, we turned strategic intent into tangible products and partnerships. Launching the Sri Lanka government cloud, data centres, targeted PoCs for IoT, managed security, and cloud migration that moved rapidly into commercial pilots. Strategic alliances with global cloud and cybersecurity partners enabled fast capability transfer and certification pathways for staff, that ultimately translated into commercial wins with measurable uplift in platform service bookings.

➔ Embryo Innovation Centre

The Embryo Innovation Centre continued to strengthen our innovation ecosystem by driving research and development initiatives focused on emerging digital technologies, intelligent automation, and future-ready solutions. Serving as our dedicated innovation platform, Embryo supported the conceptualisation, development, and deployment of technology-led solutions that enhanced operational efficiency, customer engagement, and infrastructure intelligence. Central to this progress was the integration of Artificial Intelligence and Machine Learning capabilities, enabling data-driven decision-making, predictive analytics, and intelligent process automation across the Company's core operations and service delivery functions.



During the year, the Centre advanced a portfolio of AI-driven, IoT-enabled, and automation-based solutions addressing evolving enterprise and operational requirements. Innovations such as Smart Power Monitoring Solution, PowerLast, SenseGrid, and ParkEase leveraged real-time analytics and smart infrastructure capabilities to improve energy optimisation, mobility solutions, and operational visibility. AI-powered platforms including Visage, Ask HR, and Nebula AI Assistant further strengthened digital engagement and internal process efficiencies, while predictive solutions such as Copper Guard and Proactive FTTH Fault Prediction enhanced network reliability through proactive maintenance and analytics-driven interventions.

The Embryo Innovation Centre also received industry recognition for several technology-driven solutions developed during the year, reinforcing our capability to deliver innovative, scalable, and commercially relevant digital solutions that contribute to Sri Lanka's evolving digital landscape.

➔ Operational Excellence

Network reliability, service delivery speed, and cost efficiencies were continuously improved delivering operational excellence. A focused FTTx and fixed-wireless rollout expanded coverage in priority districts, while network virtualisation and automation reduced manual touchpoints and cut average incident MTTR by a significant margin. Lessons learned improved first-time-fix rates enabling predictable SLAs for enterprise and government customers. Reskilling and certification programmes drove higher NPS, lower churn, augmenting an already strong brand, as dependable partner for digital transformation.

➔ Building Future - Ready Digital Talent

The Nebula Institute upgraded its learning repertoire by adding Degree level study courses while continuing with structured programmes for both the new recruits and seasoned employees. Repositioning legacy telecom training with multi-disciplinary tech education, it expanded industry-aligned courses to supply certified talent for digital services and wider telecom ecosystem. Course portfolio expansion combined fundamental

engineering skills with applied topics in Data Science and Robotics and AI, targeting fresh graduates and in-service professionals.

Emphasising hands-on learning with lab facilities and project work, the Institute mirrored industry use cases on cloud migration, IoT, prototyping, and network automation, improving graduate readiness for enterprise deployment. Campus level activities were hosted for student engagement raising our profile among universities and schools, positioning itself as a bridge between academia and industry, while harnessing young talent for a sustainable telecom industry. By 2025, Nebula strengthened our internal talent pipeline for cloud, cybersecurity, and data centres, reducing time-to-hire.

➔ Digital Transformation

➔ Driving the Telco-to-TechCo Transformation

We accelerated its transformation from a traditional telecommunications provider to a future-ready TechCo through a concentrated focus on digital platforms, intelligent services, and next-generation technologies. Anchored on resilience, innovation, and sustainable growth, the Group continued to evolve beyond commodity connectivity, strengthening its role as a national digital infrastructure and solutions provider.

Driving this transformation was the Group-wide digital transformation programme, DIGIWAY, which provided a structured and outcomes-driven framework aligned with global best practices. During the year, DIGIWAY progressed from strategic blueprinting to scaled execution, delivering measurable advancements across customer experience, operations, technology, data, and people. The programme strengthened organisational agility, improved enterprise-wide decision-making, diversified revenue streams beyond connectivity, and enhanced our responsiveness to evolving market dynamics.

➔ Advancing Digital Maturity and Governance

We continued applying the TM Forum Digital Maturity Model (DMM) to guide and assess progress across six strategic dimensions comprising Customer, Strategy, Technology, Operations, Data, and People and Culture.

The implementation of a three-year Digital Transformation Strategic Blueprint, executed through integrated sub-programmes and prioritised initiatives with defined KPIs, ensured disciplined governance, accountability, and sustained improvement across the organisation.

To reinforce execution excellence, the transformation programme was supported by a Digital Transformation Steering Committee chaired by the CEO together with a dedicated transformation core team and specialised Centres of Excellence. This governance structure strengthened cross-functional collaboration, accelerated decision-making, and ensured alignment between strategic priorities and operational execution.

➔ Modernising Platforms and Network Architecture

At the network edge, we advanced next-generation access and mobility capabilities, including public rollout initiatives for 5G and expanded broadband offerings that enabled higher throughput and lower latency for enterprise-grade use cases. These initiatives enhanced digital accessibility while strengthening our capability to support increasingly data-intensive consumer and enterprise requirements.

Simultaneously, we progressed the modernisation and unification of its IT, network, and BSS/OSS architecture, moving towards modular, API-driven, cloud-ready systems aligned with Open Digital Architecture (ODA) principles. Roadmaps for legacy application modernisation, cloud migration, and application re-engineering further strengthened scalability, operational resilience, and future readiness across the organisation.

➔ Building a Data-Driven and AI-Enabled Organisation

We reinforced its ambition to become a data-driven and AI-enabled organisation by expanding analytics use cases across commercial, operational, and network domains, improving the speed, accuracy, and quality of decision-making. A Group-wide Data Governance Framework was formalised during the year to strengthen data ownership, lifecycle management, security, and compliance in alignment with Sri Lanka's Personal Data Protection Act (PDPA), institutionalising data as a strategic enterprise asset.

Artificial Intelligence adoption accelerated across customer engagement, network operations, and internal productivity functions, supported by structured awareness programmes, capability-building initiatives, and innovation platforms. We also hosted its inaugural AI Hackathon during the year, encouraging employees to develop AI-driven solutions to address business challenges while fostering collaboration and strengthening AI literacy across the organisation.

➔ Expanding Digital Solutions and Platform Services

Strategic partnerships with global technology, cloud, and cybersecurity providers accelerated capability transfer and staff certification pathways, enabling the Company to commercialise higher-value, outcome-based services such as cloud migration, managed security operations, and IoT analytics. These initiatives strengthened our ability to move beyond connectivity-led offerings into integrated digital solutions and platform-based business models. We leveraged its digital capabilities, network infrastructure, and specialist expertise to enhance its enterprise solutions portfolio, positioning itself as a trusted partner for enterprises and government institutions pursuing digital transformation initiatives.

➔ Enabling People and Digital Culture

Supporting this transformation was a continued investment in people, culture, and digital capability development. Employees received training and certifications in Agile practices, TM Forum standards, data analytics, AI, and emerging technologies, fostering a performance-driven and innovation-oriented culture capable of adapting to rapidly evolving technological demands.

Internal digital enablement initiatives, including enhancements to the Neylie Smart Employee Self-Care platform and AI-assisted employee support services, further improved workforce inclusion, operational efficiency, and digital adoption across the organisation. Through continuous learning, collaborative ways

of working, and structured capability development, SLT-Mobitel strengthened its ability to attract, retain, and develop future-ready talent essential for sustaining long-term digital transformation.

➔ A Dynamic and Inclusive Corporate Culture

We cultivated a dynamic and inclusive workplace where agility and continuous learning are core behaviours. Cross functional squads and fast track reskilling programs encourage experimentation and rapid iteration, while clear career pathways and visible leadership sponsorship ensure new ideas move quickly from pilot to production. The organisation emphasises gender inclusion and diversity creating a broader talent pool and stronger team performance. A structured plan is to be rolled out in 2026, for diversity, equity and inclusivity.

A transparent grievance handling framework and multiple safe channels for feedback ensure concerns are addressed promptly and constructively, while regular town halls and upward feedback loops keep leadership accountable. Promotions and rewards are merit based, tied to measurable outcomes, capability development, and demonstrated impact, with recognition programs that celebrate both individual excellence and collaborative achievements.

➔ Retaining the License to Operate

Operating within Sri Lanka's tightly regulated and highly competitive telecommunications industry requires us to maintain a disciplined, proactive, and uncompromising approach to regulatory compliance and responsible business conduct. We continuously reviews and strengthens its policies, procedures, and governance frameworks to align with evolving regulatory requirements, industry standards, and emerging operational risks.

Regular audits, robust internal controls, and the integration of compliance considerations into operational and strategic decision-making processes enable the Company to mitigate risks, safeguard customer interests, and preserve its reputation as a trusted national digital infrastructure provider. Maintaining strong regulatory relationships and securing the necessary approvals and licenses remain fundamental to sustaining market access, ensuring service continuity, supporting long-term investments, and enabling the expansion of innovative digital services across the country.

- Key licenses held by the Company include:
- Fixed Operator License (TRCSL)
- Mobile Operator License (TRCSL)
- Broadcasting License for Internet Protocol Television (IPTV) Services (Ministry of Mass Media)
- Spectrum Licenses (TRCSL)
- Vendor Licenses (TRCSL)

SLT and Mobitel separately hold Spectrum Licenses and Vendor Licenses issued by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), supporting their respective operational and service delivery requirements.

The chapters on SLT Services (pages 86 to 93), Trailblazing Infrastructure (pages 50 to 57), and Our Global Brand (pages 94 and 95) provide further details on the initiatives and strategic advancements encompassed within the Group's broader remit of Insights and Innovation.

Natural Capital



Natural Capital Powering Sustainable Connectivity

Environmental sustainability is embedded into the Company's broader ESG strategy and integrated across governance, operational decision-making, risk management, and long-term value creation processes. The Company's sustainability and climate-related financial disclosures prepared in accordance with SLFRS S1 and SLFRS S2 are presented in the dedicated "SLFRS Sustainability-related Financial Disclosures" section of this Annual Report.

Strategic Intent

Our Natural Capital strategy pivots on improving resource efficiency, reducing environmental impact, and strengthening the sustainability and resilience of its digital infrastructure ecosystem. As an energy-intensive technology and connectivity provider, the Company prioritises renewable energy adoption, energy optimisation, sustainable infrastructure development, responsible waste management, biodiversity conservation, and circular economy practices across its operations. Strategic initiatives during 2025 included the solarisation of network sites, modernisation of energy-intensive infrastructure, implementation of energy-saving measures, enhancement of electronic waste management processes, and expansion of water stewardship and biodiversity initiatives to support sustainable digital growth and long-term operational resilience. As the Company advances its transformation into a future-ready TechCo, it remains committed to building a low-carbon, resource-efficient, and environmentally resilient operating model through continued investments in sustainable technologies, renewable energy solutions, and operational optimisation, while supporting Sri Lanka's broader sustainability and climate priorities.

Highlights

873

Solarised Network Sites

18%

Renewable-powered Base Stations

**4.2
hectares**

Supporting conservation of mangrove ecosystems in Puttalam

**4.8
tonnes**

Copper sold for recycling

**6,509 MWh
[Approximately]**

Energy Generation Capacity through Solar PV

**How We
Impact SDGs**



➔ Environmental, Social, and Governance (ESG) Framework

Our commitment to sustainable value creation is anchored in an Environmental, Social, and Governance (ESG) approach focused on environmental sustainability, community development, education youth empowerment, and digital inclusion. This approach is strategically mapped to the 17 United Nations Sustainable Development Goals (SDGs), ensuring our corporate objectives foster environmental stewardship, social equity, and robust ethical governance.

We joined the United Nations Global Compact (UNGC) Network in 2024. Therefore, operations are strictly aligned with universal principles on human rights, labour standards, environmental protection, and anti-corruption.

➔ Fostering a Green Workplace Culture

A vital component of environmental governance is engaging our workforce and making sustainability a shared responsibility across all levels of the organisation.

Green principles are incorporated into education, training, and awareness programmes that impact daily operations across the company, through continuous capacity-building initiatives focused on resource efficiency, waste reduction, and sustainable practices. Programmes such as Energy Week instil energy-saving awareness through a series of direct and indirect activities. Internal and external digital awareness campaigns also educate staff and the public on ecological conservation and responsible behaviour.

Employee engagement and awareness ensure participation in our sustainability initiatives, while empowering staff to propose and implement their own innovative projects. Projects are

formally recognised, and employee-led environmental initiatives are incentivised. In addition, employee volunteering encourages staff to actively participate in our environmental sustainability and ESG initiatives.

ISO 14001:2015 Certification – Strengthening Environmental Leadership

We achieved a significant milestone in our sustainability journey with the successful certification of our Head Office under the ISO 14001:2015 Environmental Management System (EMS). The certification was independently verified by Bureau Veritas, reinforcing the organisation's commitment to internationally recognised environmental standards.

This achievement reflects our strong focus on environmental sustainability and its long-term vision of becoming a green leader in the telecommunications sector. The EMS is aligned with the Green Building Council of Sri Lanka. The Green Building Council of Sri Lanka principles and integrates environmental responsibility into core business operations.

The certified system strengthens our approach to environmental management through key priorities, including reducing environmental impacts, ensuring regulatory compliance, promoting recycling and green procurement, improving energy efficiency, and reducing carbon emissions. It also encourages employee awareness and responsible practices across operations and the value chain.

This certification further enhances our environmental credibility and demonstrates its readiness to meet growing expectations from customers, regulators, and investors while supporting long-term sustainable growth.

➔ Energy and Emission: Commitment to Long-term Sustainability

As a technology company providing fixed, mobile and IPTV connectivity to millions, our network operations are highly energy intensive. Recognising that the majority of energy consumption arises from network operations, we continue to prioritise efficiency and optimisation initiatives in this area.

	2025
Energy consumption within the organisation	78.4 GWh
GHG Emissions only Hydrochlorofluorocarbons (HCFCs)*	32,716.32 tCO ₂ e

➔ Energy Management and Climate Action

As part of its commitment to environmental sustainability and responsible resource management, we implemented a structured Energy Management Strategy during 2025 aimed at minimising environmental degradation and reducing the Company's carbon footprint. The strategy is aligned with ISO 50001 energy management principles and broader ESG governance requirements, supporting long-term operational resilience and national climate objectives.

Through targeted investments in renewable energy, energy-efficient infrastructure, and low-carbon network operations, we continued to strengthen our transition towards cleaner and more sustainable energy consumption models across both SLT and Mobitel operations.

➔ Expanding Renewable Energy Infrastructure

Continued investments in solar photovoltaic (PV) solutions across network infrastructure and operational facilities reinforced the Company's transition towards cleaner and more resilient energy operations.

During 2025, SLT completed 33 grid-connected rooftop solar PV installations across its premises, including the Welikada Green Building and SEMV5 installations, thereby contributing a total clean energy generation capacity of 1,524 kWac. These initiatives resulted in annual energy savings of approximately 2,200 MWh and reduced the carbon footprint by an estimated 825 MTCO_{2e} per year.

Further strengthening the Company's renewable energy transition, our mobile arm, Mobitel, accelerated renewable energy adoption across its network infrastructure during the year by completing 840 PV solar sites with a total installed generation capacity of 3,420 kWac. These initiatives delivered annual energy savings of approximately 4,309 MWh while reducing carbon emissions by an estimated 1,767 MTCO_{2e} annually.

The Company plans to further expand its renewable energy initiatives and strengthen sustainable network operations, with solarisation targeted across 1,000 site locations by Q2 2026.

➔ Energy Efficiency and Operational Optimisation

We have systematically replaced outdated legacy equipment with high-efficiency alternatives, including the installation of energy-efficient light-emitting diode (LED) lighting. During 2025, the Company implemented multiple energy optimisation initiatives, including the installation of over 2,000 LED lighting units and inverter-type air-conditioning systems with a combined installed cooling capacity of 312 TR. These interventions resulted in annual energy savings of approximately 105,040 kWh and contributed to a reduction of 76 MTCO_{2e} in carbon emissions annually.

➔ Responsible E-Waste Management and Circular Resource Use

We continued to strengthen environmentally responsible waste management practices through structured e-waste recycling initiatives aimed at reducing environmental impact and promoting circular resource utilisation. During 2025, a total of 384.62 tons of electronic waste was recycled, resulting in an estimated carbon footprint saving of 1,144.69 tons of CO_{2e}, through the responsible disposal and recycling of electronic equipment, thereby minimising environmental pollution while recovering valuable materials through approved recycling processes. The environmental impact has been independently validated using internationally recognised methodologies, including ISO 14064:2018 and ISO 14040:2006, ensuring robust accuracy, consistency, and transparency in emissions accounting and lifecycle assessment.

➔ Waste: Sustainability through Circular Practices

We prioritise responsible waste management as part of its overarching environmental strategy, guided by policies aligned with national regulations and global sustainability standards. Operating within a high-tech industry with inherent e-waste risks, the Company prioritises waste minimisation initiatives, structured recycling, and resource recovery programmes, and maintains environmentally responsible and compliant disposal practices across all operations. Sustainability considerations are also increasingly integrated into procurement and asset management practices, prioritising durable, upgradeable, and resource-efficient technologies that support extended lifecycle utilisation.

We adopt a comprehensive approach to electronic waste management:

- Segregation and processing: E-waste is systematically sorted for recycling or environmentally safe disposal.
- Refurbishment and redistribution: Repairable devices are refurbished and redeployed, extending asset life and reducing new procurement.
- Responsible disposal: E-waste is handled exclusively by suppliers registered with the Central Environmental Authority (CEA), ensuring compliance with environmental regulations and ethical disposal standards.

In addition, we minimise e-waste generation through sustainable procurement practices, prioritising durable and upgradeable equipment, and extending asset life cycles through proactive maintenance. Functional end-of-life units, including equipment recovered from client premises, are refurbished and redeployed wherever feasible.

Guided by circular economy principles, we focus on maximising resource efficiency and keeping materials in use for as long as possible.

- **Waste/Material recovery:** Through our in-house recycling plant, we reused 4.8 tonnes of copper annually, reducing the environmental impact of raw material extraction while generating economic value and supporting employment.
- **Waste/Material-use Reduction:** Digitalisation initiatives, electronic documentation, and structured recycling programmes significantly reduce paper consumption.
- **Food waste management:** Segregation and responsible disposal practices minimise food waste across facilities.

In addition, the Group actively promotes sustainable waste practices among employees, suppliers, and other stakeholders. Recycling programmes are encouraged organisation-wide, supported by awareness initiatives that emphasise reduction, reuse, and responsible disposal of paper, food, and electronic waste.

🔄 **Biodiversity: Environmental Conservation**

Our long-standing support for environmental preservation – through habitat conservation, biodiversity protection, and reforestation initiatives – is aimed at achieving wide-ranging positive environmental outcomes.

We actively support the conservation of vital coastal assets by awarding research-based grants (Blue-Carbon Scholarships) to undergraduate students from local universities such as the University of Colombo, Wayamba University of Sri Lanka, and Uva Wellassa University of Sri Lanka. These scholarships provide vital support to study, conserve, and promote the sustainable utilisation of mangrove and coastal ecosystems.

Our support for research and academic study is complemented by direct mangrove restoration programmes carried out in collaboration with implementing partners. One such ongoing project is working to restore and conserve 4.2 hectares of mangrove ecosystems in Pubudugama, Puttalam District, in partnership with the Department of Forest Conservation.

🔄 **Water: Responsible Utilisation**

We have implemented green building facilities at its Operational Headquarters building in Welikada. One key aspect of these facilities is the effective management of wastewater, which helps minimise the risk of groundwater contamination and environmental pollution. Wastewater generated within the building is treated through an in-house treatment plant and reused for purposes such as landscape irrigation. This practice reduces the demand for potable water for irrigation activities, thereby supporting more sustainable building operations.

In addition, we have adopted integrated water conservation practices by collecting and reusing rainwater and condensate water generated from air-conditioning systems. The collected water is reused for flushing purposes within the building.

Furthermore, several mechanisms have been implemented to enhance groundwater recharge, including water traps for surface runoff and measures to increase water percolation.

Through these approaches, the Company minimises the requirement for potable water, reduces water wastage, and contributes to a more sustainable environment.

🔄 **Vision for a Greener Future**

Our long-term environmental strategy is anchored in a commitment to aligning our corporate trajectory with global climate science to ensure a resilient digital future for Sri Lanka. Central to this vision is our transition toward achieving net-zero greenhouse gas emissions by 2045.

As we evolve into a fully-fledged TechCo, we are also addressing the unique environmental challenges posed by advanced technologies. This includes managing the high-power requirements of data centres and the growing energy footprint associated with artificial intelligence (AI). The aim of our work with utility service providers and government regulators is to expand access to renewable energy and sustainable power solutions in the years to come. To ensure these efforts are sustained through robust oversight, we comply with stringent governance guidelines and maintain a dedicated focus on risk management, which takes into account climate risks and other sustainability-related risks for all new projects.

SLFRS S1 and S2 Disclosures

1.0 Basis of
Preparation and
Presentation

119

2.0 Governance

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3.0 Climate and
Sustainability
-Related Risks and
Opportunities

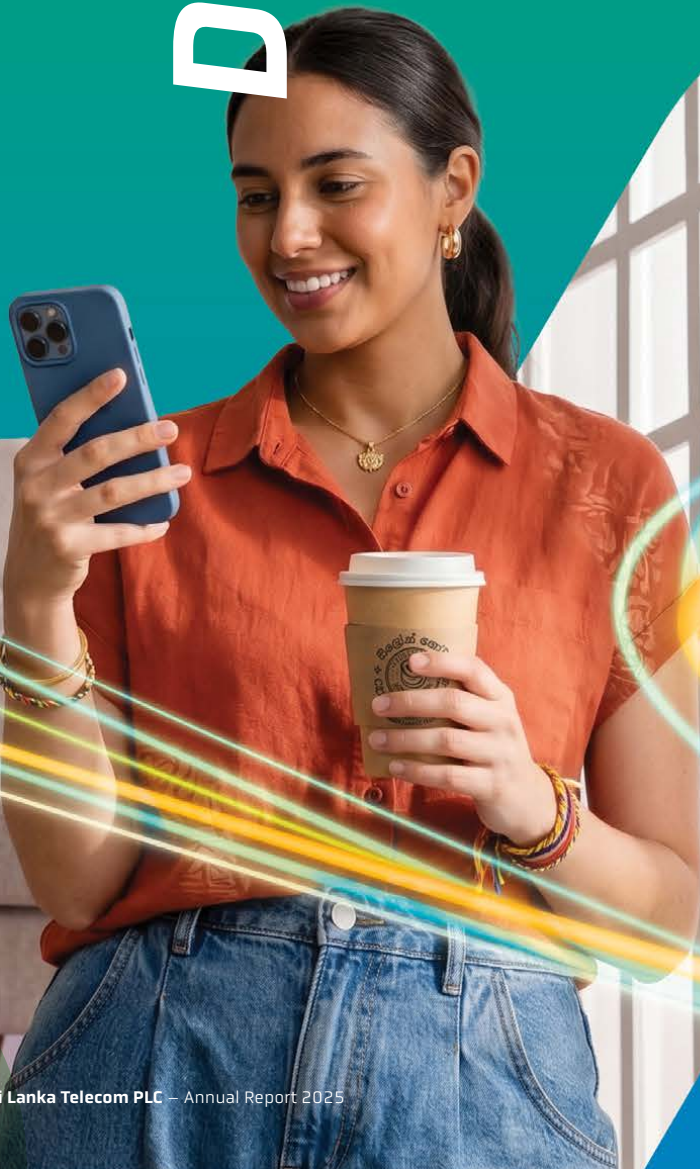
124

4.0 Risk
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5.0 Metrics and
Targets

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1.0 Basis of Preparation and Presentation

The sustainability and climate-related financial disclosures are prepared in compliance with CSE Listing Rule 7.5.a(i) to disclose information on sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) based on the sustainability and climate-related provisions in SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures (other than the transitional relief applicable in the first annual reporting period in which entity applies these Standards). The disclosures in this section are provided on a consolidated basis, unless otherwise stated.

Navigation symbols are used throughout this section to indicate linkages between disclosures within this chapter as well as to other relevant sections of the Integrated Annual Report. A guide to these symbols is provided in Section 1.7.

➔ 1.1 Reporting Boundary and Period

Sustainability-related financial disclosures include Sri Lanka Telecom PLC and its subsidiaries (together referred to as “SLT”) for the year ended 31 December 2025 and aligns with the reporting boundary of the consolidated financial statements of SLT. SLT’s sustainability and climate-related financial disclosures cover the same reporting period as the related financial statements.

➔ 1.2 Value Chain

SLT operates across an integrated telecommunication value chain shaped by mutual dependencies and impacts, as outlined in the section “Our Business Model” (pages 28 to 29) 🌐. SLT draws on a combination of financial, manufactured, intellectual, human, social and relationship, and natural capital throughout its value chain to provide

reliable connectivity, digital solutions, and sustainable long term value. Concurrently, SLT’s operational activities and engagement with stakeholders influence these capitals through value creation, preservation or erosion.

In evaluating SRROs and CRROs, SLT assessed both upstream and downstream components of the value chain based on reasonable and supportable information available without undue cost or effort, to obtain a holistic understanding of value chain wide effects.

1.2.1 Upstream Value Chain

As described in the “Our Business Model” (pages 28 to 29) 🌐, upstream activities primarily comprise SLT’s interactions with suppliers, technology and infrastructure partners, regulators, financial institutions and strategic alliances to obtain essential financial and non financial resources for telecommunication operations. These resources include network infrastructure and equipment, spectrum, energy inputs, technology platforms, skilled workforce, and capital funding.

SLT utilises six categories of capital—Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural—which form the foundational inputs enabling network rollout, service provision, and technological innovation.

SRROs and CRROs influence upstream activities by affecting the cost, availability, and dependability of network assets, energy supply, funding sources, and skilled labour, as well as SLT’s capacity to sustain effective relationships with suppliers and other key external stakeholders.

1.2.2 Internal Operations

Internal operations comprise SLT’s core activities that convert six-capital inputs into connectivity solutions, digital offerings, and strategic outcomes. As illustrated in “Our Business Model” (pages 28 to 29) 🌐, value creation

activities include network planning, expansion, and upkeep; operation of fixed, mobile, data centres, and submarine cable infrastructure; development of products and solutions; customer service management; IT and cybersecurity functions; human capital development; and governance, risk, compliance, and ESG integration, including sustainability and climate risk oversight.

These processes are fundamental to delivering secure and reliable services, fostering innovation, preserving service quality, and strengthening operational resilience. SRROs and CRROs can affect these operations through SLT’s ability to convert capital into value.

1.2.3 Downstream Value Chain

Downstream activities relate to SLT’s customer facing services and engagements that deliver value to individual consumers, enterprise clients and the wider economy as described in the “Our Business Model” in (pages 28 to 29) 🌐. These activities include the delivery of fixed and mobile connectivity, digital and cloud based services, managed network solutions, customer support and ongoing monitoring of network performance and service quality.

Through its downstream value chain, SLT supports the development of digital inclusion, reinforcing social and relationship capital through responsible and ethical service delivery, facilitating economic activity, and contributing to national digital and environmentally sustainable infrastructure initiatives.

Downstream activities are a critical component which expose SLT to SRROs and CRROs arising from its customer base, industry exposure, and market dynamics, with direct impact on financial performance and long-term value creation. Sustainability and climate related risks may influence customer demand, network usage behaviour,

1.0 Basis of Preparation and Presentation

and infrastructure resilience, while simultaneously creating opportunities to advance energy efficient improvements, enable digitalisation, support low carbon emission sources, and creating positive value for stakeholders and environment.

➔ 1.3 Materiality

In the context of sustainability-related financial disclosures, information is material if omitting, mistaking or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports make on the basis of those reports.

Although the SLFRS Sustainability Disclosure Standards are based on financial materiality, SLT has also considered impact materiality in its assessment to enhance the transparency and completeness of sustainability information provided to stakeholders, as described in the “Materiality” section on page 35. 🌐

1.3.1 Financial Materiality Thresholds

The financial materiality assessment incorporates both quantitative and qualitative considerations to evaluate the significance of potential financial impacts arising from SRROs and CRROs. This assessment applies to a structured scoring methodology to assess each SRRO and CRRO based on its likelihood of occurrence and the magnitude or severity of its potential impact. The following thresholds were used to determine the impact/severity of SRROs and CRROs during the reporting period.

Quantitative Criteria	Qualitative Criteria
SLT uses the financial impact to determine financial materiality, with classifications as follows: <ul style="list-style-type: none"> • Very Low: Less than LKR 3 Mn. • Low: LKR 3 Mn. to LKR 15 Mn. • Medium: LKR 15 Mn. to LKR 75 Mn. • High: LKR 75 Mn. to LKR 150 Mn. • Very High: More than LKR 150 Mn. 	<p>Strategic Alignment: Relevance to the SLT’s business model, long-term strategy and value creation objectives.</p>
	<p>Reputational Impact: Potential impact on stakeholder confidence, brand value and market positioning.</p>
	<p>Regulatory and Policy Compliance: Exposure to regulatory, supervisory or legal consequences.</p>
	<p>Stakeholder Sensitivity: Degree of stakeholder expectation, scrutiny or pressure.</p>

This approach ensures a comprehensive materiality assessment by considering both quantifiable financial effects and non quantifiable strategic and regulatory factors that could influence the decisions of primary users of general purpose financial statements.

➔ 1.4 Functional Currency

The presentation currency of the sustainability and climate-related financial disclosures is the Sri Lankan Rupees, which aligns with the SLT’s functional and presentation currency, and amounts disclosed are rounded to the nearest million unless otherwise stated.

➔ 1.5 Sources of Guidance

Where relevant, the SLT has referred to guidance from the following frameworks and standards in the identification and disclosure of SRROs and CRROs.

- SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)
- SLFRS S2 (Climate-related Disclosures)
- SASB Standards
 - Telecommunication Services Sustainability Accounting Standard (Version 2023-12)
- Sri Lanka’s Nationally Determined Contributions (NDC 3.0)

In identifying its SRROs and CRROs, SLT applied the referenced guidance and considered a combination of external evidence and SLT specific data.

➔ 1.6 Time Horizons

SRROs and CRROs may give rise to significant and extensive financial implications, affecting the SLT’s financial performance over the short, medium, and long-term. Due to uncertainty over the timing and scale of sustainability and climate related impacts, the SLT has established the following time horizons for its risk assessment.

Time Horizon	Period	Definition
Short-term (S)	1 year	Financial year 2026
Medium-term (M)	2 to 5 years	Financial years 2027 to 2030
Long-term (L)	Beyond 5 years	Beyond financial year 2030

The short term horizon is aligned with the SLT's annual budgeting and detailed financial planning processes, the medium term horizon corresponds to the SLT's five year financial, capital and funding strategies, and the long term horizon extends beyond five years to facilitate the evaluation of emerging SRROs and CRROs across a range of future scenarios.

➔ 1.7 Connected Information

This section incorporates cross references and navigation symbols, as illustrated below, to indicate linkages between the SRROs and CRROs with other related disclosures.

-  Connections between different SRROs and CRROs
-  Connections within its sustainability and climate-related financial disclosures
-  Connections across sustainability and climate-related financial disclosures, Annual Financial Statements, and sections in the Integrated Report.

Where relevant information is disclosed elsewhere in the Integrated Annual Report, the corresponding sections and page numbers are clearly referenced.

➔ 1.8 Transitional Relief

In preparing the SLFRS sustainability related financial disclosures for the year 2025, SLT has applied the transition reliefs available under SLFRS S1 and SLFRS S2, as outlined below.

- **Comparative Information:** In the first annual reporting period in which the entity applies to this Standard, it is not required to disclose comparative information.
- **Scope 3 GHG Emissions:** Entities must initially report only Scope 1 and Scope 2 emissions. Full compliance with Scope 3 emissions, becomes mandatory two years after the initial application date.

- **Climate Resilience and Scenario Analysis:** Relief period of two years is granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirements.

➔ 1.9 Significant Judgements and Uncertainties

The forward looking nature of SRROs and CRROs necessitates the exercise of professional judgement in the preparation of sustainability related financial disclosures.

<p>Key Judgement Areas</p> <ul style="list-style-type: none"> Identification of material SRROs and CRROs Determination of appropriate qualitative disclosure Assessment of linkages to strategy and financial performance Selection of materiality thresholds
<p>Sources of Uncertainty</p> <ul style="list-style-type: none"> Forward-looking economic and climate projections Data availability and methodological limitations Regulatory and market developments

➔ 1.10 Principle of Proportionality

In preparing these disclosures, management has used reasonable and supportable information available at the reporting date without incurring undue cost or effort. SLT has applied the principle of proportionality to ensure that disclosures are commensurate with the nature, scale, complexity, and risk profile of the institution, while remaining relevant and decision useful for primary users.

➔ 1.11 Statement of Compliance

This sustainability related financial disclosures represent a complete set of sustainability related financial disclosures for Sri Lanka Telecom PLC and its subsidiaries (together referred to as "SLT") for the year ended 31 December 2025. The disclosures have been prepared in accordance with the SLFRS Sustainability related Financial Disclosure Standards issued by the Institute of Chartered Accountants of Sri Lanka, including the transition reliefs applied as permitted for first-time adoption, as set out in Section 1.8 – Transitional Reliefs on page 121 .

2.0 Governance

Sustainability and climate related governance at SLT is implemented through a structured, multi tier oversight model, underpinned by clearly defined reporting lines, accountability mechanisms, and integration within the Enterprise Risk Management (ERM) framework. Sustainability and Climate related risks and opportunities are identified at the operational level, consolidated and assessed by management, and subject to strategic oversight by the Board.

The Sustainability Governance and Oversight Framework establish the hierarchical arrangements through which Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) are governed across Board, management, and operational levels. This integrated framework ensures coherence across governance, strategy, risk management, metrics and targets, and disclosures, in alignment with the requirements of SLFRS S1 and SLFRS S2.

2.1 Governance Body Responsible for Oversight

The Board of Directors has ultimate responsibility for overseeing sustainability and climate related matters and for setting the strategic direction of SLT. The Board ensures that sustainability considerations are integrated into the SLT's long term value creation objectives, risk appetite, and strategic planning processes.

The Audit Committee maintains primary responsibility for overseeing the overall risk management framework and internal control systems. Furthermore, the Risk Management Steering Committee (RMSC) is accountable for identifying and evaluating critical business risks before escalating them to the Board level. Oversight of Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) was delegated by the Audit Committee

(AC) until 31 December 2025. The AC met at least four times annually, to monitor and review sustainability and climate related risks and opportunities, including their incorporation into the SLT's enterprise risk management framework and sustainability related financial disclosures. Please refer to the Governance section of Annual Report page 162 for Board Subcommittees.

2.2 Key Sustainability and Climate Responsibilities

Governance Body	Key Sustainability and Climate Responsibilities
Board of Directors	Approve and review corporate sustainability and climate strategy aligned to strategic Imperatives Sustainability related issues are reviewed as part of the Board's periodic discussions on strategy, risk management and stakeholder expectations
Audit Committee	The Audit Committee receives quarterly updates from Risk Management Steering Committee regarding emerging sustainability related risks, regulatory developments, and related performance indicators.

2.3 Competencies and Skills Related to Sustainability and Climate-Related Risks and Opportunities

SLT ensures that its Board of Directors and relevant Board Committees collectively possess the appropriate knowledge, skills, and experience to oversee sustainability matters and climate-related risks and opportunities. The Board is supported by members with expertise in telecommunications operations, corporate governance, and strategic management, including representation within the Audit Committee with relevant industry and governance experience.

To strengthen oversight of emerging sustainability and climate-related matters, the Board periodically reviews relevant policies and governance frameworks to ensure alignment with evolving sustainability priorities and regulatory expectations. In addition, members of the Board and senior management enhance their competencies through continuous learning and capacity-building initiatives, including access to knowledge development programmes offered by

the United Nations Global Compact Knowledge Academy and other sustainability-focused platforms.

These measures ensure that the Board maintains the necessary capabilities to effectively assess and oversee sustainability and climate-related risks and opportunities as part of the SLT's overall governance and risk management framework. Refer to the Board's Composition and Skills Composition on Pages 150 to 155.

To support implementation of SLFRS S1 and SLFRS S2, SLT engaged Messrs. Deloitte to conduct structured training for management teams.

2.4 Oversight of Target-Setting

Targets pertaining to carbon emission and reduction are set internally on an annual basis, which is in line with the organisation's overall Net Zero roadmap. These targets are monitored by comparing them to actuals annually by the overall energy performance and renewable energy used. However, Climate-related performance measures are not yet incorporated into the executive remuneration framework.

The Board and the Remuneration committee continue to review emerging regulatory expectations and industry practices and will evaluate the potential integration of climate-related metrics into future remuneration structures to ensure alignment with SLT's long-term climate strategy and governance commitments.

➔ 2.5 Management's Role in Governing Sustainability and Climate-Related Risks and Opportunities

Environment, Social, and Governance (ESG) Strategic Committee led by CEO, SLT-MOBITEL is the overarching governance body at the management level, supported by dedicated Group Sustainability function that manages and coordinates broader sustainability issues throughout SLT Management's oversight of the Group's sustainability and climate-related risks and opportunities is supported by using controls and procedures relating to the identification and monitoring of sustainability and climate-related risks and opportunities. These controls form part of the Group's risk management processes, which include annual risk reviews and are integrated throughout its business functions.

The scope of work of ESG Strategic Committee includes strategy development and integration, compliance and regulatory oversight, managing risks and opportunities, monitoring and reporting and capacity building and advisory related to sustainability and climate related matters.

The management role in monitoring, managing and overseeing sustainability and climate related risks and opportunities is primarily driven by the Environment, Social, and Governance (ESG) Strategic Committee which is chaired by Chief Executive Officer of SLT. This role oversees:

- Compliance with relevant ESG-related standards (ISO-14064-1:2018, ISO-IEC22301:2019, ISO-9001:2015, ISO-IEC27001:2022, ISO-31000:2018), regulations, and best practices
- Development and implementation of strategies and practices that integrate ESG principles into the core business operations (environmental policy implementation ISO-14001:2015, copper migration to the fibre, introducing hybrid working model, Installation of energy-efficient equipment)
- Identification and assessment of potential ESG risks and opportunities, and development of strategies to mitigate risks and capitalise on opportunities

At the management level, progress is driven by cross-functional committees led by Senior Management, which are responsible for specific sub-pillars such as energy management, waste management, and environmental preservation. The high risks areas identified in relation to sustainability and climate in ESG Strategic Committee is presented to Risk Management Steering Committee (RMSC). The RMSC is reported to Audit Committee on major sustainability and climate related risks discussed in RMSC meetings.

3.0 Climate and Sustainability – Related Risks and Opportunities

3.1 Climate-Related Risks and Opportunities

3.1.1 Climate-Related Risks

SLT defines short-, medium- and long-term time horizons considering the rapidly evolving nature of the telecommunications industry, including technological advancements, high capital investment requirements and changing customer demand. These horizons guide the identification, monitoring and disclosure of climate-related risks and opportunities, including Scope 2 emissions and the SLT's Net Zero targets.

1. Physical threats to network infrastructure from extreme weather events	
Risk category	Physical
Risk type	Acute
Description	Riverine/rainfall flooding can cause severe disruptions to infrastructure, service continuity, and national connectivity. Landslides threaten physical network infrastructure, service continuity, and restoration capability. Cyclones pose severe risks to telecom networks because they simultaneously damage physical infrastructure, disrupt power systems, and impede field operations.
Time horizon	Short-term
Current effects on the business model and value chain	<ul style="list-style-type: none"> • Service interruptions due to infrastructure damage and power outages. • Diverting resources for emergency repairs. • Disruption of National connectivity. • Multi-day inaccessibility/safe access issues of sites for recovery teams due to events such as landslides.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Backup power failure when fuel or maintenance cannot reach sites. • Supply chain disruptions slow delivery of spare parts. • Hazardous access conditions requiring specialised personnel, safety equipment, and government clearance; maintenance becomes slower and more expensive.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • More frequent extreme weather events will require investment in infrastructure that is climate adaptive and resilient. • Prioritise power resilience investments. • Relocation of infrastructure from high hazard zones.
Current and anticipated direct/indirect mitigation and adaptation actions	<p>Network Infrastructure Protection (Targeting damages from cyclones, floods, and landslides)</p> <ul style="list-style-type: none"> • Implementation of Business Continuity Planning (BCP) that includes conducting vulnerability assessments to identify high-risk areas. • Explore the feasibility of building field-resistant networks within identified vulnerable zones. • Establishment of a dedicated maintenance department to ensure infrastructure integrity. <p>Power and Supply Chain Resilience (Targeting disruptions due to severe climate change)</p> <ul style="list-style-type: none"> • Strengthening Backup Power Systems by investing in backup generators and more resilient power systems. • Ensuring full operational readiness of all diesel generators, solar backups, and battery banks. • Developing and identifying priority restoration protocols specifically for critical network sites to ensure rapid recovery during outages. • Enhancing Supply Chain flexibility by maintaining sufficient buffer stocks to mitigate the impact of sudden climate-driven supply chain interruptions.



Current financial effects	<ul style="list-style-type: none"> – Decrease in revenue due to service disruptions. – Rising insurance premiums, emergency repair costs and specialised maintenance costs add on to expenses. – Infrastructure damage resulting in impairment of assets.
Anticipated financial effects	<ul style="list-style-type: none"> – Risk of customer churn due to recurring outages that will impact revenue negatively. – Increase in the frequency of extreme weather may further increase insurance premiums and maintenance costs. – Significant capital expenditure may be required for climate adaptive infrastructure and power resilience investments impacting cash flows and expanding asset base. – Assets that become inaccessible or damaged due to extreme weather events may require impairment assessments.
2. Carbon pricing	
Risk category	Transition
Risk type	Policy and Legal
Description	SLT monitors developments in carbon pricing mechanisms and considers potential future regulatory or market-based carbon costs in its climate risk assessments and financial planning. While carbon pricing is not currently significant for SLT, it is factored into long-term sustainability and Net Zero strategies. ↗
Time horizon	Medium-term
Current effects on the business model and value chain	<ul style="list-style-type: none"> • SLT's exposure is limited as Sri Lanka is yet to impose a carbon tax. The Singapore subsidiary has an indirect exposure resulting in a minimal effect at the Group level. • Decarbonisation plan targeting net zero emissions by 2045.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • SLT operations may face indirect exposure to carbon tax imposed on power generators due to high electricity use. • Invest in low carbon technologies and energy-efficient infrastructure. • Real-time energy monitoring to enhance efficiency across data centres and network sites.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • Strategic decision-making does not yet fully integrate carbon pricing risk. • Monitor potential policy developments around carbon pricing and taxation mechanisms in Sri Lanka to stay ahead of emerging regulatory requirements. • Introduction of internal carbon pricing to integrate climate costs into investment and procurement decisions that can help align SLT with its Net Zero targets. • Expand renewable energy sourcing through power purchase agreements to enhance resilience to grid-based carbon intensity. • Procurement decisions to support low-carbon equipment suppliers.
Current and anticipated direct/indirect mitigation and adaptation actions	<ul style="list-style-type: none"> • Established a Group-wide decarbonization roadmap targeting Net Zero by 2045. • Deployment of 873 renewable-powered sites ↗
Current financial effects	Since, no carbon pricing has been implemented in Sri Lanka, no current financial effects on SLT's financial position, financial performance and cashflows were recognised during the reporting period.
Anticipated financial effects	<ul style="list-style-type: none"> • Low carbon and green connectivity solutions may result in customer growth and drive revenue. • Compliance with carbon-pricing regulations may lead to higher operating expenses due to increased electricity and fuel costs. • Additional capital expenditure will be required to support renewable-energy infrastructure and supply-chain transitions.

3. Transition to lower emissions sources of energy	
Risk category	Transition
Risk type	Policy and Legal
Description	Financial and operational impact of shifting from grid-dependent and diesel backup power to lower emission energy sources. SLT has considered the progressive shift from fuel based vehicles to electric vehicles (EVs) within its operational fleet. 🔄
Time horizon	Long-term
Current effects on the business model and value chain	<ul style="list-style-type: none"> • Operations largely depend on grid electricity, diesel backup power and fuel-based vehicles. • SLT aims to install 4,000 kW by end-2026, and 6,000 kW of solar capacity by end-2027.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Business model evolves to emphasize low-carbon, energy-efficient operations. • Renewable infrastructure strengthens market position. • Greater energy independence could enhance service reliability.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • Sourcing decisions driven mainly by energy efficient sources. • Enabled completion of solarisation of 873 sites. 🔄 • Expansion of on-site capacity with Battery Energy Storage (BESS) and adoption of long-term renewable Power Purchase Agreements. • Prioritise capital investments based on long-term carbon reduction and energy cost stability rather than just upfront cost. • Strengthen procurement criteria by favouring energy-efficient technologies and suppliers with clear emissions reduction commitments.
Current and anticipated direct/indirect mitigation and adaptation actions	<ul style="list-style-type: none"> • Proactive alignment with the national energy transition agenda by embedding renewable energy integration and efficiency enhancements across its network infrastructure. • Implementation of energy efficiency initiatives, including LED retrofits, inverter air conditioners, and optimising fleet management. • Sustainability governance via an ESG Strategic Committee and pursuing ISO 50001:2018 and ISO 14001:2015 certifications.
Current financial effects	<ul style="list-style-type: none"> • Majority of energy costs remain exposed to grid price fluctuations and fuel cost volatility. • Investments in renewable energy impacts cash outflows and asset base and at the same time positively impact operating costs through savings on grid electricity and fuel.
Anticipated financial effects	<ul style="list-style-type: none"> • Opportunity for price premiums by positioning as a resilient, reliable green brand. • Energy savings can strengthen operating margins. • Increase in assets due to upfront capital expenditure for renewable installations. • Potential funding through green bonds or sustainability-linked loans.
4. Asset stranding	
Risk category	Transition
Risk type	Policy and Legal
Description	Occurs when an asset can no longer operate profitably or legally due to climate-related policy, regulatory, or market changes such as a carbon-intensive asset becoming non-compliant under emission regulations or taxation, an asset's output being replaced by a low-carbon alternative, making it obsolete or financially unsustainable or a policy ban or cost escalation rendering its continued operation uneconomical. 🔄
Time horizon	Long-term

Current effects on the business model and value chain	Includes legacy, fossil-fuel-driven infrastructure that may not be optimised for a low-carbon future.
Anticipated effects on the business model and value chain	Accelerate towards modern, energy-efficient digital infrastructure.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> Asset lifecycle planning is based on technical performance and financial depreciation with limited climate integration. Capital allocation will increasingly favour future-proof, low-emission technologies over inefficient legacy assets.
Current and anticipated direct/indirect mitigation and adaptation actions	<ul style="list-style-type: none"> Initiated a structured renewable energy implementation plan to install 4,000 kW of solar capacity by end-2026, scaling to 6,000 kW by end-2027. Progressive replacement of diesel-based backup systems with on-site solar power to reduce fossil fuel dependency.
Current financial effects	Routine depreciation and maintenance costs that impact operating costs.
Anticipated financial effects	Upgrades to assets can enhance operational efficiency and lower energy costs in the long-term. Potential impairment of assets that are considered stranded. Investment to modernise existing infrastructure results in expanding the asset base.
5. Evolving stakeholder expectations around sustainability	
Risk category	Transition
Risk type	Reputational
Description	Evolving stakeholder expectations around decarbonisation present both a high risk of being behind competition, but also an untapped opportunity for SLT which can result in enhanced reputation, cost savings and access to new markets/sustainable products. 🔄
Time horizon	Long-term
Current effects on the business model and value chain	Investor or regulatory pressure on sustainability reporting is emerging.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> Sustainability performance becomes a differentiator in corporate and international markets. Stakeholders may require verified emission data and tangible outcomes may result in increased scrutiny across the value chain. Introduction of green connectivity services or low-carbon solutions for corporate clients. Enhanced ESG credibility may also strengthen market access, partnerships, and talent attraction and brand value, influencing pricing, contracts, and customer loyalty.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> Pursuit of SBTi validation for emission reduction pathways to ensure alignment with international benchmarks. Enhanced stakeholder engagement and disclosure practices, including publication of detailed Scope 1, 2, and 3 emissions, progress against interim milestones, and ESG performance dashboards. Access to green financing, sustainability-linked loans etc., providing long-term funding flexibility.
Current and anticipated direct/indirect mitigation and adaptation actions	<ul style="list-style-type: none"> Commitment to the Net Zero 2045 roadmap that places SLT ahead of Sri Lanka's national target of 2050 The establishment of a dedicated ESG Strategic Committee chaired by the CEO, membership in the UN Global Compact Network Sri Lanka, and alignment with international reporting standards such as GRI and Integrated Reporting Framework (IIRC) demonstrating strong governance and accountability. Proactive investments in renewable energy, energy efficiency, and digitalisation reinforce its environmental stewardship.
Current financial effects	Costs for ongoing ESG programme investments, reporting requirements and occasional consultancy expenses.
Anticipated financial effects	<ul style="list-style-type: none"> Risk of market share loss to climate-conscious competitors that will adversely affect revenue. Strong sustainability performance can increase access to green financing and ESG-linked incentives. However, the converse may result in reputational harm, potential regulatory penalties, and the loss of commercial opportunities.

3.1.2 Climate-Related Opportunities

1. Climate-driven innovation and digital diversification	
Opportunity category	Products and Services
Description	Leveraging ICT, IoT, and cybersecurity expertise to support Sri Lanka's NDC 3.0 objectives regarding grid modernisation, smart metering, and digital energy management. 🌐
Time horizon	Long-term
Current effects on the business model and value chain	Integrated ICT provider with competencies in IoT platforms, network connectivity, data analytics, AI, and cybersecurity.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Expansion into energy-tech and digital infrastructure markets. • Service portfolio expansion such as solutions for smart and sustainable buildings, climate smart agriculture, smart cities, logistic optimisation, healthcare IoT etc.
Current and anticipated changes to the business model to address opportunities	<ul style="list-style-type: none"> • Positioning as a strategic partner for national agencies to implement smart grid and renewable integration projects. • New revenue streams from climate focused digital solutions. • Strengthen role as a digital enabler of Sri Lanka's low-carbon transition.
Current and anticipated direct mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> • SLT's strategic planning includes digital transformation, but climate-driven innovation is currently embedded unevenly across programmes. • SLT can support Sri Lanka's grid modernisation by providing digital infrastructure for smart metering, real-time energy monitoring, predictive maintenance, secure data transmission, and demand-side management. • By leveraging its telecom network, data centres, and digital platforms, SLT can partner with the Government and development agencies to implement smart grid and energy digitalisation initiatives aligned with Nationally Determined Contributions (NDC). • Diversify revenue streams by expanding into energy-tech and digital infrastructure markets.
Current and anticipated indirect mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> • Some digital diversification efforts address efficiency or new markets, yet climate as a strategic driver is not fully integrated into all decision processes. • Build advanced digital capabilities by hiring data and AI specialists and forming partnerships or acquisitions with software-focused firms.
Current financial effects	Standard revenue from existing ICT and connectivity services.
Anticipated financial effects	<ul style="list-style-type: none"> • Climate-focused digital solutions open new high-growth revenue streams, while digital optimisation across internal operations may generate meaningful cost savings. • Development of platforms, talent acquisition, and go-to-market efforts may require significant upfront capital and operating expenditure, however, are expected to yield long-term recurring revenue and cash-flow stability.

2. Cost savings by energy efficiency improvements	
Opportunity category	Resource Efficiency
Description	Deployment of energy efficiency initiatives, including LED retrofits, inverter AC adoption, and vehicle fleet optimisation to deliver measurable cost reductions. 
Time horizon	Long-term
Current effects on the business model and value chain	<ul style="list-style-type: none"> Implementation of LED retrofits, inverter AC adoption and reduction of vehicle fleet.  Green buildings certifications for Pitipana data centre and SLTMobitel headquarters in Welikada.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> Emphasise low-carbon and energy-efficient network operations. Infrastructure modernisation such as migrating from copper to Fibre, 5G prominence. Energy efficiency considered for vendor ratings.
Current and anticipated changes to the business model to address opportunities	<ul style="list-style-type: none"> Energy efficiency may become a core investment criteria for capital expenditure. SLT may set internal energy intensity or efficiency improvement targets, embedding energy performance into KPIs and management decisions. Scenario planning may increasingly consider future energy price trends.
Current and anticipated direct mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> Energy performance is increasingly considered when selecting network equipment, cooling technologies, and facility upgrades. Energy efficiency is likely to become a core investment criterion in CAPEX planning for network expansion and modernisation. Long-term strategy may prioritise software optimisation, virtualisation, and smart network management to reduce power demand.
Current and anticipated indirect mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> Procurement decisions are gradually favouring high efficiency technologies, even where upfront costs are higher. SLT may set internal energy intensity or efficiency improvement targets, embedding energy performance into KPIs and management decisions. Scenario planning may increasingly consider future energy price trends, reinforcing the business cases for efficient investments.
Current financial effects	Measurable reductions in energy use and associated costs.
Anticipated financial effects	<ul style="list-style-type: none"> Medium-to long-term energy efficiency gains may translate into permanent operating cost savings, lowering exposure to volatile energy prices and possible carbon taxes. Strong energy-performance metrics can unlock lower-cost green financing, reducing the Company's overall cost of capital.

3.1.3 Material Adjustments

No material adjustment is required in relation to significant risk on climate-related risks and opportunities identified within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. During five year ended 31 December 2025. Company has already recognised a provision of impairment of LKR 121.4 Mn. due to damages caused by Ditwah flood on Telephone exchanges and generators. No further adjustment expected in next reporting period.

3.1.4 Climate-Related Transition Plan

SLT has established a comprehensive roadmap to achieve net-zero emissions by 2045, a target that is five years ahead of the national goal. To monitor progress, SLT tracks emissions through Carbon Assessment ISO14064-1:2018 Standards and has set specific infrastructure targets, such as installing 200 rooftop solar power stations with a total capacity of 6,000 kW by the end of 2026. Progress is further measured through the pursuit of global certifications, including ISO 50001:2018 for energy management and ISO 14001:2015 for Environmental Management Systems. Additionally, SLT monitors its renewable energy goal of meeting 10% of its total energy requirements through clean sources within the next two years.

3.1.5 Resilience

The Group's approach to Sustainability and Climate Resilience is deeply embedded in its corporate philosophy under the theme "Co-Connection", which integrates environmental and social.

- **Net-Zero Vision:** The Group has established a long-term commitment to achieve net-zero carbon emissions by 2045.

- **Renewable Energy Transition:**

To mitigate grid-based energy risks and reduce its carbon footprint, SLT has deployed 873 renewable energy-powered sites and plans to install 6,000 kW of rooftop solar power capacity by 2026. ↻

- **Nature-Based Solutions:**

In partnership with the Department of Forest Conservation, the Company launched a Mangrove Restoration Project covering 4.2 hectares in Pubudugama to enhance climate resilience, support carbon storage, and protect biodiversity.

- **Operational Efficiency:** The Company prioritises energy-efficient infrastructure, including the installation of 2,020 energy-efficient lighting units alongside a shift toward a paperless operation and an optimised, transparent vehicle fleet management system.

- **Governance and Risk Disclosure:** SLT has established a dedicated ESG Strategic Committee chaired by the CEO and has initiated the process of identifying and disclosing sustainability and climate-related risks in alignment with SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2).

- **Standards and Certifications:** The Group is pursuing ISO 14001:2015 (Environmental Management System) and ISO 50001:2018 (Energy Management) certifications ISO – 14064-1:2018 to align its daily operations with global sustainability benchmarks.

3.1.6 Resources Allocated to Climate-Related Risks and Opportunities

SLT adopts a structured approach to resource and manages climate-related risks and opportunities (CRROs) by integrating them into its overall business strategy and operational planning processes. SLT allocates financial, human, and technological resources to support climate initiatives, including energy

efficiency improvements, renewable energy investments, and resilient network infrastructure.

Dedicated internal teams, supported by cross-functional collaboration, are responsible for implementing and monitoring climate-related initiatives. Capacity building is enhanced through continuous learning and partnerships with recognised institutions, enabling access to global best practices and technical expertise.

3.1.7 Plans to Achieve Climate-Related Targets

Energy efficiency improvements remain a key priority, with initiatives such as the adoption of energy-efficient equipment, optimisation of network operations, and modernisation of infrastructure, including the transition to fibre-based technologies. These measures support reduced energy consumption across operations. In addition, SLT is strengthening its climate governance and data management systems to monitor performance, track progress against targets, and ensure alignment with international standards. Climate considerations are increasingly embedded into investment decisions and long-term business planning

3.1.8 Progress of Plans Disclosed in Previous Reporting Periods

Key initiatives have been advanced in alignment with strategic priorities, including sustainability commitments, operational improvements, and risk management actions. Progress includes strengthened governance oversight, continued implementation of climate-related initiatives, improved data collection and monitoring systems, and ongoing capacity building across relevant teams. Where applicable, targets are being tracked regularly to ensure alignment with long-term objectives.

3.1.9 Expected Effects of Climate-Related Risks and Opportunities on Financial Position

SLT expects its financial position to evolve in alignment with its strategy to manage climate-related risks and opportunities. Strategic investments in energy efficiency, renewable energy, resilient infrastructure, and digital transformation are anticipated to require upfront capital expenditure in the short-term, while delivering operational cost efficiencies and risk reduction benefits over the medium and long-term. SLT expects improved cost optimisation,

reduced energy intensity, and potential savings from renewable energy adoption. These improvements are anticipated to positively contribute to profitability and cash flow stability.

In the long-term, the strategy is expected to strengthen the SLT's competitive position, enhance access to sustainable financing, reduce exposure to climate-related risks, and support stable revenue growth. Improved resilience and alignment with sustainability standards are anticipated to positively influence investor confidence, capital availability, and overall enterprise value.

3.1.10 Expected Effects of Climate-Related Risks and Opportunities on Financial Performance

SLT's financial performance is expected to evolve positively over time as its strategy to manage climate-related risks and opportunities is implemented. This is expected to involve transitional costs associated with climate-related investments, including energy efficiency upgrades, renewable energy adoption, and infrastructure resilience improvements, while also creating new revenue streams from sustainable digital initiatives. During the year, SLT invested LKR 420 Mn. in renewable energy installations.

➔ 3.2 Sustainability-Related Risks and Opportunities


3.2.1 Sustainability-Related Risks

1. High energy consumption in network infrastructure and dependence on fossil-fuel-based grid electricity	
Description	Energy-intensive operations and assets, such as network infrastructure, drive high energy use and significant operating costs, while dependence on fossil-fuel-based grid electricity exposes the entity to energy price volatility and potential power shortages. 🌍
Time horizon	Medium-term.
Current effects on the business model and value chain	<ul style="list-style-type: none"> • Energy-intensive operations and assets drive high energy use and fluctuating operating costs. • Working towards net zero by 2045.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Backup power and network operations must transition to renewable and low-carbon solutions. • Supplier screening will increasingly consider carbon intensity with pressure on suppliers to measure their carbon footprint.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • Solarisation of 873 remote sites. 🌞 • CEO-chaired ESG Strategic committee established to drive sustainability initiatives. • Carbon taxation related considerations to influence procurement and investment strategies.
Current financial effects	<ul style="list-style-type: none"> • Fluctuating prices for electricity and fuel directly impact operating costs. • Investment in renewable energy increases cash outflows and capital expenditure. • Costs of regulatory compliance will increase operating costs.
Anticipated financial effects	<ul style="list-style-type: none"> • Power purchase agreements and own generation of renewable energy may reduce energy-related operating costs. • Potential introduction of carbon taxes may result in higher operating costs. • Investment in low carbon equipment and technology may increase short-term capital expenditure and cash outflows but reduce long-term operating costs. • Strong ESG performance, such as good progress towards "Net Zero", initiatives etc., can enhance brand value and customer growth leading to increased revenue.

3.0 Climate and Sustainability –Related Risks and Opportunities

Mitigation actions	<ul style="list-style-type: none"> • Continue network migration by using smart meters and network monitoring tools, optimising cooling systems, modernising the transport network, replacing legacy equipment with energy-efficient models and using renewable energy sources. • SLT's roadmap to increase the use of renewable energy to 35% by 2030. • Comprehensive energy audits for selected sites. • Reduction of electricity usage through energy efficient lighting solutions and dashboards to track real time energy usage.
2. Lack of circularity in equipment and devices	
Description	A regulatory and operational environment for e-waste management combined with the lack of formal circular strategy leads to potential resource depletion and high disposal costs.
Time horizon	Medium-term.
Current effects on the business model and value chain	<ul style="list-style-type: none"> • Operation of an in-house copper recycling plant, recovering 4,800 kg copper in 2025 which in turn is sold to suppliers • Partnership with e-waste management suppliers registered with the Central Environmental Authority (CEA). • Refurbishment and redeployment of functional end-of-life equipment from client premises and electronic equipment used by SLT.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Establishing or partnering with recycling infrastructure and investing in a nationwide take-back programme. • Secondary revenue streams through resale and partnerships with refurbishment specialists.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • Although many initiatives relating to circularity in equipment and devices have been carried out a cohesive strategy needs to be implemented. • Customer engagement strategies include take-back initiatives and e-waste recycling schemes tied to loyalty programmes. • Potential regulatory requirements stem from extended producer responsibilities.
Current financial effects	<ul style="list-style-type: none"> • Cost of safe disposal of e-waste impacts operating costs. • Asset write-downs due to impairment of obsolete equipment.
Anticipated financial effects	<ul style="list-style-type: none"> • Shift to circular models (leasing/refurbishing) may reduce operating costs. • Refurbished devices can create secondary revenue streams. • Potential extended producer responsibilities can drive SLT to select suppliers with high recycling capabilities.
Mitigation actions	<ul style="list-style-type: none"> • Compliance and education – Disposal aligns with CEA and Basel standards, educates public on responsible e-waste handling. • E-Bill and Waste Reduction – Digital billing reduces paper waste, supporting circularity goals. • Broad Scope of Recycling – Recycles devices which have reached the end of life (Devices include phones, laptops, chargers, routers, antennas etc.).

3. Breaches of customer privacy, misuse of personal data, or unauthorised disclosure of information	
Description	Customers are increasingly concerned about how their privacy is protected across mobile, internet and e-mail services. As the telecommunication industry increasingly relies on large volumes of customer data – including location information, browsing behaviour and demographic insights – to enhance service quality and create new revenue opportunities, the importance of strong data protection practices continues to grow. For SLT, insufficient management of data privacy could result in reduced customer trust, higher churn, and significant financial impacts arising from legal and regulatory exposure.
Time horizon	Short-term
Current effects on the business model and value chain	Compliance with Sri Lanka’s Personal Data Protection Act (PDPA) and global standards.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • As cloud and digital services expand, privacy risks become more complex and interdependent with partners. • Consent management to regulate non-contractual data processing activities, such as marketing, location tracking, and behavioural analytics. • Vendor management and process standardisation require PDPA-compliant contracts.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • Privacy governance is delegated to IT and legal teams. • SLT can use privacy and trust as competitive differentiators through privacy-first communication and certifications. • PDPA consent requirements may limit data availability, impacting previous strategies of monetising anonymised or aggregated customer data.
Current financial effects	Compliance costs contributed to higher operating costs.
Anticipated financial effects	<ul style="list-style-type: none"> • Fines for potential breaches will not only increase operating costs but impact the reputation of SLT that may lead to loss of customers and revenue. • Continuous CAPEX required for higher security and privacy requirements. • Potential breaches may result in loss of customer goodwill and negative revenue impact.
Mitigation actions	<ul style="list-style-type: none"> • Establishment and enforcement of a comprehensive Data Privacy and Protection Policy in line with Sri Lanka’s Personal Data Protection Act (PDPA) and global standards such as General Data Protection Regulation (GDPR). • Development of an Incident Response and Reporting Framework. • Implementation of ISO 27001-certified security frameworks and 24/7 Cybersecurity Operations Centre. • Establishment of data access and handling protocols.

4. Low adoption and usage of services owing to digital divide	
Description	Due to low adaptation and usage of services by people in rural areas result in reduced revenue. Digital inclusion initiatives can also create new revenue streams when risks are mitigated and sustainability financing opportunities. 
Time horizon	Medium-term.
Current effects on the business model and value chain	<ul style="list-style-type: none"> • Gamata Sannivedanaya (Connect Sri Lanka): Expanding digital access and growing the subscriber base. • Nationwide fibre expansion.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Investment in long-term infrastructure expansion. • Shifting revenue mix from voice to high-speed data and building a future customer base for long-term growth. • New revenue streams through digital payments, e-learning, telemedicine, and IoT services.
Current and anticipated changes to the business model to address risks	<ul style="list-style-type: none"> • SLT directs investments toward rural coverage based on affordable package strategies. • Inclusion will be a core business segment with service-bundling strategies. • Deepen public-sector partnerships to expand rural connectivity and support government digital services.
Current financial effects	Expanding into rural areas where adoption is low and providing affordable packages impacted the cost of capital.
Anticipated financial effects	<ul style="list-style-type: none"> • Higher digital penetration builds a future customer base. • ESG-linked financing opportunities grow as investors favour measurable inclusion outcomes.
Mitigation actions	<ul style="list-style-type: none"> • Accelerate broadband and 4G/5G network expansion to underserved rural and remote communities. • Provision of affordable packages and community digital centres to guide pricing strategy. • Public-private partnerships with government and NGOs to support digital inclusion initiatives and digital skills training programmes.

3.2.2 Sustainability–Related Opportunities

1. Digital inclusion	
Description	Revenue growth by expanding customer base and market reach, strengthening long-term customer base and brand loyalty, product innovation to meet the needs of affordability of low-income communities, enables broader sustainability solutions. 2
Time horizon	Short to Medium
Current effects on the business model and value chain	<ul style="list-style-type: none"> • Gamata Sannivedanaya (Connect Sri Lanka): Expanding digital access, growing subscriber base to and shifting revenue from voice to high-speed data. • Nationwide fibre expansion. • National AI Expo & Conference : a transformative shift in the nation's digital evolution.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Investment in long-term infrastructure expansion, including fibre and mobile networks in rural areas. • Digital inclusion initiatives can create new revenue streams through digital payments, e-learning, telemedicine, and IoT services. • ESG-linked financing opportunities are growing as investors favour companies with measurable inclusion outcomes.
Current and anticipated changes to the business model to address opportunities	Fibre and mobile network infrastructure expansion in rural areas.
Current and anticipated direct mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> • SLT directs investments toward rural coverage. • Affordable packages and community digital centres guide pricing strategy decisions. • Prioritise projects delivering social and environmental impact using blended and concessional financing. • Treat inclusion as a core business segment with service-bundling strategies.
Current and anticipated indirect mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> • Public-private partnerships with government and NGOs support digital inclusion initiatives. • Deepen public-sector partnerships to expand rural connectivity and support government digital services.
Current financial effects	<ul style="list-style-type: none"> • Enhance the existing customer base as SLT focuses on Digital Inclusion in rural areas and attracting customers to the new products. • Expanding into rural areas where adoption is low and providing affordable packages may have an impact on cost of capital. • Investment in awareness programmes.
Anticipated financial effects	<ul style="list-style-type: none"> • Higher digital penetration will build a future customer base resulting in long-term revenue growth potential. • Financial inclusion measures in rural/hard to reach areas may result in reduced revenue due to low adoption/providing subsidised packages. • Access to funding from investors favouring socially inclusive companies may also result in lowering the cost of capital.
Mitigating actions	<ul style="list-style-type: none"> • Broadband Expansion – SLT extended 4G/5G to rural areas. • Subsidised broadband for students/SMEs. • Introduce affordable Connectivity–SLT leads in low-cost social tariffs. • Provide discounted services or financial assistance to schools and disadvantaged communities. • Implement programs to develop and enhance digital literacy and technology skills. • Collaborate with universities, technical and vocational institutions, and non-governmental organisations to support youth and women in digital education and learning initiatives.

2. Low-carbon value proposition and green innovation	
Description	Positioning core connectivity products as low-carbon or net-zero-ready services and innovating in-site design (renewable integration and energy-efficient cooling) to attract enterprise and public-sector customers with ESG commitments. 🌱
Time horizon	Medium
Current effects on the business model and value chain	Site design and deployment through prioritising renewable energy integration, energy-efficient cooling, and reduced diesel dependency through green innovation.
Anticipated effects on the business model and value chain	<ul style="list-style-type: none"> • Core connectivity products positioned as low-carbon or net-zero-ready to attract customers with ESG commitments. • Equipment procurement embedding carbon criteria in Request For Proposals (RFPs) and vendor selection to promote low-carbon variants.
Current and anticipated changes to the business model to address opportunities	<ul style="list-style-type: none"> • Leveraging green initiatives primarily for operational cost reduction and brand reputation enhancements. • Establishment of an ESG Strategic Committee. • Prioritising digital solutions that reduce carbon (e.g., Smart Agriculture, Energy IoT, and Dematerialisation). • Financing sustainability projects through green bonds and sustainability-linked loans.
Current and anticipated direct mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> • SLT does not yet include carbon impact analysis alongside financial ROI when evaluating projects. • SLT has set a target of achieving net-zero emissions by 2045. • Enterprise service development will prioritise digital solutions that reduce carbon, such as smart agriculture, energy IoT, and balancing market demand with ESG impact. • Vendor and partner selection will favour suppliers with credible decarbonisation plans, ESG certifications, and circular-economy commitments.
Current and anticipated indirect mitigation and adaptation efforts to address opportunities	<ul style="list-style-type: none"> • ESG Strategic Committee has been established to evaluate sustainability opportunities and guide initiatives. • Finance sustainability projects using green bonds and sustainability-linked loans.
Current financial effects	<ul style="list-style-type: none"> • Operational cost reductions through green initiatives. • Cash outflows for investments in capital expenditure resulting in an increase in costs.
Anticipated financial effects	<ul style="list-style-type: none"> • Additional revenue streams from green products. • Proactive engagement prepares SLT for potential future regulatory compliance costs and carbon taxes. • Investment in green buildings and infrastructure may result in increased capital expenditure in the short-term but reduce long-term operating costs.
Mitigating actions	<ul style="list-style-type: none"> • e-SIM transition –Cuts material use and logistics emissions by digitising mobile line activation. • E-Bill and Waste Reduction –Digital billing reduces paper waste, supporting circularity goals. • Solar panel installations. • Dashboards to track real-time power use. • Optimise office space and operations (proposed mitigation action). • Adopt hybrid or flexible working models to reduce building occupancy and related energy use.

3.2.3 Expected Effects of Sustainability-Related Risks and Opportunities on Financial Position

SLT expects its financial position to evolve over the short, medium, and long-term as it implements strategies to manage sustainability-related risks and opportunities. In the short-term, capital expenditure may increase due to investments in energy-efficient technologies and green infrastructure, potentially impacting liquidity and asset composition. Over the medium-term, these investments are expected to enhance asset efficiency, reduce operating costs, and strengthen the SLT's balance sheet through improved resource utilisation. In the long-term, the transition towards a low-carbon business model, supported by climate-driven innovation and digital inclusion, is expected to enhance asset resilience, reduce exposure to climate-related risks, and improve overall financial stability and enterprise value.

3.2.4 Expected Effects of Sustainability-Related Risks and Opportunities on Financial Performance

SLT anticipates changes in its financial performance across the short, medium, and long-term as a result of its sustainability strategy. In the short-term, profitability may be moderated by initial implementation costs and investments in sustainability initiatives. However, in the medium-term, performance is expected to improve through cost savings from energy efficiency, operational optimisation, and increased revenues from sustainable products and services. Over the long-term, sustained financial performance is anticipated through enhanced competitiveness, stronger customer demand for low-carbon solutions, and reduced regulatory and climate-related risks, ultimately supporting stable revenue growth and improved margins.

4.0 Risk Management

➔ 4.1 Processes to Identify, Assess, Priorities and Monitor Risks

SLT identifies sustainability and climate-related risks across our ERM – including operational resilience, supply management, health and safety and environment. SLT identifies these risks through bottom-up and top-down discussions in our units – and across the whole group. SLT work out the impact quantitatively and qualitatively using financial, operational and customer, legal and compliance, reputational and health and safety impacts. This helps us decide the relative weight of each risk.

➔ 4.2 Inputs and Parameters Used for Identifying Sustainability and Climate-Related Risks

The identification of sustainability and climate related risks is based on internal information on operations, network activities, financial performance, transition planning, and is supplemented by relevant external data sources.

Climate-related physical risks primarily arise from physical threats to the SLT's network infrastructure caused by extreme weather events. The assessment of this risk draws on internal records, including historical data on adverse weather impacts affecting Regional Offices, records of physical damage incidents at regional and provincial levels, and estimates of business losses attributable to weather-related service disruptions. In addition, information on the geographic location of Regional Offices situated in flood prone areas is considered. These internal inputs are supplemented with external public sources such as flood maps issued by the Irrigation Department of Sri Lanka, situation reports published by the Disaster Management Centre, and hazard and climate risk assessments from Think Hazard and the World Bank.

Climate-related transition risks include exposure to carbon pricing mechanisms, transition to lower emission energy

sources, potential asset stranding, and evolving stakeholder expectations around sustainability. Carbon pricing risk is assessed using external public sources such as regulatory requirements, together with internal records including greenhouse gas (GHG) emissions calculations. The transition to lower emission energy sources is evaluated based on applicable regulatory requirements sourced externally, alongside internal information on solar power deployment initiatives. Asset stranding risk similarly considers regulatory requirements from external public sources in conjunction with internal GHG emissions data to assess potential impacts on existing assets. Evolving stakeholder expectations around sustainability are assessed primarily with reference to sustainability related regulatory requirements obtained from external public sources.

Sustainability-related risks encompass operational, environmental, and social dimensions of the SLT's activities. The risk associated with high energy consumption in network infrastructure and dependence on fossil fuel based grid electricity is assessed using internal records on grid electricity consumption. The risk arising from a lack of circularity in equipment and devices is evaluated using internal data on e waste management practices. Risks related to breaches of customer privacy, misuse of personal data, or unauthorised disclosure of information are assessed based on internal records tracking the number and nature of customer privacy breaches. In addition, the risk of low adoption and usage of services due to the digital divide is assessed using internal information on capital deployment in rural and underserved areas.

➔ 4.3 Climate-Related Scenario Analysis

SLT acknowledges the role of climate related scenario analysis in enhancing forward looking risk management and strategic resilience. At present, climate related scenario analysis is at a

formative stage and has not yet been integrated into governance processes. SLT is progressively strengthening internal capabilities and intends to incorporate climate related scenario analysis into its Financial Planning processes from 2027 onwards. SLT has elected to apply the two-year relief period provided under the transitional reliefs outlined in Section 1.8 Transitional Relief (c) above in relation to climate-related scenario analysis.

➔ 4.4 Risk Assessment

SLT assesses sustainability and climate-related risks within its Enterprise Risk Management (ERM) framework, which is applied consistently across the telecommunications value chain, including network infrastructure, data centres, energy consumption, supply chain dependencies, regulatory compliance, and service continuity. Operational and Business Units identify climate and sustainability related-risks, which are subjected to structured risk analysis to evaluate the inherent and residual risk profiles, considering likelihood of occurrence and magnitude of impact on network availability, capital expenditure, operating costs, regulatory exposure, and reputation. Risk assessments of sustainability and climate-related risk incorporate both short-term operational impacts and medium-to-long-term strategic and financial effects which also align with internal financial materiality thresholds.

➔ 4.5 Managing and Reporting on Risks

Once SLT have identified and assessed risks we give them an owner, depending on their priority. The risk owner decides how to manage and report on these risks – through things like assigning controls, monitoring, and implementing action plans and contingencies. Risk owners regularly check their action plans by monitoring risk trends and tracking

relevant metrics. This helps risk owners understand future changes that might be needed – like taking new actions, escalating issues or updating processes.

SLT also has an ESG Strategic Committee. ESG Strategic Committee brings together employees from different teams in a forum to discuss developments and agree on actions on sustainability and climate-related matters. The ESG Strategic Committee discusses key sustainability and climate-related risks that might be less certain, longer-term or that span several parts of the business.

➔ 4.6 Prioritisation of Sustainability and Climate-Related Risks Relative to Other Risks

Sustainability and climate-related risks are prioritised using SLT's standardised risk rating methodology, ensuring alignment with the treatment of strategic, operational, financial, and compliance risks. Risks assessed as high or emerging – such as energy price volatility, climate-related disruption to network assets, and regulatory changes relating to emissions and spectrum usage – are escalated to designated Risk Owners and reviewed by the Risk Management Steering Committee (RMSC). The prioritisation process ensures that material climate-related risks with potential impacts on service resilience, customer obligations, and long-term value creation receive appropriate management focus and governance oversight.

➔ 4.7 Monitoring of Sustainability and Climate-Related Risks

Sustainability and climate-related risks are monitored on an ongoing basis through formal ERM processes, including:

- Periodic review and updating of the enterprise risk register, with specific identification of climate and sustainability risk drivers

- Monitoring of mitigation effectiveness by Risk Owners, including controls related to network resilience, energy efficiency, and regulatory compliance
- Consolidated reporting by the Enterprise Risk Management Team, with escalation of material risk developments to the Risk Management Steering Committee (RMSC) and Group Audit Committee
- Management reporting on key risk indicators linked to climate exposure, energy intensity, infrastructure reliability, and compliance obligations

These monitoring activities support timely identification of changes in risk exposure and enable management to respond proactively.

➔ 4.8 Changes to Processes Compared with the Previous Reporting Period

During the reporting period, the entity enhanced its ERM processes to strengthen the identification, assessment, and monitoring of sustainability and climate-related risks specific to the telecommunications sector. Enhancements included clearer integration of climate risk considerations into operational risk assessments, strengthened accountability through formal assignment of Risk Owners, and improved escalation and reporting mechanisms to senior management and governance committees. These changes were designed to ensure that climate-related risks are assessed with the same level of rigour as other material enterprise risks.

➔ 4.9 Processes to Identify, Assess, Prioritise and Monitor Opportunities

SLT applies a structured process to identify, assess, prioritise, and monitor climate-related opportunities as part of its overall risk management and strategic planning framework. Climate-driven opportunities—such as cost savings from

energy efficiency improvements, digital inclusion initiatives, and the development of low-carbon value propositions through green innovation—are identified through environmental scanning, stakeholder engagement, and internal operational reviews. These opportunities are then assessed based on financial viability, expected cost savings, carbon reduction potential, and alignment with long-term strategy. Subsequently, they are prioritised using impact-based criteria, including economic benefits, environmental outcomes, and resource availability, ensuring focus on high-value initiatives. Ongoing monitoring is carried out through defined key performance indicators, regular reporting, and performance reviews to ensure that expected benefits are realised and to support continuous improvement in climate-related performance and value creation.

➔ 4.10 Integration into Overall Risk Management Process

Sustainability and climate-related risks and opportunities are fully integrated into the entity's overall ERM framework and governance structure. The processes for identifying, assessing, prioritising, and monitoring these risks and opportunities are aligned with those applied to all enterprise risks and directly inform strategic decision-making, capital allocation, and operational planning. Outputs from climate and sustainability related-risk assessments are considered by senior management and oversight committees, ensuring that climate-related considerations are embedded within the entity's broader risk management, resilience planning, and long-term strategy as a telecommunications service provider. Please refer to the Enterprise Risk Management section in Annual Report Page 189 for more details. 🌱

5.0 Metrics and Targets

5.1 Climate-Related Metrics (Cross-Industry)

In line with our risk management processes and strategy, SLT tracks several metrics to measure and manage the climate-related risks and opportunities in Section 5.2 Climate-Related Targets. SLT keeps reviewing them in line with potential regulatory changes and guidance.

5.1.1 Greenhouse Gas (GHG) Emissions

Organisational Boundary

The Greenhouse gas (GHG) inventory of SLT for the reporting period from 01 January 2025 to 31 December 2025 has been prepared in accordance with the principles of the Greenhouse Gas Protocol and relevant guidance of the Intergovernmental Panel on Climate Change Sixth Assessment Report.

Operational Boundary (GHG Reporting)

Within the defined organisational boundary, greenhouse gas emissions are categorised and reported according to the Scope 1 and Scope 2 framework defined by the GHG Protocol.

- Scope 1 emissions represent direct greenhouse gas emissions from sources owned or controlled by the organisation. These include emissions from the combustion of fuels in stationary sources such as generators and cooking gas (LPG), mobile sources such as company-owned vehicles, rented vehicles and employee commuting, fuel paid by SLT, and fugitive emissions due to fire extinguishers and refrigerant leakage.
- Scope 2 emissions represent indirect greenhouse gas emissions associated with the generation of purchased electricity consumed by the organisation. For SLT, Scope 2 emissions arise from grid-connected electricity supplied by the national grid. SLT has used the location-based approach to calculate Scope 2 emissions.

Emission sources with an estimated contribution of less than 1 tCO₂e or where sufficient activity data was unavailable were excluded from the inventory.

	Greenhouse gas emissions (tCO ₂ e) 2025		
	Group	Investment in Joint Ventures*	Total
Scope 1	12,380	–	12,380
Scope 2	67,916	–	67,916
Total	80,296	–	80,296

*Note: Scope 1 and Scope 2 emissions of Joint Ventures have not been included, as they were assessed to be immaterial to the Group's overall emission profile.

Scope	Scope 1					Scope 2		
	Stationary combustion		Mobile combustion			Fugitive Emissions		Purchased electricity
Emission category								
Activity	Diesel consumption in standby generators	Cooking gas (LPG consumption)	Diesel/Petrol used in company-owned vehicles	Diesel/Petrol used in rented vehicles	Diesel/Petrol used in employee commuting	Fire extinguisher refilling	Refrigerant Leakage	Electricity use
Data source	Fuel invoices	Invoices	Fuel invoices	Fuel invoices	Fuel cards issued by company (LKR values)	Invoices from service providers	Invoices from service providers	Monthly Electricity Bills
Emission Factor (EF) Source	IPCC Volume 2 – Stationary combustion	IPCC Volume 2 – chapter 2 – Stationary combustion	IPCC Volume 3 – mobile combustion	IPCC Volume 3 – mobile combustion	IPCC Volume 3 – mobile combustion	IPCC AR 6	IPCC AR 6	https://www.energy.gov.lk/images/energy-balance/energy-balance-2022.pdf
Source of Global Warming Potential (GWP) values	IPCC AR 6	IPCC AR 6	IPCC AR 6	IPCC AR 6	IPCC AR 6	IPCC AR 6	IPCC AR 6	IPCC AR 6

Calculation Methodology

The first step in calculating the organisation's carbon footprint is establishing organisational boundaries, which determine the operations and emission sources that are included in the inventory.

For the 2025 inventory year, SLT adopted the financial control approach under the control methodology. Under this approach, the organisation accounts for 100% of the greenhouse gas emissions from operations over which it has financial control, regardless of its ownership share, while emissions from operations where the company has an interest but does not exercise financial control are excluded from the inventory.

All calculations were carried out based on GHG activity data multiplied by an appropriate GHG emission factor. Unless stated otherwise, all emission factors were obtained from the Inter-governmental Panel on Climate Change (IPCC).

Emission Factors and other Constants

Emission factors, unit cost, fuel economy values attributed to different emission sources are used for quantifying GHGs.

5.1.2 Vulnerability of Assets or Business Operations to Climate-Related Physical Risks

SLT has not performed a quantified assessment of the percentage of assets or business activities vulnerable to climate related physical risks.

5.1.3 Vulnerability of Assets or Business Operations to Climate-Related Transition Risks

SLT has not performed a quantified assessment of the percentage of assets or business activities vulnerable to climate related Transitional risks.

5.1.4 Amount and Percentage of Assets or Business Activities Aligned with Climate-Related Opportunities

Climate related opportunities are reflected in the energy saving by energy efficiency improvements.

	2025
Energy efficiency improvements (GWh)	12.64

5.1.5 Climate-Aligned Capital Deployment

Climate-related capital deployment during the reporting period included renewable energy installations, across the regional offices, with a total cost of LKR 420 Mn. SLT currently does not have material amounts allocated for climate-aligned capital deployment. Future allocations will be guided by the short, medium, and long-term targets to be established under the SLT's climate transition plan, which is currently under development.

5.1.6 Internal Carbon Pricing

SLT has not implemented internal carbon pricing as at 31 December 2025. This reflects the prevailing regulatory environment in Sri Lanka, where no mandatory carbon pricing or emissions trading framework is currently in operation.

5.1.7 Remuneration Linkage

Climate-related metrics are not presently linked to Board or executive remuneration structures.

➔ 5.2 Climate-Related Targets

5.2.1 Climate-Related Risks



Climate-related risks	Physical risks (Physical threats to network infrastructure from extreme weather events)	Transitional risks
Metric	<ul style="list-style-type: none"> • Discussion of systems to provide unimpeded service during service Disruptions (Qualitative). • Reduce customer average interruption duration to under a specific threshold 	<ul style="list-style-type: none"> • Scope 1 Greenhouse Gas emissions • Scope 2 Greenhouse Gas emissions (location-based)
Target	To ensure network resilience against extreme weather events by maintaining customer average interruption duration below 24 hours during climate related service disruptions.	Generation of 90% of energy from Solar power within the total energy consumption of SLT by 2045.
Objective of the target	<ul style="list-style-type: none"> • To minimise service disruptions arising from climate related events. • To enhance network reliability, availability, and customer experience. • To protect critical infrastructure and support business continuity. • To reduce financial and reputational impacts from prolonged outages 	<ul style="list-style-type: none"> • To reduce operational carbon emissions. • Decrease reliance on the grid electricity. • Mitigate long-term energy cost volatility.
Scope	All critical telecommunication network infrastructure, including mobile base stations, transmission towers, data centres, and core network systems	It covers all SLT-owned buildings, including head office, regional offices, data centres, warehouses and maintenance centres.
Period	2025-2045	2025-2045
Base period	Year 2024	Year 2024
Milestones and interim targets	<ul style="list-style-type: none"> • Deployment of weather resilient power backup and elevated infrastructure in high risk locations. • Expansion of real time network monitoring and predictive maintenance systems 	<ul style="list-style-type: none"> • SLT aims to install 4,000 kW of solar capacity by end-2026, and 6,000 kW by end-2027.
Target type (absolute or intensity)	<ul style="list-style-type: none"> • Intensity Target (Reduction in Average interruption duration per customer) 	<ul style="list-style-type: none"> • Intensity Target (Implementation of energy efficiency initiatives, including LED retrofits, inverter air conditioners, and optimising of vehicle fleet management). • Absolute Target (for total installed capacity in kW and total GHG emissions reduced).
Alignment with jurisdiction and commitments	<ul style="list-style-type: none"> • Consistent with SLFRS S1 and SLFRS S2 requirements on climate related risk management and metrics. • Aligned with internal sustainability and business continuity commitments 	<ul style="list-style-type: none"> • This target is aligned with Sri Lanka's Nationally Determined Contributions (NDCs), reflecting the national objective to achieve 70% renewable electricity generation by 2030, while ensuring compliance with SLFRS S1 and SLFRS S2.
Validation	The target and methodology have not been externally validated.	The target and methodology have not been externally validated.
Review process	<ul style="list-style-type: none"> • Reviewed annually by senior management and the risk management committee. • Outcomes incorporated into enterprise risk management (ERM), capital allocation, and infrastructure planning decisions 	Annual progress is reviewed Internally and disclosed in the Annual Report with Quarterly review in ESG Strategic Committee.
Revision	No revisions were made to the target during the reporting period.	No revisions were made to the target during the reporting period.
Performance against target	85% achieved customer average interruption duration below 24 hours.	Enabled completion of solarisation of 873 sites. 🌞



5.2.2 Climate-Related Opportunities

Climate-related Opportunities	Climate-driven innovation and digital diversification	Cost savings by energy efficiency improvements
Metric	Revenue contribution from climate related digital solutions (ICT, IoT, smart infrastructure solutions).	Total energy consumption (MWh) and energy cost savings (LKR) from efficiency initiatives.
Target	Increase contribution of climate focused digital solutions to overall ICT services revenue.	Achieve continuous reduction in network and facility energy consumption.
Objective of the target	To diversify revenue streams and position SLT as a digital enabler of Sri Lanka's low carbon transition.	<ul style="list-style-type: none"> To reduce operating costs. To reduce the exposure to energy price volatility.
Scope	Group-wide ICT, digital solutions, data centres, IoT platforms.	Network infrastructure, data centres, buildings, cooling systems, and vehicle fleet.
Period	2025-2045	2025-2045
Base period	2024	2024
Milestones and interim targets	<ul style="list-style-type: none"> Development of smart energy and digital infrastructure offerings. Establish strategic partnerships with government and development agencies. Gradual expansion into energy tech and climate focused digital services. 	<ul style="list-style-type: none"> Annual energy efficiency projects (LED retrofits, inverter ACs). Completion of green building certifications.
Target type [absolute or intensity]	Intensity based (Growth in climate related revenue share).	Absolute and intensity based (MWh reduction and energy intensity per network unit).
Alignment with jurisdiction and commitments	Aligned with Sri Lanka's NDC 3.0 .	Aligned with Sri Lanka's NDC 3.0 .
Validation	The target and methodology have not been externally validated.	The target and methodology have not been externally validated.
Review process	Reviewed periodically by senior management through strategy.	Reviewed periodically through management performance reviews and operational dashboards.
Revision	No revisions were made to the target during the reporting period.	No revisions were made to the target during the reporting period.
Performance against target	Early stage development; climate driven digital innovation is growing but not yet a material revenue contributor.	Positive progress demonstrated through measurable annual energy savings (LED retrofits and inverter ACs). 🔄

➔ 5.3 Sustainability-Related Metrics (Industry-Specific)

The following index presents cross-references to industry-specific metrics disclosed throughout the report. These metrics are aligned with the Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard (Version 2023-12).

Sustainability Disclosure Topics and Metrics						
Topic	Metric	Category	Unit of measure	Code	Disclosure	Page
Environmental Footprint of Operations	(1) Total energy consumed,	Quantitative	Gigawatt(GWh), Percentage [%]	TC-TL-130a.1	170.5 GWh	
	(2) percentage grid electricity and				96.1%	
	(3) percentage renewable				3.9%	
Data Privacy	Description of policies and practices relating to targeted advertising and customer privacy	Discussion and Analysis	n/a	TC-TL-220a.1	Cybersecurity and Digital Trust 	96-97
	Number of customers whose information is used for secondary purposes	Quantitative	Number	TC-TL-220a.2	For reasons driven by operational security, SLT does not publicly disclose details regarding data privacy unless otherwise required by law	
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	Presentation currency	TC-TL-220a.3	Nil	
	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	Quantitative	Number, Percentage [%]	TC-TL-220a.4	For reasons driven by operational security, SLT does not publicly disclose details regarding data privacy unless otherwise required by law	
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	Quantitative	Number, Percentage [%]	TC-TL-230a.1	For reasons driven by operational security, SLT does not publicly disclose details regarding data security unless otherwise required by law	
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	n/a	TC-TL-230a.2	Cybersecurity and Digital Trust 	
Product End-of-life Management	(1) Materials recovered through take-back programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	Quantitative	Metric tonnes (t), Percentage [%]	TC-TL-440a.1	<ul style="list-style-type: none"> • Copper sold for recycling: 4.8 tonnes (2025) • Customer Premises Equipment (CPE) recovered: 32,460 units (2025) • Batteries recycled: 11,794 units (2025) 	

Sustainability Disclosure Topics and Metrics						
Topic	Metric	Category	Unit of measure	Code	Disclosure	Page
Competitive Behaviour and Open Internet	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	Presentation currency	TC-TL-520a.1	Nil	
	Average actual sustained download speed of [1] owned and commercially associated content and [2] non-associated content	Quantitative	Megabits per second (Mbps)	TC-TL-520a.2	For reasons driven by commercial sensitivity, SLT does not publicly disclose details on this.	
	Description of risks and opportunities associated with net neutrality, paid peering, zero-rating, and related practices	Discussion and Analysis	n/a	TC-TL-520a.3	Cybersecurity and Digital Trust 	96-97
Managing Systemic Risks from Technology Disruptions	[1] System average interruption duration, [2] system average interruption frequency and [3] customer average interruption duration	Quantitative	Minutes, Number	TC-TL-550a.1	For reasons driven by commercial sensitivity, SLT does not publicly disclose details on this.	
	Discussion of systems to provide unimpeded service during service disruptions	Discussion and Analysis	n/a	TC-TL-550a.2	Cybersecurity and Digital Trust 	96-97


Activity Metrics						
Activity metric	Category	Unit of measure	Code	Disclosure	Page	
Number of wireless subscribers	Quantitative	Number	TC-TL-000.A	For reasons driven by commercial sensitivity, SLT does not publicly disclose details on this.		
Number of wireline subscribers	Quantitative	Number	TC-TL-000.B	For reasons driven by commercial sensitivity, SLT does not publicly disclose details on this.		
Number of broadband subscribers	Quantitative	Number	TC-TL-000.C	For reasons driven by commercial sensitivity, SLT does not publicly disclose details on this.		
Network traffic	Quantitative	Petabytes	TC-TL-000.D	For reasons driven by commercial sensitivity, SLT does not publicly disclose details on this.		

➔ 5.4 Sustainability-Related Targets (Industry-Specific)

5.4.1 Sustainability-Related Risks

1. High energy consumption in network infrastructure and dependence on fossil fuel-based grid electricity			
Source	SASB TC-TL-130a.1	SASB TC-TL-130a.1	SASB TC-TL-130a.1
Target	Reduce total energy consumption by 8% per year through efficiency upgrades.	Decrease dependence on fossil-fuel grid electricity by 2.5% per year.	Increase renewable electricity share to at least 5% by 2026, 10% by 2030.
Metric	Total Energy Consumed	Percentage Grid Electricity	Percentage Renewable
Period	2025-2045	2025-2045	2025-2045
Base period	Year 2024	Year 2024	Year 2024
Milestones and interim targets	Annual rollout of energy efficient equipment and data centre optimisation.	Gradual shift to hybrid power solutions at network sites.	<ul style="list-style-type: none"> Solar deployment at base stations and offices. Power purchase agreements for renewable electricity.
Performance against target	7.4%	1.5%	3.9%
Revision	No revisions were made to the target during the reporting period.	No revisions were made to the target during the reporting period.	No revisions were made to the target during the reporting period.



2. Lack of circularity in equipment and devices	
Source	SASB TC-TL-440a.1
Target	<ul style="list-style-type: none"> Achieve 75% recycling and reuse rate of network hardware and customer devices within 3 years. Reduce landfilled electronic waste to <10% of total end-of-life products. Introduce take-back programs in all regions served, targeting 50,000 devices
Metric	(1) Materials recovered through take-back programmes, percentage of recovered materials that were: (2) reused (3) recycled (4) landfilled
Period	2025-2028
Base period	Year 2024
Milestones and interim targets	<ul style="list-style-type: none"> Year 1: Launch take back programs nationwide; achieve ≥60% recovery rate. Year 2: Expand certified recycling partners; reduce landfill share to ≤15%. Year 3: Achieve ≥75% reuse/recycling rate and landfill rate below 10%. Annual increase in returned devices through customer awareness initiatives.
Performance against target	<ul style="list-style-type: none"> Copper reused: 4.8 tonnes (2025). Customer Premises Equipment (CPE) recovered: 32,460 units (2025). Batteries recycled: 11,794 units (2025).

3. Breaches of customer privacy, misuse of personal data, or unauthorized disclosure of information		
Source	SASB TC-TL-220a.3	SASB TC-TL-230a.2 
Target	Zero monetary losses from customer privacy-related litigation.	<ul style="list-style-type: none"> • Conduct quarterly penetration testing and staff cybersecurity training. • Implement ISO 27001 or equivalent cybersecurity standard across all operations by 2028.
Metric	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards.
Period	2025-2030	2025-2028
Base period	Year 2024	Year 2024
Milestones and interim targets	<ul style="list-style-type: none"> • Strengthen data governance and privacy controls. • Zero reportable litigation related monetary losses each year. • Annual review of privacy incidents and corrective actions. 	<ul style="list-style-type: none"> • Quarterly penetration testing initiated. • Annual mandatory cybersecurity awareness training for employees. • ISO 27001 implemented in the Company. • Certification or equivalent control alignment achieved by 2028.
Performance against target	Zero	Achieved ISO 27001 by the Company.
Revision	No revisions were made to the target during the reporting period.	No revisions were made to the target during the reporting period.


5.4.2 Sustainability-Related Opportunities

1. Low adoption and usage of services owing to digital divide and digital inclusion

Note: The following targets apply to both the sustainability-related risk (low adoption and usage of services owing to the digital divide) and the related opportunity (digital inclusion).

Source	GRI 413-1 	Capital Deployment
Target	Expand digital literacy and inclusion programs to underserved communities in 25 districts by 2027.	Increase investment in rural and hard to reach digital infrastructure to reduce connectivity gaps.
Metric	Number of people reached with digital skills training programmes.	Investment in rural/hard-to reach digital access infra-structure (FTTP/5G).
Period	2025-2027	2025-2030
Base period	Year 2024	Year 2024
Milestones and interim targets	<ul style="list-style-type: none"> Partnerships with community organisations and NGOs. Annual increase in participants of digital literacy programs. 	Year on year increase in capital deployment toward rural network build out.
Performance against target	Number of Code clubs sessions conducted in 2 centres of NEBULA Institute of Technology, 17 public libraries, 285 students, and 209 programmes.	Group Project Cost for Network expansion: LKR 21,666 Mn. 
Revision	No revisions were made to the target during the reporting period.	No revisions were made to the target during the reporting period.

2. Low carbon value proposition and Green innovation

Source	Internal innovation and sustainability strategy; national climate commitments.	
Target	Position core connectivity services and infrastructure as low carbon or net zero ready offerings and progressively reduce operational carbon intensity.	
Metric	<ul style="list-style-type: none"> Share of network sites with renewable energy. Revenue from green or low carbon digital solutions. 	
Period	2025-2045	
Base period	2024	
Milestones and interim targets	<ul style="list-style-type: none"> Integration of renewable energy and energy efficient cooling into new and upgraded network sites. Embedding carbon criteria into procurement and vendor selection. Expansion of green digital solutions (eSIM, e billing, smart agriculture, energy IoT).  Issuance and utilisation of green bonds or sustainability linked financing. 	
Performance against target	Progress underway through green innovations such as eSIM adoption, digital billing, solar panel installations, real time energy monitoring dashboards, and reduced diesel dependency at network sites.	
Revision	No revisions were made to the target during the reporting period.	

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Board of Directors



Dr Mothilal de Silva

Chairman/Non-Independent
Non-Executive Director

Date of Appointment: 4 November 2024

Directorships in Subsidiaries/Board Committee Memberships

Chairman/Director of eChannelling PLC, Mobitel (Pvt) Ltd., Sri Lanka Telecom (Services) Ltd.,

Director of SLT Human Capital Solutions (Pvt) Ltd., Galle Submarine Cable Depot (Pvt) Ltd., and Mobit Technologies (Pvt) Ltd.

Member of the Technology Subcommittee, Group Senior Tender Governance Committee, Nominations and Governance Committee.

Skills and Experience

With a career spanning over many decades, Dr Mothilal de Silva is a result oriented multidisciplinary C-level executive in the telecommunication industry having experience in Sri Lanka and multiple countries in Asia and Pacific regions. He is a turnaround specialist and a strategist.

Under his leadership as Group Chief Executive Officer, he turned around the Fiji's state-owned telecommunication company Telecom Fiji Ltd., sustainably after 5+ consecutive loss-making years. During his tenure at Telecom Fiji, the Company registered consistent growth in profit, dividend and investment for network modernisation. He was also the Group Chief Strategy Officer and Group Chief Corporate Officer of Dialog Axiata, General Manager (Sales, Marketing and Customer Service) of MTN Networks Pvt Ltd and Vice President Process Excellence

and Group Operations of Axiata Group Malaysia. He sat on the Board of Directors of Lanka Communication Services Pvt Ltd., a telecommunication service provider for enterprises in Sri Lanka.

As a C-level executive at Dialog, Dr Mothilal set up Corporate Planning, Strategy, MIS, Business Intelligence, Performance Management, Quality, Process Reengineering, Enterprise Programme Management and Corporate Development divisions from scratch while apprenticing young set of managers who had progressed to become leaders in Dialog and Axiata Group subsidiary companies. He was also instrumental in winning GSMA Awards, International Asia Pacific Quality Award, Asia CSR Award for Dialog Axiata and many national awards.

Dr Mothilal had delivered over 60 presentations in various international forums as a speaker, panelist, session Chairman, and Workshop leader mainly on the Next Generation Networks, Corporate Venture Capital for Telco, Platform Economy, Business Intelligence, Sustainability and Business Integral CSR. Dr Mothilal received Bizz NXT Awards 2022 under the category of Top 50 Business Growth Leaders in technology at BizTalk World Conference, Dubai. He served as a member of the High-level Advisory Council of the World Internet Conference, Wuzhen, China as a nominee of Minister of Cyberspace Administration, China from 2015 to 2017.

Dr Mothilal obtained Doctor of Business Administration from PPA Business School, Paris, with a distinction for his dissertation "Corporate Venture Capital as an engagement model for co-creating 5G ready services". He has a MSc in IT from Keele University UK, MBA from PIM, SL, BSc (Engineering) SL, Post Graduate Diploma in Strategic Management from Maastricht School of Management, Netherland and a Postgraduate Diploma in Marketing Management from PIM SL.



Mr Chan Chee Beng

Non – Independent, Non-Executive Director

Date of Appointment: 5 June 2008

Directorships in subsidiaries/ Board Committee memberships

Director of eChannelling PLC and Mobitel (Pvt) Ltd.

Member of the Remuneration Committee and the Nominations & Governance Committee

Skills and Experience

Mr Chan counts over 40 years of experience in investment banking, general and financial management and accounting. He worked at Ernst & Young and Morgan Grenfell & Co. Ltd., prior to joining the Usaha Tegas Sdn Bhd (UTSB) Group in 1992 as Head of Corporate Finance.

He holds an Honours Degree in Economics and Accounting from the University of Newcastle-upon-Tyne, United Kingdom and is a Fellow of the Institute of Chartered Accountants of England and Wales.

Other Appointments

Director of the Global Communication Services Holdings Ltd. Maxis Communications Berhad, Binariang GSM Sdn Bhd, UTSB Management Sdn Bhd, Pan Malaysian Sweeps Sdn Bhd, BGSM Management Sdn Bhd, BGSM Equity Holdings Sdn Bhd, True Happiness Capital Sdn Bhd, Ace Pursuit Sdn Bhd, Yu Cai Foundation, Versa Asia Sdn Bhd and Carsome Group BVI.



Mr Niel Unamboowe P.C.

Independent, Non-Executive Director

Date of Appointment: 4 November 2024

Directorships in subsidiaries/ Board Committee memberships

Director of Mobitel (Pvt) Ltd.

Chairman of the Nominations & Governance Committee and the Remuneration Committee

Member of the Group Senior Tender Governance Committee

Skills and Experience

Mr Niel Unamboowe, President's Counsel, has 38 years of experience as a lawyer. Currently engaged in private practice, he served in the Attorney General's Department, until his retirement in 2019 as Additional Solicitor General. Whilst in the Attorney-General's Department he headed the prosecution for the Presidential Commission of Inquiry and Investigation into Alleged Irregularities at Sri Lankan Airlines, Sri Lanka Catering Limited and Mihin Air Limited.

Throughout his career in the Attorney General's Department, he was involved in significant inquiries, including the Presidential Commission into the Affairs of Sri Jayewardenepura General Hospital in 1994 and the inquiry and investigation into involuntary disappearances in 1995. He played a key role in the Revenue Unit, providing legal guidance to the Ministry of Finance and the Treasury, and to various Government departments including Customs and Inland Revenue.

Mr Unamboowe was a recipient of scholarships from the WIPO Worldwide

Academy and from the World Bank and holds two Master's Degrees in Intellectual Property Law from the University of Turin, Italy and the second LL.M. from George Washington University, Washington D.C. USA. Further, he holds certificates in Commercial Law, Cyber Law and Air Law from the National University of Singapore and the National Law School of India University (Bangalore). He has received specialised training in areas such as Nuclear Safeguards and Intellectual Property Enforcement.

With extensive supervisory experience across various legal subjects, he has also served as Head of the Civil Division of the Southern Province and as a legal consultant for several governmental organisations including the Atomic Energy Authority of Sri Lanka, the Sri Lanka Standards Institute and the National Apprentice and Industrial Training Authority. Additionally, his commitment to legal education is evident in his roles as a member of the Board of the Institute of Advanced Legal Studies, a Supervisor for diploma dissertations, and as a visiting lecturer and examiner in legal programs at various institutions, including the National Institute of Social Development and the University of Moratuwa contributing to shaping the next generation of legal professionals.

Other Appointments

Member of the Law Commission

Director of Sri Lanka Insurance Ltd., Sri Lanka Insurance Corporation Life Ltd. Sri Lanka Insurance Corporation General Ltd. and Canowin Hotels & Spas (Pvt) Ltd.



Mr Raghvendra Madhav

Independent, Non-Executive Director

Date of Appointment: 13 November 2025

Directorships in subsidiaries/Board Committee memberships

Director of Mobitel (Pvt) Ltd.

Chairman of the Related Party Transactions Review Committee

Member of the Group Senior Tender Governance Committee and Group Audit Committee

Skills and Experience

Mr Madhav worked with Price WaterHouse in Management Consulting in London, UK Office and subsequently as a Director of the management consulting service in India. He worked on several large consulting projects both in the UK and in India focusing on systems and processes, strategy etc. across the entertainment, telecom and media sectors.

Since 1995 till recently, Raghvendra worked in different capacities with the UT Group Companies as Director South Asia, CEO of AOL – focused on the international business including India.

He sat on the boards of the UT Group companies in India including Aircel (Telecom), Sun Direct Television, Red FM and SAFL (Radio) etc.

Mr Madhav also sat on the audit and risk committees for these companies.

He holds a Hons Degree in Economics at the Undergraduate level from St. Stephens College, India. He is a Chartered Accountant and a member of the Institute of Chartered Accountants, India. He also did his Advanced Management Program from Harvard Business School, Boston, USA.



Mr A N Hapugala

Non-Independent, Non-Executive Director

Date of Appointment: 13 November 2025

Directorships in subsidiaries/Board Committee memberships

Director of Mobitel (Pvt) Ltd.

Member of the Group Audit Committee and Related Party Transactions Review Committee

Skills and Experience

Mr A N Hapugala Deputy Secretary to the Treasury, Ministry of Finance, Sri Lanka, has served in the public sector for more than thirty years, beginning in 1992 as an Accountant of the Sri Lanka accounting service including twenty years in Treasury.

Mr Hapugala holds a Master's degree in Financial Economics from the University of Colombo and a Bachelor's degree (B.Sc.) in Management from Sri Jayewardenapura. University in Sri Lanka. Additionally, he has obtained two Post Graduate Diplomas in Accountancy from the University of Sri Jayewardenapura in Sri Lanka and Diploma in Public Finance Management in the Institute of Development Administration. Further, he is CPFA Member of the Association of Public Finance Accountants from the Institute of Chartered Accountants of Sri Lanka.

Other Appointments

Deputy Secretary to the Treasury, Director, Housing Development Bank and Member, Insurance Regulatory Commission.



Mr Chandrasiri Kalupahana

Independent, Non-Executive Director

Date of Appointment: 4 November 2024

Directorships in subsidiaries/Board Committee memberships

Director of eChannelling PLC

Chairman of the Group Audit Committee

Member of the Related Party Transactions Review Committee and Remuneration Committee

Skills and Experience

Mr Kalupahana is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and holds memberships in several other professional bodies. He commenced his professional career at KPMG Sri Lanka and has served as a Governing Council Member and Chairman of the Business School of CA Sri Lanka for four years.

He has served as an Independent Non-Executive Director and Chairman of the Audit Committees and Related Party Transactions Review Committees of Lanka Hospitals Corporation PLC and Lanka Hospitals Diagnostics (Pvt) Ltd.

Mr Kalupahana previously served as a Group Chief Officer of Sri Lanka Telecom PLC, with responsibility for Internal Audit, Revenue Assurance, and Fraud Management. Prior to this, he was the Chief Financial Officer of the Regional Development Bank and served as Assistant General Manager at Pan Asia Bank. He has also held senior management roles, including Senior Deputy General Manager and Chief Internal Auditor, at licensed finance companies.



Mr Suren J Amarasekera

Independent, Non-Executive Director

He has held the position of General Manager (in the capacity of Chief Executive Officer) at regulated entities in Sri Lanka, Tanzania, and Angola, and has also worked in Saudi Arabia. His international exposure includes participation in professional engagements and stakeholder meetings held in the USA, UK, South Africa, Rwanda, Kenya, Australia and India.

He currently serves as an Executive Council Member and Vice President of the Organisation of Professional Associations of Sri Lanka (OPA), the apex body representing 52 professional associations across 34 disciplines, with a membership exceeding 60,000 professionals.

He has received extensive overseas exposure and professional training in banking, finance, auditing, telecommunications, and education.

Other Appointments

Director – Softlogic Finance PLC

Chairman – Audit Committee, Related Party Transactions Review Committee, Nomination & Governance Committee

Member – IT Security & Steering Committee

Date of Appointment: 8 December 2022

Directorships in subsidiaries/Board Committee memberships

Director, eChannelling PLC, Mobitel (Pvt) Ltd, Sri Lanka Telecom (Services) LTD and Galle Submarine Cable Depot (Pvt) Ltd.

Chairman of the Technology Subcommittee.

A Member of the Nominations & Governance Committee and Remuneration Committee

Skills and Experience

Mr Amarasekera brings over 30 years of experience in the global telecommunications industry, including more than 25 years in senior leadership roles as a Board Member, Managing Director, Chief Executive Officer, and C-suite executive. He has held pivotal positions with internationally renowned operators such as the Singtel Group, SLT-Mobitel Group, Axiata Group, and Maxis Group, carrying multi-billion-dollar P&L responsibility and playing a central role in reshaping the telephony landscape across five regional markets.

His leadership has consistently driven innovation-led transformations from traditional Telco models to TechCo operating paradigms, delivering sustainable profitability and long-term strategic growth. Mr Amarasekera's strong cultural adaptability is underpinned by extensive multi-year assignments across Singapore, Sri Lanka, Nepal, India, and Malaysia.

Mr Amarasekera commenced his career in 1992 with the Singapore Telecommunications (Singtel) Group.

Over a 13-year tenure, he developed deep expertise in multinational best practices and advanced telecommunications technologies.

During this period, he was awarded a comprehensive sponsorship by Singtel's Career Development Council (CDC) to pursue an MBA at the University of Chicago Booth School of Business, Illinois, USA.

Since 2020, Mr Amarasekera has been actively engaged in AI-driven digital transformation initiatives and advisory roles, with a particular focus on the application of multimodal and vernacular native-AI solutions. His areas of interest also include the Tactile Internet, 5G/6G technologies, and the development of SuperApps.

During the period 2017–2019, Mr Amarasekera served as Strategic Projects Director for the South Asia region at Axiata Group Berhad. In July 2017, he was appointed Managing Director and Chief Executive Officer of Ncell Axiata, where he further strengthened the Company's market leadership and led a comprehensive digital transformation. Under his leadership, Ncell achieved an annual turnover of USD 575 Mn. with an EBITDA margin of 60%, reinforcing its position as the distinctive leading telecommunications operator in the market. A notable achievement was his leadership in conceptualising and establishing the Enterprise Business as a best-in-class capability integrating IDC's with native-cloud services, IoT solutions and highly resilient connectivity to support mission-critical enterprise requirements. This initiative was executed as a pre-emptive strategic response to the formidable threat posed by OTT

players and the rapid decline in international termination revenues. Within a short period, it transformed the competitive landscape, with Ncell recognised as the segment innovator delivering cutting-edge enterprise solutions to the market.

From 2014 to 2017, Mr Amarasekera served as Chief Enterprise Officer of Airtel Limited, with responsibility for 4G LTE services, Enterprise, Wholesale, and Carrier businesses. During this period, he led the deployment of Fixed Wireless Access (FWA) using 4G technology and oversaw the migration at large scale links of WiMAX connections supporting rural branch networks. He also played a key role in facilitating the sale of 20 MHz of Airtel's 4G spectrum across eight circles for approximately USD 600 Mn., as part of a strategic debt-reduction initiative.

From 2011 – 2013, Mr Amarasekera served initially as Executive Vice President of Maxis Communication Berhad and thereafter as Joint Chief Operating Officer of Maxis Berhad, Malaysia. During his tenure, he guided the Company to become the first operator to commercially launch 4G services in Malaysia on 1 January 2013 and held overall P&L responsibility, overseeing annual revenues in excess of USD 2 Bn. with an EBITDA margin of approximately 50%. He served as a Board Member of the Bridge Alliance, Singapore, a leading consortium of 36 globally renowned operators collectively presently serving around two billion customers worldwide.

From 2005 to 2011, Mr Amarasekera served as Chief Executive Officer of Mobitel, where he drove revenue market share growth from 12% to over 27%, elevating the Company to the second-largest operator in a highly competitive market with five mobile operators. A notable achievement was his leadership in

conceptualising and launching Upahara as a pre-emptive initiative ahead of Airtel's market entry in January 2009. This innovative offering transformed the competitive landscape and, within months, positioned Mobitel as the market leader in the post-paid segment, with approximately one million new subscriber additions.

Mr Amarasekera was with Singapore Telecommunications (Singtel) in Singapore from 1999 to 2005, holding several senior management positions. Prior to this, from 1992 to 1998, he was among the first non-Singaporeans to lead an overseas Singtel operation, serving as Managing Director of Lanka Communication Services and Lanka Cellular Services. In this role, he was instrumental in the successful divestiture of Call Link, enabling a smooth transition to Hutchison in August 1997.

He has also been invited and had served as a Member of the Board of Governors of the Sir Arthur C Clarke Institution for Modern Technologies.

Mr Amarasekera holds a Bachelor of Science and a Master of Science in Computer Systems Engineering from Syracuse University, New York, USA, and an MBA from the University of Chicago Booth School of Business, Illinois, USA.

Other Appointments

Director of the Bensons Private Ltd., Akin Lanka (Pvt) Ltd., Akin Pte Ltd. (Singapore) and Akin KL Sdn Bhd. (Malaysia).



Mr T M Thilakaratne

Independent, Non-Executive Director

Date of Appointment: 4 November 2024

Directorships in subsidiaries/ Board Committee memberships

Director of Mobitel (Pvt) Ltd., SLT Human Capital Solutions (Private) Limited, and Sri Lanka Telecom (Services) Limited.

Member of the Technology Subcommittee, Group Audit Committee and Remuneration Committee.

Skills and Experience

A seasoned telecommunications professional with decades of industry experience, holding a National Diploma in Technology from the University of Moratuwa. He has a strong foundation across Operations, Maintenance, Sales, Marketing, Customer Service, Quality Management, and Project Management, making him a versatile and resourceful professional in the telecom sector.

Throughout his career, he was consulted on numerous telecommunications projects, bringing a wealth of knowledge and insight into both technical and business domains. His strategic input and operational expertise have been instrumental in driving project success and adapting solutions to meet diverse market needs. Additionally, he has worked with Tritel Services (Pvt) Ltd for over 15 years, where he played a key role in expanding the payphone network across Sri Lanka, contributing significantly to both sales and operations.

He has also undergone extensive training in telecommunications operations and business management, both locally and internationally, enabling him to stay aligned with global standards and industry innovations.

At present, he has successfully completed one year of service as a Director at Sri Lanka Telecom PLC and Mobitel (Pvt) Ltd., during which he made significant contributions by leveraging his extensive expertise and insights in the telecommunications sector.



Mr Nihal Fonseka

Independent, Non-Executive Director

Date of Appointment: 26 June 2025

Directorships in subsidiaries/ Board Committee memberships

Director of Mobitel (Pvt) Ltd.

Chairman of the Group Senior Tender Governance Committee

Member of the Group Audit Committee, Related Party Transactions Review Committee and Nominations & Governance Committee

Skills and Experience

Mr Fonseka is a retired banker and served as the Chief Executive Officer/Director of DFCC Bank from 2000 until 2013. Prior to joining the DFCC Bank, he was the Deputy Chief Executive of HSBC Sri Lanka for 11 years.

Mr Fonseka is a Member of the Governing Board and Monetary Policy Board of the Central Bank of Sri Lanka since July 2022 after also having served as a Member of the Monetary Board of the Central Bank of Sri Lanka from 2016 to 2020. He is also currently a Director and Chairman of the Group Audit Committee of Brandix Lanka Limited, one of the largest apparel exporters in Sri Lanka. He is the incumbent Chairman of Phoenix Industries Limited and Chairman of the Investment Committee of Phoenix Ventures Limited.

Mr Fonseka was the Senior Independent Director of John Keells Holdings PLC, Sri Lanka's largest public listed conglomerate with a market capitalisation of over USD 1 Bn. for 10 years until June 2024.

He is a past Chairman of the Colombo Stock Exchange and the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). He has also held non-executive public sector positions as a Director of the Employees' Trust Fund Board, and as member of the Presidential Commission on Taxation (2009), National Procurement Commission and Strategic Enterprises Management Agency (SEMA).

Mr Fonseka holds a B.Sc. from the University of Ceylon, Colombo, and is a Fellow of the Institute of Financial Studies, (FIB) UK and is an Honorary Fellow of the Chartered Institute of Securities and Investments, FCSI (Hon), UK.



Mr Mahesh Athukorale

Group Company Secretary

Date of Appointment: 1 November 2014

Skills and Experience

Appointed in November 2014 as the Company Secretary. His career spanning over 30 years, he has more than 23 years of experience in the SLT Group and over eight years in the mercantile and financial sectors. Mr Mahesh Athukorale is an Attorney-at-Law. He holds an MBA from the University of Colombo and a Bachelor's degree in Law from the Open University of Sri Lanka. He is an Associate Member of the Chartered Governance Institute of the United Kingdom. He also functions as Company Secretary for Board Subcommittees and subsidiaries of SLT Group.

Executive Management



Mr M Riyaaz Rasheed

Chief Executive Officer

Mr Riyaaz Rasheed was appointed as the Chief Executive Officer effective 1 January 2026. Driven by a vision to enhance organisational performance and deliver sustainable growth, he oversees the strategic direction, operations, and overall performance of the organisation, ensuring its continued success in the telecommunications sector.

He is a professional with over 34 years of experience, including 29 years in the telecommunications industry. He commenced his career in professional services and has held several senior executive positions, including Chief Financial Officer, Deputy Chief Executive Office in leading telecom organisations. Prior to entering the telecommunications sector, he gained valuable experience in diversified business operations.

Mr Riyaaz holds an MBA from the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardenepura and a Bachelor's Degree in Pure Sciences (BSc). He is a Fellow Member of the Chartered Institute of Management Accountants, UK (FCMA UK), a Chartered Global Management Accountant (CGMA), and a Fellow Member of the Institute of Chartered Management Accountants of Sri Lanka (FCMA SL).

A strategic leader with a keen focus on organisational transformation, innovation, and financial stewardship, Mr Riyaaz brings extensive insight and expertise to his role as Chief Executive Officer, driving initiatives that support growth, operational efficiency, and long-term value creation.



Mr Imantha Wijekoon

Chief Operating Officer

Chief Business Officer – Consumer Business
(Covering Up)

Mr Imantha Wijekoon is a Chartered Engineer with a Bachelor's Degree in Electronics and Telecommunications Engineering from the University of Moratuwa. He also holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura.

With a distinguished career spanning 30 years at Sri Lanka Telecom (SLT), Mr Wijekoon has gained extensive expertise in regional operations, project management, and consumer and SME sales operations. He has undergone specialised training in telecommunications operations and business management across multiple international institutions, including: Swedish International Development Cooperation Agency (Sida), Sweden, LG Cables and Machinery Ltd., South Korea, Korea Telecom, South Korea, AOTS, Japan

Additionally, he has participated in numerous global and local conferences and workshops, covering key industry topics such as Next-Generation Networks, Fixed-Mobile Convergence, CRM Change Management, Telecommunications Business Simulation, Value-Driven Marketing, Total Telecom Congress, and the Mobile World Congress.

With over 12 years of experience in the consumer sales segment, Mr Wijekoon has played a pivotal role in leading strategic sales growth, customer engagement, and business transformation initiatives at SLT. Throughout his tenure, he has held several senior leadership positions, including: Head of Province, Deputy Head of Regions, General Manager-Customer Service, Regional General Manager, Chief Sales Officer.

From November 2019 to January 2024, he served as a Non-Executive Director of Sri Lanka Telecom Services Ltd. He also held the position of Interim Chief Executive Officer of the SLT-Mobitel Group from September 2025 to December 2025, contributing to the strategic direction of the organisation.



Mr Sudharshana Geeganage

Chief Operating Officer – Mobitel

Mr Sudharshana Geeganage is the Chief Operating Officer of Mobitel (Pvt) Ltd since May 2023. Sudharshana counts over three decades of corporate experience and possesses a unique blend of expertise spanning across Strategy, Finance, Planning, Management consultancy, Investment and Development banking and Economics.

He commenced his career in telecommunications at Mobitel in 2003 and held multiple senior management positions in the Company. As COO of Mobitel, he successfully revived the Company's performance following two consecutive years of decline and steered the organisation back onto a growth direction.

Prior to assuming the role of COO – Mobitel, He performed duties as Chief Financial Officer of the Company holding key responsibilities in Finance and Corporate Strategy functions. He played a pivotal role in the development of Mobitel's growth strategy that paved the way for Mobitel to become one of the most formidable telecommunications companies in Sri Lanka. He was involved in driving pioneering initiatives that made communication available and affordable to all of Sri Lanka.

Before joining Mobitel, Sudharshana enjoyed an initial career stint in management consultancy at Ernst & Young and in investment & development banking at Vanik Incorporation Ltd and NDB Bank.

Sudharshana is a Stanford LEAD Distinguished Scholar and holds a Bachelor of Engineering degree from University of Moratuwa and a Master of Economics from University of Colombo. He is a Fellow of Chartered Institute of Management Accountants' UK and is a Chartered Financial Analyst.

Currently, he serves as a member of GSMA APAC policy group and he has served as a non-independent director to the Board of eChannelling PLC, a subsidiary company of Mobitel (Pvt) Ltd.



Mr Sanjeewa Samaranyake

Chief Finance Officer

Mr Sanjeewa Samaranyake is the Chief Finance Officer and counts over 30 years of management experience, holding senior positions in reputed manufacturing, trading and service organisations in Sri Lanka and overseas. He is a Fellow Member of the Chartered Institute of Management Accountants (UK) and of the Institute of Certified Management Accountants of Sri Lanka. He holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and a Bachelor of Commerce Degree from the University of Colombo. He followed an Advanced Management Programme (AMP) conducted by the Kellogg Business School in USA and a Mergers & Acquisitions Course conducted by the Chicago Booth, University of Chicago, USA.

He joined Sri Lanka Telecom PLC as the Group Chief Finance Officer in September 2018. Prior to joining SLT, he served as the Group Chief Financial Officer of a blue-chip company in Sri Lanka.

He held many senior positions at the Ceylon Chamber of Commerce, Import Section for several years. He was awarded the prestigious "Platinum Honours Award" by the Postgraduate Institute of Management Alumni in 2010 and the "Diamond Service Award" for the "Most Outstanding Business Leader of the Year" jointly by the Ceylon Chamber of Commerce and the Postgraduate Institute of Management Alumni in 2016.



Mr Lakmal Jayasinghe

Chief Business Officer – Enterprise Business

Mr Lakmal Jayasinghe joined Sri Lanka Telecom PLC (SLT) in 2001, following various roles in several recognised organisations. In his current role as Chief Business Officer – Enterprise Business, he leads the Group’s Enterprise and Wholesale businesses, delivering integrated fixed and mobile voice and data solutions to SMEs, large enterprises, government institutions, domestic telecom operators, global wholesale carriers, and multinational enterprises.

In addition to his primary responsibilities, Mr Jayasinghe currently serves as the Chief Executive Officer of Xyntac Singapore Pte Ltd, a wholly owned subsidiary of SLT, established to manage and expand the Group’s global business operations.

With a career spanning over 25 years at SLT, Mr Jayasinghe has held several senior leadership positions, including Chief Network Officer, Chief Enterprise and Wholesale Officer, General Manager – Government Business, General Manager – Sales (Metro and Region 2), Deputy General Manager – Enterprise Sales (Large Business), and Deputy General Manager – Training and Development.

He brings extensive experience in enterprise and government sales, enterprise communication solutions, business development, training and development, consumer and SME sales operations, and regional sales management.

Mr Jayasinghe holds a Master of Business Administration (MBA) degree from the University of Colombo and a Bachelor of Science (Honors) degree in Electronics and Telecommunications Engineering from the University of Moratuwa, Sri Lanka. He is a Chartered Engineer and a Member of the Institution of Engineers, Sri Lanka.



Mr Rohana Ellawala

Chief Marketing Officer (Acting)

Mr Rohana Ellawala is the Chief Marketing Officer and counts over 32 years of distinguished service at SLT–Mobitel, bringing with him extensive multidisciplinary expertise and deep institutional knowledge. His career spans a wide spectrum of functions including engineering, procurement, corporate relations, product development and management, regional operations, business management, customer experience management, churn and loyalty management, brand and digital marketing, campaign management, CSR, strategic relationship management, market and event activations and media and public relations.

He has held a range of senior leadership positions within the organisation, including Regional Manager, Deputy General Manager, General Manager and Deputy Chief Marketing Officer, gaining over a decade of experience in senior marketing leadership alongside extensive regional and business management exposure.

He currently leads the complete spectrum of mobile and fixed wireless sales, providing strategic direction and ensuring strong operational execution. His responsibilities extend across retail, SME, enterprise and international markets, where he oversees the development and management of both fixed and mobile products, driving sustainable growth and market leadership.



Mr Anuruddha Rathnayake

Chief Network Officer



Dr Naleen Jayasuriya

Chief People Officer (Acting)

Mr Ellawala is a Chartered Engineer and holds a Master of Business Administration from the University of Colombo and a National Diploma in Technology from the University of Moratuwa. His strong technical foundation, complemented by advanced business education, enables him to integrate engineering expertise with strategic thinking, strengthening his capabilities in project execution, problem solving, operational excellence, financial management and organisational leadership.

Mr Anuruddha Rathnayake is a highly accomplished telecommunications professional with over 25 years of experience at SLT-Mobitel. He commenced his career as an Engineer and has since progressed through several senior management roles, including Deputy General Manager, General Manager, Deputy Chief Officer – Regional Operations and is currently serving as Chief Network Officer.

He holds a Master of Business Administration and a Master of Science in Telecommunication Engineering from the University of Peradeniya, together with a Bachelor of Science in Electrical and Electronics Engineering, reflecting a strong blend of strategic business acumen and deep technical expertise.

He is a Corporate Member of the Institution of Engineers, Sri Lanka (IESL) with over 20 years of post-charter experience and a Member of the Engineering Council of Sri Lanka. Widely recognised for his leadership in large-scale regional operations and complex network infrastructure initiatives, his achievements include award-winning leadership, major national network modernisation programs, the establishment of regional network management centers, and sustained regional performance excellence acknowledged by senior management.

Dr Naleen Jayasuriya holds a Doctor of Business Administration (DBA) from the University of Kelaniya. He has earned multiple postgraduate qualifications, including a Master of Labour and Human Resource Management (MLRHRM) from the University of Colombo, a Master of Science in Project Management from the University of Moratuwa, and a Master of Business Administration in Management of Technology from the University of Moratuwa. He also holds a Bachelor of Science (Hons.) degree in Electronics and Telecommunication Engineering from the University of Moratuwa.

Dr Jayasuriya is a Fellow of both The Institution of Engineering and Technology (IET), UK, and the Institution of Engineers Sri Lanka (IESL). He is an International Professional Engineer (IntPE), a Chartered Engineer of IESL, and a Chartered Engineer of the IET (UK). He is also ITIL certified, serves as an International Professional Review Advisor for the IET (UK), and holds a Chartered Qualification in Human Resource Management from the Chartered Institute of Personnel Management (CIPM), where he is an Associate Member.

He began his career as a Systems Engineer and Lecturer at SLIIT before joining Sri Lanka Telecom in 2003 as an International Switching Engineer. Over the years, he has held several key leadership positions at SLT, including Deputy General Manager – Business Process Re-Engineering, General Manager – Human Resources Management and Industrial Relations, and General Manager – Program Management.



Mr Jeewapadma Sandagomi
Chief Officer – Supply Chain Management



Mr Saman Abeysekera
Chief Administration Officer

Chief Technology Officer (Covering up)

Dr Jayasuriya serves as the President of the IET Sri Lanka Network for 2025 and 2026, having previously held the position of Vice President from 2019 to 2024. He is also a member of the Executive Committee of JASTECA Sri Lanka. He has published research in reputed journals, presented at local and international conferences, and delivered keynote and guest lectures at major global forums such as TM Forum Mumbai, TM Forum Innovate Asia, and the Asia Pacific Symposium on Process and Artificial Intelligence (APSPAI).

Mr Jeewapadma Sandagomi is the Chief Officer Supply Chain Management (COSCM) at SLT–Mobitel and counts over 25 years of professional experience in both public and private Enterprises. During over two decades long tenure at Mobitel, he has been leading different roles and responsibilities at Mobitel, including IT strategy, Information Security, Project Management, Revenue Assurance and Enterprise Risk Management and Procurement.

Mr Sandagomi is a Chartered Engineer of the Institution of Engineers Sri Lanka, and holds a MBA in Management of Technology, and BSc Engineering degree from University of Moratuwa, Sri Lanka. Further, he holds, CISA (Certified Information Systems Auditor), CISSP (Certified Information Systems Security Professional), PMP (Project Management Professional) and CMA–Aus (Certified Management Accountant – Australia) credentials as well. The Computer Society of Sri Lanka (CSSL) recognised Sandagomi with the prestigious “CISO of the year” award at the National ICT awards ceremony held in year 2021.

During his tenure, he was instrumental in setting up new policy frameworks, Process digitalisation and leading multiple key IT Transformation projects successfully. Further, Mr Sandagomi has pioneered to commence multiple process transformations and cost optimisation initiatives for the Supply Chain Management Group of SLT–Mobitel.

Mr Saman Abeysekera is a Chartered Electrical and Electronics Engineer with a degree from the University of Peradeniya and is a Fellow of The Institution of Engineers Sri Lanka (IESL). He brings 31 years of comprehensive experience in the telecommunications industry, gained through significant roles at Sri Lanka Telecom (PLC) and other recognised organisations.

Prior to his tenure at SLT, he held senior management positions in several Sri Lankan companies. Joining SLT in 1998 as an Engineer, Mr Abeysekera advanced through a series of key leadership roles, including Project Manager for the Rural Telecommunication Development Project, Regional Telecommunication Manager, Regional General Manager, Deputy Chief Regional Operating Officer, Chief Asset, Property and Security Management Officer, and ultimately, Chief Administrative Officer.

His extensive experience spans a wide range of areas, including project management, regional operation and maintenance, customer service, consumer and SME sales operations, property development, facility management, and security management. He has also undergone specialised telecommunications operations and business training in various international settings.



Mr Sisira Piyaratne

Chief Officer – Special Projects

Mr Sisira Piyaratne holds a master's degree in business administration (MBA) from the University of Peradeniya and a BSc Honors degree in Electrical and Electronics Engineering from the University of Peradeniya Sri Lanka. He is a Chartered Engineer, a member of the Institution of Engineers Sri Lanka.

He joined SLT as an Engineer in 1994 following various roles in recognised organisations as Assistant Lecturer in Open University Sri Lanka and as an Engineer in Ansell Lanka Pvt Ltd. And Sri Lanka Telecom Services Ltd.

In his career at SLT spanning 32 years. He has served in the capacity of Engineer Transmission, Regional Telecommunication Manager, Provincial Deputy General Manager, Regional General Manager, Deputy Chief Innovation and Culture Officer and Deputy Chief Supply Chain Management Officer, Chief Administrative officer, Chief Facility Management officer and Chief Officer Network Strategy and Projects. In his present role, he leads the special Projects in Sri Lanka Telecom Mobitel.

He has extensive experience in the areas of Operation and Maintenance of Transmission networks. Consumer and SME Sales Operation and Regional Sales Management. Regional Network Operations, Implementing Quality Management practices including ISO 9001:2015. Tender Commercial Evaluations and Supply Chain Management, administration and project Management, Network Planning and Projects execution and network implementations including Fibre to the Home (FTTH) projects.



Mr Mangala Samarajeewa

Chief Innovation Officer

Mr Mangala Samarajeewa is a seasoned telecommunications professional with over 27 years of extensive experience in network engineering, operations, innovation, and strategic leadership. He joined Sri Lanka Telecom (SLT) in 1997 and holds a Bachelor of Science in Engineering (Electronics and Telecommunications) from the University of Moratuwa, Sri Lanka, along with a Master of Business Administration (MBA). He is a Chartered Engineer and a Corporate Member of the Institution of Engineers, Sri Lanka.

Throughout his career, Mr Samarajeewa has demonstrated strong technical expertise combined with effective managerial capabilities, enabling him to provide strategic leadership across multiple domains of SLT's network and innovation functions. He has participated in numerous overseas training programmes, seminars, and international forums organised by leading global training institutions, top-tier telecommunications operators, and renowned equipment vendors.

In his former role as Chief Network Officer, he was responsible for end-to-end network planning and operations, including transport and access networks, global transmission systems, network services, data centres and cloud services. His leadership has been instrumental in driving several landmark national projects, including the National Broadband Network under the i-Sri Lanka Programme, the Lanka Government Network (LGN), and SEA-ME-WE-5 & 6 submarine cable systems. He has played a key role in accelerating nationwide fibre network

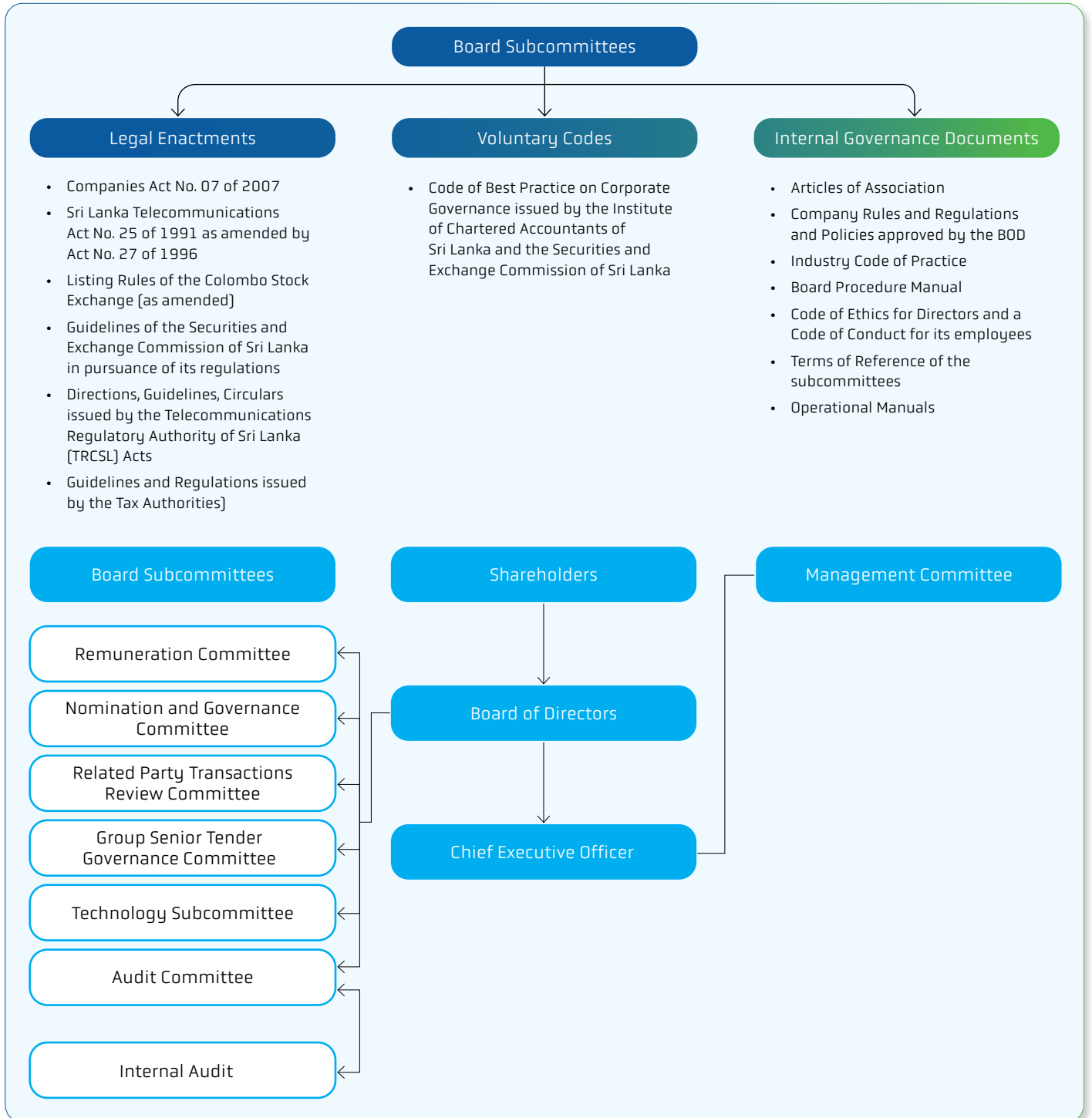
deployment, sponsoring the National Fiberisation Programme. His contributions also include overseeing rapid network deployment in Sri Lanka.

Currently serving as Chief Innovation Officer, Mr Samarajeewa continues to excel in technology management and programme leadership.

Beyond his corporate responsibilities, Mr Samarajeewa serves as President of the Japan–Sri Lanka Technical & Cultural Association (JASTECA) and President of the South Asian Federation of AOTS Alumni Societies (SAFAAS), actively contributing to regional and international professional collaboration.

Governance Framework

The Board of Directors of Sri Lanka Telecom PLC (SLT) remains deeply committed to the Company's ongoing transformation efforts. Guided by robust corporate governance, the Board provides strategic and independent oversight, enabling SLT to execute its strategy effectively and responsibly while upholding transparency and adhering to the highest ethical standards. The Company remains dedicated to enhancing long-term value creation for all stakeholders, with unwavering commitment to integrity, social responsibility, environmental stewardship, and regulatory compliance.



➔ Board of Directors

The Board of Directors of SLT comprises a well-balanced group of professionals with extensive expertise and deep knowledge of the industry and broader business environment. This collective proficiency enables SLT to effectively fulfil its role as the national Information and Communication Technology (ICT) solutions provider. Regular Board and Subcommittee meetings are held to ensure that the Board's responsibilities are effectively carried out, as detailed on page 164.

➔ Selection and Composition of the Board

In accordance with SLT's Articles of Association (AoA), the Board of Directors has the authority to fill vacancies and appoint additional Directors, subject to their re-election at the following Annual General Meeting (AGM). The Board's composition is carefully structured to maintain a balanced range of skills, with emphasis on financial expertise, as outlined in the Directors' profiles on pages 150 to 155. Notably, three Directors hold professional qualifications from recognised finance or accounting bodies and Financial Studies, along with relevant industry experience.

The appointment process aims to establish a diverse and well-qualified Board, considering factors such as expertise, business insight, financial proficiency, sound judgement, leadership capabilities, achievements, and industry knowledge. Recommendations for new Directors are made by the Secretary to the Treasury, and Global Telecommunications Holdings N.V, as the principal shareholders.

The Nominations and Governance Committee (N & GC) subsequently evaluates and recommends to the Board, the appointment of Directors in accordance with the AoA and the policies established for the appointment of Directors.

The Board-approved policy governing the appointment of Directors and matters relating to Directors is a guideline to the Board when appointments to the Board are considered. The N&GC is vested with the responsibility of identifying new Directors and/or considering the suitability of Directors nominated by the principal shareholders.

According to the policy, no Director held directorships in more than five listed companies excluding the subsidiaries of the Company, during the year.

To ensure effective governance and strategic oversight, SLT has implemented robust processes to support the Board's activities:

- Directors receive accurate, relevant, timely, clear, and impartial information aligned with the Company's objectives.
- Independent and objective judgement is expected from Directors on all matters brought before the Board.
- The Company Secretary acts as the central point for information exchange between the Board of Directors, Board Subcommittees, and key executives.
- Proposals from the Chief Executive Officer (CEO), Chief Officers, and Division Heads are presented to the Board, with clarifications provided upon request.
- Board papers are made available electronically, supporting SLT's sustainability initiatives and enabling remote participation by Directors.

- Board documents are distributed at least one week prior to meetings, providing ample time for review and discussion.
- An annual calendar of Board and Subcommittee meetings is prepared in consultation with all Directors before the commencement of each year.

The Board comprises nine (9) Non-Executive Directors, providing a diverse and comprehensive range of expertise that supports sound governance and informed decision-making. This structure is compliant with Section 9.8 of the CSE Listing Rules and the provisions of SLT's AoA reflecting the Company's commitment to effective governance and strategic leadership.

Upon their appointment, Directors are provided with a detailed induction pack designed to give a thorough understanding of the Company's operations, industry context, strategic priorities, and stakeholder relationships. Additionally, Management provides briefings on strategic and business plans to ensure alignment and consistency in governance and oversight. In addition, one-to-one sessions are arranged on request to provide individual Directors with deeper insights into the Company's operations, strategic planning, and governance, often complementing formal board meetings and preliminary briefings. These tailored sessions allow Directors to explore specific areas of interest or concern, ensuring they have the necessary context to fulfil their fiduciary duties and contribute to strategic decision-making.

Role of the Board

- Providing leadership and direction to the Company.
- Ensuring proper governance, ethics and regulatory compliance, while seeking professional guidance where necessary.
- Ensuring SLT is managed in a professional and appropriate manner with a focus on achieving its strategic objectives.
- Selecting, monitoring, evaluating, and compensating members of the Senior Management.
- Formulating and implementing a proper succession planning process.
- Reviewing and approving significant corporate actions based on their viability.
- Assessing and monitoring the implementation of strategic plans by the Management.
- Reviewing and approving the Company's annual business plan, budgets, and operating plan.
- Measuring and monitoring corporate performance, evaluating results, and comparing outcomes with the strategic plans and other long-term goals.
- Assessing the Company's financial controls and reporting systems.
- Reviewing and approving the Company's Financial Statements and financial reporting.
- Reviewing the Company's legal compliance programmes and procedures.
- Overseeing the Company's management of enterprise risk.

The Directors and the CEO of the Company satisfy the fit and proper assessment criteria as set out in Rule 9.7.3 of the CSE Listing Rules.

⇒ Board Balance

As at 31 December 2025, the Board comprised seven Independent Non-Executive Directors and two Non-Independent Non-Executive Directors.

The status of directorship of Dr Mothilal de Silva changed from "Independent Non-Executive Director" to "Non-Independent Non-Executive Director" with effect from 11 May 2026 since he did not comply with the criteria for independence set out in rule 9.8.3 of the Listing Rules.

⇒ Board Subcommittees

SLT's governance framework is strengthened by the establishment of Board Subcommittees, which not only fulfil regulatory requirements but also enhance oversight of business operations and support the Board of Directors in effective decision-making. Each Subcommittee

operates under well-defined objectives and formal Terms of Reference (TOR), and convened prior to the main Board meeting. The Chairperson of each Subcommittee is responsible for reporting the minutes, key decisions, findings, and recommendations to the Board. Recommendations are usually submitted in written form [minutes or a summary report] and/or presented verbally by the Chairman of the Subcommittee at the meeting for approval. Recommendations can include approval of financial reports, remuneration packages or strategic initiatives.

Regular Committee meetings are convened to address matters within their respective mandates, with findings and recommendations consistently reported to the Board. The Subcommittees maintain regular engagement with Senior Management, with their Chairmen and members meeting Corporate Executive Team members as needed. These interactions facilitate collaborative

discussions and support the development of proposals related to the Company's strategic direction and critical operational matters.

The key Subcommittees, are presented below, highlighting their roles, members, and attendance records during the year under review.

⇒ Audit Committee (AC)

The Audit Committee (AC) assists the Board of Directors in overseeing and monitoring financial reporting, risk management, revenue assurance functions, internal controls, and compliance processes. Comprehensive details of the Committee's policies, practices, and areas of focus are provided in the Audit Committee Report on pages 178 to 181 of this Annual Report.

The Committee convenes at least four times annually, with additional meetings convened at the discretion of the Chairman. Details of meetings held during the year and attendance records are provided on pages 180 and 181.

The following individuals served as members of the Audit Committee during 2025.

Mr Chandrasiri Kalupahana – Chairman

Mr Nihal Fonseka

Mr T M Thilakarathne

Mr V U Kumar – Stepped down as a member w.e.f. 09 May 2025

Mr Dilip Silva – Ceased to be a member w.e.f. 5 October 2025

Mr Raghvendra Madhav – Appointed w.e.f. 13 November 2025

Mr A N Hapugala – Appointed w.e.f. 13 November 2025

The CEO, Chief Financial Officer (CFO), Chief Officer – Forensics and Compliance (COFC), General Manager, Internal Audit, and other senior officers attend meetings by invitation. In addition, the representatives of Auditor General attend the meetings as observers.

➔ Remuneration Committee (RC)

The Remuneration Committee (RC) provides guidance and oversight on the Company's policies related to remuneration for Non-Executive Directors, the CEO, subsidiary COOs, and Senior Management. The RC also supports the Board in determining other payments for SLT and its subsidiaries, including bonuses, incentives, and compensation-related matters.

The Company's remuneration framework and policies are designed to evaluate employee performance in alignment with SLT's objectives and strategies. Appropriate corporate and individual performance metrics are set, taking into account both medium and long-term goals, as well as year-end evaluations. Competitive compensation packages are offered to attract and retain highly skilled and talented individuals.

As the head of the Management team, the CEO is compensated as a member of Senior Management. The RC proposes a salary package, that reflects the CEO's qualifications and experience, subject to approval by the Board.

The Committee meets at least four times annually, with additional meetings convened at the discretion of the Committee Chairman. Details of meetings held during the year, along with attendance records, are provided on page 186.

Functioning as the Group RC for SLT and its subsidiaries, the Committee comprises Non-Executive Directors, of which three members are Independent Directors.

The following individuals served as members of the Remuneration Committee during 2025:

Mr Niel Unamboowe, PC – Chairman
Mr Chan Chee Beng
Dr Mothilal de Silva – Resigned
w.e.f. 21 March 2025

Mr Lawrence Paratz – Ceased to be a member w.e.f. 15 May 2025

Mr T M Thilakaratne – Appointed
w.e.f. 21 March 2025

Mr Raghvendra Madhav – Appointed
w.e.f. 13 November 2025

Mr Suren Amarasekera was appointed in place of Mr Raghvendra Madhav with effect from 13 January 2026 and Mr Chandrasiri Kalupahana was appointed as a member of the Committee with effect from 13 January 2026.

Accordingly, the current composition of the Remuneration Committee is given below.

Mr Niel Unamboowe, PC – Chairman

Mr Chan Chee Beng

Mr T M Thilakaratne

Mr Suren Amarasekera

Mr Chandrasiri Kalupahana

The CEO and Chief People Officer (CPO) attend meetings by invitation, as and when required by the Committee.

➔ Nomination and Governance Committee (N&GC)

The Nomination and Governance Committee (N&GC) was established in 2023 in accordance with the revised CSE Listing Rules. The N&GC comprised Non-Executive Directors including three Independent Directors.

The individuals serving on the Committee during 2025 were:

Mr Niel Unamboowe, PC – Chairman

Mr Chan Chee Beng

Mr V U Kumar – Resigned
w.e.f. 9 May 25

Dr Mothilal De Silva

Mr Nihal Fonseka – Appointed
w.e.f. 26 June 25

Mr Suren Amarasekera was appointed as an additional member w.e.f. 13 January 2026.

The N&GC is responsible for a range of activities, including the nomination, selection, and recommendation of Non-Executive Directors, the CEO, and key senior executives. Additionally, it oversees succession planning for the CEO and Senior Management while assessing the Board's composition, with particular emphasis on diversity in background, skills, and experience.

Assessing Directors' independence is a critical component of the nomination process. As part of this evaluation, The Committee reviews Directors' professional engagements, potential conflicts of interest, related party transactions, and other commitments that may compromise their independence.

The Committee also conducts an annual review of Directors' eligibility for election and re-election, providing recommendations to the Board for further consideration and subsequent approval by shareholders.

The N&GC's role and responsibilities are outlined in its TOR, with a summary provided in the N&GC Committee Report on page 182 of this Annual Report.

➔ Related Party Transactions Review Committee (RPTRC)

To enhance corporate transparency and ensure fair dealings between SLT and its subsidiaries, a Related Party Transactions Review Committee (RPTRC) has been established under the Board's oversight.

➔ Related Party Transactions and Material Contracts

The Board of Directors adheres to the regulations set by CSE regarding related party transactions to avoid potential conflicts of interest. SLT's related party relationships with its subsidiaries are disclosed in Note 36 of the Financial Statements. The Board considers these transactions to be exempt under specific exceptions outlined in the CSE's Code of Best Practices for related party transactions, regarding them as routine and customary in the Company's operations.

SLT and its subsidiaries have not entered into any significant contracts involving the interests of the CEO, Directors, controlling shareholders, Secretary to the Treasury, or Global Telecommunications Holdings N.V.

The Committee meets at least four times annually, with additional meetings convened at the discretion of the Chairman. Details of meetings held during the year, along with attendance records, are provided on page 187.

In 2025, the RPTRC comprised Non-Executive Directors, including three Independent Directors. The Chairman of the Committee is an Independent Director.

The following individuals served as members of the Related Party Transactions Review during 2025.

Mr Suren Amarasekera – Chairman

Mr Chandrasiri Kalupahana

Mr Dilip Silva – Ceased to be a member
w.e.f. 5 October 2025

Mr Nihal Fonseka – Appointed
w.e.f. 26 June 2025

Mr A N Hapugala – Appointed
w.e.f. 13 November 2025

Mr Raghvendra Madhav – Appointed
13 November 2025

Mr Raghvendra Madhav was appointed as Chairman of the Committee in place of Mr Suren Amarasekera with effect from 13 November 2026.

The Directors declare that the Company complied with Section 9 of the CSE Listing Rules pertaining to Related Party Transactions during the financial year ended 31 December 2025.

➔ Technology Subcommittee (TSC)

The Technology Subcommittee (TSC) is a voluntarily established Board Subcommittee in line with SLT's governance framework. The TSC comprises a team of experts with relevant expertise, established to continuously assess business opportunities through technological advancements and ensure that existing platforms align with the Company's objectives and strategies.

The TSC focuses primarily on the following areas:

- Developing effective strategies to enhance operational efficiencies.
- Keeping pace with technological advancements within the telecommunications sector by training technical staff and implementing more efficient delivery systems.
- Evaluating existing processes against SLT's objectives and vision, and introducing innovations to enhance efficiency.
- Reviewing performance evaluation systems, technology frameworks, human resource initiatives, and skill development plans to ensure their successful implementation.

The Committee convenes as needed. Details of meetings held during the year and attendance records are provided on page 167 of this Annual Report. The following individuals serve as members of the Committee.

Mr Suren Amarasekera – Chairman

Dr Mothilal de Silva

Mr T M Thilakarathne

The CEO and Senior Management of SLT and Mobitel participate as ongoing members in the TSC meetings to identify and enhance organisational synergies. When necessary, the CEOs of subsidiary companies of SLT are also invited to attend the meetings.

➔ Group Senior Tender Governance Committee (GSTGC)

The Group Senior Tender Governance Committee (GSTGC) is a high-level committee established to assist the Board of Directors in overseeing major procurement activities. Its primary role is to ensure that the process for awarding large contracts is transparent, fair, and provides the best value for money. It has been structured to ensure proper controls and governance over the Group's procurement activities. Specifically, the GSTGC is tasked with reviewing and approving procurements ranging from LKR 100 Mn. to LKR 350 Mn., while the Board of Directors oversees procurements exceeding LKR 350 Mn. and the Junior Tender Governance Committee manages amounts below LKR 100 Mn.

The GSTGC convenes prior to each Board meeting. Details of meetings held during the year, and attendance records, are provided on page 167 of this Annual Report.

The GSTGC comprises Non-Executive Directors, namely,

Mr Nihal Fonseka – Chairman

Mr Niel Unamboowe, PC

Dr Mothilal de Silva

Mr Raghvendra Madhav

The Board appoints the CEO and CFO to the Committee to assess the Company's procurement requirements.

Non-compliance with CSE Listing Rules in Relation to Corporate Governance

The Company was non-compliant with the CSE Listing Rules in relation to the composition of the Board Subcommittees during the year, and the relevant disclosures have been submitted to CSE.

➔ Board Evaluation

During the year 2025, the Board approved the framework for Evaluating the Performance of the Board of Directors and the Board-appointed Subcommittees as a whole, which will be carried out in 2026.

The N&GC recommended to the Board the appointment of KPMG to carry out an audit on compliance with the rules on corporate governance as set out in the CSE Listing rules. In addition, SLT's Internal Audit reviewed compliance with the Corporate Governance Rules and recommended a few areas for improvement particularly in relation to the Board performance evaluation and review of Environmental, Social, and Governance (ESG) Policy, etc.

The Board of Directors are given an annual update on Corporate Governance, Listing Rules, Securities Market Regulations and other applicable laws and regulations. The Board has been updated on the requirements of the applicability of Anti-Bribery and Corruption (ABC) laws and the requirement to submit declaration of assets and liabilities to the Commission to Investigate Allegations of Bribery or Corruption (CIABOC).

The Board has strengthened the Nomination and Governance Committee which focuses on Corporate Governance by appointing additional Directors with more expertise in the telecommunications industry and other corporate sectors.

➔ Frequency of Board Meetings and the Participation of Directors

In the year 2025, the Board of Directors convened five regular meetings, with the active participation of its members. Additionally, four special meetings were held to address urgent and important matters. The quorum for Board meetings is established as half of the maximum number of Directors as specified in SLT's AoA. This quorum was consistently maintained at all meetings, ensuring their validity from commencement to conclusion.

Directors actively engaged in the proceedings, contributing valuable insights and perspectives. Resolutions by circulation were restricted to matters of a routine nature or urgent business, subject to prior approval from the Chairman.

Any circular resolutions passed were subsequently confirmed and ratified at the next regular Board meeting.

The agenda, along with relevant supporting papers and reports, was circulated electronically to Directors via the "BoardPAC" application, enabling access from their respective devices.

The Board has established a formal process to ensure that Independent Directors are kept informed of all major issues and material developments relating to the Company. The Company Secretary, serving as the primary link between Management and the Board, is responsible for the timely dissemination of relevant information. This includes the circulation of comprehensive Board papers, regular performance updates, and immediate notification of any emergency or material concerns. Furthermore, Independent Directors have unrestricted access to Senior Management and the Company Secretary for any clarifications required to perform their duties effectively.

Board Members	Status	Board	AC	RC	N&GC	RPTRC	TSC	GSTGB
1 Dr T H V Mothilar Amaradasa de Silva	INED	9/9		1/1	8/8		3/5	6/6
2 Mr Chan Chee Beng	NED	9/9		4/4	8/8			
3 Mr Lawrence Michael Paratz [Ceased w.e.f 14 May 2025]	NED	4/4		2/2				2/2
4 Mr V U Kumar [Resigned 11 May 2025]	NED	4/4	1/1		3/4	2/2		2/2
5 Mr Suren Amarasekera	INED	9/9	4/4			4/4	5/5	
6 Mr Niel D B Unamboowe	INED	9/9		4/4	8/8			6/7
7 Mr Chandrasiri Kalupahana	INED	9/9	5/5			4/4		
8 Mr T M Thilakarathne	INED	9/9		3/3			4/5	
9 Mr H C D L Silva [w.e.f 31 January 2025 to 05 May 2025]	NED	5/6	3/3			3/3		
10 Mr Nihal Fonseka [Appointment w.e.f 26 June 2025]	INED	5/5	3/3		2/2	3/3		5/5
11 Mr A N Hapugala [Appointment w.e.f 13 November 2025]	NED	1/1	1/1					
12 Mr Raghvendra Madhav [Appointment w.e.f 13 November 2025]	INED	1/1	1/1					1/1

Notes: INED – Independent Non-Executive Director

NED – Non-Executive Director

⇒ Indemnities to Directors and Liability Insurance Coverage

In accordance with the AoA, Directors are entitled to indemnity, to the extent permitted by law, for liabilities arising from the execution of their duties in their capacity as Directors of the Company. However, this indemnity does not extend to situations where a Director is found to have acted fraudulently or dishonestly. Throughout the year, the Company maintained Directors' and Officers' Liability Insurance coverage.

⇒ Roles of the Chairman and the Chief Executive Officer

Responsibilities for strategic and operational matters are clearly defined through the division of duties between the Chairman and the CEO. In his non-executive capacity, the Chairman of SLT's Board of Directors focuses primarily on strategic issues, ensuring compliance with Board procedures and promoting the active involvement of all Board members during meetings.

The CEO is responsible for the day-to-day management of the business and provides leadership to the executive team. The CEO also oversees the execution of the Company's strategic and operational plans. Regular meetings are held between the Chairman and the CEO to discuss matters related to the Company's performance, operations, human resources, and industrial relations.

⇒ Performance Evaluation of the CEO

The Board conducts an annual assessment of the CEO's performance based on pre-established criteria, which are mutually agreed at the start of the year by the N & GC and the Board. Evaluation of the CEO's performance, and determination of compensation are based on this assessment and agreed upon by both parties.

Mr Riyaz Rasheed was appointed as the CEO of SLT with effect from 01 January 2026, succeeding Mr Imantha Wijekoon who was appointed as an interim CEO after the retirement of Mr. Janaka Abeyasinghe in September 2025. The profile of Mr Riyaz Rasheed is presented on page 156 of this Annual Report.

⇒ The Company Secretary

The Company Secretary reports directly to the Board of Directors and is available to individual Directors for guidance on Board procedures. In addition to supporting the Chairman in managing the agenda and planning the annual schedule of Board and Subcommittee meetings, the Company Secretary ensures that Board members receive timely and detailed information. The Company Secretary also provides advice to Directors on Board procedures and corporate governance matters and acts as the Secretary for all Board Subcommittees.

The Company Secretary, qualified as an Attorney-at-Law and an Associate Member of the Chartered Governance Institute, UK & Ireland, is designated as the individual responsible for shareholder communications, under the direction of the CEO.

The appointment or removal of the Company Secretary is decided collectively by the Board.

⇒ Fit and proper Assessment Criteria

In accordance with the CSE Listing Rules, the Board of Directors of SLT hereby confirms that a formal assessment has been conducted to ensure that all Directors and the CEO satisfy the 'Fit and Proper' criteria as stipulated under Rule 9.7.

The N&GC evaluated each individual based on their honesty, integrity, reputation, competence, capability, and financial soundness. Based on this assessment, the Board is satisfied that all members of the Board of Directors and the CEO possess the necessary attributes and experience to discharge their duties effectively and in the best interest of the Company and its stakeholders.

⇒ Corporate Ethics

SLT has developed a comprehensive Code of Conduct that applies to both employees and third parties engaged with the Company. This Code outlines principles that uphold the highest standards of personal and corporate integrity in interactions with SLT, competitors, customers, suppliers, and the community. By adhering to the processes and standards set out in the Code, SLT fosters investor confidence and ensures that decision-making aligns with the Company's best interests.

The Code covers areas, such as equal opportunity employment, workplace safety, business ethics, asset protection, data security, and conflicts of interest. It is accessible via SLT's internal website, providing clear policies and guidelines to support employees in their daily responsibilities.

⇒ Financial Acumen, Internal Controls, and Risk Management

The internal control framework at SLT is developed through the integration of risk management practices, financial controls, internal audits, and supporting policies. This structure is designed to improve operational efficiency and ensure alignment with the Company's strategic goals. Additionally, it guarantees the provision of accurate, reliable,

comprehensive, and timely financial reporting and management information to stakeholders. Rooted in ethical principles, the framework operates according to sound corporate governance and effective risk management practices.

SLT employs systematic risk management strategies to enhance the efficiency and control of its business operations, thereby supporting profitability and long-term continuity.

➔ Major Transactions

In accordance with Section 185 of the Companies Act, the Board of Directors informs shareholders about any proposed corporate transactions, providing comprehensive details on all material aspects relevant to SLT. It is important to note that SLT did not engage in any major transactions during 2025.

➔ Policies

The Company has established the policies required under Rule 9.2.1 of the CSE Listing Rules and the policies are available on the Company's website. There have been no changes to the policies following their adoption during the year.

➔ Whistle-blowing Policy

The Whistle-blowing process provides a secure and confidential channel for reporting potential financial irregularities, improper financial reporting, fraud, or unethical conduct. It also covers any actions that contravene the Company's Code of Conduct and Ethics, Human Rights policies, regulatory requirements, or other internal policies, including those related to Anti-Bribery and Corruption.

Employees are informed about the whistle-blowing process through official circulars, and comprehensive details regarding its operation are accessible on the Company's intranet. An independent external party has been designated to receive and address complaints submitted by employees through various available channels.

In line with established procedures, whistle-blower complaints concerning ethical violations, breaches of confidentiality, or other potential misconduct are reported directly to the Board's Audit Committee. All investigations related to whistle-blower reports are handled with the highest level of confidentiality to safeguard the identity of the whistle-blower.

In 2025, the Board approved a revised Whistle-blowing Policy, which outlines the procedures and ensures the integrity of the reporting and investigation process.

➔ Anti-Bribery and Corruption (ABC) Policy

The Board of Directors has formally approved the Anti-Bribery and Corruption (ABC) Policy, which emphasises the Company's unwavering commitment to a zero-tolerance approach towards bribery and corruption. This policy applies to all Directors, Key Management Personnel (KMP), and employees of SLT. To ensure adherence to these principles, regular training sessions are conducted for both employees and Directors. Additionally, business partners and third parties acting on behalf of the Company are informed of this policy and are required to comply with its provisions.

Given that the Government of Sri Lanka, through the Secretary to the Treasury, holds more than 50% of SLT's shares, all Directors, the CEO, and other KMPs identified by the Company are also obligated to submit an annual declaration on their assets and liabilities in accordance with the provisions of the Anti-Corruption Act No. 9 of 2023.

➔ Communications with Shareholders and Annual General Meetings

The Annual General Meeting (AGM) serves as a platform for constructive engagement with investors, and all shareholders are encouraged to participate. The Chairpersons of the Board Subcommittees attend the AGM to address any questions from shareholders. The Company complies with the requirements outlined in Section 9 of the CSE Listing Rules, as amended from time to time, regarding corporate governance.

➔ **Statement of Compliance under the CSE Listing Rules on Corporate Governance**

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.2	Policies		
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk Management and Internal Controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Complied with	Policies approved by the Board of Directors are available on the Company's website [https://www.slt.lk] The existing Environmental, Social, and Governance (ESG) Policy is currently under review in line with the recent developments in ESG.
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the listed entity shall be fully disclosed in the Annual Report.	Not Applicable	
9.2.3	Listed Entities shall disclose in their Annual Report: (i) The list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied with	
9.2.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied with	The Company Secretary will be assigned to provide policies to shareholders upon a written request being made for any such policy.
9.3	Board Committees		
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Complied with	Refer to the Nomination and Governance Committee Report on pages 182 to 184 of this Report. Refer to the Remuneration Committee Report on pages 185 and 186 of this Report. Refer to the Audit Committee Report on pages 178 to 181 of this Report. Refer to the Related Party Transactions Review Committee Report on page 187 of this Report.
9.3.2	Listed entities shall comply with the composition, responsibilities, and disclosures required in respect of the above-Board committees as set out in these Rules.	Complied with	Refer to Sections 9.11, 9.12, 9.13, and 9.14 below
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied with	The Chairman of the Company Dr Mothilal de Silva has not chaired any Subcommittees

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders.		
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained	Complied with	The Company Secretary of SLT maintains the records of the said information along with the meeting minutes of shareholders.
9.4.2	Communication and relations with shareholders and investors: (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity (b) Listed entities shall disclose the contact person for such communication (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity (d) Listed entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange	Complied with	
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors, and such policy shall: (a) Recognise the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.	Complied with	
	(b) Where a Listed Entity decides to combine the role of the Chairperson and CEO. (i) Set out the rationale for combining such positions; and, (ii) Require the Board Charter of the Listed Entity to contain terms of reference/ functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest. (iii) Set out the measures implemented to safeguard the interests of the SID.	Not Applicable	The positions of the Chairman's and the CEO are separated.
	(c) Require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors.	Complied with	
	(d) Stipulate the maximum number of Directors with the rationale for the same.	Complied with	
	(e) Specify the frequency of Board meetings, having regard to the requirements under the Listing Rules.	Complied with	
	(f) Provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on going compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules.	Complied with	
	(g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board meetings and to avoid being deemed to vacate such position.	Complied with	
	(h) Provide requirements relating to trading in securities of the Listed Entity and its listed Group companies and disclosure of such requirements.	Complied with	

Rule No.	Corporate Governance Rule	Compliance Status	Details
	(i) Specify the maximum number of directorships in Listed Entities that may be held by Directors.	Complied with	
	(j) Recognise the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum.	Complied with	
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied with	The Entity confirms compliance with Rule 9.5.1 in the Annual Report for the year ended 31 December 2025.
9.6	Chairperson and CEO		
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such entity in terms of Rule 9.6.3 below.	Complied with	The Chairman of the Entity is a Non-Executive Director. The functions of the Chairman and the CEO are clearly separated to ensure balance of power and authority.
9.6.2	A listed entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules).	Not Applicable	
9.6.3	The requirement for a SID	Not Applicable	
9.7	Fitness of Directors and CEOs		
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the "Fit and Proper Assessment Criteria" set out in Rule 9.7.3 below".	Complied with	The Company conducts a Fit and Proper Assessment for all Directors, as stipulated in Rule 9.7.3.
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' Meeting or appointments are made.	Complied with	The Nomination and Governance Committee conducts a Fit and Proper Assessment prior to recommending Directors for appointment by the Board.
9.7.3	Fit and Proper Assessment Criteria	Complied with	A formal assessment has been conducted to ensure that all Directors and the CEO satisfy the 'Fit and Proper Assessment Criteria' as stipulated under Rule 9.7.
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied with	All the Directors of the Company and the CEO have submitted a declaration confirming that they have continuously satisfied with the Fit and Proper Assessment Criteria.

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.7.5	<p>Disclosures in the Annual Report of Listed Entities</p> <p>Listed Entities shall include the following disclosures/reports in the Annual Report:</p> <p>(a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.</p> <p>(b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s.</p>	Complied with	Relevant disclosures have been made in the Annual Report of the Company.
9.8	Board Composition		
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied with	The total number of Directors was nine (9) as at 31 December 2025.
9.8.2	<p>Minimum number of Independent Directors:</p> <p>(a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.</p> <p>(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.</p>	Complied with	The total number of Independent Directors was seven (7) as at 31 December 2025.
9.8.3	Criteria for determining independence	Complied with	The Entity ensured that all the Independent Directors are satisfied with the criteria for independence specified.
9.8.4	For the purposes of Rule 9.8.3; - Definitions		
9.8.5	The Board of Directors of Listed Entities shall require:	Complied with	All the Independent Directors submitted the signed declaration of their independence to the Board.
	(a) Each Independent Director to submit a signed and dated declaration of their "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A.		
	(b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it, and shall set out, the names of Directors determined to be "independent" in the Annual Report.	Complied with	Required disclosures are mentioned in the Annual Report.
	(c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	Not Applicable	The Entity will take necessary actions to issue a Market Announcement, if the Board finds that the independence of an Independent Director is compromised.
9.9	Alternate Directors		
	<p>If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements, and such requirements shall also be incorporated into the Articles of Association of the Entity:</p> <p>(a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>(b) If an Alternate Director is appointed for a Non-Executive Director such an alternate should not be an executive of the Listed Entity.</p> <p>(c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such an appointment is made.</p>	Not Applicable	Currently, there are no Alternate Directors appointed.

Rule No.	Corporate Governance Rule	Compliance Status	Details
	<p>(d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:</p> <p>(i) The exceptional circumstances leading to such appointment.</p> <p>(ii) The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-executive or Independent Director;</p> <p>(iii) The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and,</p> <p>(iv) A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.</p> <p>(e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.</p>		
9.10	Disclosures relating to Directors		
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Complied with	
9.10.2	<p>Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following;</p> <p>(i) A brief resume of such Director;</p> <p>(ii) His/her capacity of directorship; and</p> <p>(iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.</p>	Complied with	At the time of appointment of a new Director to the Board, the relevant Market Announcements are made in accordance with Section 9.10.2 Also such appointments are reviewed by the Nomination and Governance Committee.
9.10.3	<p>Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the</p> <p>(i) Board of Directors, and</p> <p>(ii) Board Committees referred in Rule 9.3 above.</p> <p>The announcement shall, at a minimum, contain the details of changes including appointment, resignations, and the capacity of directorship with the effective date thereof.</p>	Complied with	Relevant disclosures are made of any changes in the composition of the Board or Subcommittee and any changes in the status of directorship.
9.10.4	<p>Listed Entities shall also disclose the following in relation to the Directors in the Annual Report:</p> <p>(a) Name, qualifications, and brief profile;</p> <p>(b) The nature of his/her expertise in relevant functional areas;</p> <p>(c) Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity;</p> <p>(d) Whether Executive, Non-Executive and/or Independent Director;</p>	Complied with	<p>Refer to pages 150 to 155 of this Report for the profiles of the Board of Directors.</p> <p>Refer to page 167 of this Report for the number of Board meetings attended by the Board of Directors during the year.</p>

Rule No.	Corporate Governance Rule	Compliance Status	Details
	<p>(e) The total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies;</p> <p>(f) Number of Board meetings of the Listed Entity attended during the year;</p> <p>(g) Names of Board Committees in which the Director serves as Chairperson or a member;</p> <p>(h) Details of attendance of Committee meetings of the Audit, Related Party Transactions Review, Nominations and Governance, and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member; and,</p> <p>(i) The terms of reference and powers of the SID (where applicable).</p>		
9.11	Nominations and Governance Committee		
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied with	Please refer to the Nomination and Governance Committee Report on page 182 of this Report.
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.		
9.11.3	The Nominations and Governance Committee shall have a written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied with	The Nomination and Governance Committee has a written Terms of Reference.
9.11.4	<p>Composition</p> <p>1. The members of the Nominations and Governance Committee shall;</p> <p>(a) Comprise a minimum of three (3) Directors of the Listed Entity, out of which a minimum of two (2) members shall be Independent Directors of the Listed Entity.</p> <p>(b) Not comprise Executive Directors of the Listed Entity.</p> <p>2. An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.</p> <p>3. The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.</p>	Complied with	<p>As per Section 9.11.4 the Committee comprises four (4) Directors, two of whom are Independent Directors.</p> <p>The Chairman of the Nomination and Governance Committee is an Independent Non-Executive Director.</p> <p>Refer to the Nomination and Governance Report on pages 182 to 184 of this Report.</p>
9.11.5	Functions	Complied with	Refer to the Nomination and Governance Report on pages 182 to 184 of this Report.
9.11.6	Disclosures in Annual Report	Complied with	
9.12	Remuneration Committee		
9.12.1	For the purposes of Rule 9.12, the term “remuneration” shall make reference to cash and all non-cash benefits whatsoever received.	Complied with	The Remuneration Committee established and maintained a formal and transparent.
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.		procedure for developing policy on the remuneration of Executive Directors, Non-Executive Directors and the CEO as stipulated in Section 9.12.
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors’ remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.		
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.		

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.	Complied with	
9.12.6	<p>Composition</p> <p>1. The members of the Remuneration Committee shall;</p> <p>(a) comprise a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) not comprise Executive Directors of the Listed Entity.</p> <p>2. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.</p>	Complied with	<p>The Remuneration Committee comprises five Non-Executive Directors, four of whom are Independent Directors.</p> <p>The Chairman of the Committee is an Independent Director</p> <p>Refer to the Remuneration Committee Report on pages 185 and 186 of this Report.</p>
9.12.7	<p>Functions</p> <p>1. The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</p> <p>2. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</p>	Complied with	Refer to the Remuneration Committee Report on pages 185 and 186 of this report.
9.12.8	<p>Disclosure in Annual Report</p> <p>The Annual Report should set out the following:</p> <p>(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors.</p>	Complied with	Refer to the Remuneration Committee Report on pages 185 and 186 of this Report.
9.13	Audit Committee		
9.13.1	Where Listed Entities do not maintain separate committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Complied with	The Entity assigned the Audit Committee the task of performing the audit and risk functions as set out in Section 9.13.4.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied with	Refer to the Audit Committee Report on pages 178 to 181 of this Report.
9.13.3	<p>Composition</p> <p>1. The members of the Audit Committee shall;</p> <p>(a) comprise a minimum of three (3) Directors of the Listed Entity, out of which a minimum of two (2) or a majority of the members, whichever higher, shall be Independent Directors.</p> <p>(b) not comprise Executive Directors of the Listed Entity.</p> <p>2. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors.</p> <p>3. The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.</p>	Complied with	The Audit Committee comprises five Non-Executive Directors, four of whom are Independent Directors.

Rule No.	Corporate Governance Rule	Compliance Status	Details
	4. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied with	
	5. Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Complied with	The CEO and the CFO attend meetings by invitation.
	6. The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied with	The Chairman of the Audit Committee is a Chartered Accountant with extensive knowledge on financial reporting and compliance.
9.13.4	Functions	Complied with	Refer to the Audit Committee Report on pages 178 to 181 of this Report.
9.13.5	Disclosures in Annual Report	Complied with	Refer to the Audit Committee Report on pages 178 to 181 of this Report.
9.14	Related Party Transactions Review Committee		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied with	Refer to the Related Party Transactions Review Committee Report on page 187 of this Report.
9.14.2	Composition		
	1. The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include Executive Directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	Complied with	The Related Party Transactions Review Committee comprises of four Non-Executive Directors, two of whom are Independent Directors.
9.14.3	Functions	Complied with	The Related Party Transactions Review Committee functions as specified in this Section.
9.14.4	General Requirements	Complied with	Refer to the Related Party Transactions Review Committee Report on page 187 of this Report.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied with	The Committee will comply with section 9.14.5 when reviewing the related party transactions.
9.14.6	Shareholder Approval	Complied with	The Committee will comply with Section 9.14.6 when reviewing the related party transactions.
9.14.7	Disclosures	Complied with	The Committee will make relevant disclosures as per Section 9.14.7.
9.14.8	Disclosures in the Annual Report.	Complied with	Refer to Note 38 on page 276 of this Report.

Report of the Board Audit Committee

As at 31 December 2025

Dear Shareholder,

On behalf of the Audit Committee, I am pleased to present the Audit Committee (“Committee”) report for the year ended 31 December 2025.

The report outlines how the Committee discharged its responsibilities during the year in relation to financial and other reporting, risk management and internal control, the Internal Audit functions, and relationship and interaction with external auditors

The Committee supported the Board in assessing the integrity of the Group’s financial reporting and emerging risks facing the Group. This included reviewing the Group’s risk management and internal control systems and overseeing the operation of the Internal Audit function including forensic audits.

➔ Membership of Committee

The Committee currently comprises four Independent Non-Executive Directors and one Non-Executive Director, namely Mr Chandrasiri Kalupahana as the Chairman of the Committee with effect from 09 May 2025 and Messrs Nihal Fonseka-Independent, Non-Executive Director, Thennakoon Thilakarathne – Independent, Non-Executive Director, Mr Raghvendra Madhav – Independent, Non-Executive Director and A N Hapugala – Non-independent, Non-Executive Director, as members.

Mr Kalupahana is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and holds memberships in several other professional bodies. He commenced his professional career at KPMG Sri Lanka and has served as a Governing Council Member and Chairman of the Business School of CA Sri Lanka for four years.

The Board is satisfied that the current members of the Audit Committee are competent in financial matters and have a good mix of skills, expertise and experience in commercial matters, telecommunications, finance and audit.

➔ Roles and Responsibilities

The main roles and responsibilities of the Committee, which reflects the Code of Best Practice on Corporate Governance, published by the Institute of Chartered Accountants of Sri Lanka and the Guidance on Audit Committee, are set out in its written Terms of Reference (ToR) and Audit Charter which are available from the SLT’s website www.slt.lk or upon request.

The ToR and the Audit Charter is being reviewed at present based on regulatory developments and emerging risks to enhance oversight in key areas such as AI, cybersecurity, and new regulatory compliance. The updated ToR ensures compliance with new corporate governance codes, such as the review of risk management and internal control system

Primary Responsibilities of the Audit Committee are;

- Oversight of the integrity of the financial statements of the Group and Company
- Review of its quarterly and annual financial statements followed by recommendation for the approval of the Board
- Oversight of risk management and internal control systems and processes
- Oversight of its compliance with legal and regulatory requirements
- Oversight of forensic audits
- Review of the effectiveness of the internal audit functions and its resources
- Review of revenue assurance and fraud management

➔ Financial Reporting

The Committee’s oversight of financial reporting is to ensure the accuracy, completeness and timeliness in the management’s reporting of interim and annual financial results of the Group and its subsidiaries. The financial and management reporting of SLT comprises of monthly, quarterly and annual financial and management reports including the reporting of actual results against the budget, targets, key performance indicators and forecasts.

The Committee reviews these financial and management reports on a regular basis and directs the management on the strategies, plans and action required to improve the effectiveness of controls and performance of the Group and its subsidiaries.

The Committee has also obtained assurance from the CEO and CFO that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company’s operations and finances.

➔ External Auditors

In terms of Article 154 of the Constitution, Auditor General is continuing to be the Auditors of the Company and its subsidiaries as a result of the Government of Sri Lanka, acting through the Secretary to the Treasury, increasing its holding to more than 50.23% of shares of SLT. By virtue of the National Audit Act, No. 19 of 2018 and the powers vested therein with Auditor General, Ernst and Young have been appointed to assist the Auditor General to perform the audit of the financial statements of SLT.

The Auditor General, who functions as the principal auditor of the Company under Article 154 of the Constitution of

Sri Lanka and the National Audit Act No. 19 of 2018, is independent by virtue of statute and is not subject to the independence confirmation requirements applicable to auditors approved by the Securities and Exchange Commission.

The Committee has obtained written confirmation from Ernst & Young that they are independent in accordance with applicable professional and regulatory requirements.

The representatives of the Auditor General and the Partner of EY attended the audit committee meetings by invitation, and their input and suggestions are considered appropriate.

➔ Independence and Provision of Non-Audit Services

The policy governing the provision of non-audit services by the external auditor is in accordance with the best practices and takes into account the relevant ethical guidance for auditors. The objective of the policy is to safeguard the objectivity and independence of the external auditor and to prevent the provision of services which could result in a potential conflict of auditor independence.

➔ Internal Audit, forensic and Compliance

The Audit Committee is responsible for monitoring and reviewing the operation and effectiveness of the Group Internal Audit function including its focus, plans, activities and resources.

To fulfil these duties the Committee:

- reviewed and approved the Group Internal Audit Plan for the year 2025;
- considered and were satisfied that the competencies, experience and level of resources within the Internal Audit team were adequate to achieve the proposed plan;

- considered the role and effectiveness of Internal Audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- received updates from the Chief Internal Audit Officer on the principal findings from the work of Internal Audit and management's actions to remediate issues identified;
- conducted investigations at the request of senior management, Committee or the Board of Directors.
- The Committee has discharged its responsibilities in compliance with the requirements of the Colombo Stock Exchange Listing Rules, the SEC Corporate Governance Code, and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

➔ Risk Management

SLT has implemented an enterprise risk management framework which covers the strategic, operational, compliance and financial risks of the Group and subsidiaries.

The risk overview highlights the main risks known to SLT, which could hinder it in achieving its strategic and financial business objectives.

The risk management function is focused on assessing various risks arising from the impact of the current market conditions and cybersecurity, of which the management has taken appropriate action to mitigate these risks.

The Committee reviews the adequacy of the risk management function in identifying and assessing key risks, and in working with the management to mitigate these risks through appropriate and timely action.

➔ Revenue Assurance and Fraud Management

The key objective of the Revenue Assurance function and Fraud Management function is to minimise revenue leakages and fraud perpetrated by internal or external parties.

The Committee addresses Revenue Assurance ("RA") and Fraud Management (FM) in three main perspectives: detection, correction and monitoring.

RA Division monitors the existing systems in place and evaluates the avenues for revenue loss and corrective actions taken to avoid possible revenue loss to the Company. The detections are achieved by both manual and automated means. Typical detection activities include comparison, investigation and auditing of information and processes. The aim is to find the root cause behind detected errors and deviations.

Correction is the set of activities and processes employed to minimise errors identified by the RA detection. Typically, some information or configuration needs to be added, edited or removed from a system, process or procedure in order to correct the detected anomaly. The process of correction of a root cause could involve modifications or enhancements of information, processes, systems, technology or organisation.

Prevention is the process of performing an activity in order to prevent anomalies that would be found using RA Detection.

The Committee reviews the findings and recommendations of these functions and ensures that appropriate and timely action is taken by the management to minimise revenue leakage and fraud.

➔ Committee Meetings

The Committee met five times during the year and the attendance of the members of the Committee are disclosed in the Corporate Governance Report in page 167.

Typically, the Chief Executive Officer, the Chief Financial Officer and the Chief Internal Auditor (CIA), as well as representatives of the external auditor, are invited to attend meetings of the Committee. When required, other key executives and senior management are invited to attend to present and provide deeper insight on various topics as are required by the Committee to discharge its duties.

The Company Secretary functions as the Secretary to the Committee.

After each Committee meeting, the Chairman of the Committee reports to the Board on the key issues which have been discussed. The approved Audit Committee meeting minutes are submitted to the Board.

Key matters considered during the meetings held during the year are:

Month of Meeting	Key Activities
8 May 2025	<ul style="list-style-type: none"> As a common agenda item, reviewing matters arising from previous AC meetings with the responses/updates provided by the management. Reviewed internal audit findings, recommendations and management action presented by the Internal Audit. Presented the Group Internal Audit Plan for 2025 covering SLT and its subsidiaries. Recommended the unaudited Interim Financial Statements for the period ended 31 March 2025 for the approval of the Board. Reviewed and recommended the consolidated audited financial statements made up to 31 December 2024 for approval of the Board including EY's audit findings. Management Representation letter on the Financial Statements was tabled. Reviewed the adequacy of the risk management function in identifying and assessing key risks, and in working with the management to mitigate these risks through appropriate and timely action. Reviewed and recommended the Mobitel (Pvt) Ltd Audited Consolidated Financial Statement for the year ended 2024 for the approval of the Board of Mobitel (Pvt) Ltd. Reviewed and recommended for the approval of the Board, submission made on bad debts write off and inventory write off.
24 June 2025	<ul style="list-style-type: none"> Reviewed matters arising from previous AC meetings with the responses/updates provided by the management. Reviewed internal audit findings, recommendations and management action presented by the CIA with the management. Reviewed the revenue assurance findings, recommendations, and management action. Reviewed the adequacy of the risk management function in identifying and assessing key risks, and in working with the management to mitigate these risks through appropriate and timely action. Reviewed the forensic and compliance update made up to June 2025.
12 August 2025	<ul style="list-style-type: none"> Reviewed matters arising from previous AC meetings with the responses/updates provided by the management. Reviewed internal audit findings, recommendations and management action presented by the CIA with the management. Recommended the unaudited Interim Financial Statements for the period ended 30 June 2025 for the approval of the Board. Recommended the engagement of Messrs EY to carry out the mid-year financial review of Mobitel (Pvt) Ltd for the financial year 2025 for the approval of the Board. Reviewed the revenue assurance findings, recommendations, and management action. Reviewed the adequacy of the risk management function in identifying and assessing key risks, and in working with the management to mitigate these risks through appropriate and timely action. Reviewed the Group Compliance report.

Month of Meeting	Key Activities
11 November 2025	<ul style="list-style-type: none"> • Reviewed matters arising from previous AC meetings with the responses/updates provided by the management. • Reviewed internal audit findings on Special Audit on Corporate Governance requirements of SLTS and audit in progress. • Recommended the unaudited Interim Financial Statements for the period ended 30 September 2025 for the approval of the Board. • EY presented the Audit Plan for SLT and Mobitel for the year ending 31 December 2025. • Recommended to proceed with annual Enhanced Capital Allowance (ECA) claim and finalize and submit the ECA claim for year 2024/25 of Mobitel (Pvt) Ltd, for the approval of the Board. • Reviewed the Group Forensic & Compliance report. • Reviewed the adequacy of the risk management function in identifying and assessing key risks, and in working with the management to mitigate these risks through appropriate and timely action. • Reviewed and recommended for the approval of the Board a few board submissions relating to writing off/accounting adjustments.
16 December 2025	<ul style="list-style-type: none"> • Reviewed matters arising from previous AC meetings with the responses/updates provided by the management. • Reviewed internal audit findings, recommendations and management action presented by the management. • Reviewed the revenue assurance findings, recommendations, and management action.

On behalf of the Group Audit Committee



Chandrasiri Kalupahana
Chairman of the Audit Committee

14 May 2026

Report of the Nomination and Governance Committee

The role, functions, and composition of the Nomination and Governance Committee (N&GC) are defined by the provisions of Section 9.11 of the Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

➡ Composition of the Committee

The N&GC comprised its Chairman, Mr Niel Unamboowe, President's Counsel (Independent Non-Executive Director), and the following members:

Name	Directorship Status	Membership Status	Date appointed to the Committee
Mr Niel Unamboowe, P.C.	Independent Non-Executive Director	Chairman	14 November 2024
Mr Chan Chee Beng	Non-Independent Non-Executive Director	Member	5 June 2008
Dr Mothilal de Silva	Non-Independent Non-Executive Director	Member	14 November 2024
Mr Nihal Fonseka	Independent Non-Executive Director	Member	26 June 2025
Mr Suren Amarasekera	Independent Non-Executive Director	Member	13 January 2026

Brief profiles of the Directors are presented in the Board of Directors section of the Annual Report on pages 191 to 197 highlighting the Board's diversity in terms of experience, skills, and age.

The Committee functions as the Group N&GC. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief People's Officer (CPO), and external advisors are invited to attend all, or any part of the meeting as required.

The Company Secretary functions as the Secretary of the Committee.

➡ Role and Responsibilities

The principal tasks of the Committee include the following:

- Review the structure, skills, and composition of the Board of Directors and its subcommittees on an ongoing basis, making recommendations to the Board as appropriate, in line with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka and the Listing Rules of CSE.
- Review and recommend all new appointments to the Boards of subsidiaries and associate companies of the Group.
- Nominate suitable candidates, for the Board's approval, to fill casual vacancies in the Board as the need arises.
- Recommend the re-election of Directors, for the approval of shareholders, in conformity with the Articles of Association (AoA) of SLT.
- Recommend the placement of senior management for vacant positions of the Company for the approval of the Board.
- Review the career and development plans for the Company's most senior members of management, with a view to ensuring that there is an adequate talent pool.
- Evaluation of the performance of the Board of Directors and the CEO.
- Develop a succession plan for Key Management Personnel of the Group.
- Recommend to the Board the formulation of policies on best practices in line with the CSE Listing Rules and other standards.

➔ Terms of Reference

The Committee operates within the agreed Terms of Reference (TOR) and the CSE Listing Rules. The TOR of the N&GC, adopted by the Board, is reviewed periodically by the Board to ensure alignment with regulatory requirements and industry best practices. The TOR was last reviewed and amended by members of the Committee at its meeting held on 21 November 2023 to ensure alignment with the revised CSE Listing Rules, Policies, and Regulations.

➔ Appointment/Re-election of Directors to the Board of Directors

In terms of the AoA of the Company, the Directors have the power to appoint a person to fill a casual vacancy or to serve as an additional Director, provided that the total number of Directors does not exceed the maximum authorised by the AoA. Any Director so appointed shall hold office until the next Annual General Meeting (AGM) and will be eligible for re-election by the shareholders. In addition, one-third of the Directors (or the nearest to that number) retire by rotation at each AGM and offer themselves for re-election by the shareholders.

The N&GC has been entrusted with the task of reviewing the candidates proposed by the major shareholders and recommending them to be appointed to the Board. The general criteria for the nomination of candidates for the position of Director include, but are not limited to, the highest standards of integrity and ethical behaviour, the ability to provide wise and informed guidance to management, a willingness to pursue a thoughtful and objective inquiry on important issues before the Company, and experience and knowledge commensurate with the Company's needs as well as the expectations of knowledgeable investors. The Committee also considers whether the candidate

enhances the diversity of the Board, which includes professional background and capabilities, experience, skills competencies, age, gender, and industry requirements.

➔ Activities and Focus During the Year

The Directors are provided with an induction pack comprising the AoA of SLT, TOR of all Board subcommittees, CSE Listing Rules, a presentation of Directors' duties and responsibilities, and an overview of the Company's Business and Affairs.

Independent Directors are free to express their views on issues relating to the Company at Board meetings.

The Board has been appraised of Corporate Governance Framework, Listing Rules, Securities Market Regulations, and other applicable laws and regulations, as appropriate.

In 2025, the N&GC performed its duties in accordance with best practices and good corporate governance standards, and executed tasks assigned by the Board of Directors. The Committee held a total of eight meetings. A summary of its activities is given below.

- The Committee reviewed and recommended, for the approval of the Board, the appointment of new Directors and the re-election of existing Directors subject to the approval of the shareholders in accordance with the AoA.
- Considered the Declarations submitted by the Directors continuing in office and the CEO in terms of Rule 9.7 of the CSE Listing Rules and recommended to the Board that each such Director was a fit and proper person to hold office.
- Considered the Declarations submitted by the Independent Non-Executive Directors and recommended to the Board that they satisfy the criteria for independence specified in Rule 9.8.3 of the CSE Listing Rules.

The Committee having considered the contribution made to achieve the objectives of the Company recommend the re-election/re-appointment of the following Directors:

- Dr Mothilal de Silva
- M Chan Chee Beng
- Mr Nihal Fonseka
- Mr T M Thilakarathne
- Mr Raghvendra Madhav
- Mr A N Hapugala

- Reviewed the composition of each Board subcommittee, taking into consideration the resignations as well as the rules pertaining to the Board subcommittee compositions as stipulated in the CSE Listing Rules. The Committee took into consideration the qualifications, the Board Skills Matrix and specialised experience that could benefit their role on the subcommittees.
- Reviewed and recommended, for the approval of the Board, the new policies in conformity with the revised CSE Listing Rules.
- The Committee having considered Mr Fonseka's extensive professional experience, leadership and expertise which is considered valuable to the Board, and the fact that declarations affirming compliance with the fit and proper criteria and has no relationship or interest that could compromise independence, recommend him as an Independent Director notwithstanding his age.

As required under Rule 9.11.6 of the CSE Listing Rules, information of the Directors proposed for re-election/re-appointment at the AGM to be held on 19 June 2026 is given below.

Name of the Director	Board Subcommittee	Date of first appointment to the Board as Directors	Date of last re-election or re-appointment as a director	Directorships in the other entities	Material relationship
Dr Mothilal de Silva	Member of the TSC, GSTGC and N&GC	4 November 2024	26 June 2025	As per the profile published on page 150	None
Mr Chan Chee Beng	Member of the N&GC and RC	5 June 2008	14 May 2024	As per the profile published on page 151	None
Mr Nihal Fonseka	Member of GSTGC, N&GC, AC and RPT-RC	26 June 2025	26 June 2025	As per the profile published on page 155	None
Mr T M Thilakarathne	Member of the TSC, RC and AC	4 November 2024	26 June 2025	As per the profile published on page 154	None
Mr Raghvendra Madhav	Member of the AC, RPT-RC, GSTGC	13 November 2025	–	As per the profile published on page 152	None
Mr A N Hapugala	Member of the AC and RPT-RC	13 November 2025	–	As per the profile published on page 152	None

N&GC – Nomination & Governance Committee

RC – Remuneration Committee

AC – Audit Committee

RPT-RC – Related Party Transaction Review Committee

GSTGC – Group Senior Tender Governance Committee

TSC – Technological Subcommittee

➔ Declarations by the Committee

The Company conducts periodic evaluations of the Board, its subcommittees, and the CEO to ensure all responsibilities are effectively discharged. The Board as a whole evaluates its Performance each year and the Evaluation for the year 2025 is currently in progress.


The Committee evaluated the performance of the CEO for the year 2025.

The Company has confirmed that, during the year 2025, it complied with the Corporate Governance requirements stipulated under the CSE Listing Rules in accordance with the timelines specified therein.

➔ Reporting to the Board

The minutes of the Committee meetings were tabled at Board meetings. In addition, the N&GC meetings are scheduled prior to the Board meetings to provide an update on matters deliberated at N&GC meetings, thereby providing Board members with access to the deliberations of the Committee.

On behalf of the Nomination and Governance Committee



Niel Unamboowe, PC
Chairman
14 May 2026

Report of the Remuneration Committee

Composition of the Committee

The Remuneration Committee (“RC” or “the Committee”) of Sri Lanka Telecom PLC (“SLT” or “the Company”) is appointed by the Board of Directors and comprises five members, the majority of whom are Independent Non-Executive Directors.

The current members of the RC are set out in the following table.

Name	Directorship Status	Membership Status	Date appointed to the Committee
Mr Niel Unamboowe, PC	Independent Non-Executive Director	Chairman	14 November 2024
Mr Chan Chee Beng	Non-Independent Non-Executive Director	Member	5 June 2008
Mr Thilak Thilakarathne	Independent Non-Executive Director	Member	21 March 2025
Mr Suren Amarasekera	Independent Non-Executive Director	Member	13 January 2026
Mr Chandrasiri Kalupahana	Independent Non-Executive Director	Member	13 January 2026

During the year 2025, Mr Thilak Thilakarathne was appointed as a member to the Committee in place of Dr Mothilal de Silva. Mr Suren Amarasekera was appointed to the RC in place of Mr Raghvendra Madhav with effect from 13 January 2026. Mr Chandrasiri Kalupahana was also appointed a member of the Committee with effect from 13 January 2026. In terms of the provision of the Companies Act, Mr Lawrence Parataz, who is over 70 years of age, ceased to be a Director of the Company with effect from 14 May 2025 and accordingly, ceased to be a member of the RC.

The Company Secretary acts as the secretary to the RC. The Chairman of the Board of Directors, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief People Officer (CPO), and external advisers are invited to attend all, or any part of, the meetings as required. The CEO may be invited to meetings to discuss

the performance of senior management; however, the Senior Management do not participate in discussions regarding their own remuneration.

Brief profiles of the members of the Board of Directors are presented in the Board of Directors section of the Annual Report on page 150, highlighting the Board’s diversity across experience, skills and age.

➔ Terms of Reference

The RC operates under written Terms of Reference, which align with the Listing Rules of the Colombo Stock Exchange (CSE), and industry best practices. The primary purpose is to establish a formal and transparent procedure for developing a remuneration policy for Executive/Non-Executive Directors and key management personnel (KMP), ensuring it attracts, retains, and motivates talent without creating conflicts of interest.

➔ Remuneration Policy

SLT’s remuneration policy is designed to be competitive, equitable, and sustainable, aligning the interests of management with those of shareholders. The policy takes into account the following:

- Company performance (both financial and non-financial).
- Industry benchmarks and market rates in Sri Lanka.
- Individual performance and responsibilities.

The remuneration policy is designed to reward, motivate, and retain SLT’s executive team through competitive market-based remuneration and benefits, thereby supporting the continued success of the business and the creation of shareholder value.

(a) The components of remuneration for key management personnel, including the CEO, are given below:

- Fixed remuneration: Base salary, taking into account scope of the role, experience, and market value.
- Variable pay: Performance-linked incentives/bonuses, based on achieving specific Key Performance Indicators (KPIs) (profitability, growth, etc.).
- Non-cash benefits: Provision of a transport allowance, medical insurance, and other allowances in line with corporate norms.

(b) The components of remuneration for Non-Executive Directors are given below:

All Non-Executive Directors, including the Chairman, receive a fee for serving on the Board of Directors and its subcommittees based on their attendance at meetings, aimed at ensuring their independence. They do not receive any performance-related incentive payments. All expenses incurred by Non-Executive Directors for attendance at meetings of SLT and its subsidiaries are reimbursed on an actual basis.

The aggregate remuneration paid to Non-Executive Directors for the year under review is disclosed in the Financial Statements on page 238. The Directors have no beneficial interests in any of the Group's subsidiary undertakings.

The Committee is satisfied that the remuneration packages are aligned with the Company's performance and its long-term sustainability.

➔ Role and Responsibilities

The principal tasks of the Committee include the following:

- Recommend to the Board the formulation of proposals relating to the remuneration policy for Non-Executive Directors, Executive Directors, the CEO of SLT and its subsidiaries, and the executive management of SLT.
- Review and recommend annual bonus payments and salary increments for all employees of the SLT Group.

➔ Activities and Focus During the Year

The Committee met four times during the financial year ended 31 December 2025. Key activities included the following:

- Assessed the performance of the CEO for 2025 and recommended salary increment accordingly.
- Assessed the performance of Chief Operating Officers and other KMPs of SLT's subsidiaries and recommended salary adjustments accordingly.
- Reviewed and recommended, for the approval of the Board, the annual salary increases and bonuses for the staff of SLT and its subsidiaries for the year 2025, based on individual performance, achievement of the Companies' KPIs, and in line with the respective company policies on performance management.
- Reviewed the progress of implementing the bell-curve performance management established in 2024, emphasizing competency development, cultivating a performance-driven culture, and acquiring top talent for sustained competitive advantage.
- Reviewed the salary anomalies reported by non-executive staff and recommended Management's proposals for the approval of the Board.

On behalf of the Remuneration Committee



Niel Unamboowe, P.C.
Chairman

14 May 2026

Report of the Related Party Transactions Review Committee

Objective

The objective of the Committee is to provide oversight on behalf of the Board of Directors to ensure compliance with the Code on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (“the Code”) and the Listing Rules of the Colombo Stock Exchange (CSE).

Composition of the Committee

The Committee functions as the Related Party Transaction Review Committee (“RPTRC” or “the Committee”) for the SLT Group.

The RPTRC of Sri Lanka Telecom PLC (“SLT” or “the Company”) is appointed by the Board of Directors and comprises five members, the majority of whom are Independent Non-Executive Directors.

Mr Dilip Silva, who was appointed as a member of the committee on 21 March 2025 ceased to be a member of the committee effective 5 October 2025 upon resignation from the Board.

Mr Nihal Fonseka was appointed to the Committee with effect from 26 June 2025 in place of Mr V U Kumar who stepped down as a member on 09 May 2025.

Mr Raghvendra Madhav was appointed in place of Mr Suren Amarasekera who stepped down as the Chairman and member of the RPTRC with effect from 13 November 2025 Mr A N Hapugala was appointed with effect from 13 November 2025 in place of Mr Dilip Silva.

Mr Raghvendra was elected as the Chairman of RPTRC effective 13 November 2025.

The current members of the RPTRC are set out in the following table.

Name	Directorship Status	Membership Status	Date Appointed to the Committee
Mr Raghvendra Madhav	Independent Non-Executive Director	Chairman	13 November 2025
Mr Chandrasiri Kalupahana	Independent Non-Executive Director	Member	13 November 2024
Mr Nihal Fonseka	Independent Non-Executive Director	Member	26 June 2025
Mr A N Hapugala	Non-Independent Non-Executive Director	Member	13 November 2025

The Company Secretary serves as the Secretary of the Committee.

Meetings of the Committee

The Committee held four meetings during the financial year 2025. Attendance details are provided in the Governance Report on page 167. The Chief Financial Officer attended the meetings by invitation.

The activities and recommendations of the Committee were communicated to the Board of Directors through verbal briefings and by presenting the minutes of the Committee’s meetings.

Policies and Procedures

The members of the Board of Directors of the Company and the Senior Management have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel every quarter to identify related parties. Based on the information provided in these declarations, the Company retrieves data on related party transactions from its database.

Activities During 2025

The Committee reviewed the recurrent Related Party Transactions (RPTs) entered into by the Company at the end of each quarter, along with the Affirmative Statements issued by the Chief Financial Officer. These statements reassured that all transactions conducted during the

quarters were recurrent, entered into on an arm’s length basis, and did not involve any favourable terms for related parties. Additionally, it was confirmed that no non-recurrent transactions took place during the period under review.

The Committee observed that the recurrent and non-recurrent transactions during the period ending 31 December 2025 did not require shareholder approval or immediate market disclosure under the Listing Rules.

Details of other related party transactions entered into by the Company during the financial year are disclosed in Note 38 of the Financial Statements.

Declaration by the Board

A declaration is included in the Annual Report of the Board of Directors on pages 191 to 197, stating that no related party transaction falling within the scope of Rule 9.3.2 of the Listing Rules of the CSE was entered into by the Company during the year.

On behalf of the Related Party Transactions Review Committee



Raghvendra Madhav
Chairman

14 May 2026

Enterprise Risk Management

Enterprise Risk Management (ERM) is critical within a telco operating in a rapidly evolving, technology-driven and highly regulated environment. It provides a holistic framework to identify, assess, and mitigate diverse risks, ranging from regulatory and cybersecurity to network and competition. Ensuring operational resilience and service continuity. By embedding risk considerations into strategic and operational decision-making, we strengthen our resilience and ability to deliver sustainable long-term value.

As a national information and communication technology (ICT) services provider, Sri Lanka Telecom PLC operates in an environment characterised by strategic, external, and internal risk. These emerging risks arise from fast-changing customer expectations, expanding digital ecosystems, cybersecurity threats, regulatory oversight, technological advancement, geopolitical changes, and macroeconomic conditions. This dynamic operating landscape requires a proactive and integrated approach to managing uncertainties and capturing emerging opportunities.

our SLT's Enterprise Risk Management (ERM) framework provides a structured, organisation-wide methodology to identify, assess, prioritise, and respond to risks that may impact the Company's strategic objectives, service continuity, financial performance, or regulatory compliance. By considering all aspects, this enables informed decision-making at both strategic and operational levels.

The ERM function also supports Board and Senior Management oversight by providing transparent reporting on key risk exposures, response progress, and the effectiveness of internal controls. By

embedding risk awareness into business planning, major investment decisions, and operational processes, the Company strengthens its capacity to maintain service availability, uphold customer trust, safeguard assets, and ensure compliance with evolving regulatory requirements.

➔ Risk Leadership and Governance

At the core of our SLT's risk management ethos is the belief that effective leadership and governance are indispensable. The Company's senior management plays a pivotal role in embedding a risk-conscious culture throughout the organisation. Through the establishment of a comprehensive Risk Management Framework, SLT defines its risk management philosophy, appetite, tolerance levels, and the approach towards identifying, assessing, and addressing risks. This framework is vital in guiding the organisation through the complexities of various risk types, including those that could significantly impact our SLT's reputation, operational efficiency, human resources, and financial health. By fostering an environment where risk management is vigorously supported and actively engaged in by the leadership, we SLT ensure that risk considerations are integral to the formulation of key business strategies and decisions.

➔ Audit Committee and Risk Management Steering Committee

The governance structure of our SLT's risk management efforts is anchored by the Audit Committee, which was supported by the Risk Management

Steering Committee (RMSC). Endorsed by the Board of Directors, the Audit Committee represents the highest level of risk management oversight within the Company. This Committee is instrumental in overseeing the ERM function, ensuring that risk management practices are not only implemented but are also aligned with the Company's strategic direction and operational requirements.

➔ ERM Standards

our SLT's adherence to the ISO 31000:2018 guidelines underscores its commitment to a structured and effective risk management approach. The incorporation of these standards into its ERM framework is complemented by our SLT's initiative to integrate best practices developed within the organisation, thereby enhancing the robustness and relevance of its risk management efforts.

➔ Risk Process and Activities

We SLT adopts a comprehensive 360-degree approach to risk identification; however, it is well recognised that functional teams remain the subject matter experts in their respective domains and are therefore best positioned to identify risks and early-warning triggers. Risks identified at the business or operational unit level are first assessed by the respective Group Heads for relevance, impact, and alignment with functional priorities.

The ERM team then consolidates, validates, and prioritises these risks across the organisation. Appointed Group Risk Coordinators act as a vital link between the ERM team and business units, ensuring consistency, timely escalation, and effective communication of risk information.

All analysed and prioritised risks are periodically reported to the RMSC, where response plans, mitigation strategies, and progress reviews are formally discussed. Summaries of these discussions, including key risks, response status, and emerging concerns, are subsequently presented to the Audit Committee for oversight and guidance.

➔ Enterprise Risks for 2025

In 2025, the Company encountered various risks, arising from multiple areas.

Risk	Description	Risk level	Actions Taken
Regulatory Risk	Changes in telecommunications regulations and policies may impact operations and financial performance.	High Compared to last year, risk was slightly reduced after the awarding of 5G spectrum and improvements in regulatory compliance.	SLT continued monitoring and close collaboration with regulators to manage compliance and minimise impact.
Competitive Risk	Increasing competition, entrance of new operators and shifting customer preferences pose challenges to revenue growth.	High This risk remained same compared with last year, though few areas addressed new triggers emerged.	Strengthening customer retention strategies, enhancing service quality, and introducing innovative products and services.
Technology Risk	Potential disruptions due to rapid technological advancements, system failures, obsolescence, and interdependencies.	High This also remained the same this year.	Monitoring industry advancements and investing in cutting-edge technologies to remain competitive.
Data Privacy and Cybersecurity Risk	The growing threat of data breaches, theft, and misuse of information could weaken customer confidence, disrupt operations, and damage reputation.	High The same risk level was reported because the threat landscape is constantly evolving. Despite strong controls, no system can be made 100% secure.	Strengthening cybersecurity measures, enhancing monitoring capabilities, and obtaining ISO security certifications. Measures are initiated to comply with the Personal Data Protection Act.
People Risk	Employee-related risks, including turnover, workforce planning, and talent-retention challenges, together with maintaining industrial relationships with employees.	High The challenge persists, as rapid technology trends drive the industry's demand for new skills while requiring careful management of operational costs.	Implementing retention strategies and aligning talent acquisition with market expectations.
Operational Risk	Maintaining continuous business operations and ensuring uninterrupted service availability emerged as the highest priority during disaster situations.	High Maintaining critical network infrastructure with the required redundancy is a challenging task with emerging climate and sustainability aspects.	With limited financial flexibility, critical network elements are maintained through the dedication of operational teams.

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Annual Report of the Board of Directors on the Affairs of the Company

The Directors are pleased to present their report and the Audited Financial Statements of the Company, Sri Lanka Telecom PLC, and the Group for the financial year 2025.

Formation

Sri Lanka Telecom (“SLT”) was established by an Incorporation Order made under Section 2 of the State Industrial Corporations Act No. 49 of 1957 and published in the Extraordinary Gazette No. 596/11 of 6 February 1990. Subsequently, by order of the Minister of Posts and Telecommunications (“the Minister”) on 24 July 1991 under Section 23 of the Sri Lanka Telecommunications Act No. 25 of 1991 and published in the Gazette No. 675 of 9 August 1991, all properties, rights, and liabilities (other than those excluded by the agreement entered into between the Minister and SLT as per subsection 2 of Section 23 of the Sri Lanka Telecommunications Act) to which the Department of Telecommunications (“DoT”) was entitled or subject to immediately before the transfer date of 1 September 1991 were vested with SLT.

SLT was converted to a public limited company on 25 September 1996, under the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987, vide Extraordinary Gazette No. 942/7 dated 25 September 1996 and the shares were listed on the Colombo Stock Exchange (“CSE”) in January 2003.

SLT was re-registered under the Companies Act No. 07 of 2007 as Sri Lanka Telecom PLC on 4 June 2007.

Principal Group Activities and Business Review

The Group offers a comprehensive portfolio of telecommunication services across Sri Lanka, with its core operations being in domestic and international fixed and mobile information and communication technology (ICT) operations. Additionally, the Group provides, inter alia, fixed and wireless broadband services, Internet Protocol

Television (IPTV), data centre and cloud services, digital products, International Direct Dialling (IDD) services, mobile money, maritime transmission, and value-added services.

Details of the Company’s interest in subsidiaries/joint ventures and their business activities during the financial year 2025 are presented below.

Name of the subsidiary/ associate company	Business activity
Mobitel (Pvt) Ltd.	Mobile telecommunication services
eChannelling PLC	Digital lifestyle solutions for healthcare and other industries
Mobit Technologies (Pvt) Ltd.	Ceased operations
Sri Lanka Telecom (Services) Ltd.	Total network solutions, IPTV support services, directory information, and digital services
SLT Human Capital Solutions (Pvt) Ltd.	Ceased operations
Galle Submarine Cable Depot (Pvt) Ltd	Repair and maintenance of submarine telecommunication cable systems to third parties
Xyntac Singapore Pte. Ltd	Wired telecommunication network operations in Singapore

A detailed review of the Company’s activities, the development of its businesses, and an indication of likely future prospects are given in the section Management Discussion and Analysis.

Board of Directors

In terms of section 168 (1) (h) of the Companies Act No. 07 of 2007 and the Listing Rules of CSE, the names of persons who held the office as Directors of the Company during the financial year ended 31 December 2025 are given below:

Name of Director	Position	
Dr Mothilal de Silva	Chairman/INED	
Mr Chan Chee Beng	NED	
Mr Suren Amarasekera	INED	
Mr Niel Unamboowe, PC	INED	
Mr Chandrasiri Kalupahana	INED	
Mr T M Thilakarathne	INED	
Mr Dilip Silva	NED	Appointed w.e.f. 31 January 2025 and resigned w.e.f. 5 October 2025
Mr V U Kumar	NED	Resigned w.e.f. 11 May 2025
Mr Lawrence Paratz	NED	Ceased to be a Director w.e.f. 14 May 2025 in terms of Section 210 of the Companies Act
Mr Nihal Fonseka	INED	Appointed w.e.f. 26 June 2025
Mr A N Hapugala	NED	Appointed w.e.f. 13 November 2025
Mr Ragavendra Madhav	INED	Appointed w.e.f. 13 November 2025

NED – Non-Executive Director

INED – Independent Non-Executive Director

Brief profiles of the Directors are presented in the Board of Directors section of the Annual Report.

🕒 Appointment and Re-election of Directors

The Companies Act No. 7 of 2007 and the Articles of Association (“AoA”) of the Company regulate the appointment and removal of Directors.

As per the AoA of the Company, the Directors are authorised to appoint any person as a Director either to fill a casual vacancy or as an additional Director provided that the total number of Directors does not exceed the maximum number of Directors specified in the AoA. The Directors appointed during the year will hold office only until the next Annual General Meeting (“AGM”) and will offer themselves for re-election by the shareholders.

In addition, one-third of the Directors (or the number nearest to one-third) retire by rotation at each AGM and offer themselves for re-appointment by the shareholders.

Messrs. A N Hapugala and Ragavendra Madhav, who were appointed to the Board since the previous AGM, offer themselves for re-appointment in accordance with Article 97 of the AoA of the Company.

Mr T M Thilakarathne, who has been the longest in office since the last re-election, retires by rotation in terms of Articles 91 and 92 of the AoA of the Company and is eligible to offer himself for re-election.

In terms of Section 210 of the Companies Act No. 7 of 2007 and Companies [Amendment] Act No. 12 of 2025, Directors over the age of 70 years vacate office at the conclusion of the AGM and are eligible for re-appointment by the shareholders. Ordinary Resolutions will be placed before the shareholders for the re-appointment of Dr Mothilal de Silva, Mr Chan Chee Beng, and Mr Nihal Fonseka in terms of Section 211 of the Companies Act No. 7 of 2007, notwithstanding the age limit of 70 years stipulated by Section 210 of the Act.

Notices have been received from the two major shareholders, Secretary to the Treasury and the Global Telecommunications Holdings N.V., with 50.23% and 44.98% shareholding in the Company, respectively, nominating Dr Mothilal de Silva, Mr Chan Chee Beng, and Mr Nihal Fonseka, who are over 70 years of age, to the Board.

🕒 Directors of Subsidiaries and Associate Companies

The names of the Directors of SLT who held the office of Director in the subsidiaries during the financial year 2025 are given below:

Mobitel (Pvt) Ltd.

Dr Mothilal de Silva

Mr Chan Chee Beng

Mr Lawrence Paratz (Ceased to be a Director w.e.f. 14 June 2025 in terms of Section 210 of the Companies Act)

Mr Suren Amarasekera

Mr Niel Unamboowe, PC

Mr T M Thilakarathne

Mr Nihal Fonseka

[Appointed w.e.f. 23 September 2025]

Mr Ragavendra Madhav

[Appointed w.e.f. 13 November 2025]

Mr A N Hapugala

[Appointed w.e.f. 13 November 2025]

eChannelling PLC

Dr Mothilal de Silva

Mr Lawrence Paratz

[Ceased to be a Director w.e.f. 14 May 2025 in terms of Section 210 of the Companies Act and re-appointed as a Director w.e.f. 26 June 2025 in terms of section 211 of the Companies Act]

Mr Chandrasiri Kalupahana

Mr Chan Chee Beng

[Appointed w.e.f. 14 May 2025]

Sri Lanka Telecom (Services) Ltd.

Dr Mothilal de Silva

Mr T M Thilakarathne

Mr Lawrence Paratz (Ceased to be a Director w.e.f. 24 May 2025 in terms of Section 210 of the Companies Act)

Mr Suren Amarasekera

[Appointed w.e.f. 3 December 2025]

SLT Human Capital Solutions (Pvt) Ltd. (operation ceased and under liquidation)

Dr Mothilal de Silva

Mr T M Thilakarathne

Mobit Technologies (Pvt) Ltd. (operation ceased)

Dr Mothilal de Silva

Mr Lawrence Paratz

Galle Submarine Cable Depot (Pvt) Ltd. (An Associate Company)

Dr Mothilal de Silva

Mr Lawrence Paratz

🕒 Board Subcommittees

In terms of Section 186 of the Companies Act, the AoA of the Company, and the CSE Listing Rules, the following mandatory and voluntary subcommittees have been appointed by the Board to provide a detailed focus on particular issues and to assist the Board in decision-making.

- Audit Committee (AC)
- Nomination and Governance Committee (N&GC)
- Remuneration Committee (RC)
- Related Party Transactions Review Committee (RPTRC)
- Group Senior Tender Governance Committee (GSTGC)
- Technology Subcommittee (TSC)

Information relating to subcommittees is given in the section Governance on page 162.

⊕ Independent Advice

The Board has a procedure that permits Directors to seek independent professional advice at the Company's expense. All Directors also have access to the advice and services of the Company Secretary and his nominated delegate.

⊕ Directors' and Officers' Liability Insurance and Indemnity

SLT maintains insurance cover for Directors, Officers, and employees who hold positions of managerial supervision in SLT and its subsidiaries. This is intended to provide protection against defence costs, civil damages, and in some circumstances, civil fines and penalties (provided they are insurable), following an action brought against them in their personal capacity.

As permitted by SLT's AoA, and to the extent permitted by law, the Group indemnifies each of its directors and other officers against certain liabilities that may be incurred as a result of their positions within the Group. Indemnity was in force throughout the tenure of each director during the last financial year and remains in force.

⊕ Interest Register and Directors' Interest in Contracts with the Company

An Interest Register is maintained by the Company as per the requirement of the Companies Act No. 7 of 2007. The Directors have made necessary declarations as provided in Section 192 (2) of the aforesaid Companies Act. The Interest Register is available for inspection by shareholders or their authorised representatives, as required by Section 119 (1) (d) of the Companies Act No. 7 of 2007.

The Company carries out transactions in the ordinary course of business at commercial rates with entities in which a Director of the Company is the Chairman or Director of such entities or holds substantial interest in such entities.

The Directors have no direct or indirect interests in any contract or proposed contract with the Company for the year ended 31 December 2025, other than those disclosed in Note 38 to the Financial Statements.

The Directors have declared all material interest in contracts involving the Company and have refrained from voting on matters in which they have a material interest.

⊕ Related Party Transactions

Transactions, if any, that could be classified as Related Party Transactions in terms of LKAS 24 'Related Party Disclosures' are disclosed in Note 38 to the Financial Statements.

Related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee (RPTRC) and are in compliance with Section 9.14 of the CSE Listing Rules.

⊕ Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions where the aggregate value exceeded 10% of the equity or 5% of the total assets of the Company, whichever is lower, during the year ended 31 December 2025, which would have required specific disclosures in the Annual Report as required by the CSE Listing Rule 9.14.8 [1].

⊕ Recurrent Related Party Transactions

There were no recurrent related party transactions, of which the aggregate value exceeded 10% of the consolidated revenue of the Group during the year ended 31 December 2025 as per the audited accounts, which would have required additional disclosures in the Annual Report, as required by the CSE Listing Rule 9.14.8 [2].

⊕ Risk Management and Internal Control

The Board is responsible for reviewing the Group's systems of risk management and internal control each year, and for ensuring their effectiveness, including in respect of relevant assurance activities. These systems are designed to manage, rather than eliminate, risks that may prevent achieving business objectives and delivering the Company's strategy.

SLT has created a framework by incorporating its own best practices to address industry-specific challenges. Risks are categorised as strategic, external, and internal, and a risk map is developed accordingly.

Risk management and internal controls are reviewed by the Audit Committee (AC) as a permanent agenda item. The Risk Officer liaises with each risk owner and identifies the risks as high, medium, or low, and reports the outcomes to the AC. High risks, including the action taken to mitigate the risks, are deliberated by the AC, which escalates them to the Board for further deliberations and directions.

Internal Audit conducts audits in line with its annual audit plan and reports the findings to the AC. The internal audit team is required to present the findings of the internal audit to the Chief Executive Officer (CEO) and the management before reporting these details to the AC. The AC conducts its review and may direct a forensic audit to be conducted to identify the wrongdoers, if the issue is high risk and persistent.

The framework was designed primarily based on ISO 31000 (2018), which serves as a foundational standard. The material key controls will be the main focus of an integrated assurance plan, which will involve second-line assurance teams and Internal Audit assessing the design and operational effectiveness of SLT's defined control activities.

More information on our Group risk management framework can be found in the Enterprise Risk Management section on pages 188 to 189.

🔗 Sustainability Reporting

SLT is conscious of the direct and indirect impacts of its business activities on the environment. The Group endeavours to minimise the adverse effects on the environment and ensure sustainable continuity of our natural resources.

SLT has a well-defined Environmental, Social, and Governance (ESG) policy, which is the foundation for effectively managing an organisation's sustainability goals, risks, and stakeholder expectations. This policy acts as a structured framework that translates high-level sustainability ambitions into actionable, measurable, and transparent corporate practices.

Accordingly, an ESG Steering Committee has been established at management level to enhance integration with the Enterprise Risk Management framework, while supporting the Company's sustainability strategy, managing ESG

risks, and ensuring alignment with global standards and local regulatory requirements, reinforcing SLT Group's commitment to long-term value creation and responsible business practices.

🔗 Directors' Statement on Internal Control over Financial Reporting

The Board of Directors acknowledges its responsibility for the design, implementation, and effectiveness of the Company's internal control system. The aforesaid framework provides reasonable assurance regarding the reliability of financial reporting and compliance with regulations. The Board, assisted by the Audit Committee, ensures ongoing identification and management of significant risks.

The Audit Committee oversees internal control issues, working with internal and external auditors, while Internal Audit regularly tests controls and reports directly to the Committee. Management implements Board-approved policies and procedures.

🔗 Directors' and Chief Executive Officer's Shareholding

The Directors did not hold shares in the Company or its subsidiaries during the financial year under review.

The shareholding of Mr Janaka Abeysinghe, former CEO (up to 5 September 2025), is given below:

	Number of shares	
	1 January 2025	5 September 2025
Mr Janaka Abeysinghe former Chief Executive Officer	1,824	1,824

🔗 Remuneration and Other Benefits of Directors

The remuneration and other benefits received by the Directors are disclosed in Note 38 to the Financial Statements on page 238 as required by Section 168 (1) (f) of the Companies Act.

Based on its review, the Board confirms that the internal control system is effective in ensuring reliable financial reporting and compliance with regulatory requirements.

🔗 Legal Proceedings

The Group is involved in various legal proceedings, including actual or threatened litigation and government or regulatory investigations. Details of legal and regulatory proceedings to which the Group is party are disclosed in Note 37 to the Financial Statements.

Apart from the information disclosed in Note 37 to the Financial Statements, the Group does not believe that there are currently any legal proceedings, or government or regulatory investigations that may have a material adverse impact on the operations or financial condition of the Group. In respect of each of the claims described in Note 37, the nature and progression of such proceedings and investigations can make it difficult to predict the impact they will have on the Group.

➤ Shares and Debentures

➤ Stated Capital

The Stated Capital of the Company as at 31 December 2025 was LKR 18,048,600,000 divided into 1,804,860,000 ordinary shares. There were no changes to the issued capital of the Company during the year under review.

Details of the Company's Stated Capital are disclosed in Note 33 to the Financial Statements.

➤ Beneficial Ownership

The following shareholders held more than 10% of the issued shares as at 31 December 2025.

Secretary to the Treasury (Government of Sri Lanka)	50.23%
Global Telecommunications Holdings N.V. of Netherlands	44.98%

In terms of Section 130A of the Companies Act, the Company maintains a Register of Beneficial Owners as stated in the Act.

➤ Voting Rights

Ordinary shareholders are entitled to receive notice and to attend and speak at any General Meeting of the Company. A shareholder entitled to attend and vote at a General Meeting may appoint a proxy to attend and vote in his place. A proxy need not be a shareholder of the Company.

Every shareholder present in person or by proxy (or in the case of a corporation, by a duly authorised representative) shall have one vote on a show of hands and one vote for every share held on a poll.

➤ Debentures

In April 2018, the Company issued 70,000,000 Senior Unsecured Redeemable Rated 10-Year (2018/2028) Debentures as indicated below:

Type of debentures	Interest rate (per annum)	Number of debentures issued
Type A	12.75% payable annually	20,760,000
Type B	12.75% payable semi-annually	49,240,000

➤ Minimum Public Holding Requirement

Given that the two controlling shareholders and other government-connected institutions are considered "non-public", the public free float has reduced to 4.79% of the shareholding. The shares of SLT were transferred to the Second Board with effect from 29 October 2021.

In view of the current situation, the Board of Directors has explored various options available to increase the public float, such as private placement and secondary public share offerings, in consultation with the two major shareholders in order to comply with minimum public holding requirements of Section 7.13 of the CSE Listing Rules.

➤ Financial Results and Appropriations

	2025		2024	
	Company LKR Mn.	Group LKR Mn.	Company LKR Mn.	Group LKR Mn.
Revenue	72,980	114,176	71,309	111,148
Profit/(Loss)	6,245	10,014	2,113	3,120
Retained earnings	57,565	82,454	51,893	73,002

The results of the Company and the Group are presented in the Income Statement on page 205 of this Annual Report.

The movement of reserves is presented in the Statement of Changes in Equity on pages 208 to 209 of this Annual Report.

➤ Financial Statements

The Financial Statements of the Group and the Company have been prepared in accordance with the Sri Lanka Financial Reporting Standards/Sri Lanka Accounting Standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act No. 7 of 2007.

The significant accounting policies adopted by the Company and its subsidiaries in preparing the Financial Statements are disclosed in Note 3 to the Financial Statements. These policies and applicable estimation techniques have been reviewed by the Directors, who have confirmed them to be appropriate for the preparation of the consolidated Financial Statements for 2025.

The Financial Statements for the year ended 31 December 2025, certified by the Chief Financial Officer and signed by two Directors, are presented on page 207 of this Annual Report.

A statement by the Directors of their responsibilities for preparing the Financial Statements is included in the Statement of Directors' Responsibilities on page 198, while the Independent Auditors' Report is presented on pages 200 to 204 of this Annual Report.

➤ Dividends

The Directors recommend the payment of a first and final dividend of LKR 0.75 per share for the financial year ended 31 December 2025, subject to applicable taxes and payable as follows to the shareholders registered as at 22 June 2026 (in 2024, a dividend of LKR 0.25 per share was declared).

- Dividend payments will be directly deposited to the bank accounts registered with the Company on 26 June 2026.
- Dividend cheques will be posted to shareholders who have not registered bank accounts with the Company by 10 July 2026.

As required by Section 56(2) of the Companies Act No. 07 of 2007, the Directors have signed a certificate stating that, in their opinion and based on information available, the Company satisfies the Solvency Test immediately after the distribution is made and has obtained a certificate from the Auditors in terms of Section 57 of the Companies Act.

➤ Property, Plant, and Equipment

The movements in property, plant, and equipment during the year are set out in Note 14 to the Financial Statements. The current status of the value of properties is disclosed on pages 243 to 246.

➤ Auditors

In terms of Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka and the National Audit Act, the financial statements of the Company and subsidiaries for the financial year 2025 has been audited by the Auditor General.

Similarly, in terms of Article 154(4) of the Constitution of the Democratic Socialist Republic of Sri Lanka, M/s Ernst and Young Chartered Accountants, has been appointed to assist the Auditor General in performing the audit of the Financial Statements of SLT.

Fees paid to the Auditors are disclosed in Note 7 to the Financial Statements on page 238. As far as the Directors are aware, the Auditors do not have any interest in the Company or its Group companies.

The audit fees and fees for non-audit services incurred are given below:

	2025 LKR Mn.	2024 LKR Mn.
Audit fees	15	15
Fees for non-audit services	7	3

➤ Statutory Payments and Compliance with Laws and Regulations

The Directors confirm that, to the best of their knowledge (a) all taxes, duties, and levies payable by the Company and its subsidiaries; (b) all contributions, levies, and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries; and (c) all other known statutory dues that were due and payable by the Company and its subsidiaries as at the reporting date have been paid or, where relevant, provided for in the Financial Statements.

The Company has also ensured that it complied with the applicable laws and regulations, including the CSE Listing Rules, except with regard to the requirement of the minimum public holding as set out in Section 7.13 of the Listing Rules.

SLT is compliant with the rules and licence conditions of the Telecommunications Regulatory Commission of Sri Lanka (TRCSL). In addition, SLT is required to adhere to the guidelines issued by the Public Enterprises under the Ministry of Finance and the Ministry of Digital Economy, since the Government of Sri Lanka holds more than 50% of the Company through the Secretary to the Treasury. However, SLT, as a listed entity operating in a competitive business environment, adopts its own policies to suit its business operations, while also making maximum effort to comply with State regulations.

➤ Environmental Protection

After making adequate enquiries 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 are beneficial to customers and the communities within which the Group operates.

➤ Employment Policies

The employment policies of SLT cover issues such as diversity, employee well-being, and equal opportunities. The Company takes its responsibility towards persons with physical disabilities seriously and does not discriminate against any employee or prospective employee based on physical disability. Employees who become disabled during their service at SLT will be retained in employment, wherever possible, and provided with rehabilitation and training.

The Group companies operate within a framework of Human Resource policies, practices, and regulations appropriate to their respective market sectors. Policies and procedures for recruitment, training, career development, and the Code of Ethics for Employees promote equality of opportunity regardless of gender, sexual orientation, age, marital status, disability, race, religion or other beliefs, and ethnic or national origin. The aim is to foster a culture in which all employees have the opportunity to develop fully according to their individual abilities and the needs of the Group.

The number of persons employed by SLT and the Group is disclosed in Note 7.1 to the Financial Statements on page 238 as stated elsewhere.

➤ Key Updates for 2025

The process of liquidation of SLT Property Management was completed on 22 April 2025.

Mr Imantha Wijekoon was appointed as the CEO (interim) in place of Mr Janaka Abeyasinghe, who retired in September 2025. The Board appointed Mr Riyaz Rasheed as the CEO. He assumed duties on 1 January 2026.

➤ Post-Balance Sheet Events

Except for matters disclosed in Note 41 to the Financial Statements, there are no material events as at the date of the Auditors' Report that require adjustments to, or disclosure in, the Financial Statements.

➤ Going Concern

The Directors have reviewed the Company's business plans and are satisfied that the Company has adequate resources to continue its operations in the foreseeable future, thereby justifying the adoption of the going concern basis in preparing the Financial Statements.

➤ Corporate Governance

The Corporate Governance requirements stipulated under the CSE Listing Rules have been adhered to by the Company and details are provided in the Governance Report on pages 162 to 177.

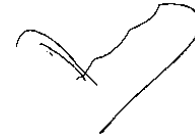
➤ Annual General Meeting (AGM)

The AGM of the Company will be held as a virtual meeting 19 June 2026 at 10.00am. The Notice of the Annual General Meeting appears on page 301 of the Annual Report.

➤ Acknowledgement of the Content of the Report

As required by Section 168(1) (k) of the Companies Act No. 07 of 2007, the Board of Directors hereby acknowledges the contents of this Annual Report.

By order of the Board of
Sri Lanka Telecom PLC



Dr Mothilal de Silva
Chairman



Chandrasiri Kalupahana
Director



Mahesh Athukorale
Group Company Secretary

14 May 2026
Colombo

Statement of Directors in Relation to their Responsibility for the Preparation of Financial Statements

The Directors' responsibilities concerning the Financial Statements of Sri Lanka Telecom PLC (SLT), the Consolidated Financial Statements of SLT, and its Subsidiaries (Group) are outlined in this statement.

In accordance with Sections 150(1), 151, 152, and 153(1) and (2) of the Companies Act No. 07 of 2007, the Directors of SLT are responsible for ensuring that the Group and SLT maintain proper accounting records of all transactions and prepare Financial Statements that provide a true and fair view of the financial position of SLT and the Group at the end of each financial year. These statements must be presented at the Annual General Meeting.

The Financial Statements include the Statement of Financial Position as of 31 December 2025, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended 31 December 2025, and the accompanying Notes.

Accordingly, the Directors confirm that the Financial Statements of SLT and the Group present a true and fair view of:

- (a) The financial position of SLT and the Group as of the reporting date; and
- (b) The financial performance of SLT and the Group for the financial year ending on the reporting date.

Pursuant to Sections 150(1)(b) and Section 152(1)(b) of the Companies Act, the Financial Statements of SLT and the Group have been certified by the Chief Financial Officer, the officer responsible for the preparation of the Financial Statements. Furthermore, as required by Sections 150(1)(c) and 152(1)(c) of

the Companies Act and other regulatory requirements, the Financial Statements have been signed by two Directors of SLT on 14 May 2026.

Under Section 148(1) of the Companies Act, the Directors are also responsible for ensuring the maintenance of proper accounting records that accurately record and explain SLT's transactions, facilitating an effective audit of the Financial Statements. To fulfill this responsibility, the Directors have taken reasonable steps to ensure SLT and the Group maintain accurate books of accounts and have implemented a financial reporting review system overseen by the Board Audit Committee.

The Board of Directors also approves the Interim Financial Statements before their release to the Colombo Stock Exchange, following a review and recommendation by the Board Audit Committee. The Directors confirm that the Financial Statements for the year 2025, as presented in this Annual Report, comply with the following:

- Appropriate accounting policies have been selected and consistently applied, with any material departures disclosed and explained.
- All applicable accounting standards have been adhered to.
- Judgments and estimates made are reasonable and prudent.

Furthermore, the Directors confirm that the underlying books of accounts conform to the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing

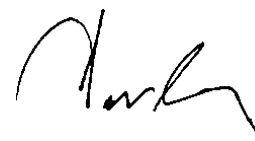
Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance jointly issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC).

The Directors have also taken reasonable measures to safeguard SLT's and the Group's assets and to prevent and detect fraud and other irregularities. To this end, an effective and comprehensive system of internal controls, including an internal audit function directly reporting to the Audit Committee, has been established.

The Directors believe that the Company has sufficient resources to continue its operations and have therefore applied the going concern basis in preparing these Financial Statements.

The Directors confirm that, to the best of their knowledge, all contributions, taxes, duties, and levies payable by SLT and its subsidiaries, as well as all contributions, levies, and taxes payable on behalf of and in respect of employees of SLT and its subsidiaries, and all other known statutory dues due as of the reporting date, have been either paid or, where applicable, provided for.

By order of the Board of Sri Lanka Telecom PLC



Mahesh Athukorale
Group Company Secretary

14 May 2026

Chief Executive Officer's and Chief Financial Officer's Responsibility Statement

The Financial Statements of Sri Lanka Telecom PLC ("SLT") and the Consolidated Financial Statements of SLT and its subsidiaries ("Group") as at 31 December 2025 are prepared and presented in compliance with the requirements of the following.

- Sri Lanka Accounting Standards issued by CA Sri Lanka.
- Companies Act No 07 of 2007,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995,
- Listing Rules of the Colombo Stock Exchange,
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka,

We confirm that the accounting policies applied in preparing the Financial Statements are appropriate and have been applied consistently, as detailed in the Notes. Significant accounting policies and estimates involving substantial judgment and complexity were reviewed with the Audit Committee and the External Auditors. During the year, the Group also adopted sustainability-related disclosures in compliance with the CSE Listing Rules.

We have exercised due care in establishing and maintaining effective internal controls over financial reporting and accounting records, ensuring the safeguarding of assets and the prevention and detection of fraud and other irregularities. These controls are subject to continuous review, assessment, and enhancement. Furthermore, periodic audits conducted by the Group's internal auditors provide reasonable assurance that the Group's established policies and procedures are consistently adhered to.

The Audit Committee holds regular meetings with both Internal and External Auditors to assess the effectiveness of audit processes and to address matters relating to auditing, internal controls, risk management, and financial reporting. The Auditors have unrestricted access to the Audit Committee to raise and discuss any significant matters.

We further confirm that there are no material instances of non-compliance with applicable laws and regulations, nor any pending litigation, other than those disclosed in the relevant notes.

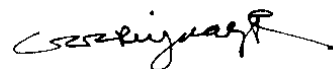
The Financial Statements have been audited by the Auditor General, with support from the external auditors, Messrs. Ernst & Young, Chartered Accountants. The audit report of Auditor General presented on pages 200 to 204 of the Annual Report.

The Audit Committee reviews and approves both audit and non-audit services provided by the External Auditor, ensuring that such engagements do not compromise their independence.


We also confirm that:

- the Group possesses sufficient resources to continue its operations for the foreseeable future and has therefore prepared these Financial Statements on a going concern basis;
- the Company and its subsidiaries have complied with the relevant laws, regulations, and prudential requirements except the full compliance with the National Procurement Policy and the non-compliance reported in the Annual Report of the Board of Directors on the Affairs of the Company in page 195;

- there are no material legal proceedings pending against the Group, other than those disclosed in Note 37 to the Financial Statements included in this Annual Report.



Riyaz Rasheed
Chief Executive Officer



Sanjeewa Samaranayake
Chief Finance Officer

14 May 2026

Auditor General's Report



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. } TEL/A/SLT/PLC/FS/2025
My No. }

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி } 20 May 2026
Date }

Chairman

Sri Lanka Telecom PLC

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Telecom PLC and its subsidiaries for the year ended 31 December 2025 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Sri Lanka Telecom PLC ("the Company") and the consolidated financial statement of the Company and its subsidiaries ("the Group") for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the

Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course. To carry out this audit, I was assisted by a firm of Chartered Accountants in public practice.

In my opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risk of material misstatement of the Financial Statements. The result of my audit procedures, including the procedures performed to address the matters below, prove the basis for my audit opinion on the accompanying Financial Statements.

අංක 306/72, පොල්දූව පාර, මත්තරමුල්ල, ශ්‍රී ලංකාව

இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை.

No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.



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Key Audit Matter	How my audit addressed the key audit matter
<p>Revenue recognition of fixed telephony and mobile communication services</p> <p>The Group recognized revenue of Rs. 114,176 million from the provision of fixed telephony & mobile communication services for the year ended 31 December 2025 in accordance with its accounting policy set out in Note 3 (I) and disclosed in Note 6 (a) to the financial statements.</p> <p>Recognition of revenue from the provision of fixed telephony & mobile communication services was a key focus of my audit due to:</p> <ul style="list-style-type: none"> • Complexity in revenue recognition as a result of: <ol style="list-style-type: none"> I. Frequent changes in rate structures and arrangements with multiple product features. II. Large volume of transactions which arise from sales of different combinations of hardware and services. III. Multiple IT systems which are used to capture, process and record the revenue. • Significant judgement exercised by management when determining: <ol style="list-style-type: none"> I. Whether to recognize revenue at a point in time or over a period for revenue arrangements II. Duration of customer contracts III. Transaction price and allocating it to bundled products and services 	<p>My audit procedures included the following key procedures;</p> <ul style="list-style-type: none"> • Tested the relevant key IT-dependent manual controls and manual controls over the capture and measurement of revenue transactions. • Tested the IT General Controls and relevant key IT Application Controls of IT systems which have a significant impact over revenue recognition. Our procedures also included testing the adequacy of controls implemented for security monitoring aspects over selected IT systems related to revenue recognition with the assistance of our internal specialized resources. • Performed re-computations and tested end-to-end reconciliations in relation to capture and measurement of revenue transactions, as relevant. • Assessed the reasonableness of significant judgements made by management when determining the timing of revenue recognition, duration of customer contracts and when allocating transaction price to performance obligations, based on the respective terms and conditions of customer contracts. • Assessed the adequacy of related disclosures reflected in Note 3 (I) and Note 6 (a) of the Financial Statements.
<p>Carrying Value of Network Assets</p> <p>As at 31 December 2025, the Group's network assets including capital work in progress amounted to Rs. 144,656 million and represented 62% of the total assets of the Group.</p> <p>Carrying value of network assets including capital work in progress was a key focus of my audit due to:</p> <ul style="list-style-type: none"> • Materiality of the reported depreciation on network assets which amounted to Rs.19,514 million for the year ended 31 December 2025. • Judgements used by management associated with estimating the useful lives of the network assets by the Group. It involves the Group's collective assessment of the industry practice, internal technical evaluation and experience with the similar assets in concluding the useful economic life of the network assets. • The degree of management assumptions, judgements and estimates associated with the estimated future cashflows used for the value in use calculations of selected network assets. • The degree of judgement involved, and assumptions used by management when assessing impairment of amounts of capital work – in – progress relevant to network assets. • The timing of recognition of commissioned assets from capital work-in-progress to network assets considering the significant judgements involved and appropriateness of the date from which network assets commenced being depreciated. 	<p>My audit procedures included the following key procedures;</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's process in estimating the useful lives of network assets. • Assessed the reasonableness of judgements used by management to estimate the useful lives of network assets to internal technical evaluations and publicly available information. • Gained an understanding of how the management has forecasted its discounted cash flows of selected network assets and tested the completeness and accuracy of the underlying data used by the management. • Evaluated management's impairment assessment of network assets including the judgements made by the management on: <ol style="list-style-type: none"> I. the nature and impact of changes on the business strategy and business environment including which specific assets are impacted; and II. the extent of the impact of these changes on the carrying value of identified network assets.



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 தேசிய கணக்காய்வு அலுவலகம்
 NATIONAL AUDIT OFFICE

Key Audit Matter	How my audit addressed the key audit matter
	<ul style="list-style-type: none"> Assessed the reasonableness of management judgements applied and assumptions used in relation to capital work-in-progress of network assets including possible indicators of impairment which were identified by the management for any project related to network assets which have not been commissioned for a prolonged period, based on my knowledge of the business and industry. Evaluated the current status of completion of those projects in relation to budgeted project duration and assessed whether amounts related to network assets commissioned for use have been appropriately transferred out of capital work-in-progress and recognized under the relevant class of property, plant & equipment, on a timely basis, through discussion with the respective project managers and inspection of relevant documentation. Determined the appropriateness of capitalization of cost for network assets during the year. Assessed the adequacy of related disclosures reflected in Note 3 (d) and Note 14 of the Financial Statements.

1.4 Other Information included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 Annual Report, but does not include the Financial Statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Financial Statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent

with the Financial Statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

1.5 Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the 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 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.



1.6 Auditor's responsibilities for the audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 internal controls of the Company and the Group.

- 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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, Supervision and review of the audit work performed for the purpose of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with those charged with governance, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

2. Report on other legal and regulatory requirements

2.1 National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 I have obtained all the information and explanations that were required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of Section 163 (2) of the Companies Act, No. 7 of 2007 and Section 12 (a) of the National Audit Act, No. 19 of 2018.



2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes material recommendations made in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained which were limited to matters that are of a material nature, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered in to by the Company which are out of the normal course of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 to state that the Company has not performed according to its powers, functions and duties as per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018.

L.S.I. Jayarathna
Auditor General

Statement of Profit or Loss and Other Comprehensive Income

(All Amounts in Sri Lanka Rupees Million)

For the year ended 31 December	Notes	Group		Company	
		2025	2024	2025	2024
Revenue	6	114,176	111,148	72,980	71,309
Direct costs	7	(61,024)	(65,009)	(36,946)	(39,941)
Gross profit		53,152	46,139	36,034	31,368
Sales and marketing costs	7	(12,667)	(10,940)	(7,439)	(6,370)
Administrative costs	7	(26,284)	(24,010)	(19,317)	(17,709)
Operating profit		14,201	11,189	9,278	7,289
Other income	8	2,752	2,040	2,689	2,031
Finance costs	9	(7,054)	(8,979)	(4,979)	(6,977)
Foreign exchange gain/(loss)	10	359	699	300	(136)
Interest income	11	969	1,087	695	812
Share of profit from joint venture	18.2	101	1	101	1
Profit/(loss) before tax for the year		11,328	6,037	8,083	3,020
Income tax (expenses)/reversals	12	(1,314)	(2,917)	(1,838)	(907)
Profit/(loss) for the year		10,014	3,120	6,245	2,113
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent period:					
Exchange differences on translation of foreign operations		(3)	-	-	-
Net Other comprehensive loss that may be reclassified to profit or loss in subsequent period:		(3)	-	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent period:					
Net change in fair value of financial assets		2	1	-	-
Defined benefit plan actuarial gain/(loss)	30	(195)	222	(174)	322
Tax on other comprehensive income	12	87	35	52	(97)
Net Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent period:		(106)	258	(122)	225
Other comprehensive income/(loss) for the year, net of tax		(109)	258	(122)	225
Total comprehensive income for the year, net of tax		9,905	3,378	6,123	2,338
Profit/(loss) attributable to:					
Equity holders of the parent		10,009	3,116	6,245	2,113
Non-controlling interest		5	4	-	-
		10,014	3,120	6,245	2,113
Total comprehensive income attributable to:					
Equity holders of the parent		9,900	3,374	6,123	2,338
Non-controlling interest		5	4	-	-
		9,905	3,378	6,123	2,338
Earnings per share (LKR)					
- Basic	13	5.55	1.73	3.46	1.17

The notes on pages 211 to 282 form an integral part of these Financial Statements.

Statement of Financial Position

[All Amounts in Sri Lanka Rupees Million]

As at 31 December	Notes	Group		Company	
		2025	2024	2025	2024
Assets					
Non-current assets					
Property, plant and equipment	14	161,002	172,637	119,933	127,935
Investment properties	15	856	946	2,906	3,044
Right of use asset	16	6,687	5,360	541	223
Intangible assets and Goodwill	17	14,027	10,606	2,441	2,860
Investments in subsidiaries	18.1	–	–	14,429	14,341
Investments in joint venture	18.2	568	515	568	515
Deferred tax assets	26	97	14	–	–
Equity instruments designated at fair value through OCI	19	6	3	–	–
Contract cost assets	27(a)	1,290	1,013	197	218
Other receivables	21	3,549	3,353	3,549	3,353
Total non-current assets		188,082	194,447	144,564	152,489
Current assets					
Inventories	22	3,209	3,143	2,503	2,204
Trade and other receivables	23	28,496	30,733	21,358	21,658
Current tax receivable		578	274	335	235
Contract cost assets	27(a)	919	1,150	65	132
Other investments	20	3,131	868	3,092	830
Cash and balances with banks	24	9,935	8,546	2,220	3,347
Total current assets		46,268	44,714	29,573	28,406
Total assets		234,350	239,161	174,137	180,895
Equity					
Capital and reserves					
Stated capital	33	18,049	18,049	18,049	18,049
Insurance reserve	32	300	300	300	300
Foreign currency translation reserve		(3)	–	–	–
Retained earnings		82,454	73,002	57,565	51,893
Equity attributable to equity holders of the parent		100,800	91,351	75,914	70,242
Non controlling interest		129	124	–	–
Total equity		100,929	91,475	75,914	70,242

[All Amounts in Sri Lanka Rupees Million]

As at 31 December	Notes	Group		Company	
		2025	2024	2025	2024
Liabilities					
Non-current liabilities					
Grants	31	103	111	–	–
Borrowings	25	54,360	57,360	47,450	49,500
Vendor financing	29	–	7,502	–	7,502
Lease liability	16	4,447	3,892	47	22
Contract liabilities	27(b)	2,425	2,425	2,425	2,425
Deferred income	27	97	119	97	119
Deferred tax liabilities	26	12,605	11,626	10,372	8,586
Employee benefits	30	6,776	6,317	5,577	5,272
Trade and other payables	28	2,034	3,517	1,106	2,528
Total non-current liabilities		82,847	92,869	67,074	75,954
Current liabilities					
Borrowings	25	14,089	13,679	5,645	6,598
Vendor financing	29	776	6,536	–	2,015
Lease liability	16	2,763	1,982	501	295
Contract liabilities	27(b)	1,226	1,330	1,193	1,218
Deferred income	27	2,706	2,619	23	23
Current tax liabilities		249	83	–	–
Trade and other payables	28	28,765	28,588	23,787	24,550
Total current liabilities		50,574	54,817	31,149	34,699
Total liabilities		133,421	147,686	98,223	110,653
Total equity and liabilities		234,350	239,161	174,137	180,895

The notes on pages 211 to 282 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.



Sanjeewa Samaranyake
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. These Financial Statements were approved by the Board of Directors on 14 May 2026.

Signed for and behalf of the Board.



Dr Mothilal De Silva
Chairman



T M Thilakaratne
Director

Consolidated Statement of Changes in Equity – Group

[All Amounts in Sri Lanka Rupees Million]

Group	Attributable to owners of the Company						
	Stated capital	Insurance reserve	Foreign currency Translation reserve	Retained earnings	Total equity	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)
Non controlling interest	–	–	–	–	–	4	4
Total comprehensive income for the year							
Net profit for the year 2024	–	–	–	3,116	3,116	–	3,116
Other comprehensive income							
Defined benefit plan actuarial gain/(loss) net of tax	–	–	–	258	258	–	258
Total other comprehensive income	–	–	–	258	258	–	258
Total comprehensive income for the year	–	–	–	3,374	3,374	4	3,378
Balance as at 31 December 2024	18,049	300	–	73,002	91,351	124	91,475

	Attributable to owners of the Company						
	Stated capital	Insurance reserve	Foreign Currency Translation Reserve	Retained earnings	Total equity	Non-controlling interest	Total equity
Balance as at 1 January 2025	18,049	300	–	73,002	91,351	124	91,475
Non-controlling interest	–	–	–	–	–	5	5
Total comprehensive income for the year							
Net profit for the year 2025	–	–	–	10,009	10,009	–	10,009
Other comprehensive income							
Net change in fair value financial assets	–	–	–	2	2	–	2
Foreign currency translation reserve	–	–	(3)	–	(3)	–	(3)
Defined benefit plan actuarial gain/(loss) net of tax	–	–	–	(108)	(108)	–	(108)
Total other comprehensive income	–	–	(3)	(106)	(109)	–	(109)
Total comprehensive income for the year	–	–	(3)	9,903	9,900	5	9,905
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends to equity share holders	–	–	–	(451)	(451)	–	(451)
Balance as at 31 December 2025	18,049	300	(3)	82,454	100,800	129	100,929

The notes on pages 211 to 282 form an integral part of these Financial Statements.

Consolidated Statement of Changes in Equity – Company

[All Amounts in Sri Lanka Rupees Million]

Company	Attributable to owners of the Company			
	Stated capital	Insurance reserve	Retained earnings	Total equity
Balance as at 1 January 2024	18,049	300	49,555	67,904
Total comprehensive income for the year				
Net profit for the year 2024	–	–	2,113	2,113
Other comprehensive income				
Defined benefit plan actuarial gain/(loss), net of tax	–	–	225	225
Total other comprehensive income	–	–	225	225
Total comprehensive income for the year	–	–	2,338	2,338
Balance as at 31 December 2024	18,049	300	51,893	70,242

	Attributable to owners of the Company			
	Stated capital	Insurance reserve	Retained earnings	Total equity
Balance as at 1 January 2025	18,049	300	51,893	70,242
Total comprehensive income for the year				
Net profit for the year 2025	–	–	6,245	6,245
Other comprehensive income				
Defined benefit plan actuarial gain/(loss), net of tax	–	–	(122)	(122)
Total other comprehensive income	–	–	(122)	(122)
Total comprehensive income for the year	–	–	6,123	6,123
Transactions with owners, recorded directly in equity contribution by and distribution to owners				
Dividends to equity share holders	–	–	(451)	(451)
Balance as at 31 December 2025	18,049	300	57,565	75,914

The notes on pages 211 to 282 form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows

(All Amounts in Sri Lanka Rupees Million)

For the year ended 31 December	Notes	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash generated from operations	34	47,772	33,722	29,099	26,586
Interest received		970	1,098	696	823
Interest paid		(7,557)	(10,353)	(5,599)	(9,095)
Tax paid		(370)	(798)	–	–
Gratuity paid	30	(838)	(738)	(756)	(573)
Net cash generated from operating activities		39,977	22,931	23,440	17,741
Cash flows from investing activities					
Acquisition of property, plant and equipment		(11,591)	(23,108)	(8,063)	(12,475)
Acquisition of intangible assets		(5,657)	(2,557)	(454)	(675)
Proceeds from disposal of property, plant and equipment		758	370	531	202
Proceeds from short term investments		(2,264)	(762)	(2,263)	(841)
Investments in subsidiary company	18.1	–	–	(88)	(60)
Proceeds from disposal of subsidiary		–	80	–	–
Receipt of government grants	31	–	138	–	–
Net cash used in investing activities		(18,754)	(25,839)	(10,337)	(13,849)
Cash flows from financing activities					
Proceeds from borrowings		44,950	63,500	27,750	36,500
Cash payment for the principle portion of lease liability		(3,035)	(2,827)	(718)	(1,001)
Re-payment of borrowings		(49,182)	(51,454)	(31,000)	(30,461)
Increase/(decrease) in vendor financing and other non-current liabilities		(13,994)	(6,290)	(10,275)	(7,686)
Dividends paid to the equity shareholders		(451)	–	(451)	–
Net cash generated from financing activities		(21,712)	2,929	(14,694)	(2,648)
Increase/(decrease) in cash and cash equivalents		(489)	21	(1,591)	1,244
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		236	(690)	217	(284)
Increase/(decrease) in cash and cash equivalents		(489)	21	(1,591)	1,244
At the end of the year	24 (a)	4,136	4,389	(625)	749

The notes on pages 211 to 282 form an integral part of these Financial Statements.

Notes to the Financial Statements

[All Amounts in Sri Lanka Rupees Million]

1. 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 Separate Financial Statements relates to Sri Lanka Telecom PLC. The Consolidated Financial Statements of the Company as at and for the year ended December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Financial Statements of all Companies within the Group are prepared for a common financial year which ends on 31 December 2025.

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 include, inter-alia, internet services, data services, domestic and international leased circuits, broadband, satellite uplink, maritime transmission, IPTV service, directory publishing. The Company is a quoted public Company which is listed on the Colombo Stock Exchange.

2. Basis of Preparation

(a) Statement of Compliance

The Financial Statements of the Group and the Company which comprises the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) as laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007.

(b) The Financial Statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 14 May 2026.

(c) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis applied consistently except for the following Change to items:

The liability for defined benefit obligation recognised is actuarially valued and recognised at the present value of the defined benefit obligation. Equity instruments designated at fair value through OCI.

(d) Functional and Presentation Currency

These Financial Statements are presented in Sri Lankan Rupees, which is the Company’s functional currency and the Group’s presentation currency. The functional currency of Xyntac Singapore (Pvt) Ltd is different to the Company’s functional currency. The functional currency of Xyntac Singapore (Pvt) Ltd is US Dollars. All financial information presented in rupees has been rounded to the nearest million, unless otherwise indicated.

(e) Use of Estimates and Judgements

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting

policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Note 14 – Property, plant and equipment
- Note 15 – Investment Properties
- Note 16 – Right-of-use assets and lease liabilities
- Note 17 – Intangible assets and Goodwill
- Note 23 – Trade and other receivable
- Note 26 – Deferred tax liabilities and assets
- Note 27 – Deferred income
- Note 27 (a) – Contract cost assets
- Note 27 (b) – Contract liabilities
- Note 30 – Employee benefits

(f) Current Versus Non-Current Classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification.

An asset is current when it is:

- Expected to be released or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal cycle
- It is held primarily for the purpose of trading

(All Amounts in Sri Lanka Rupees Million)

- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification
- The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(g) Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied it has the resources to continue in business for the foreseeable future. The Directors have considered the impact of the present macro-economic conditions in making the going concern assessment.

In determining the above, significant management judgement, estimates and assumptions and all other relevant factors have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Accordingly, these financial statements have been prepared on going concern basis.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in financial statements, and have been applied consistently by the Group entities, except amendments to existing accounting standards which are effective from 1 January 2025 as described in Note 3 (w).

(a) Basis of Consolidation

(i) Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in Statement of Profit or Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in Statement of Profit or Loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held

over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the recognised in Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(ii) Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group controls an entity when it 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 over the Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

(All Amounts in Sri Lanka Rupees Million)

(ii - a) Critical Judgements in applying the Entity's Accounting Policies

The directors have concluded that the Group controls all subsidiaries as it has majority control and voting rights over its subsidiaries as depicted in Note (ii-b).

(ii - b) Interest in Subsidiaries

Set out below are the Group's principal subsidiaries as at 31 December 2025

Name of entity	Place of business/country of incorporation	Percentage of ownership interest held by the Group	Principal activities
Mobitel (Private) Limited	Colombo/Sri Lanka	100%	Mobile telecommunication services
Sri Lanka Telecom (Services) Limited	Colombo/Sri Lanka	100%	Total network solutions, IPTV support services, directory information and digital services
SLT Human Capital Solutions (Pvt) Ltd.	Colombo/Sri Lanka	100%	Ceased operations
Xyntac Singapore (Pvt) Ltd.	Singapore	100%	Telecommunication network operations
eChannelling PLC	Colombo/Sri Lanka	87.59%	Digital lifestyle solutions for healthcare and other industries
Mobit Technologies (Pvt) Ltd.	Colombo/Sri Lanka	100%	Ceased operations and is under liquidation

Proportion of Equity Interest held by Non-Controlling Interests:

Name of entity	Place of business/country of incorporation	2025	2024
eChannelling PLC	Colombo/Sri Lanka	12.41%	12.41%
Accumulated balances of material non-controlling interest:			
eChannelling PLC		129	124
Profit allocated to material non-controlling interest:			
eChannelling PLC		5	4

(iii) Equity – Accounted Investees (Investment in Associates and Joint Ventures)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive Income of those investees is presented as part of the Group's other comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

(All Amounts in Sri Lanka Rupees Million)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as "share of profit or loss of equity accounted investees" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

(iv) Non-Controlling Interest (NCI)

NCI are measured at their proportionate share of acquiree's identifiable net assets at the date of acquisition. Changes in the Group interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(v) Loss of Control

When the Group loses control over a subsidiary, it derecognises the asset and liabilities of the subsidiary and any related NCI (if applicable) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest in the former subsidiary is measured at fair value when control is lost.

(vi) Transaction Eliminated on Consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(b) Foreign Currency

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(i) Financial Assets

(i-i) Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, Fair Value Through Other Comprehensive Income (FVTOCI) and Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note (l) – Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its

(All Amounts in Sri Lanka Rupees Million)

business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(i-ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial Assets at Amortised Cost (Debt Instruments)

The Group measures financial assets at amortised cost if both following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, amounts due from related parties and cash and cash equivalents.

Financial Assets at Fair Value Through OCI (Debt Instruments)

The Group measures debt instruments at fair value through OCI if both of following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the

Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. This category includes listed and non listed equity instruments that the Group elected to classify irrevocably.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

(All Amounts in Sri Lanka Rupees Million)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

(i-iii) Fair Value Measurement

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

A fair value measurement requires an entity to determine all the following;

- (1) The particular asset or liability that is the subject of the measurement.
- (2) For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
- (3) The principal (or most advantageous) market for the asset or liability.
- (4) The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

- (5) Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Determination of Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

Level 1 – fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair value measurements using 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 prices);and

Level 3 – fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

(i-iv) Amortised Cost

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(i-v) Impairment

Non-derivative Financial Assets

Financial assets not classified at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes;

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group uses a provision matrix to calculate Expected Credit Losses (ECL) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type, customer type). For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises

(All Amounts in Sri Lanka Rupees Million)

a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the macro economic environment.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the telecommunication sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Financial assets are considered credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. In determining credit impairment, the Group applies its internal credit risk assessment frameworks, consistent with SLFRS 9 requirements.

The assessment of the correlation between historical observed default rates, forecast macro economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of macro economic conditions may also not be representative of customer's actual default in the future.

The expected credit loss rate of the Group for corporate debtors is 0.93%-17% in 2025 (2024 - 0.43%-28%) whereas retail debtors is 1.37%-24% in 2025 (2024 - 0.79%-58%). Expected credit loss of the Group for Corporate customers recognised

during the year is LKR 404 Mn. in 2025 (2024 - LKR 379 Mn.) and LKR 1,442 Mn. in 2025 (2024 - LKR 1,318 Mn.) for retail debtors. The expected credit loss rate of the Company for corporate debtors is 0.93% in 2025 (2024 - 0.43%) whereas retail debtors is 1.37% in 2025 (2024 - 0.79%). Expected credit loss of the Company for Corporate customers recognised during the year is LKR 328 Mn. in 2025 (2024 - LKR 255 Mn.) and LKR 1,386 Mn. in 2025 (2024 - LKR 991 Mn.) for retail debtors.

The Group considers a financial asset in default when contractual payments are 30 days past due. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 65 - 110 days past due depending on the product type. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Refer Note No. 21 for Trade Receivables - Net. The Group periodically writes off trade receivables, relating to terminated customer accounts where all recovery actions have been exhausted and no further collection is expected. Receivables are generally written off when they are more than one year past due and no longer subject to enforcement or recovery actions after obtaining the approval from Board of Directors.

Investments in fixed deposits and Staff loans are considered as low risk of default. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making

that evaluation, the Group reassesses the internal credit rating of the debt instrument.

Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the

(All Amounts in Sri Lanka Rupees Million)

extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i-vi) Hedge

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in equity in the "cash flow hedge reserve". The ineffective portion of the gains or losses on the hedge instrument is recognised immediately in the profit and loss.

When the hedge cash flow affect the Income Statement, the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Income Statement. When a hedging instrument expires, or is sold, terminated, exercised or when a hedge no longer meet the criteria for hedge accounting, any cumulative gains/losses existing in other comprehensive income at that time remains in other comprehensive income and is recognised in the income statement. When a forecast transaction is no longer expected to occur the cumulative gains/loss was reported in other comprehensive income is immediately transferred to the Income Statement.

(ii) Financial Liabilities

(ii-i) Initial Recognition and Measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, vendor financing and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, vendor financing, lease liabilities, contract liabilities and deferred income.

(ii-ii) Subsequent Measurement

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings and vendor financing are subsequently measured at amortised cost using the EIR method, after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised. EIR amortisation is included as finance costs in the statement of profit or loss.

(ii-iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. In the year of acquisition depreciation is computed on proportionate basis from the month the asset is put into use and no depreciation

(All Amounts in Sri Lanka Rupees Million)

will be charged to the month in which the particular asset was disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

The estimated useful lives for the assets are as follows:

Freehold buildings	5 – 40 years
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Motor vehicles	3 – 5 years
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Ducts, cables and other outside plant

PABX system	1 – 6 years
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Submarine cables	10 – 25 years
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Other cables	10 – 20 years
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Telephone exchanges and transmission equipment

Towers	40 years
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IT systems	5 – 10 years
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Other fixed assets	2 – 20 years
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(iv) Capital Work-in-Progress

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any. These are expenses of a capital nature directly incurred in the construction of buildings, network equipment, system development and other fixed assets, awaiting capitalisation.

Major spare parts and project related inventory qualify as property, plant and equipment when the entity expects to use them during more than one year period and are used in connection with specific items of property, plant and equipment.

(v) Derecognition

The carrying amount of an item of property, plant & equipment is derecognised on disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of

property, plant and equipment and are recognised net within “other income” in the statement of profit or loss and other comprehensive Income.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspections is derecognised.

(vi) Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(e) Investment Properties

(i) Initial Recognition and Measurement

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. The company adopts “cost model” to measure investment property. Investment property is measured at cost on initial recognition.

(ii) Subsequent Measurement

Subsequent to initial recognition, Investment properties are carried at its cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property

includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.

(iii) Depreciation

Depreciation is recognised on a straight-line basis over the estimated useful life of the investment property. The estimated useful life of investment property of the Group is as follows.

Freehold buildings	05 – 40 years
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(iv) Derecognition

Investment property is derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the carrying amount of the property at the date of change in use becomes its deemed cost for subsequent accounting. If owneroccupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(f) Intangible Assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For measurement of goodwill at initial recognition, see note 3 (a) (i).

Goodwill is measured at cost less accumulated impairment losses.

(All Amounts in Sri Lanka Rupees Million)

(ii) Other Intangible Assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Licenses

Separately acquired licenses are shown at historical cost. Expenditures on license fees that is deemed to benefit or relate to more than one financial year is classified as license fee and is being amortised over the License period on a straight line basis.

(iv) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.

The estimated useful lives for the intangible assets are as follows:

Licences	2 – 10 years
Software	1 – 10 years
Others	5 years

(g) Right of use Assets and Lease Liabilities

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leased assets	Estimated useful lives
Buildings	2 – 5 years
Towers	2 – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as more fully described in Note (U) (ii) – Impairment of Assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that

do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occur.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in right-of-use assets and lease liabilities in Note 16 to the Financial Statements.

Leases of low-value Assets

The Group applies the lease of low-value assets recognition exemption to leases of some tower rentals that are considered to be low value. Lease payments on leases of low-value assets are recognised as expenses on straight-line basis over the lease term.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the

(All Amounts in Sri Lanka Rupees Million)

same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle. Value of inventories includes expenditure incurred in acquiring, conversion costs and other costs incurred in bringing them to their existing location and condition.

(i) Share Capital

Ordinary Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(j) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

(k) Employee Benefits

(i) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Employees' Provident Fund

All employees of the Company are members of the Sri Lanka Telecom Provident Fund to which the Company contributes 15% of such employees' basic salary and allowances. All employees of subsidiaries of the Group are members of Employees' Provident Fund (EPF), to which the respective subsidiaries contribute 12% of such employees' basic salary and allowances.

Employees' Trust Fund

The Company and other subsidiaries contribute 3% of the salary of each employee to the Employees' Trust Fund.

(ii) Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by an independent actuary using Projected Unit Credit method as recommended by LKAS 19 "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield on Government Bonds at the reporting date and have maturity dates approximating to the terms of the Company's obligations.

The Group recognises actuarial gains and losses that arise in calculating the Group's obligation in respect of a plan in other comprehensive income.

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 "Employee Benefits". However, under the Payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of five years of continued service.

(iii) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(All Amounts in Sri Lanka Rupees Million)

(iv) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or leave encashment plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Revenue from Contracts with Customers

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 include, inter alia, voice and broadband services, domestic and international leased circuits, domestic and international connectivity services, submarine cable, Enterprise solutions, IPTV service, directory publishing service and educational services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

(i) Performance Obligations Relevant to Contracts

As a telecommunication service provider, the Group's performance obligation related to service contracts include the installation services and maintenance services provided and the uninterrupted telecommunication service which will be provided throughout the connection period.

The Group expects that above performance obligations would be satisfied throughout the connection period.

Domestic and International Call Revenue and Rental Income

Fixed Lines

Revenue for call time usage by customers is recognised as revenue as services are performed on accrual basis. Fixed rental is recognised as income on a monthly basis in relation to the period of services rendered.

Mobile Revenue

Mobile revenue comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, and the provision of other mobile telecommunications services. Mobile monthly access charges are invoiced and recorded as part of a periodic billing cycle. Air time, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid cards, is recorded in the period in which the customer uses the service.

Revenue from other Network Operators and International Settlements

The revenue received from other network operators, local and international, for the use of the Group's telecommunication network are recognised, net of taxes, based on usage taking the traffic minutes/per second rates stipulated in the relevant agreements and regulations and based on the terms of the lease agreements for fixed rentals.

Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Group's network and presented on gross basis. The relevant revenue accrued is recognised under income in the Income Statement and interconnection expenses recognised under operating costs in profit or loss.

Revenue from Broadband

Revenue from Data services and IPTV services is recognised on usage and the fixed rental on a monthly basis when it is earned net of taxes, rebates and discounts.

Revenue from other ICT Services

The revenue from other services are recognised on an accrual basis based on fixed rental contracts entered between the Group and subscribers.

Recognition of Deferred Income

IRU revenue relating to leasing of DS cable system are recognised on a straight line basis over the period of the contracts. Amounts received in advance for any services are recorded as deferred revenue. In the event that a customer terminates an IRU prior to the expiry of the contract and releases the Company from the obligation to provide future services, the remaining unamortised deferred revenue is recognised in the period the contract is terminated.

Sale of mobile recharge cards and reloads for prepaid subscribers are initially recognised as deferred revenue until such time as the subscribers use the services or credit period expires.

(ii) New connection fees

The Group provides installation services relevant to the new connections of fixed and mobile telecommunication services including both voice and non-voice categories. These installation services are bundled together with providing of Customer Premises Equipment (CPE) to customers in fixed line voice and some non-voice services. When the performance obligations relevant to such installation services are performed, CPEs provided to customers are considered as assets of the Group as long as the contracts with customers are valid. Accordingly, the Group allocates a bundled price for the equipment and installation services for such facilities.

*(All Amounts in Sri Lanka Rupees Million)***(iii) Recognition of Contract Liabilities**

The Group concluded that revenue from new connections in fixed and mobile telecommunication services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to reperform the installation of the service that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs. The revenue from new connections in fixed telecommunication services is recognised based on the expected customer retention period of technology streams.

The Group identifies the revenue for installation services in Mobile telecommunication services as a contract liability and recognises the revenue on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer since satisfaction for the installation services will be consumed by the customer over the contract period.

(iv) Obligations for Returns, Refunds and other Similar Obligations

The Group maintains a formal Customer Refund Policy to ensure that all eligible customer refunds are administered in a transparent, fair, and consistent manner. The policy establishes a structured framework for validating refund eligibility, authorising refund transactions, and ensuring timely settlement, while maintaining strong financial discipline and accountability. This policy forms an integral part of the Group's internal control environment and reinforces its commitment to customer trust, regulatory compliance, and sound financial governance.

(v) Estimating Stand-alone Selling Prices of Promised Goods or Services and Discounts

The Group allocates the transaction price in bundled telecommunication arrangements, including devices, voice, data and broadband services, to each performance obligation based on their relative stand-alone selling prices. Where stand-alone selling prices are not directly observable, these are estimated using appropriate valuation techniques, taking into account observable market prices, expected costs plus an appropriate margin, and the specific discount structure of the contractual arrangement.

(vi) Customer Loyalty Programme – Loyalty Points

Mobitel (Pvt) Limited operates a customer loyalty programme ("Loyalty Points"), where points are treated as a separate performance obligation and a portion of the transaction price is allocated and recognised as a contract liability. Revenue is recognised upon redemption or expiry of points.

(vi) (a) Estimating stand-alone selling price – loyalty programme

The stand-alone selling price of loyalty points is estimated using expected redemption patterns, including the likelihood of customer usage, based on historical data and trends.

These estimates are reviewed quarterly, with any changes accounted for prospectively and reflected in revenue. In determining the standalone selling price assumptions are made in relation to assessing redemption rates and timing.

(vii) Costs Incurred in Securing Customer Contracts

The Group identifies the sales commission paid to sales team for each new connection contract and other such related costs in contract acquisition as costs incurred in securing customer contracts.

(viii) Recognition of Contract Cost Assets

Contract acquisition costs (including Dealer Commission) are recognised as a Contract cost assets and subsequently recognised as an expense over the life of a contract on a systematic basis consistent with the pattern of the transfer of services to which the asset relates (consistent with the customer retention period for Dealer Commission).

(m) Expenditure

The expenses are recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant and equipment in a state of efficiency is charged against income in arriving at the profit for the year.

(n) Lease Payments

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. Determining whether an arrangement contains a lease.

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specific asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

(All Amounts in Sri Lanka Rupees Million)

(o) Finance Income and Expenses

The Group's finance income and finance cost include:

- Interest income from repurchase agreements
- Interest income from fixed deposits
- Staff loan interest income
- Interest expense from borrowings
- Interest expense arising from Leases
- Foreign exchange gains or losses

Interest income or expense is recognised using the effective interest method.

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(p) Income Tax

Current income tax assets are measured at amount to be recovered from or paid to the taxation authorities

(i) Current Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised or profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

Provisions for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

(ii) Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences;

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.
- Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is not recognised for the undistributed profits of subsidiaries as the Parent Company has control over the dividend policy of its subsidiaries and distribution of those profits. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit or loss, is recognised either in other comprehensive income or directly in Statement of Changes in Equity in line with the underlying transaction.

(iii) Social Security Contribution Levy (SSCL)

According to the Social Security Contribution Levy Act No. 25 of 2022, Sri Lanka Telecom PLC is liable for Social Security Contribution Levy at 2.5% on the liable turnover arising from providing of a service with effect from 1 October 2022.

(iv) Sales Tax

Revenue, expenses and assets are recognised net of the amount of sales tax, except: where sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of expense item as applicable.

(v) Uncertainty Over Income Tax

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgment in identifying uncertainties over income tax treatments and it assessed whether the interpretation had an impact on its consolidated Financial Statements. If the Group concludes that it is probable that the taxation authority will accept the tax treatment used or planned to be used in its tax filings, the entity determines its tax position on that basis. This is consistent with the requirement that current tax is measured at the amount expected to be paid or recovered from the taxation authorities, and that deferred tax is measured using the rates and tax laws expected to apply when the related asset is realised or liability is settled.

If the Group concludes that acceptance of the uncertain tax treatment by the taxation authorities is not probable, it would apply one of the following two methods for reflecting the effect of

(All Amounts in Sri Lanka Rupees Million)

uncertainty in its estimate of the amount it expects to pay or recover from the tax authorities

- (a) the most likely amount – the single most likely amount in a range of possible outcomes; or
- (b) the expected value – the sum of the probability-weighted amounts in a range of possible outcomes.

The Group uses the method that it expects to better predict the resolution of the uncertainty.

(q) Earnings per share

The Group presents basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(r) Insurance reserve

SLT has Property All Risk Insurance for targeted assets of the SLT at island wide locations. In order to cover the exposure of remaining assets and possible further exposure LKR 300 Mn. has been retained in the insurance reserve. There are no further contributions to the insurance fund due to the reason of annual renewal of Property All Risk policy of SLT.

(s) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Provision for final dividends is recognised at the time the dividend recommended and declared by the Board of Directors, is approved by the shareholders.

(t) Comparatives

Except when a standard permits or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification of items in the Financial Statements are amended, comparative amounts are reclassified unless it is impracticable.

(u) Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method" of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS 07) – "Statement of Cash Flows". Cash and Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The cash and cash equivalent include cash in hand, balances with banks, placements with banks, money at call and short notice.

(v) Critical Accounting Estimates, Assumptions and Judgements

In the preparation of these Financial Statements, a number of estimates and assumptions have been made relating to the performance and the financial position of the Group. Results may differ significantly from those estimates under different assumptions and conditions. The Directors consider that the following discussion addresses the Company's most critical accounting policies, which are those that are most important to the presentation of its financial performance and position. These particular policies require subjective and complex judgements, often as a result of the need to make estimates about the effect of matters that are uncertain.

(i) Depreciation of Property, Plant and Equipment

The Company assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets. Changes in circumstances such as technological advances, prospective economic utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Where the Company determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net carrying amount in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in an asset's life or residual value is reflected in the Company's financial statements when the change in estimate is determined.

(ii) Impairment of Property, Plant and Equipment and Intangible Assets

The Company assesses the impairment of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards. Factors that are considered important and which could trigger an impairment review include the following;

- (a) obsolescence or physical damage;
- (b) significant changes in technology and regulatory environments;
- (c) significant underperformance relative to expected historical or projected future operating results;
- (d) significant changes in the use of its assets or the strategy for its overall business;

(All Amounts in Sri Lanka Rupees Million)

The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units require significant judgement.

(iii) Revenue Recognition

Judgement is required in assessing the application of the principles of revenue recognition in respect of revenues. This includes presentation of revenue as principal or as agent in respect of income received from transmission of content provided by third parties.

(iv) Valuation of Receivables

The provision for impairment losses for trade and other receivables reflects the Company's estimates of losses arising from the failure or inability of customers to make required payments. The provision is based on the ageing of customer accounts, customer credit-worthiness and the Company's historical write-off experience etc. Changes to the provision may be required if the financial condition of its customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs.

(v) Inventories

The Company assesses the inventory provision whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards. Factors that are considered important and which could trigger an impairment review include the following;

- (a) obsolescence or physical damage;
- (b) significant changes in technology and regulatory environments;
- (c) significant changes in the use of its assets or the strategy for its overall business;

(vi) Current Tax and Deferred Tax

Judgement was required to determine the total provision for current, deferred and other taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax law at the time of the preparation of these financial statements.

Certain uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

(vii) Leases—Estimating the Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay",

which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates as well.

(viii) Revenue Recognition from Contracts with Customers

Judgement is required in assessing the application of the principles of revenue recognition in respect of revenues. Certain contracts with customers are bundled packages that may include sale of products and telecommunications services that comprise voice, data, and other telecommunications services. The Group accounts for individual products and services separately as separate performance obligations if they are distinct promised goods and services. The Group exercises judgements in determining whether a product is distinct, that is, if such product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it separately. This determination will affect the allocation of consideration specified in the contract and the revenue recognised for each performance obligation.

(w) Amendments to Existing Accounting Standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

*(All Amounts in Sri Lanka Rupees Million)***Lack of Exchangeability: Amendments to LKAS 21**

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments had no impact on the Group's financial statement.

(x) Standards Issued but not yet effective**SLFRS 18 Presentation and Disclosure in Financial Statements**

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organised and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without Public Accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 19 is currently being identified and evaluated.

Classification and Measurement of Financial Instruments – Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments – particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The impact of these amendments is currently being identified and evaluated.

4. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the group activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management processes/guidelines and procedures, and reviews the adequacy of the risk management framework in relation to the risks. The Audit Committee is assisted in its oversight role by internal reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(All Amounts in Sri Lanka Rupees Million)

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk, liquidity risk and market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

4.1. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

Carrying amount of financial assets represents the maximum credit exposure.

4.1.1 Trade Receivables

To mitigate credit risk, the Group continues to operate a comprehensive and well-defined credit risk management framework covering both domestic and international customers, supported by robust policies, systems, and oversight mechanisms. Credit risk is actively monitored and managed through preventive, detective, and corrective controls aimed at safeguarding cash flows and minimising potential losses.

For international interconnect services, a dedicated committee continues to evaluate and recommend the creditworthiness of counterparties, ensuring a structured and disciplined approach to managing cross-border credit exposures. Prepaid arrangements remain a key risk mitigation strategy, significantly reducing exposure to default risk in international operations.

In the domestic market, new customers are subject to screening against an internal blacklist database prior to service activation. The Group applies a strong credit control policy under which customers are segmented based on risk profiles, with credit limits determined in line with average monthly billing values. Customer usage and payment behaviour are continuously monitored against approved limits, which are periodically reviewed and adjusted based on historical billing and settlement patterns.

High-risk voice customers are automatically disconnected upon reaching defined threshold limits, while proactive recovery actions are undertaken for overdue and defaulted accounts. Corporate and high-revenue customers are subject to individual monitoring, enabling early identification of emerging risks and timely intervention.

In line with the SLT's Debtor Policy, receivables outstanding for more than one year are fully provided for, ensuring a prudent and conservative approach to credit risk recognition and compliance with applicable accounting standards. This policy reinforces discipline in debtor management and limits the impact of long-outstanding balances on the Company's financial position.

During the year, the Group further strengthened its credit risk controls by introducing a mandatory requirement to obtain 100% advance payment for all one-time and temporary service provisioning to government institutions, subject to limited exceptions approved at senior management level. This measure was implemented in response to historically prolonged settlement cycles

and elevated recovery risk associated with such services, and is expected to significantly reduce future bad debt accumulation while improving cash flow predictability.

Overall, the Company's credit risk management framework continues to evolve, incorporating tighter policies, enhanced monitoring, and targeted preventive measures to maintain an acceptable risk profile while supporting sustainable revenue growth.

(All Amounts in Sri Lanka Rupees Million)

As at 31 December, the maximum exposure to credit risk for trade by geographic region was as follows:

	Group				Company			
	2025		2024		2025		2024	
Sri Lanka	22,057	82%	23,520	85%	17,983	90%	17,213	88%
Middle east	2,892	11%	280	1%	140	1%	113	1%
Asia	1,605	6%	1,595	6%	1,605	8%	1,251	6%
Europe	210	1%	1,051	4%	210	1%	822	4%
Australia	83	0%	156	1%	83	0%	138	1%
Other	37	0%	911	3%	37	0%	109	0%
Total trade receivables	26,884	100%	27,513	100%	20,058	100%	19,646	100%

As at 31 December, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

	Group				Company			
	2025		2024		2025		2024	
Wholesale customers	5,263	20%	6,140	22%	3,975	20%	4,859	25%
Retail customers	12,580	47%	12,667	46%	10,799	53%	9,759	50%
Other	9,041	33%	8,706	32%	5,284	27%	5,028	25%
	26,884	100%	27,513	100%	20,058	100%	19,646	100%

As at 31 December the Group's most significant customer was Hutchison Telecommunication Lanka (Pvt) Limited which accounted for LKR 1,349 Mn. of trade receivables (2024 – LKR 1,238 Mn.).

For the year ended 31 December 2025, the Company recognised provision for expected credit losses of LKR Nil relating to amounts owed by related parties and other operators. (2024 – Nil).

Provision for receivables outstanding for more than 360 days has not been made if they are not credit-impaired financial assets, in accordance with SLFRS 7 (Intercompany debtors and operators etc).

As at 31 December 2025, the aging of trade receivables that were not impaired was as follows:

	Group		Company	
	2025	2024	2025	2024
Past due one year	211	379	190	375
Past due two years and above	2	138	2	51
	213	517	192	426

The Movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Group impairment	Company impairment
Balance as at 1 January 2024	8,041	5,086
– Impairment loss recognised	1,860	1,463
– Amounts written off	(2,595)	(1,936)
Balance as at December 2024	7,306	4,613
– Impairment loss recognised	2,115	2,115
– Amounts written off	(2,962)	(1,613)
Balance as at 31 December 2025	6,459	5,115

(All Amounts in Sri Lanka Rupees Million)

4.1.2 Other Investments

The Group limits its exposure to credit risk by investing only in Government Debt Securities, Repos and in short term deposits with selected bankers with Board approval, which are considered as low risk.

4.1.3 Cash and Balances with Banks

The Group held cash and cash equivalents of LKR 9,935 Mn. as at 31 December 2025 (2024 LKR 8,546 Mn.), which includes investments maturing within next three months periods.

4.1.4 Employee loans

The Group limits its exposure to credit risk by ensuring the loan balance are recovered from the employees monthly salary, or if the employee leaves such amounts are recovered from the employees EPF balance, hence considered as low risk.

4.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The group ensures its liquidity is maintained by investing in short, medium and long-term financial instruments to support operational and other funding requirements. The group determines its liquidity requirements by the use of both short and long-term cash forecasts. These forecasts are supplemented by a financial headroom analysis which is

used to assess funding adequacy for at least a 12-month period and the same is reviewed on an annual basis.

Short and medium-term requirements are regularly reviewed and managed by the Treasury Division.

SLT PLC has provided a corporate guarantee of LKR 200 Mn. (2024 – LKR 200 Mn.) for Mobitel (Pvt) Ltd for Term Loan granted by Mobitel (Pvt) Ltd to Sri Lanka Telecom (Services) Ltd.

SLT PLC has provided a corporate guarantee of USD 2.6 Mn. (2024 – USD 2.6 Mn.) for Bank of Ceylon for LC facility granted by Bank of Ceylon to Sri Lanka Telecom (Services) Ltd.

Group	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
As at 31 December 2025					
Bank overdrafts	6,316	6,316	–	–	–
Bank borrowings and others	89,380	14,163	9,298	34,077	31,842
Vendor finance	1,147	1,147	–	–	–
Lease liability	11,589	4,262	1,290	2,524	3,513
Trade and other payables due with in one year (4.2.1)	28,765	28,765	–	–	–
Trade and other payables due after one year (4.2.2)	2,034	123	458	225	1,228
	139,231	54,776	11,046	36,826	36,583
As at 31 December 2024					
Bank overdrafts	4,538	4,538	–	–	–
Bank borrowings and others	100,602	16,930	9,271	34,962	39,439
Vendor finance	17,571	7,921	2,336	6,114	1,200
Lease liability	9,193	3,321	920	2,651	2,301
Trade and other payables due with in one year (4.2.3)	28,588	28,588	–	–	–
Trade and other payables due after one year (4.2.4)	3,517	249	1,496	473	1,299
	164,009	61,547	14,023	44,200	44,239

(All Amounts in Sri Lanka Rupees Million)

Company	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
As at 31 December 2025					
Bank overdrafts	3,099	3,099	–	–	–
Bank borrowings and others	75,112	7,663	6,094	29,513	31,842
Lease liability	577	528	49	–	–
Trade and other payables due with in one year (4.2.5)	23,787	23,787	–	–	–
Trade and other payables due after one year (4.2.6)	1,106	123	458	156	369
	103,681	35,200	6,601	29,669	32,211
As at 31 December 2024					
Bank overdrafts	2,833	2,833	–	–	–
Bank borrowings and others	84,751	10,187	6,453	28,672	39,439
Vendor finance	12,598	2,948	2,336	6,114	1,200
Lease liability	337	312	25	–	–
Trade and other payables due with in one year (4.2.7)	24,550	24,550	–	–	–
Trade and other payables due after one year (4.2.8)	2,528	249	1,496	473	310
	127,597	41,079	10,310	35,259	40,949

The Bank borrowing and others, vendor financing and bank overdrafts should be presented including both capital repayments and forecasted interest payments. Further, lease liability should be presented on an undiscounted cashflow basis. Hence, the carrying values of above are not tallying to Borrowing note.

4.2.1 Trade and Other Payables due within One Year – Group

As at 31 December 2025	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
Domestic trade payables	10,369	10,369	–	–	–
Foreign trade payables	4,073	4,073	–	–	–
Capital expenditure payables	1,714	1,714	–	–	–
Social security and other taxes	1,853	1,853	–	–	–
Interest payables	988	988	–	–	–
Other payables	9,768	9,768	–	–	–
	28,765	28,765	–	–	–

4.2.2 Trade and Other Payables due after One Year – Group

As at 31 December 2025	Carrying value	up to 1 year	up to 2 years	up to 5 years	Over 5 years
Subscriber deposits	516	–	–	–	516
Advance on RDA and other contractors	94	–	–	94	–
Unclaimed dividend	244	–	–	–	244
Domestic, foreign and capital expenditure payables	1,180	123	458	131	468
	2,034	123	458	225	1,228

*(All Amounts in Sri Lanka Rupees Million)***4.2.3 Trade and Other Payables due within One Year – Group**

As at 31 December 2024	Carrying value	up to 1 years	up to 2 years	up to 5 years	Over 5 years
Domestic trade payables	7,603	7,603	–	–	–
Foreign trade payables	3,492	3,492	–	–	–
Amount due to related companies	121	121	–	–	–
Capital expenditure payables	4,172	4,172	–	–	–
Social security and other taxes	1,618	1,618	–	–	–
Interest payables	686	686	–	–	–
Other payables	10,896	10,896	–	–	–
	28,588	28,588	–	–	–

4.2.4 Trade and Other Payables more than One Year – Group

As at 31 December 2024	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
Subscriber deposits	8	–	–	–	8
Advance on RDA and others	743	129	199	415	–
Unclaimed dividends	244	–	–	–	244
Domestic, foreign and Capital expenditure payables	2,522	120	1,297	58	1,047
	3,517	249	1,496	473	1,299

4.2.5 Trade and Other Payables due within One Year – Company

As at 31 December 2025	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
Domestic trade payables	12	12	–	–	–
Foreign trade payables	1,031	1,031	–	–	–
Amount due to subsidiaries	10,424	10,424	–	–	–
Amount due to related companies	121	121	–	–	–
Capital expenditure payables	892	892	–	–	–
Social security and other taxes	1,853	1,853	–	–	–
Interest payables	548	548	–	–	–
Other payables	8,906	8,906	–	–	–
	23,787	23,787	–	–	–

4.2.6 Trade and Other Payables due after One Year – Company

As at 31 December 2025	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
Subscriber deposits	8	–	–	–	8
Advance on RDA and other contracts	94	–	–	94	–
Unclaimed dividend	244	–	–	–	244
Capital expenditure payables	760	123	458	62	117
	1,106	123	458	156	369

(All Amounts in Sri Lanka Rupees Million)

4.2.7 Trade and Other Payables within One Year – Company

As at 31 December 2024	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
Domestic trade payables	30	30	–	–	–
Foreign trade payables	944	944	–	–	–
Amount due to subsidiaries	9,325	9,325	–	–	–
Amount due to related companies	121	121	–	–	–
Capital expenditure payables	2,839	2,839	–	–	–
Social security and other taxes	1,609	1,609	–	–	–
Interest payable	686	686	–	–	–
Other payables	8,996	8,996	–	–	–
	24,550	24,550	–	–	–

4.2.8 Trade and Other Payables due after One Year – Company

As at 31 December 2024	Carrying value	Up to 1 years	Up to 2 years	Up to 5 years	Over 5 years
Subscriber deposits	8	–	–	–	8
Advance on RDA and other contracts	743	129	199	415	–
Unclaimed dividend	244	–	–	–	244
Capital expenditure payables	1,533	120	1,297	58	58
	2,528	249	1,496	473	310

4.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4.3.1 Currency Risk

The Group is exposed to currency risk on services provided and services received.

The Group manages its currency risk by a natural hedging mechanism to a certain extent by matching currency outflows with currency inflows for services settled in foreign currencies. Further SLT uses forward bookings where necessary to mitigate their foreign currency exposure in a prudent manner.

The summary of quantitative data about the Group's exposure to foreign currency was as follows:

	Group		Company	
	2025 LKR Mn.	2024 LKR Mn.	2025 LKR Mn.	2024 LKR Mn.
As at 31 December				
Foreign trade receivables	4,838	4,022	2,086	2,462
Fixed deposits and bank balances	10,930	7,252	4,850	3,352
Trade payables	(3,952)	(3,492)	(1,031)	(944)
Vendor financing	(776)	(4,521)	–	–
Net statement of financial position exposure	11,040	3,261	5,905	4,870

The following significant exchange rates have been applied during the year:

	Average rate		Year end spot rate	
	2025	2024	2025	2024
USD	301.72	301.04	310.06	292.67

(All Amounts in Sri Lanka Rupees Million)

Sensitivity Analysis

A reasonable possible strengthening (weakening) USD by 10% that would have a net impact. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or loss		Balance sheet	
	Strengthening	Weakening	Strengthening	Weakening
Group				
2025 December USD (10%)	438	(438)	438	(438)
2024 December USD (10%)	(124)	124	(124)	124
Company				
2025 December USD (10%)	591	(591)	591	(591)
2024 December USD (10%)	487	(487)	487	(487)

4.3.2 Interest Rate Risk

Interest rate risk mainly arises as a result of Group having interest sensitive assets and liabilities, which are directly, impacted by changes in the interest rates. The Group's borrowings and investments are maintained in a mix of fixed and variable interest rate instruments and periodical maturity gap analysis is carried out to take timely action and to mitigate possible adverse impact due to volatility of the interest rates.

Short-term interest rate management is delegated to the respective company's treasury operations while long-term interest rate management decisions require approval from the board of Directors.

The Group interest rate sensitivity was computed based on a 100 basis point increase or decrease from the rates prevailed during the period. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. The sensitivity of interest rate movement is shown below;

	Profit or loss	
	Increase in interest rate	Decrease in interest rate
Group		
2025 December variable rate instruments	(414)	414
2024 December variable rate instruments	(365)	365
Company		
2025 December variable rate instruments	(401)	401
2024 December variable rate instruments	(354)	354

4.4 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of stated capital and reserves. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(All Amounts in Sri Lanka Rupees Million)

The debt/equity ratios at 31 December were as follows:

	Group		Company	
	2025	2024	2025	2024
Total borrowings	76,435	90,951	53,643	65,932
Total equity	100,929	91,475	75,914	70,242
Total capital	177,364	182,426	129,557	136,174
Debt/equity ratio (%)	75.7	99.42	70.7	93.9

5. Operating Segments

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the board of Directors, reviews internal management reports on at least quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Fixed ICT operations includes supply of fixed telecommunication services.
- Mobile ICT operations includes supply of Mobile telecommunication services.
- Other segment operations includes IPTV Operations Includes providing of IPTV–Internet Protocol Television services , directory publication and support services. None of these segments meet the quantitative thresholds for determining reportable segments in 2025 or 2024.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax. As included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

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

	Fixed telephony operation		Mobile operation		Other segments operation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
External revenues	66,102	65,028	46,448	44,390	1,626	1,730	114,176	111,148
Inter-segment revenue	6,878	6,281	1,495	1,390	6,722	6,243	15,095	13,914
Reportable segment revenue	72,980	71,309	47,943	45,780	8,348	7,973	129,271	125,062
Reportable segment profit/(loss) before tax	8,083	3,020	2,321	1,878	975	1,214	11,379	6,112
Interest income	695	812	753	276	4	37	1,452	1,125
Interest expenses	(4,979)	(6,977)	(2,168)	(2,101)	(35)	(67)	(7,182)	(9,145)
Foreign exchange (loss)/gain	300	(136)	71	619	(15)	216	356	699
Depreciation and amortisation	(17,083)	(18,938)	(11,658)	(10,715)	(293)	(181)	(29,034)	(29,834)
(Impairment)/Reversal of property, plant and equipment	(121)	91	(28)	–	–	–	(149)	91
Income tax expenses	(1,838)	(907)	769	(1,738)	(245)	(272)	(1,314)	(2,917)
Reportable segment assets	174,137	180,895	88,152	83,153	4,095	3,898	266,384	267,946
Reportable segment liabilities	98,223	110,653	50,266	48,359	2,513	3,153	151,002	162,165

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

	2025	2024
Revenues		
Total revenue for reportable segments	120,923	117,089
Revenue for other segments	8,348	7,973
Reportable segment revenue	129,271	125,062
Elimination of inter-segment revenue	(15,095)	(13,914)
Consolidated revenue	114,176	111,148
Profit or loss		
Total profit or loss for reportable segments	10,404	4,898
Profit or loss for other segments	975	1,214
Reportable segment profit/(loss) before tax	11,379	6,112
Elimination of inter-segment Profits	(51)	(75)
Consolidated profit/(loss) before tax	11,328	6,037

Information about Reportable Segments

	2025	2024
Assets		
Total assets for reportable segments	262,289	264,048
Assets for other segments	4,095	3,898
	266,384	267,946
Elimination of inter-segment assets	(32,034)	(28,785)
Consolidated total assets	234,350	239,161
Liabilities		
Total liabilities for reportable segments	148,489	159,012
Liabilities for other segments	2,513	3,153
	151,002	162,165
Elimination of inter-segment liabilities	(17,581)	(14,479)
Consolidated total liabilities	133,421	147,686
Revenue from contracts with customers		
Domestic	104,379	99,652
International	9,797	11,496
	114,176	111,148

(All Amounts in Sri Lanka Rupees Million)

The revenue information above is based on the locations of the customers.

	Reportable segment totals	Adjustments	Consolidated totals
Other material items (2025)			
Interest income	1,452	(483)	969
Interest expense	(7,182)	128	(7,054)
Capital expenditure	17,248	–	17,248
Depreciation and amortisation	(28,004)	3	(28,001)
Other material items (2024)			
Interest income	1,125	(38)	1,087
Interest expense	(9,145)	166	(8,979)
Capital expenditure	25,665	–	25,665
Depreciation and amortisation	(29,834)	3	(29,831)

6. Revenue

The significant categories under which revenue is recognised are as follows:

	Group		Company	
	2025	2024	2025	2024
Release of deferred connection charges	184	386	184	386
Rental income	3,949	4,588	2,212	2,650
Domestic call revenue	8,235	9,924	956	1,153
Receipts from other network operators – Domestic	262	1,046	32	130
International call revenue	423	506	95	114
International settlements (in-payments)	8,216	11,752	4,868	7,162
Broadband revenue	55,417	47,138	25,274	22,539
Data and other services	37,490	35,808	39,359	37,175
	114,176	111,148	72,980	71,309

Timing of revenue recognition	Group		Company	
	2025	2024	2025	2024
At a point in time	1,279	943	579	219
Over time	112,897	110,205	72,401	71,090
	114,176	111,148	72,980	71,309

6. (a) The revenue recognised from providing fixed telephony and mobile communication services by the Group is LKR 112,550 Mn. (2024 – LKR 109,418 Mn.).

The Group recognise revenue at a point in time when the transfer of significant risks and rewards of ownership of devices to customers.

(All Amounts in Sri Lanka Rupees Million)

7. Operating Costs

The following items have been included in arriving at operating profit:

	Notes	Group		Company	
		2025	2024	2025	2024
Staff costs	7.1	24,355	23,018	18,670	16,979
Directors' emoluments and other benefits		108	97	63	67
Payments to international network operators		1,730	1,735	1,730	1,735
Payments to other network operators					
– International		792	1,283	295	833
– Domestic		249	1,015	–	71
International Telecommunication Operators Levy		737	978	241	292
Auditors' remuneration					
– Audit – Ernst & Young		26	25	15	15
– Other Auditors		–	1	–	1
– Non-Audit – Ernst & Young		12	6	7	3
– Other Auditors		21	4	21	4
Repairs and maintenance expenditure		9,274	9,594	6,626	7,032
Provision for doubtful debts		2,274	1,013	2,140	1,324
Provision/[Reversals] of inventory		103	178	103	180
Impairment/[Reversal] of property, plant and equipment	14	149	(91)	121	(91)
Other operating expenditure		32,144	31,272	16,588	16,637
Depreciation on property, plant and equipment and investment properties		22,697	23,527	15,580	16,899
Depreciation on right of use assets		3,068	3,990	629	1,024
Amortisation		2,236	2,314	873	1,015
		99,975	99,959	63,702	64,020

7.1 Staff Costs

	Notes	Group		Company	
		2025	2024	2025	2024
Salaries, wages, allowances and other benefits		21,395	20,069	16,396	14,721
Post employment benefits					
– Defined contribution plans		1,858	1,789	1,387	1,312
– Defined benefit obligations	30	1,102	1,160	887	946
		24,355	23,018	18,670	16,979
Average number of persons employed:		7,997	8,461	5,929	6,131

(All Amounts in Sri Lanka Rupees Million)

8. Other Income

	Group		Company	
	2025	2024	2025	2024
Revenue from third party works	919	178	919	178
Disposal of cables	499	180	499	180
Revenue from training courses	178	187	178	187
Miscellaneous income	1,156	1,495	1,093	1,486
	2,752	2,040	2,689	2,031

9. Finance Costs

	Group		Company	
	2025	2024	2025	2024
Rupee loans	5,222	5,684	4,001	4,557
Debenture	893	893	893	893
Interest – Overdraft	640	919	492	752
Interest – Vendor financing	282	2,111	76	1,951
Other interest [See Note (a) below]	647	695	67	147
Total finance cost	7,684	10,302	5,529	8,300
Interest capitalised [See Note (b) below]	(630)	(1,323)	(550)	(1,323)
Net total finance cost	7,054	8,979	4,979	6,977

(a) Other interest mainly include interest cost of leased assets.

(b) Capitalisation rate used for 2025 is 12.00% (2024 – 11.03 %).

10. Foreign Exchange Gain/(Loss)

	Group		Company	
	2025	2024	2025	2024
Net foreign exchange gain/(loss)	359	699	300	(136)

(a) Foreign Exchange Gain/(Loss) of the Group Mainly Includes

- (i) Exchange gain of LKR 320 Mn. (2024 – gain of LKR 2,321 Mn.) arising from realised and revaluation of the receivables, fixed deposits and bank balances maintained in USD.
- (ii) Exchange gain of LKR 39 Mn. (2024 – loss of LKR 3,020 Mn.) on payment to foreign suppliers and vendor financing.

(b) Foreign Exchange Gain/(Loss) of the Company Mainly Includes

- (i) Exchange gain of LKR 267 Mn. (2024 – Loss of LKR 608 Mn.) arising from realisation and revaluation of receivables, fixed deposits and bank balances maintained in USD.
- (ii) Exchange gain of LKR 33 Mn. (2024 – gain of LKR 472 Mn.) on payment to foreign suppliers.

*(All Amounts in Sri Lanka Rupees Million)***11. Interest Income**

	Group		Company	
	2025	2024	2025	2024
Interest income from:				
Fixed deposits	477	461	205	187
Staff loan Interest	492	626	490	625
	969	1,087	695	812

The interest income on bank deposits reflect the prevailing rates on the date of respective investments.

(a) The weighted average interest rates of the Group on restricted funds in bank deposits was 7.50%-7.75% (2024 – 7.53%-9.41%) and USD was 3.75% to 5.10% (2024 – 5.50%). The weighted average interest rate of the Group on bank deposits in LKR was 7%-17% (2024 – 11.00 %-12.00%).

(b) The weighted average interest rates of the Company on restricted funds in bank deposits was 7.73% (2024 – 9.41%) and USD was 5.10% (2024 – 5.50%).

12. Income Tax Expenses/(Reversals)**Tax Recognised in Statement of Profit or Loss**

	Group		Company	
	2025	2024	2025	2024
Current tax expense				
Current year	341	689	–	–
Previous year adjustments	[9]	5	–	–
	332	694	–	–
Deferred tax expense				
Origination and reversal of temporary differences	2,500	3,120	1,386	1,804
Tax losses	[1,518]	[897]	452	[897]
	982	2,223	1,838	907
Tax expense/(reversal)	1,314	2,917	1,838	907

Tax Recognised in Other Comprehensive Income – Group

	2025			2024		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gain/(loss)	[195]	87	[108]	222	35	257
	[195]	87	[108]	222	35	257

(All Amounts in Sri Lanka Rupees Million)

Tax Recognised in Other Comprehensive Income – Company

	2025			2024		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gain/(loss)	(174)	52	(122)	322	(97)	225
	(174)	52	(122)	322	(97)	225

12.1 Reconciliation Between Income Tax Expenses and Accounting Profit/(Loss)

	Group		Company	
	2025	2024	2025	2024
Accounting profit/(loss) before tax	11,328	6,037	8,083	3,020
Other Consolidation adjustment	47	76	–	–
Profit after adjustment	11,375	6,113	8,083	3,020
Non-taxable receipts/gains	(101)	(151)	(101)	(1)
Exempt Profit	(364)	(155)	(180)	(155)
Aggregate disallowable expenses	36,635	31,041	21,750	22,769
Aggregate allowable expenses	(47,026)	(50,894)	(28,803)	(33,797)
Business Income/(loss) before loss deduction	519	(14,046)	749	(8,356)
Utilisation of tax losses	(1,733)	(21)	(749)	–
Business Income/(loss) after loss deduction	1,077	1,052	–	–
Investment income	1,422	1,248	694	1,003
Exempt Amounts	(364)	(517)	(180)	(346)
Investment Income/(loss) before loss deduction	1,058	731	514	657
– Loss transfer from business to investment	(1,054)	(731)	(514)	(657)
Investment Income/(loss) after loss deduction	4	–	–	–
Taxable income	1,081	1,052	–	–
Tax losses not utilised	(20,224)	(20,292)	(12,375)	(13,638)
Standard rate 30% (Note a)	341	242	–	–
Other rates (Note b)	–	447	–	–
Tax on current year profits	341	689	–	–
Previous year adjustments	(9)	5	–	–
Deferred tax charge	982	2,223	1,838	907
Total income tax expense	1,314	2,917	1,838	907

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

12.2 Tax Losses Carried Forward

	Group		Company	
	2025	2024	2025	2024
Unutilised tax losses brought forward	20,292	6,902	13,638	6,902
Adjustment in respect of prior year	–	–	–	–
Tax loss incurred during the year	2,719	14,913	–	8,164
Exempt loss during the year	–	(771)	–	(771)
Tax loss utilised	(2,787)	(752)	(1,263)	(657)
Unutilised tax losses carrying forward	20,224	20,292	12,375	13,638

(a) The Group computed the income tax liability for the year of assessment 2025/2026 by applying the income tax rate of 30% (for the year of assessment 2024/2025 – 30%)

(b) The Company is subject to corporate income tax at a standard rate of 30% on local taxable income.

In accordance with the First Schedule to the Inland Revenue Act No. 24 of 2017 (Sri Lanka), as amended by the Inland Revenue (Amendment) Act No. 2 of 2025, gains and profits derived from foreign sources, where such income is earned in foreign currency and remitted to Sri Lanka through a licensed commercial bank, are subject to income tax at a concessionary rate of 15%.

Current income tax charge of the Group/Company is made up as follows:

	Group		Company	
	2025	2024	2025	2024
Sri Lanka Telecom PLC	–	–	–	–
Mobitel (Private) Limited	18	480	–	–
Sri Lanka Telecom (Services) Limited	323	209	–	–
SLT Human Capital Solutions (Private) Limited	–	–	–	–
SLT Property Management (Private) Limited	–	–	–	–
	341	689	–	–

Pursuant to agreements dated 15 January 1993 and 26 February 2001 entered into with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment Act No. 4 of 1978, 15 years tax exemption period granted to Mobitel (Private) Limited expired on 30 June 2009 and as per the agreement, Mobitel (Private) Limited opted for the turnover based tax option in which 2% was charged on the turnover for a further period of 15 years commencing from 1 July 2009. The turnover based tax option was expired on 30 June 2024.

(All Amounts in Sri Lanka Rupees Million)

13. Earnings Per Share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2025	2024	2025	2024
Net profit/(loss) attributable to equity holders (LKR Mn.)	10,009	3,116	6,245	2,113
Weighted average number of ordinary shares in issue (million)	1,805	1,805	1,805	1,805
Earnings per share (LKR)				
– Basic	5.55	1.73	3.46	1.17

Diluted EPS is the same as computed above as the Company does not have any instrument that will potentially dilute the share holdings.

14. Property, Plant and Equipment

14.1 Property, Plant and Equipment – Group

	Freehold land	Freehold buildings	Ducts, cables and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
Cost										
As at 1 January 2024	402	9,274	219,463	16,252	133,186	26,668	2,476	13,873	39,437	461,031
Additions at cost	–	–	349	22	2,113	983	–	401	18,700	22,568
Transfers from capital work-in-progress	–	530	12,287	11	10,898	1,692	1	804	(26,223)	–
Transfers to investment properties	(6)	(1,288)	–	–	–	–	–	–	–	(1,294)
Disposals at cost	–	–	(151)	–	(1,425)	–	(5)	(117)	–	(1,698)
As at 31 December 2024	396	8,516	231,948	16,285	144,772	29,343	2,472	14,961	31,914	480,607
Accumulated depreciation and impairment										
As at 1 January 2024	–	(3,867)	(144,190)	(13,018)	(92,840)	(20,284)	(2,425)	(9,944)	3	(286,565)
Accumulated depreciation on disposals	–	–	151	–	1,404	–	5	112	11	1,683
Transfer to investment properties	–	348	–	–	–	–	–	–	–	348
Reversal of impairment	–	–	56	–	35	–	–	–	–	91
Depreciation charge	–	(506)	(11,568)	(232)	(8,659)	(1,188)	–	(1,366)	(8)	(23,527)
As at 31 December 2024	–	(4,025)	(155,551)	(13,250)	(100,060)	(21,472)	(2,420)	(11,198)	6	(307,970)
Carrying value as at 31 December 2024	396	4,491	76,397	3,035	44,712	7,871	52	3,763	31,920	172,637

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(All Amounts in Sri Lanka Rupees Million)

	Freehold land	Freehold buildings	Ducts, cables and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
Cost										
As at 1 January 2025	396	8,516	231,948	16,285	144,772	29,343	2,472	14,961	31,914	480,607
Reclassification	–	–	1,594	(1,442)	4,211	(416)	2	(3,949)	–	–
Additions at cost	–	–	70	97	313	656	–	542	9,378	11,056
Transfers from capital work-in-progress	–	612	12,768	31	8,387	846	–	668	(23,312)	–
Transfer to investment properties	(1)	(9)	–	–	–	–	–	–	–	(10)
Disposals at cost	–	–	(991)	–	(8,092)	–	(30)	(113)	–	(9,226)
Transfer to inventory	–	–	–	–	–	–	–	–	(9)	(9)
Transfer from intangible assets	–	–	–	91	13	–	–	–	–	104
As at 31 December 2025	395	9,119	245,389	15,062	149,604	30,429	2,444	12,109	17,971	482,522
Accumulated depreciation and impairment										
As at 1 January 2025	–	(4,025)	(155,551)	(13,250)	(100,060)	(21,472)	(2,420)	(11,198)	6	(307,970)
Reclassification	–	(9)	1,967	(1,522)	(1,580)	(696)	(2)	1,842	–	–
Accumulated depreciation on disposals	–	–	986	–	8,079	–	30	113	8	9,216
Transfer to investment properties	–	5	–	–	–	–	–	–	–	5
Impairment loss	–	–	–	(119)	–	–	–	(2)	(28)	(149)
Depreciation charge	–	(385)	(10,611)	(62)	(8,841)	(1,566)	(2)	(1,135)	–	(22,602)
Transfer from intangible assets	–	–	–	–	(20)	–	–	–	–	(20)
As at 31 December 2025	–	(4,414)	(163,209)	(14,953)	(102,422)	(23,734)	(2,394)	(10,380)	(14)	(321,521)
Carrying value as at 31 December 2025	395	4,705	82,180	109	47,181	6,695	50	1,729	17,957	161,002

(All Amounts in Sri Lanka Rupees Million)

14.2 Property, Plant and Equipment – Company

	Freehold land	Freehold buildings	Ducts, cables and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
Cost										
As at 1 January 2024	402	9,265	219,464	16,252	43,086	22,528	2,290	11,383	34,514	359,184
Additions at cost	–	–	349	22	2,113	983	–	246	8,208	11,921
Transfers from capital work-in-progress	–	530	12,287	11	1,425	1,692	1	134	(16,080)	–
Transfer to investment properties	(7)	(3,757)	–	–	–	–	–	–	–	(3,764)
Disposals at cost	–	–	(151)	–	–	–	(5)	(18)	–	(174)
As at 31 December 2024	395	6,038	231,949	16,285	46,624	25,203	2,286	11,745	26,642	367,167
Accumulated depreciation and impairment										
As at 1 January 2024	–	(3,868)	(144,190)	(13,018)	(34,365)	(17,532)	(2,289)	(8,057)	–	(223,319)
Accumulated depreciation on disposals	–	–	151	–	–	–	5	18	–	174
Transfer to investment properties	–	720	–	–	–	–	–	–	–	720
Reversal of impairment	–	–	56	–	35	–	–	–	–	91
Depreciation charge	–	(506)	(11,568)	(232)	(2,903)	(1,188)	–	(502)	–	(16,899)
As at 31 December 2024	–	(3,654)	(155,551)	(13,250)	(37,233)	(18,720)	(2,284)	(8,540)	–	(239,232)
Carrying value as at 31 December 2024	395	2,384	76,398	3,035	9,391	6,483	2	3,205	26,642	127,935

	Freehold land	Freehold buildings	Ducts, cables and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
Cost										
As at 1 January 2025	395	6,038	231,949	16,285	46,624	25,203	2,286	11,745	26,642	367,167
Category Changes in PPE Note	–	–	1,594	(1,443)	4,211	(415)	2	(3,949)	–	–
Additions at cost	–	–	70	97	309	656	–	307	6,045	7,484
Transfers from capital work-in-progress	–	612	12,768	32	2,330	846	–	198	(16,785)	–
Reclassification	–	–	–	91	13	–	–	–	–	105
Transfers to investment properties	(1)	(97)	–	–	–	–	–	–	–	(98)
Disposals at cost	–	–	(991)	–	(322)	–	(30)	(1)	–	(1,345)
As at 31 December 2025	394	6,553	245,390	15,062	53,165	26,290	2,258	8,300	15,902	373,313

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(All Amounts in Sri Lanka Rupees Million)

	Freehold land	Freehold buildings	Ducts, cables and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
Accumulated depreciation and impairment										
As at 1 January 2025	–	(3,654)	(155,551)	(13,250)	(37,233)	(18,720)	(2,284)	(8,540)	–	(239,232)
Category changes in PPE Note	–	(9)	1,966	(1,522)	(1,579)	(696)	(1)	1,841	–	–
Reclassification	–	–	–	–	(21)	–	–	–	–	(21)
Accumulated depreciation on disposals	–	–	986	–	322	–	30	1	–	1,339
Transfers to investment properties	–	5	–	–	–	–	–	–	–	5
Impairment loss	–	–	–	(119)	–	–	–	(2)	–	(121)
Depreciation charge	–	(248)	(10,611)	(62)	(2,601)	(1,566)	(2)	(259)	–	(15,349)
As at 31 December 2025	–	(3,906)	(163,210)	(14,953)	(41,112)	(20,982)	(2,257)	(6,959)	–	(253,380)
Carrying value as at 31 December 2025	394	2,646	82,180	109	12,052	5,307	1	1,340	15,902	119,933

- (a) On 1 September 1991, the Department of Telecommunications (DoT) transferred its entire telecommunications business and related assets and liabilities to SLT. A valuation of the assets and liabilities transferred to SLT was performed by the Government of Sri Lanka. The net amount of those assets and liabilities represents SLT's Contributed Capital on incorporation and the value of property, plant and equipment as determined by the Government of Sri Lanka. Valuers were used to determine the opening cost of fixed assets on 01 September 1991 in the first statutory accounts of SLT. Further, SLT was converted into a public limited company, Sri Lanka Telecom Limited (SLTL), on 25 September 1996 and on that date, all business and the related assets and liabilities of SLT were transferred to SLTL as part of the privatisation process.
- (b) The cost of fully depreciated assets still in use in the company as at 31 December 2025 was LKR 179,255 Mn. (2024 - LKR 170,251 Mn.). The cost of fully depreciated assets still in use in the Group as at 31 December 2025 was LKR 212,208 Mn. (2024 - LKR 205,557 Mn.).
- (c) No assets have been mortgaged or pledged as security for borrowings of the Group.
- (d) The number of buildings of the Group as at 31 December 2025 is 1,242 (2024 - LKR 1,242).
- (e) All the motor vehicles have been insured. SLT has obtained Property All Risk Insurance with effect from 31 March 2022 for targeted assets of SLT at island wide locations. An insurance reserve has been created together with a sinking fund investment to meet any potential losses with regard to uninsured property, plant and equipment. At the reporting date, the insurance reserve amounted to LKR 300 Mn. (2024 - LKR 300 Mn.) (Note 31). The insurance claim received for items of property, plant and equipment for the Group is LKR 54 Mn. and the Company is LKR 28 Mn. during the year 2025.
- (f) During the year ended 31 December 2025 Company has recognised a provision of impairment of LKR 121.4 Mn. due to damages caused by Ditwa flood on Telephone exchanges and generators (which are included under other fixed assets).
- (g) When calculating the impairment provision, recoverable amount of the cyclone-affected assets has been determined by comparing their net book value with the fair value less costs of disposal. Due to the nature and extent of the damage, it was determined that the asset has no recoverable amount.
- (g) The capital work-in-progress related to network equipment of the Group is LKR 15,186 Mn. (2024 - LKR 16,697 Mn.) and the Company is LKR 12,386 Mn. (2024 - LKR 16,541 Mn.).
- (h) The Company capitalised borrowing costs amounting to LKR 549 Mn. during the year (2024 - LKR 1,323 Mn.). Borrowing cost capitalised from a Group perspective amounted to LKR 630 Mn. (2024 - LKR 1,323 Mn.).
- (i) The carrying value of network assets of the Group is LKR 129,470 Mn. (2024 - LKR 124,144 Mn.) and the Company is LKR 94,342 Mn. (2024 - LKR 88,824 Mn.).
- (j) The depreciation charge on network assets of the Group is LKR 19,514 Mn. (2024 - LKR 20,459 Mn.) and the Company is LKR 13,274 Mn. (2024 - LKR 15,040 Mn.).

(All Amounts in Sri Lanka Rupees Million)

(k) Property, plant and equipment include submarine cables. The total cost and accumulated depreciation of all cables under this category as follows;

	Group/Company	
	2025	2024
Cost	14,065	14,065
Accumulated depreciation as at 1 January	(7,906)	(7,489)
Depreciation charge for the year	(423)	(417)
Carrying amount	5,736	6,159

15. Investment Properties

	Group		Company	
	2025	2024	2025	2024
Movement in investment properties				
As at 1 January	946	–	3,044	–
Additions	–	–	–	–
Transfers	10	1,294	98	3,764
Depreciation	(100)	(348)	(236)	(720)
Impairment	–	–	–	–
As at 31 December	856	946	2,906	3,044
Freehold properties	856	946	2,906	3,044
Leasehold properties	–	–	–	–
	856	946	2,906	3,044
Amounts recognised in the income statement				
Rental income earned	127	84	444	344
Direct operating expenses generating rental income	0.50	0.60	3	3

During the year, the Company has transferred the aggregate value of LKR 98 Mn. to Investment Properties.

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(All Amounts in Sri Lanka Rupees Million)

The Company as a Lessor

The Company has entered into operating leases on its building rented as office space to other related and non-related companies.

The Group has adopted the cost model to value the Investment Property as per “LKRS 40-Investment Property” The details of the Investment Property of the group are as follows.

(a) Lands

Property/Location	Extent (Perch)	Cost LKR	Group	Company	Valuation LKR	Valuation Date
			Carrying value LKR	Carrying value LKR		
Earth Satellite Station, Padukka.	4,270.0	1	1	1	194,849,920	31.12.2024
Senior Engineers Quarters No. 5, Anderson Road, Colombo 05.	74.7	3,394,000	3,394,000	3,394,000	666,442,719	31.12.2024
No 36 Maithreepala Senanayake Mw, Anuradapura	44.5	420,000	–	420,000	207,116,000	31.12.2024
Sub stores, Nivanthaka Chathiya Road, Anuradapura.	38.4	300,000	–	300,000	51,300,000	31.12.2024
Welikada Wireless Station & Maritime Service Station.	67.5	662,500	189,958	662,500	150,900,000	31.12.2024
Senior Engineers Quarters No. 7, Anderson Road, Colombo 05.	53.8	2,484,000	2,484,000	2,484,000	623,966,000	31.12.2024
Hatton Exchange RTOM Office IPT Quarters 1 and 11 – Land	4.0	8,440	8,440	8,440	14,000,000	31.12.2025
DIT Quarters, No.99/1, Rathnapura Road, Awissawella Land	63.0	1	1	1	44,000,000	31.12.2025
		7,268,942	6,076,400	7,268,942	1,952,574,639	

(b) Buildings

Property/Location	Area (Sq:Ft)	Cost LKR	Group	Company	Valuation LKR	Valuation Date
			Carrying value LKR	Carrying value LKR		
SLT Campus, Ingiriya Road, Padukka.	195,736.00	1,257,858,549	844,097,447	844,097,447	1,022,962,080	31.12.2024
Regional Telecom Office, High Level Road, Nugegoda.	4,895.00	4,496,772	–	–	73,400,000	31.12.2024
Regional Telecom Office, 106, St. Josephs street, Negombo.	625.00	2,007,006	–	–	38,057,000	31.12.2024
Senior Engineers Qrs No. 5, Anderson Road, Colombo 05.	4,762.00	17,575,731	2,492,540	2,492,540	11,870,481	31.12.2024
Slave Island Exchange, No. 17, Sugathodaya Mw, Colombo 02.	8,128.00	5,036,727	–	166,113	113,200,000	31.12.2024
3rd Floor, SLT Headquarters Building, Lotus road, Colombo 01	5,536.00	23,278,145	–	7,504,949	120,000,000	31.12.2024
No. 36, Maithreepala Senanayake Mw, Anuradapura.	7,447.00	110,583,674	–	61,642,043	20,484,000	31.12.2024
Awissawella Exchange, Colombo Road, Awissawella.	1,700.00	2,897,525	5,346	5,346	27,164,000	31.12.2024
Auto Exchange, Main Street, Bandaragama.	651.00	8,291,240	–	4,269,216	9,400,000	31.12.2024
Sub Stores, Nivanka Chetiya Road, Anuradhapura.	960.00	993,758	–	–	2,700,000	31.12.2024

(All Amounts in Sri Lanka Rupees Million)

Property/Location	Area (Sq:Ft)	Cost LKR	Group	Company	Valuation LKR	Valuation Date
			Carrying value LKR	Carrying value LKR		
Ukuwela Auto Exchange	1,760.00	3,623,954	–	934,722	12,100,000	31.12.2024
Samanturai Exchange, Korakkar Road, Sammanthurai.	433.00	589,422	–	129,584	3,320,000	31.12.2024
Pottode-quarters Negombo.	1,270.00	269,589	–	219,209	8,910,000	31.12.2024
Yatiantota Exchange, Garagoda, Yatiantota.	958.00	489,201	–	151,221	9,000,000	31.12.2024
148/15 Danister De Silva Mw, Colombo 08-Office Building	9,837.00	38,961,177	–	22,041,493	133,700,000	31.12.2024
148/15 Danister De Silva Mw, Colombo 08-Generator Building	5,600.00	22,179,790	–	12,547,765	59,000,000	31.12.2024
No 148/15, Lesley Ranagala Mw, Baseline RD, Colombo 08 - OHQ building	100,000.00	2,056,931,591	–	1,804,707,394	2,107,200,000	31.12.2024
148/15 Danister De Silva Mw, Colombo 08-Equipment Building	23,200.00	91,887,699	–	51,983,597	478,300,000	31.12.2024
Koddaiadithidal, Yenkusaladinilam, Esplanade, Jaffna	288.00	1,121,021	–	216,538	3,700,000	31.12.2024
No. 41, New Nuge road, Peliyagoda	31,970.00	62,358,885	–	13,962,678	288,800,000	31.12.2024
No. 41, New Nuge road, Peliyagoda	3,100.00	6,046,686	–	1,353,904	28,900,000	31.12.2024
Middeniya Road, Weeraketiya	758.00	897,803	–	20,570	8,900,000	31.12.2024
SLT Building, Maradana Road, Colombo 10.	3,600.00	6,432,988	60,433	60,433	43,200,000	31.12.2024
No. 851, Kotte Road, Kotte.	550.00	2,269,602	503,560	503,560	59,700,000	31.12.2024
Senior Engineers Quarters No. 7, Anderson Road, Colombo 05.	3,545.00	5,557,234	401,770	401,770	12,734,000	31.12.2024
Hatton Exchange RTOM Office IPT Quarters 1 & 11, Urgent Service Qtrs., Engineer' Quarters, Danbar Road, Hatton	796.00	930,884	12,593	12,593	48,000,000	31.12.2025
148/15, Danister De Silva Mw, Colombo 08	29,054.15	115,074,095	–	65,100,829	493,000,000	31.12.2025
148/15, Danister De Silva Mw, Colombo 08	1,000.00	3,960,677	–	2,240,672	610,000,000	31.12.2025
Ground floor of the "A" building - Kandy	620.00	2,397,945	2,235,081	2,235,081	84,500,000	31.12.2025
		3,854,999,370	849,808,770	2,899,001,269	5,932,201,561	
		3,862,268,312	855,885,170	2,906,270,211	7,884,776,200	

The fair values of investment properties as at 31 December 2025 based on valuation performed by Mr A A M Fathihu, W M Chandrasena and P W Senaratne who are registered members of RICS. The fair value of properties was determined by external independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Fair Value Hierarchy

The fair value measurement for investment properties have been categorised as level II and III of the fair value hierarchy based on the input to the valuation techniques used.

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation techniques used in measuring the fair value of Investment properties, as well as the significant unobservable inputs.

Property	Valuation Date	Valuation Techniques used	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
1. SLT Campus, Ingiriya Road, Padukka.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input comes under Level II & III of inputs	Negligible as major component used is observable input
2. Regional Telecom Office, High Level Road, Nugegoda.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
3. Regional Telecom Office, 106, st Josephs street, Negombo.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
4. Senior Engineers Qrs No. 5, Anderson Road, Colombo 05.	31 December 2024	Capitalisation of earning/exit value on residual value of land	Present Market value of land ranges from LKR 10 Mn. to 15.0 Mn. per perch, which is considered for exit value	Land rate per perch is higher or lower
5. Slave Island Exchange, No. 17, Sugathodaya Mw, Co 02.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
6. HQ Building, Lotus Road – Colombo 1.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
7. No. 36, Maithreepala Senanayake Mw, Anuradapura.	31 December 2024	Capitalisation of earning/market rent and extra land on comparable evidence	Market rent after lease period, and capitalisation rate for which Level II & III inputs were used. Extra land was base on land value ranges from LKR 4.0 Mn. to 6.50 Mn. per perch	Market rate for the rent is higher or lower
8. Awissawella Exchange, Colombo Road, Awissawella.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
9. Auto Exchange, Main Street, Bandaragama.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
10. Sub Stores, Nivanka Chetiya Road, Anuradhapura.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
11. Ukuwela Auto Exchange	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
12. Samanturai Exchange, Korakkar Road, Sammanthurai.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
13. Pottode –quarters Negombo.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
14. Yatiyantota Exchange. Off Mahanama Road, Yatiyantota.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
15. 148/15 Danister De Silva Mw, Colombo 08	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
16. 148/15, Danister De Silva Mw, Colombo 08	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
17. No 148/15, Lesley Ranagala Mw, Baseline RD, Colombo 08	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
18. 148/15, Danister De Silva Mw, Colombo 08	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower

(All Amounts in Sri Lanka Rupees Million)

Property	Valuation Date	Valuation Techniques used	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
19. Hatton Exchange RTOM Office IPT Quarters 1 & 11, Urgent Service Qtrs., Engineer' Quarters, Danbar Road, Hatton	31 December 2025	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
20. No. 41 New Nuge Road, Peliyagoda	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
21. No. 41 New Nuge Road, Peliyagoda	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
22. Middeniya RD, Weeraketiya	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
23. SLT Building, Maradana Road, Colombo 10.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
24. No. 851, Kotte Road, Kotte.	31 December 2024	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
25. No. 07, Anderson RD, Colombo 05	31 December 2024	Capitalisation of earning/market rent	Present Market value of land ranges from LKR 10 Mn. to 15.0 Mn. per perch, which is considered for exit value	Land rate per perch for the rent is higher or lower
26. DIT Quarters, No. 99/1, Rathnapura Road, Avissawella Land	31 December 2025	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
27. Ground floor of the "A" building - Kandy	31 December 2025	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
28. Hatton Exchange RTOM Office IPT Quarters 1 & 11, Urgent Service Qtrs, Engineer' Quarters, Danbar Road, Hatton	31 December 2025	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
29. 148/15, Danister De Silva Mw, Colombo 08 Engineering building	31 December 2025	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower
30. 148/15, Danister De Silva Mw, Colombo 08 Eight story Building	31 December 2025	Capitalisation of earning/market rent	Market rent after lease period is unobservable input which comes under Level II & III of inputs	Market rate for the rent is higher or lower

Terms and Conditions of Leases with Related Parties

The investment Property is leased to related parties under operating leases with rentals payable as per the lease terms following the arms length principles.

(All Amounts in Sri Lanka Rupees Million)

16. Right-of-use Assets and Lease Liabilities

The Group has lease contracts for various items of land and Buildings, E1 Links and towers used in its operations. Leases of land and Buildings generally have lease terms between 1 to 2 years while Leases of towers generally have lease terms between 2 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leases assets. Generally the Group is restricted from assigning and sub leasing the leased assets. Sri Lanka Telecom (Services) Limited lease covenants include that Lessee cannot make any structural alterations to the building without approval of the lessor and all general maintenance should be carried by the lessee.

The Group also has certain leases of towers or tower spaces with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

(i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

	Group		
	Land and Buildings	Towers	Total
As at 1 January 2025	3,970	1,390	5,360
Additions	2,518	1,918	4,436
Disposals/adjustments	(49)	8	(41)
Depreciation expense	(1,266)	(1,802)	(3,068)
As at 31 December 2025	5,173	1,514	6,687

	Company		
	Land and Buildings	Towers	Total
As at 1 January 2025	35	188	223
Additions	–	947	947
Depreciation expense	(18)	(611)	(629)
As at 31 December 2025	17	524	541

(ii) Set out below are the carrying amounts of lease liabilities recognised and the movements during the year.

	Group	
	2025	2024
As at 1 January 2025	5,874	6,236
Additions	4,417	2,465
Disposals/adjustments	(46)	–
Accretion of Interest	601	675
Payments	(3,636)	(3,502)
As at 31 December 2025	7,210	5,874
Non-current	4,447	3,892
Current	2,763	1,982
	7,210	5,874

(All Amounts in Sri Lanka Rupees Million)

	Company	
	2025	2024
As at 1 January	317	884
Additions	947	434
Accretion of Interest	67	147
Payments	(783)	(1,148)
As at 31 December	548	317
Non-current	47	22
Current	501	295
	548	317

(iii) Following are the Amounts Recognised in Profit or Loss.

	Group	
	2025	2024
Depreciation expense of right-of-use asset	3,068	2,969
Interest expense on lease liabilities	601	–
Leases of low-value	96	66
Total amount recognised in profit or loss	3,765	3,035

	Company	
	2025	2024
Depreciation expense of right-of-use asset	629	1,024
Interest expense on lease liabilities	67	–
Leases of low value	94	66
Total amount recognised in profit or loss	790	1,090

Sensitivity Analysis

	ROU Asset	Lease Liability
Sensitivity to discount rate/incremental borrowing rate – Group		
Increase by 1%	(292)	(275)
Decrease by 1%	292	275
Sensitivity to discount rate/incremental borrowing rate – Company		
Increase by 1%	(20)	(35)
Decrease by 1%	20	35

(All Amounts in Sri Lanka Rupees Million)

17. Intangible Assets and Goodwill

17.1 Intangible Assets Goodwill – Group

	Goodwill	Licenses	Software	Others	Total
Cost					
As at 1 January 2024	804	15,575	6,668	673	23,720
– Acquisitions	–	1,874	683	–	2,557
– De-recognition	–	(1,887)	–	(330)	(2,217)
As at 31 December 2024	804	15,562	7,351	343	24,060
As at 1 January 2025	804	15,562	7,351	343	24,060
– Acquisitions	–	5,200	538	–	5,738
– Transfer to Property, Plant & Equipment	–	–	(104)	–	(104)
As at 31 December 2025	804	20,762	7,785	343	29,694
Accumulated amortisation					
As at 1 January 2024	253	6,544	6,078	481	13,356
– Amortisation	–	1,461	853	–	2,314
– De-recognition	–	(1,887)	–	(330)	(2,217)
As at 31 December 2024	253	6,118	6,931	151	13,453
As at 1 January 2025	253	6,118	6,931	151	13,453
– Amortisation	–	1,618	618	–	2,236
– Transfer to Property, Plant & Equipment	–	–	(20)	–	(20)
– De-recognition	–	–	(3)	–	(3)
As at 31 December 2025	253	7,736	7,526	151	15,666
Carrying amounts					
December 2025	551	13,026	257	192	14,027
December 2024	551	9,444	420	192	10,606

The cost of fully amortised intangible assets still in use in the Company as at 31 December 2025 was LKR 5,548 Mn. (2024 – LKR 3,078 Mn.). The cost of fully amortised intangible assets still in use in the Group as at 31 December 2025 was LKR 6,577 Mn. (2024 – LKR 3,802 Mn.).

The individual intangible assets that are material to the Group include:

	Carrying amount	Remaining amortisation period (years)
Licence	6,283	8–10
Telecommunication Service Operating License	893	6
Spectrum License	487	3–8
Content – In-house Channel	33	1–5

The goodwill in the Group consists of goodwill arising on acquisition of Mobitel (Private) Limited and eChannelling PLC.

(All Amounts in Sri Lanka Rupees Million)

Goodwill is allocated to the Group's Cash-Generating Units (CGUs). A summary of the goodwill allocation is presented below:

	2025	2024
Mobitel (Private) Limited	141	141
eChannelling PLC	410	410
Total	551	551

The recoverable amount of a CGU of Mobitel (Private) Limited is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections, based on financial budgets approved by management covering a five-year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the

long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations of Mobitel (Private) Limited are as follows:

	2025 %	2024 %
Growth rate	2.0	2.0
Discount rate	12.44	11.6

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The recoverable amount of a CGU is determined based on fair value using level 01 observable inputs; market share of eChannelling PLC. The management has observed that the current market price of a share of eChannelling PLC, (LKR 15.80) is more than the net asset value per share as at 31 December 2025.

No impairment charge has been recognised for the year ended 31 December 2025 for the above CGU (2024 - LKR Nil)

The Group's research and development concentrates on the development of technology-driven innovation. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred (in 2025, this was LKR 17 Mn. (2024: LKR 9 Mn.)), and they are recognised in administrative expenses.

17.2 Intangible Assets – Company

	Licenses	Software	Others	Total
Cost				
As at 1 January 2024	4,987	5,317	330	10,634
– Acquisitions	–	675	–	675
– De-recognition	(1,428)	–	(330)	(1,758)
As at 31 December 2024	3,559	5,992	–	9,551
As at 1 January 2025	3,559	5,992	–	9,551
– Acquisitions	–	536	–	536
– De-recognition	–	(105)	–	(105)
As at 31 December 2025	3,559	6,423	–	9,982
Accumulated amortisation				
As at 1 January 2024	2,135	4,969	330	7,434
– Amortisation	297	718	–	1,015
– De-recognition	(1,428)	–	(330)	(1,758)
As at 31 December 2024	1,004	5,687	–	6,691
As at 1 January 2025	1,004	5,687	–	6,691
– Amortisation	380	493	–	873
– De-recognition	–	(23)	–	(23)
As at 31 December 2025	1,384	6,157	–	7,541
Carrying amounts				
December 2025	2,175	266	–	2,441
December 2024	2,555	305	–	2,860

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

The individual intangible assets that are material to the Company include:

	Carrying amount	Remaining Amortisation Period (years)
Telecommunication Service Operating License	893	6
Spectrum License	487	3–8

18. Investments in Subsidiaries and Joint Venture

18.1 Investments in Subsidiaries

	Company	
	2025	2024
As at 1 January	14,341	14,431
Investment in subsidiary	88	60
Write off of Investment in Subsidiary	–	(150)
As at 31 December	14,429	14,341

According to Sec. 242 of Companies Act No. 07 of 2007, due to Short form amalgamation the investment in shares of SLT Visioncom (Pvt) Ltd. and SLT Digital Services (Pvt) Ltd was cancelled after amalgamation with Sri Lanka Telecom (Services) Ltd. in financial year 2024. There is no impact at the Group level as Sri Lanka Telecom (Services) Ltd is a fully owned subsidiary of Sri Lanka Telecom PLC.

Details of the subsidiary companies in which the Company had control as at 31 December are set out below:

Name of company	Note	2025		2024	
		Investment LKR Mn.	Company holding %	Investment LKR Mn.	Company holding %
Mobitel (Private) Limited	a	13,980	100	13,980	100
Sri Lanka Telecom (Services) Limited	b	300	100	300	100
SLT Human Capital Solutions (Private) Limited	c	1	100	1	100
SLT Property Management (Private) Limited	d	–	–	–	100
Xyntac Singapore Pte. Ltd	e	149	100	60	100
		14,430		14,341	
Sub subsidiaries					
eChannelling PLC	f	642	87.59	642	87.59

The Directors believe that the fair value of each of the companies listed above do not differ significantly from their book values other than eChannelling PLC.

(a) The Company owns 1,320,013,240 shares representing 100% of the entire Ordinary Share capital of Mobitel (Private) Limited.

(b) The Company owns of 30,000,000 shares representing 100% of the entire Ordinary Share capital of Sri Lanka Telecom (Services) Limited.

(c) This investment in subsidiary company consists of 50,000 shares representing the entire stated capital of SLT Human Capital Solutions (Private) Limited.

(d) SLT Property management (Private) Limited has been dissolved on 22/04/2025 by the Members' voluntary winding up.

(e) This investment in subsidiary company consists of 199,955 shares representing the 100% stated capital of Xyntac Singapore Pte. Ltd.

(F) This investment in subsidiary Company consists of 106,974,618 shares representing the 87.59% holding of the issued share capital of eChannelling PLC. Remaining 12.41% of the issued share capital of eChannelling PLC is belongs to Non-Controlling Interests

(All Amounts in Sri Lanka Rupees Million)

18.2 Investments in Joint Venture

Galle Submarine Cable Depot (Private) Limited (GSCDPL) engages in the business of providing services related to storage of spare submersible plant for the repair and maintenance of submarine telecommunication cable systems under South East Asia Indian Ocean Cable Maintenance Agreement. The address of the GSCDPL's registered office is Lotus Road, Colombo 1. The Company's 40% interest in GSCDPL is accounted for using the equity method in the Company's financial statements.

	Group/Company	
	2025	2024
As at 1 January	515	514
Share of profit from joint venture	53	1
As at 31 December	568	515

Summarised financial information of the joint venture, based on its financial statements prepared in accordance with SLFRS accounting standards are set out below:

	Group/Company	
	2025	2024
Current assets	393	270
Non-current assets	383	430
Current liabilities	121	100
Non-current liabilities	181	236
Revenue from contracts with customers	426	419
Profit for the year	250	164
Total comprehensive income for the year	250	164

19. Equity Instruments Designated at Fair Value Through OCI

The Group designated the investments shown below as equity securities at FVOCI as these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

Name of the Company	2025			2024		
	No of shares	Cost LKR	Market value LKR	No of shares	Cost LKR	Market value LKR
Citrus Leisure PLC	31,200	944,741	134,160	31,200	944,741	140,400
Tal Lanka Hotels PLC	10,000	606,702	409,000	10,000	606,702	221,000
Blue Diamonds Jewellery Worldwide PLC	700	2,372	210	700	2,372	210
Serendib Hotels PLC (Voting)	7	162	158	7	162	153
Serendib Hotels PLC (Non-Voting)	93	1,628	1,367	93	1,628	1,293
York Arcade Holdings PLC	10	3,847	8,925	10	3,847	1,688
Lanka Century Investment PLC (Ambeon Holding)	100	7,100	15,450	100	7,100	4,630
Nations Trust Bank PLC	118	8,100	37,247	118	8,100	22,007
Seylan Bank PLC (Non-Voting)	127	7,500	13,335	127	7,500	9,893
Ceylon Land & Equity PLC (Renuka Capital PLC)	1,164	11,396	12,804	1,164	11,396	10,709
Lankem Developments PLC	100	59	2,300	100	59	2,000
Hikkaduwa Beach Resorts PLC	20	20	82	20	20	72
Lake House Printers and Publishers PLC	10,697	1,093,983	4,920,620	10,697	1,093,983	2,941,675
	54,336	2,687,610	5,555,658	54,336	2,687,610	3,355,730

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

No strategic investments were disposed of during the year 2025, and there were no transfers to any cumulative gain or loss within the equity relating to these investments.

Group has received a scrip dividend of shares amounting to LKR 313/- (2024 – LKR 745/-) for the year ended 31 December 2025.

19.1 Reconciliation of Fair Value Measurement of the Equity Instruments Designated at Fair Value Through OCI:

	Group/Company
As at 1 January 2024	3
Sales	–
Purchases	–
Total gains and losses recognised in OCI	1
As at 31 December 2024	4
Sales	–
Purchases	–
Total gains and losses recognised in OCI	2
As at 31 December 2025	6

20. Other Investments

Current Investments

	Group		Company	
	2025	2024	2025	2024
Fixed deposits	3,131	868	3,092	830
	3,131	868	3,092	830

Group Fixed deposits with a carrying value of LKR 39 Mn. (2024 – LKR 38 Mn.) is in local currency. Group Fixed deposits in foreign currency with a carrying value of LKR 2,790 Mn. (2024 – 830 Mn.). The fixed deposits of the Company with a carrying value of LKR 302Mn. (2024–LKR Nil.) are restricted in bank. All the fixed deposits referred in this note are not matured as at 31 December 2025 and invested for a period of 3–12 months.

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Fixed deposits – restricted at bank	7.50-11.50	7.38-11.50	7.50-8.75	8.75-11.50
Fixed deposits – LKR	7.00-17.00	7.00-17.00	–	–
Fixed deposits – USD	4.75-10.50	2.87-10.50	4.75-5.50	5.00-10.50

The Group's exposure to credit and market risk and fair value information related to other investment are disclosed in Note 4.

(All Amounts in Sri Lanka Rupees Million)

21. Other Receivables

	Group		Company	
	2025	2024	2025	2024
Prepaid staff cost as at 1 January	1,094	1,189	1,094	1,189
Additions	177	229	177	229
Amortisation	(227)	(324)	(227)	(324)
Prepaid staff cost at 31 December	1,044	1,094	1,044	1,094
Employee loans	3,385	3,255	3,370	3,235
Prepaid staff cost	1,044	1,094	1,044	1,094
	4,429	4,349	4,414	4,329
Employee loans non-current	3,549	3,353	3,549	3,353
Employee loans current	880	996	865	976
	4,429	4,349	4,414	4,329

The Group provides loans to employees at concessionary rates. The fair value of the employee loans are determined by discounting expected future cash flows using market related rates for similar loans.

The difference between the cost and fair value of employee loans is recognised as prepaid staff cost. The employee loans are classified as loans and receivables and subsequently measured at amortised cost.

22. Inventories

	Group		Company	
	2025	2024	2,025	2024
Customer premises equipment	863	646	863	646
Cable and networks	1,390	1,410	1,196	1,216
Other consumables	1,549	1,560	918	724
	3,802	3,616	2,977	2,586
Provision for obsolescence and slow-moving items	(593)	(473)	(474)	(382)
As at 31 December	3,209	3,143	2,503	2,204

(a) Inventories include telecommunication hardware, consumables and office stationery. Inventory is stated net of provisions for slow-moving and obsolete items.

(b) During the year the Group/Company has no write-off of inventories (2024 - LKR Nil).

*(All Amounts in Sri Lanka Rupees Million)***23. Trade and Other Receivables**

	Notes	Group		Company	
		2025	2024	2025	2024
Domestic trade receivables		22,046	23,491	17,972	17,184
Foreign trade receivables		4,838	4,022	2,086	2,462
		26,884	27,513	20,058	19,646
Less: Provision for bad and doubtful receivables		(6,459)	(7,306)	(5,115)	(4,613)
Trade receivables – net		20,425	20,207	14,943	15,033
Amount due from subsidiaries	38.1.1	–	–	2,763	2,264
Amount due from related companies	38.2 (b)	149	149	149	149
Advances and prepayments	23. (a)	5,334	6,546	2,418	3,070
Employee loans	21	880	996	865	976
Other receivables	23. (b)	1,708	2,835	220	166
Amounts due within one year		28,496	30,733	21,358	21,658

(a) Advances and prepayments of the Company mainly consist of advances on foreign and local suppliers advances LKR 1,165 Mn. (2024 – LKR 1,524 Mn.), Advances on Frequency, Tower Leases and Operators of LKR 584 Mn. (2024 – LKR 648 Mn.) payments for software maintenance of LKR 359 Mn. (2024 – LKR 433 Mn.). Advances and prepayments of the Group mainly consist of advances on foreign and local suppliers advances LKR 1,324 Mn. (2024 – LKR 1,948 Mn.), payments for software maintenance of LKR 425 Mn. (2024 – LKR 706 Mn.) Prepaid TRC Frequency LKR 1,207 Mn. (2024 – LKR 1,093 Mn.) and free phone offer LKR 206 Mn. (2024 – LKR 205 Mn.).

(b) Other receivables of the Company consist of refundable deposits of LKR 163 Mn. (2024 – LKR 157 Mn.). Other receivables of the Group mainly consist of refundable deposits of LKR 337 Mn. (2024 – LKR 337 Mn.) and site rentals receivables from other operators LKR 1,457 Mn. (2024 – LKR 1,837 Mn.).

24. Cash and Balances with Banks

	Group		Company	
	2025	2024	2025	2024
Cash at bank and in hand	1,919	1,964	406	812
Fixed deposits	8,016	6,582	1,814	2,535
	9,935	8,546	2,220	3,347

The Fixed deposits of the Group in foreign currency include with a carrying value of LKR 7,651 Mn. (2024 – LKR 5,912). The Fixed deposits of the Company in foreign currency include a carrying value of LKR 1,814 Mn. (2024 – LKR 2,212), the fixed deposits of the Company with a carrying value of LKR Nil (2024 – LKR 323 Mn.) are restricted at bank. The fixed deposits of the Group in LKR include a carrying value of LKR 365 Mn. (2024 – LKR 347 Mn.).

Bank guarantees outstanding as at 31 December 2025 to LKR 287 Mn. have been issued by the Company. Total cash and cash equivalents balances held are available for use by the Company.

24. (a) For Cash Flow Purpose:

	Group		Company	
	2025	2024	2025	2024
Cash and cash equivalents				
Cash and cash equivalents	9,935	8,546	2,220	3,347
Bank overdrafts	(5,799)	(4,157)	(2,845)	(2,598)
	4,136	4,389	(625)	749

(All Amounts in Sri Lanka Rupees Million)

25. Borrowings

	Notes	Group		Company	
		2025	2024	2025	2024
Current (due within one year)					
Bank overdrafts		5,799	4,157	2,845	2,598
Bank borrowings and others	25 (e)	8,290	9,522	2,800	4,000
		14,089	13,679	5,645	6,598
Non-current (due after one year)					
Bank borrowings and others	25 (e)	54,360	57,360	47,450	49,500
		54,360	57,360	47,450	49,500
Total borrowings		68,449	71,039	53,095	56,098

(a) The interest rate exposure of the borrowings of the Group and the Company were as follows:

	Group		Company	
	2025	2024	2025	2024
– At fixed rates	12,622	22,575	9,845	9,598
– At floating rates	55,827	48,464	43,250	46,500
	68,449	71,039	53,095	56,098

The currency exposure of the borrowings of the Group and the Company as at the reporting date were as follows:

	Group		Company	
	2025	2024	2025	2024
Foreign currency	–	–	–	–
Local currency	68,449	71,039	53,095	56,098

(b) Effective interest rates of the Group and the Company are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Average effective interest rates:				
– Bank overdrafts	7.46–13.00	10.01–13.70	7.88	10.01
– Bank borrowings (LKR loans)	7.41–9.28	AWPLR + 0.2% + AWPLR + 1%, 10.15%–11.47%	8.92	11.47
– Debenture	12.75	12.75	12.75	12.75

(c) Maturity analysis of the Group and the Company is as follows:

	Group		Company	
	2025	2024	2025	2024
Maturity of non current borrowings:				
– Between 1 and 2 years	6,742	5,919	1,362	1,466
– Between 3 and 5 years	20,574	19,868	19,044	16,461
– Over 5 years	27,044	31,573	27,044	31,573
	54,360	57,360	47,450	49,500

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

(d) Movement of the borrowings is given below – Group

	Borrowings	Bank overdraft	Total
As at 1 January 2025	66,882	4,157	71,039
– Additions during the year	44,950	80,516	125,466
– Net repayment during the year	(49,182)	(78,874)	(128,056)
	62,650	5,799	68,449

(e) Movement of the borrowings is given below – Company

	Borrowings	Bank overdraft	Total
As at 1 January 2025	53,500	2,598	56,098
– Additions during the year	27,750	79,098	106,848
– Net repayment during the year	(31,000)	(78,851)	(109,851)
	50,250	2,845	53,095

(f) During the year the Company, drew down LKR 3,750 Mn. (2024 – LKR 31,500 Mn.) from the Syndicate term loan and LKR 24,000 Mn. (2024 – LKR 5,000 Mn.) from short term loans.

(g) The Company's unutilised short term facilities and long term facilities as at 31 December 2025 were LKR 22,937 Mn. and LKR Nil Mn. respectively (2024 – LKR 21,192 Mn. and LKR – 7,500). The Group's unutilised short term facilities and long term facilities as at 31 December 2025 LKR 26,437 Mn. and LKR Nil respectively (2024 – LKR 26,588 Mn. and LKR – 10,250).

(h) The loan covenants include submission of audited Financial Statements to the lenders within a specified period from the financial year end, maintenance of covenant ratios and to maintain adequate accounting records in accordance with Sri Lanka Accounting Standards as specified below.

Loans obtained by the Company

- (a) Sampath bank term Loan – No Financial covenants
- (b) Syndicate Loan – Interest Service Coverage Ratio and Debt Service Coverage Ratio, The covenant is tested yearly, until the maturity.

Loans obtained by Subsidiaries

- (a) HNB term Loan – Gearing ratio to be maintained below 2.00 at all the times.
 - Debt Service Cover Ratio to be maintained above 2.00 at all times.
 - Not less than The existing share of collections should continue to be routed through HNB PLC and existing collection arrangement should not be deviated from at any point without prior consent of the Bank.
- (b) NTB PLC term Loan – Debt to Equity ratios to be a minimum of 80:20 for the projected network expansion projects.
 - Gearing ratio to be maintained 2 times at all time

(c) NTB PLC solar Loan – Debt to Equity ratios to be a minimum of 80:20 for the Solar project cost.

- Gearing ratio to be maintained 2 times at all time
- 50% of the operating cash flows in terms of Amex/Frimi/customer and dealer collections of the Company to be assigned and routed through the account in the name of Company maintained with Nations Trust Bank PLC with a minimum amount of Rupees 1,500,000,000/- per month.
- All cash collections from the agreed methods to continue during the tenure of the Loan and cash collections from any new methods mutually agreed with Nations Trust Bank PLC should also be routed through the collection account.
- In the event, the cash cover is below LKR 1,000,000,000/- continuously for more than a 03-month period, the Company to remit collections from own funds to Nations Trust Bank PLC within 60 days of being informed.

(All Amounts in Sri Lanka Rupees Million)

(d) Cargills bank term loan – No Financial covenants

- Monthly minimum of LKR 50 Mn. to be routed through the Company account maintained with Cargills Bank Ltd.
- Monthly cash buildup of LKR 1,000,000/- to be made to the Company's saving account and the funds being built up to be held under lien to the Bank. The Bank is authorised to execute the standing instruction to debit the Current Account of Mobitel (Pvt) Ltd on monthly basis and transfer funds to their Savings Account for this amount.

(e) PABC short term loan – No Financial covenants

- The Group has no indication that it will have difficulty complying with these covenants.
- The Directors believe that the Company and the Group will have sufficient funds available to meet its present loan commitments.
- Lease liabilities of the Company and the Group are effectively secured by the lessor against the rights to the title of the asset.
- Fixed Deposits have been pledged as a collateral for borrowings in Sri Lanka Telecom (Services) Ltd.

26. Deferred Tax Liabilities and Assets**Recognised Deferred Tax (Assets) and Liabilities**

Deferred tax (assets) and liabilities are calculated on all taxable and deductible temporary differences arising from differences between accounting bases and tax bases of assets and liabilities. Deferred tax is provided under the liability method using a principal tax rate of 30% (for the year 2024 – 30%).

The movement in the deferred tax account is as follows:

	Notes	Group		Company	
		2025	2024	2025	2024
As at 1 January		11,612	9,136	8,586	7,582
Written off deferred tax assets of subsidiaries		–	288	–	–
Release to statement of comprehensive income	12	983	2,223	1,838	907
Release to statement of other comprehensive income	12	(87)	(35)	(52)	97
As at 31 December		12,508	11,612	10,372	8,586

The amounts shown in the statement of financial position represents the following:

	Group		Company	
	2025	2024	2025	2024
Deferred tax liabilities – Non-current	12,605	11,626	10,372	8,586
Deferred tax assets	(97)	(14)	–	–
	12,508	11,612	10,372	8,586

The taxable and deductible temporary differences mainly arise from property, plant and equipment, deferred income, provision for defined benefit obligations and other provisions.

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

Deferred tax assets and liabilities of the Group are attributable to the following:

Group	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Property, plant and equipment	–	–	20,922	18,575	20,922	18,575
SLFRS 16 – Leases	–	–	66	(77)	66	(77)
Defined benefit obligations	(1,576)	(1,344)	–	–	(1,576)	(1,344)
Debtor and Inventory Provision including other items	(1,406)	(1,657)	–	–	(1,406)	(1,657)
Deferred income	(822)	(148)	–	–	(822)	(148)
Tax losses	(4,901)	(3,962)	–	–	(4,901)	(3,962)
Written off deferred tax assets of subsidiaries	–	–	288	288	288	288
Other adjustment	–	–	(63)	(63)	(63)	(63)
Tax (assets) liabilities before set-off	(8,705)	(7,111)	21,213	18,723	–	–
Set off of tax	–	–	(8,705)	(7,111)	–	–
Net tax (assets) liabilities	–	–	12,508	11,612	12,508	11,612

Movement in deferred tax balances during the year–Group

	Balance 1 January 2024	Recognised comprehensive income	Recognised in other comprehensive income	Balance 31 December 2024	Recognised comprehensive income	Recognised in other comprehensive income	Balance 31 December 2025
Property, plant and equipment	14,853	3,722	–	18,575	2,347	–	20,922
SLFRS 16 – Leases	(4)	(73)	–	(77)	143	–	66
Defined benefit obligations	(1,189)	(120)	(35)	(1,344)	(145)	(87)	(1,576)
Debtor and Inventory Provision including other items	(1,540)	(117)	–	(1,657)	251	–	(1,406)
Deferred Income	(472)	324	–	(148)	(674)	–	(822)
Tax losses	(2,530)	(1,432)	–	(3,962)	(939)	–	(4,901)
Written off deferred tax assets of subsidiaries	–	288	–	288	–	–	288
Tax credit	(877)	–	–	(877)	–	–	(877)
Tax credit claimed	877	–	–	877	–	–	877
Other adjustments	18	(81)	–	(63)	–	–	(63)
	9,136	2,511	(35)	11,612	983	(87)	12,508

(All Amounts in Sri Lanka Rupees Million)

Deferred tax assets and liabilities of the Company are attributable to the following:

Company	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Property, plant and equipment	–	–	16,066	13,872	16,066	13,872
Defined benefit obligations	(1,076)	(927)	–	–	(1,076)	(927)
Debtor and Inventory Provision including other items	(820)	(823)	–	–	(820)	(823)
Deferred income	(1,042)	(328)	–	–	(1,042)	(328)
Tax loss	(2,756)	(3,208)	–	–	(2,756)	(3,208)
Tax (assets) liabilities before set-off	(5,694)	(5,286)	16,066	13,872	10,372	8,586
Set off of tax	5,694	5,286	(5,694)	(5,286)	–	–
Net tax (assets) liabilities	–	–	10,372	8,586	10,372	8,586

Movement in deferred tax balances during the year – Company as indicated below:

	Balance 1 January 2024	Recognised in comprehensive income	Recognised In other comprehensive income	Balance 31 December 2024	Recognised comprehensive income	Recognised in other comprehensive income	Balance 31 December 2025
Property, plant and equipment	12,147	1,725	–	13,872	2,194	–	16,066
Defined benefit obligations	(904)	(120)	97	(927)	(97)	(52)	(1,076)
Debtor and Inventory Provision including other items	(878)	55	–	(823)	3	–	(820)
Deferred income	(472)	144	–	(328)	(714)	–	(1,042)
Tax losses	(2,311)	(897)	–	(3,208)	452	–	(2,756)
Tax credit	(877)	–	–	(877)	–	–	(877)
Claimed from tax credit	877	–	–	877	–	–	877
	7,582	907	97	8,586	1,838	(52)	10,372

The Group incurred a tax loss during the current financial year primarily due to the claim of Enhanced Capital Allowances (ECA).

A deferred tax asset has been recognised on the tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the losses can be utilised.

The recognition of the deferred tax asset of the Group has resulted in a reduction of the current tax expense and a corresponding increase in profit and equity.

Further details on income taxes are disclosed in Note 12.

The Company has tax losses that are available for offsetting against future taxable profits of the Company.

These losses arose during the current year and can only be utilised against future taxable profits of the Company and cannot be offset against taxable profits of other entities within the Group.

The unused tax losses arising during the year primarily due to Enhanced Capital Allowances (ECA) are available for offset against future taxable profits of the Company and will expire within 10 years from the year in which the losses were incurred, in accordance with the provisions of the Inland Revenue Act.

The deferred tax asset recognised in the Group respect of unused tax losses amounts to LKR 4,901 Mn. (2024: LKR 3,962 Mn.).

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(All Amounts in Sri Lanka Rupees Million)

27. Deferred Income

Sale of mobile recharge cards and reloads for prepaid subscribers are initially recognised as deferred revenue until such time as the subscribers use the services or credit period expires.

IRU revenue relating to leasing of DS cable capacity is recognised on a straight line basis over the period of the contracts. Amounts received in advance for any services are recorded as deferred revenue. In the event that a customer

terminates an IRU prior to the expiry of the contract and releases the Company from the obligation to provide future services, the remaining unamortised deferred revenue is recognised in the period the contract is terminated.

The Deferred income movements are provided below:

	Group		Company	
	2025	2024	2025	2024
Balance as at 1 January 2025	2,738	4,927	142	1,575
Reclassification	–	(954)	–	(954)
Additions	42,145	35,010	478	372
Amortisations	(42,080)	(36,245)	(500)	(851)
Balance as at 31 December 2025	2,803	2,738	120	142

At the end of the year	Group		Company	
	2025	2024	2025	2024
Representing deferred income – Non-current	97	119	97	119
Representing deferred income – Current	2,706	2,619	23	23
	2,803	2,738	120	142

27. (a) Contract Cost Assets

The Contract cost assets movements are provided below:

	Group		Company	
	2025	2024	2025	2024
Balance as at 1 January 2025	2,164	2,602	350	496
Additions	1,369	1,424	53	92
Amortisations	(1,324)	(1,863)	(141)	(238)
Balance as at 31 December 2025	2,209	2,163	262	350

At the end of the year	Group		Company	
	2025	2024	2025	2024
Representing contract cost assets – Non-current	1,290	1,013	197	218
Representing contract cost assets – Current	919	1,150	65	132
	2,209	2,163	262	350

(All Amounts in Sri Lanka Rupees Million)

27. (b) Contract Liabilities

A contract liability of the Company is recognised when the new connection income is received or due (whichever is higher) in which Company received the revenue over the retention period of the customer.

Futer, Mobitel (Pvt) Limited operates a customer loyalty programme ("Loyalty Points"), where points are treated as a separate performance obligation and a portion of the transaction price is allocated and recognised as a contract liability. Revenue is recognised upon redemption or expiry of points.

The figure shows the correct liabilities due to unsatisfied performance obligations as at 31 December 2025.

	Group		Company	
	2025	2024	2025	2024
Opening adjustment as at 1 January 2025	3,755	3,012	3,643	2,732
Reclassification	–	954	–	954
Additions	1,498	1,492	1,301	1,304
Amortisations	(1,602)	(1,703)	(1,326)	(1,347)
Balance as at 31 December 2025	3,651	3,755	3,618	3,643

	Group		Company	
	2025	2024	2025	2024
At the end of the year				
Representing contract liabilities – Non-current	2,425	2,425	2,425	2,425
Representing contract liabilities – Current	1,226	1,330	1,193	1,218
	3,651	3,755	3,618	3,643

28. Trade and Other Payables

	Notes	Group		Company	
		2025	2024	2025	2024
Amounts due within one year					
Domestic trade payables		10,369	7,603	12	30
Foreign trade payables		3,952	3,492	1,031	944
Amount due to subsidiaries	38.1.1	–	–	10,424	9,325
Amount due to related companies	38.2 (b)	121	121	121	121
Capital expenditure payables	28. (a)	1,714	4,172	892	2,839
Social security and other taxes	28. (b)	1,853	1,618	1,853	1,609
Interest payable		988	1,171	548	686
Other Payables including Provisions	28. (c)	9,768	10,411	8,906	8,996
		28,765	28,588	23,787	24,550
Amounts due after one year					
International direct dialing and VoIP deposits		516	8	8	8
Advance on RDA and other contracts		94	743	94	743
Unclaimed dividend		244	244	244	244
Domestic trade payables		687	989	–	–
Capital expenditure payables		493	1,533	760	1,533
		2,034	3,517	1,106	2,528

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

Company	Electricity	Provision for AMC	Trade Licence	Others
Provisions in other payables				
Balance as at 1 January 2025	12	843	60	2,690
Arised during the year	352	694	199	7,567
Utilised	(338)	(843)	(207)	(7,782)
Balance as at 31 December 2025	26	694	52	2,475

Group	Electricity	Provision for AMC	Trade Licence	Others
Provisions in other payables				
Balance as at 1 January 2025	188	843	60	3,713
Arised during the year	2,992	694	199	21,988
Utilised	(2,957)	(843)	(207)	(21,757)
Balance as at 31 December 2025	223	694	52	3,944

- (a) Capital expenditure payables of the Company mainly consist of contractors' payables and retention of LKR 471 Mn. (2024 – LKR 1,303 Mn.) and advances on network restoration after road works of LKR 52 Mn. (2024 – LKR 122 Mn.) and LC Capex payable LKR 174 Mn. (2024 – LKR 1,414 Mn.) Capital expenditure payables of the Group mainly consist of contractors' payable and retention of LKR 1,111 Mn. (2024 – LKR 2,333 Mn.) and advances on network restoration after road works of LKR 52 Mn. (2024 – LKR 122 Mn.) and LC Capex payable LKR 382 Mn. (2024 – LKR 1,778 Mn.).
- (b) Social security and other taxes of the Company mainly consist of Telecommunication Levy (TL) of LKR 242 Mn. (2024 – LKR 241 Mn.), Cess LKR 117 Mn. (2024 – LKR 110 Mn.), VAT Payable of LKR 666 Mn. (2024 – LKR 597 Mn.), Social security contribution levy (SSCL) of LKR 156 Mn. (2024 – LKR 151 Mn.), EPF payable of LKR 170 Mn. (2024 – LKR 149 Mn.). Social security and other taxes of the Group mainly consist of Telecommunication Levy (TL) of LKR 436 Mn. (2024 – LKR 391 Mn.), Cess of LKR 104 Mn. (2024 – LKR 157 Mn.). VAT payable of LKR 1,192 Mn. (2024 – LKR 1,071 Mn.) SSCL LKR 290 Mn. (2024 – LKR 281 Mn.) EPF payable of LKR 176 Mn. (2024 – LKR 158 Mn.).
- (c) Other payables of the Company mainly consist of dividend payable to the Government of Sri Lanka of LKR 244 Mn. (2024 – LKR 244 Mn.), payable for unpaid supplies of LKR 3,958 Mn. (2024 – LKR 4,057 Mn.), International Telecommunication Operators' Levy payable of LKR 45 Mn. (2024 – LKR 40 Mn.), and accrued expenses and other payables of LKR 789 Mn. (2024 – LKR 567 Mn.). Provision for Salary related expenses of LKR 1,237 Mn. (2024 – LKR 963 Mn.), Provision for Operational and Marketing expenses of LKR 724 Mn. (2024 – LKR 953 Mn.) Provision for Tower Rental Operators of LKR 127 Mn. (2024 – LKR 206 Mn.) Other payables of the Group mainly consist of dividend payable to the Government of Sri Lanka of LKR 244 Mn. (2024 – LKR 244 Mn.), payable for unpaid supplies of LKR 5,620 Mn. (2024 – LKR 5,856 Mn.), International Telecommunication Operators' Levy payable of LKR 86 Mn. (2024 – LKR 86 Mn.) and accrued expenses and other payables of LKR 3,142 Mn. (2024 – LKR 2,689 Mn.).

29. Vendor Financing

	Group		Company	
	2025	2024	2025	2024
Non-current (due after one year)	–	7,502	–	7,502
Current (due within one year)	776	6,536	–	2,015
	776	14,038	–	9,517

(All Amounts in Sri Lanka Rupees Million)

(a) The interest rate exposure of the vendor financing of the Group and the Company were as follows:

	Group		Company	
	2025	2024	2025	2024
– At floating rates	–	9,517	–	9,517
– At fixed rates	776	4,521	–	–
	776	14,038	–	9,517

The currency exposure of the borrowings of the Group and the Company as at the reporting date were as follows:

	Group		Company	
	2025	2024	2025	2024
Local currency	–	9,517	–	9,517
Foreign currency	776	4,521	–	–
	776	14,038	–	9,517

(b) Effective interest rates of the Group and the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
Average effective interest rates:				
SLT	AWPLR + 0.75 p.a.	AWPLR + 0.75 p.a.	–	AWPLR + 0.75 p.a.
Mobitel	SOFR + 2%, 5%, 5.5%	SOFR + 2%, 5%, 5.5%	–	–

(c) Maturity analysis of the Group and the Company is as follows:

	Group		Company	
	2025	2024	2025	2024
Maturity of non-current vendor financing				
– Between 1 and 2 years	–	1,567	–	1,567
– Between 3 and 5 years	–	4,863	–	4,863
– Over 5 years	–	1,072	–	1,072
	–	7,502	–	7,502

(d) Terms and conditions of the vendor financing arrangements

Name of the Vendor	2025	2024	Payment Term	Security or guarantees provided
Browns Engineering and Construction (Pvt) Ltd.	–	9,302	Capital – Two year grace and Quarterly repayment over seven years	No
Unit Rate Contractors	–	215	Capital – Bullet repayment after two years	No
Huawei International Pte. Ltd.	422	3,087	Capital – Hundred percent (100%) of each shipment value shall be paid by D/A within 360 Calendar Days from the Bill of Lading Date. Interest – Mobitel shall pay interest in 12 months after Acknowledgement to Notice of Assignment (“AOA”) signature at the rate of 5.5% per annum.	No
ZTE Corporation	355	1,434	Capital – LKR 706 Mn. Hundred percent (100%) of each shipment value shall be paid by D/A within 360 Calendar Days from the AWB Date/Bill of Lading Date.	No

*(All Amounts in Sri Lanka Rupees Million)***30. Employee Benefits**

	Group		Company	
	2025	2024	2025	2024
Total employee benefit liability as at 1 January	6,317	6,117	5,272	5,221
Movement in present value of employee benefit liabilities				
Current service cost	397	354	307	267
Interest cost	705	806	580	679
Actuarial gain/(loss)	195	(222)	174	(322)
Benefit paid during the year	(838)	(738)	(756)	(573)
As at 31 December	6,776	6,317	5,577	5,272
Expenses recognised in the income statement				
Current service cost	397	354	307	267
Interest cost	705	806	580	679
	1,102	1,160	887	946
Recognised in other comprehensive income				
Actuarial gain/(loss)	195	(222)	174	(322)
	195	(222)	174	(322)

The principal actuarial assumptions used were as follows:

	Group		Company	
	2025	2024	2025	2024
Discount rate (long-term)	10.5-11	9.0-12.0	10.50	11.0
Future salary increases	8.0-11.0	8.0-10.0	8.00	10.0
Expected average working life of employees – Years	8.2-11.4	8.5-11.4	8.50	9.0
Retirement age of the employees – Years	60	55-60	60	55-60

In addition to above, demographic assumptions such as mortality, withdrawal, retirement age were considered for the actuarial valuation. In 2025, 1967/70 Mortality Table issued by the Institute of Actuaries London (2024 – 1967/1970 Mortality Table) was taken as the base for the valuation.

The provisions for defined obligations of Sri Lanka Telecom PLC, Sri Lanka Telecom (Services) Limited and Mobitel (Private) Limited, are actuarially valued by Messrs. Actuarial and Management Consultants (Private) Limited and Messrs. Piyal S Goonetilleke and Associates respectively.

The provision for defined benefit obligations is not externally funded.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

The sensitivity of the statement of profit or loss and other comprehensive income and the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate as depicted in the following table.

(All Amounts in Sri Lanka Rupees Million)

Sri Lanka Telecom PLC

2025	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
Discount rate (Change by 1%)	(250)	274	(250)	274
Salary increment rate (Change by 1%)	302	(281)	302	(281)

2024	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
Discount rate (Change by 1%)	(248)	272	(248)	272
Salary increment rate (Change by 1%)	295	(273)	295	(273)

Mobitel Private Limited

2025	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
Discount rate (Change by 1%)	(84)	97	(84)	97
Salary increment rate (Change by 1%)	101	(89)	101	(89)

2024	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
Discount rate (Change by 1%)	(67)	76	(67)	76
Salary increment rate (Change by 1%)	74	(67)	74	(67)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Maturity Analysis of the Payments

The following payments are expected on employee benefit plan – gratuity in future years.

	Group		Company	
	2025	2024	2025	2024
– Within the next 12 months	913	886	817	782
– Between 1 and 2 years	1,512	1,382	1,408	1,224
– Between 3 and 5 years	1,914	1,728	1,592	1,432
– Between 6 and 10 years	1,674	1,537	1,170	1,187
– Beyond 10 years	763	784	590	647
Total expected payments	6,776	6,317	5,577	5,272
Weighted average duration of defined benefit obligation (years)	5 to 10	6 to 9	5	5

*(All Amounts in Sri Lanka Rupees Million)***31. Grants**

	Group	
	2025	2024
Balance as at 1 January 2025	111	–
Grants received during the year	–	138
Amortised during the year	(8)	(27)
Balance as at 31 December 2025	103	111

31.1 Grants Received for the Group is as follows:

Mobitel (Private) Limited – Grants were received from the Telecommunications Regulatory Commission of Sri Lanka, during the year 2024 for constructing fourteen tower sites namely Kalatuwakanda, Gillimale South, Walleketiya, Kaduruwewa, Pothuwila, Panahanduwa, Wathurawa, Ihalagalagama, Panana, Kuragala, Palugahawewa, Passaramulla, Gurugoda and Hiruwalpola in Kurunegala and Rathnapura districts under Gamata Sannivedanaya Project. There are no unfulfilled conditions or contingencies attached to these grants.

32. Insurance Reserves

	Group/Company	
	2025	2024
As at 1 January	300	300
As at 31 December	300	300

33. Stated Capital

	Group/Company	
	2025	2024
Issued and fully paid		
1,804,860,000 ordinary shares	18,049	18,049

(All Amounts in Sri Lanka Rupees Million)

34. Cash Generated from Operations

Reconciliation of profit before tax to cash generated from operations:

	Notes	Group		Company	
		2025	2024	2025	2024
Profit before tax		11,328	6,037	8,083	3,020
Adjustments for:					
Depreciation on property, plant and equipment	7	22,697	23,527	15,580	16,899
Depreciation on right-of-use assets	7	3,068	3,990	629	1,024
Amortisation of intangible assets	7	2,236	2,314	873	1,013
Provision for bad and doubtful debts	7	2,274	1,013	2,140	1,324
Provision/(reversals) of inventory	7	103	178	103	180
Finance costs	9	7,054	8,979	4,979	6,977
Unrealised exchange (gain)/loss		(583)	147	(276)	14
Interest income	11	(969)	(1,087)	(695)	(812)
Connection fees less amortisation		(889)	(1,235)	(976)	(479)
Profit on sale of property, plant and equipment		(758)	(378)	(531)	(200)
Impairment/(reversal) of property plant and equipment	7	149	(91)	121	(91)
Share of profit from joint venture	18.2	(53)	(1)	(53)	(1)
Impairment of subsidiary investments		–	–	–	150
Provision for retirement benefit obligations	30	1,102	1,160	888	946
Movement in grant	31	(8)	(111)	–	–
SLFRS 15 adjustment		804	228	1,016	103
Gain on disposal of Talentfort (Pvt) Ltd		–	(45)	–	–
		47,555	44,625	31,881	30,067
Changes in working capital:					
– Receivables and prepayments		1,068	789	(2,008)	(1,221)
– Inventories		46	1,047	(187)	1,146
– Payables		(897)	(12,739)	(587)	(3,406)
Cash generated from operations		47,772	33,723	29,099	26,586

(All Amounts in Sri Lanka Rupees Million)

35. Capital Commitments

The Group and the Company have purchase commitments in the ordinary course of business as at 31 December as follows:

	Group		Company	
	2025	2024	2025	2024
Property, plant and equipment				
– Approved but not contracted	6,334	6,931	2,438	5,135
– Approved and contracted	13,362	4,717	9,946	3,049
	19,696	11,648	12,384	8,184

Operating Lease Commitments

The maturity analysis of the future minimum lease payments and other commitment payments are as follows:

	Group		Company	
	2025	2024	2025	2024
– Not later than one year	4,262	3,339	528	309
– Later than one year and not later than five years	3,814	3,579	49	25
– Later than five years	3,513	2,301	–	–
	11,589	9,219	577	334

Above cash flows are the contractual gross and undiscounted cash flows and such undiscounted cash flows differ from the discounted amounts included in the Statement of Financial Position.

Other Financial Commitments

Except for any regular maintenance contracts entered into with third parties in the normal course of business, there are no other material financial commitments that requires separate disclosure.

36. Reclassification of Prior year Balances

The following balances have been reclassified in financial year 2025 for fair presentation.

	Group			Company		
	Year 2024 before adjustment	Adjustment	Year 2024 after adjustment	Year 2024 before adjustment	Adjustment	Year 2024 after adjustment
Contract liabilities – Non-Current	1,671	754	2,425	1,671	754	2,425
Deferred Income – Non-Current	873	(754)	119	873	(754)	119
Contract liabilities – Current	1,130	200	1,330	1,018	200	1,218
Deferred income – Current	2,819	(200)	2,619	223	(200)	23
Trade and other payables – Current	27,902	686	28,588	23,864	686	24,550
Borrowings – Current	14,365	(686)	13,679	7,284	(686)	6,598

(All Amounts in Sri Lanka Rupees Million)

37. Contingencies

- (a) 12/2008 CBCU, an inquiry by Sri Lanka Customs – A consignment of CDMA equipment was detained in October 2008 by the Customs Authority. Subsequently the equipment were cleared pending the Inquiry, based on a cash deposit and bank guarantee submitted by SLT. The Order was delivered in October 2014 imposing a mitigated forfeiture of LKR 1,820,502,062.00 on SLT. SLT has filed Case in Court of Appeal under CA/writ/387/2014 against this Order and interim order was issued by court on 9 March 2016, precluding Respondents from enforcing order dated 17 October 2014. In September 2020, the court of Appeal gave the judgement in favor of SLT and the order given by the Customs Authority was dismissed. The Custom Authority appealed to the Supreme Court against the order. Under the case bearing no SC/SPL/LA/224/2020 – on 18 November 2022 the Supreme Court refused to grant leave and dismissed the case. However Customs have filed an application to review the decision by a higher bench on 17 February 2023. Supported on 16 July 2025. Judgement due.
- (b) Customs Case No. ADP/031/2009 – Goods valued at USD 996,785.65, which was imported under the last consignment of equipment for NGN Phase II expansion project, was detained by the Customs in May 2009. Subsequently, the equipment was cleared in July 2009. Pending the Inquiry. Presently awaiting the decision of the Customs Department.
- (c) Debt Recovery Officers who were attached to SLT had filed legal proceedings in Labour Department (Labour Commissioner) and Labour Tribunal and number of proceeding initiated under each forum are 49 and 21 respectively. The relief claimed

includes EPF, ETF and compensation with regard to proceedings initiated before the Labour Commissioner and includes re-instatement or compensation under the Proceedings before Labour Tribunal. An appeal bearing No. WR 232/2015 filed by SLT in the Court of Appeal was dismissing and SLT filed an appeal to Supreme Court bearing case no. SC(SPL)LA 02/2020 against the order in WR 232/2015. Special Leave to Appeal was obtained by SLT on 17 March 2021 in case no SC (SPL) LA 02/2020. The new Case No is SC/ Appeal/41/2021. Case is fixed for argument on 19 October 2026.

- (d) Several Unions (11) at SLT has made a written Complaint to Labour Commissioner dated 10 April 2023, complaining that the employees at Talentfort pvt Ltd has not been recruited to SLT with other HCS employees at the recruitment process in year 2020 and thereby caused an injustice to the said Talentfort employees. Under the said complaint, the complaints have complained that there were 186 employees worked until year 2020 and it has been dropped – down to 86 employees by the year 2023. Currently working only 61 employees out of these 86 employees. An inquiry was held by the Labour Officer under the inquiry No. CS/COA/A/02/213/23 pertaining to 86 employees were employed at Talentfort pvt Ltd by the year 2023. Written submissions on behalf of SLT and Talentfort employees were filed on 4 September 2023 and a preliminary objection was taken up on behalf of SLT that the Talentfort employees are not the members of the Complainant Unions and thereby the said Unions have no right to appear on behalf of Talentfort employees. The matter is pending for order.

In addition to the above referred cases, there are other claims by employees and third parties for damages and other relief. In the opinion of the Directors' none of these actions are likely to result in a material liability to the Company and its subsidiaries.

With regard to cases detailed above, pending the outcome of the appeals and hearings, no provisions have been recognised in the Financial Statements up to 31 December 2025.

Bank guarantees outstanding as at 31 December 2025 LKR 287 Mn. have been issued by the Company to its customers to secure tenders, custom clearing etc.

The Company has provided a corporate guarantees on behalf of its subsidiaries as follows:

SLT PLC has provided a corporate guarantee of LKR 200 Mn. (2024 – LKR 200 Mn.) for Mobitel (Pvt) Ltd for Term Loan granted by Mobitel (Pvt) Ltd to Sri Lanka Telecom (Services) Ltd. The Carrying Value of the above is LKR 43 Mn. (2024 – LKR 83 Mn.).

SLT PLC has provided a corporate guarantee of USD 2.6 Mn. (2024 – USD 2.6 Mn.) for Bank of Ceylon for LC facility granted by Bank of Ceylon to Sri Lanka Telecom (Services) Ltd. The Carrying Value of the above is USD 0.5 Mn. (2024 – USD 1.6 Mn.).

The Group has lodged an insurance claim relating to Dithwa. While management expects a favorable outcome, the receipt of the claim is not yet virtually certain. Accordingly, no asset has been recognised, and the matter is disclosed as a contingent asset.

*(All Amounts in Sri Lanka Rupees Million)***38. Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. A related party transaction takes place with a transfer of resources or obligations between related parties, regardless of whether a price is charged. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent Related Party Transactions

There were no non-recurrent related party transactions during the financial year which, in aggregate, exceeded 10% of the Company's equity or 5% of its total assets (whichever is lower), based on the audited financial statements as at 31 December 2025. Accordingly, no additional disclosures were required in the Annual Report 2025 in terms of Colombo Stock Exchange Listing Rule 9.14.8 and the Code of Best Practice on Related Party Transactions, as stipulated in the Securities and Exchange Commission Directive issued pursuant to Section 13(c) of the Securities and Exchange Commission Act.

Recurrent Related Party Transactions

There were no recurrent related party transactions during the financial year which, in aggregate, exceeded 10% of the Group's consolidated revenue, based on the audited financial statements as at 31 December 2025. Accordingly, no additional disclosures were required in the Annual Report 2025 in terms of Colombo Stock Exchange Listing Rule 9.14.8 and the Code of Best Practice on Related Party Transactions, as stipulated in the Securities and Exchange Commission Directive issued pursuant to Section 13(c) of the Securities and Exchange Commission Act.

38.1 Transactions with Subsidiaries**(a) Mobitel (Private) Limited**

	Company	
	2025	2024
Sale of goods and services:		
Provision of Infrastructure	6,561	6,100
Interconnection charges	36	47
TM Forum and others	9	–
	6,606	6,147
Purchase of goods and services:		
Call charges on official mobile phone	134	157
Interconnection charges	151	402
Antenna tower space and infrastructure	457	766
M-Cash, Building rent and others	134	172
Data anchoring	528	239
	1,404	1,736

As per the TRC approval dated 19 May 2014, Mobitel is entitled to receive discounts if the Company uses more than 3,500 E1 Links. Further, Mobitel receives discounts on infrastructure services provided by Sri Lanka Telecom PLC.

(b) SLT Digital Services (Private) Limited

	Company	
	2025	2024
Sale of goods and services:		
Supply of services	–	10

SLT Digital Services (Private) Limited provides event management services to SLT PLC. As per the agreement, SLT Digital Info Services (Private) Limited is entitled to receive a retainer for the services provided.

SLT Digital Services (Private) Limited is amalgamated with Sri Lanka Telecom (Services) Ltd w.e.f. 1 April 2024.

(All Amounts in Sri Lanka Rupees Million)

(c) Sri Lanka Telecom (Services) Limited

	Company	
	2025	2024
Sale of goods and services:		
Supply of services	122	98
Purchase of goods and services:		
Total Network Solutions	2,649	2,345
Service provisioning	4,043	2,960
Event management and other services	5	1

SLT PLC has provided a corporate guarantee of LKR 200 Mn. (2024 – LKR 200 Mn.) for Mobitel (Pvt) Ltd. for Term Loan granted by Mobitel (Pvt) Ltd to Sri Lanka Telecom (Services) Ltd.

(d) Talentfort (Private) Limited

	Company	
	2025	2024
Sale of goods and services:		
Supply of services	–	15
Purchase of goods and services:		
Provision of manpower service	–	41

On 29 August 2024, the Company sold 100% of its investments in Talentfort (Pvt) Ltd.

(e) SLT VisionCom (Private) Limited

	Company	
	2025	2024
Sale of goods and services:		
Supply of services	–	11
Purchase of goods and services:		
Service provisioning	–	977

Service fees/revenue share:

Sri Lanka Telecom PLC recognised 50% of IPTV revenue as revenue share payable to SLT VisionCom (Pvt) Ltd. from 1 January 2021.

Supply of services provided for the above mentioned subsidiaries include voice, broadband, data and providing building spaces.

SLT PLC has provided a corporate guarantee of USD 2.6 Mn. (2024 – USD 2.6 Mn.) for Bank of Ceylon for LC facility granted by Bank of Ceylon to Sri Lanka Telecom (Services) Ltd.

*(All Amounts in Sri Lanka Rupees Million)***(f) Fees for secondment of personnel and services provided to/by SLT PLC**

	Company	
	2025	2024
SLT Digital Services (Private) Limited	–	8
SLT VisionCom (Private) Limited	–	8
SLT Services (Private) Limited	96	73
Talentfort (Private) Limited	–	13
	96	102

No post-employment benefits paid by SLT PLC to secondment of personnels during the year 2025 and 2024.

(g) Loan to Sri Lanka Telecom (Services) Limited by Mobitel (Private) Limited

	Interest		Amount	
	2025	2024	2025	2024
Loan	7	12	43	83
	7	12	43	83

The loan granted to Sri Lanka Telecom (Services) Limited is intended to finance the working capital requirement of the Company. The loan is fully secured and repayable in full on 15 December 2026. Interest is charged at AWPLR or 5 year Treasury bond rate whichever is higher.

Transactions with joint ventures

(a) Galle Submarine Cable Depot (Pvt) Ltd.

	Group	
	2025	2024
Purchase of goods and services:		
Service provisioning	38	39

38.1.1 (i) Outstanding Balances Arising from Sale/Purchase of Services

	Company	
	2025	2024
Receivable from subsidiaries:		
Mobitel (Private) Limited	2,589	2,047
Sri Lanka Telecom (Services) Limited	172	215
SLT Human Capital Solutions (Private) Limited	2	2
	2,763	2,264

(All Amounts in Sri Lanka Rupees Million)

	Company	
	2025	2024
Payable to subsidiaries:		
Mobitel (Private) Limited	8,846	7,138
Sri Lanka Telecom (Services) Limited	1,578	2,187
SLT Human Capital Solutions (Private) Limited	–	–
	10,424	9,325

38.2 Transactions with Other Related Parties

(a) Maxis Communications Berhad and its subsidiaries

	Group		Company	
	2025	2024	2025	2024
Sale of goods and services:				
International incoming traffic	5	5	8	8

(b) Outstanding balance arising from sale/purchase services

	Group		Company	
	2025	2024	2025	2024
Receivable from related company:				
Maxis Communications Berhad and its subsidiaries	149	149	149	149
Payable to related company:				
Maxis Communications Berhad and its subsidiaries	121	121	121	121

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Company recognised provision for expected credit losses of LKR Nil relating to amounts owed by related parties. (2024 – Nil)

(C) Government-related key institutions

The Government of Sri Lanka holds 50.23% of the voting rights of the Company as at 31 December 2025 through the secretary to the Treasury and those have control over the financial and operating policies of the Company. Accordingly, the Company has

considered the Government of Sri Lanka as a related party according to LKAS 24 "Related Party Disclosure".

During the year ended 31 December 2025, the Company has carried out transactions with the Government of Sri Lanka and other Government related entities in the ordinary course of business.

The Company identified individually significant transactions with Key Government related entities as given below:

- (i) Revenue from provision of telecommunication services to Government-related key institutions during the year ended 31 December 2025 amounted to LKR 5,288 Mn. (2024 – LKR 3,835 Mn.) and credit receivables as at 31 December 2025 amounted to LKR 2,045 Mn. (2024 – LKR 1,324 Mn.)

- (ii) Deposits of the Group with Government banks amounted to LKR 4,946 Mn. (2024: LKR 3,402 Mn.) as at 31 December 2025. Borrowings and interest payables of the Group with Government banks amounted to LKR 17,544 Mn. (2024: LKR 16,137 Mn.) as at 31 December 2025.
- (iii) Dividend payable to the Government amounting to LKR 244 Mn. (2024 – LKR 244 Mn.)

The sales to and purchases from government related key institutions are made on terms equivalent to those that prevail in arm's length transactions.

- (iv) Sri Lanka Telecom (Services) Ltd has obtained a LC facility from Bank of Ceylon amounting to USD 2.6 Mn.

*(All Amounts in Sri Lanka Rupees Million)***38.3 Transactions with Key Management Personnel**

Key management personnel comprise the directors and chief officers of the Company and the group

	Group		Company	
	2025	2024	2025	2024
Short term benefits	632	630	387	408
Post employment benefits	114	176	98	117
Termination benefits	–	–	–	–
Salaries and other benefits	746	806	485	525
Loan granted	4	12	2	3

All transactions during the year and balances as at the reporting date between the following companies have been eliminated in preparing the consolidated Financial Statements:

- Mobitel (Private) Limited
- Sri Lanka Telecom (Services) Limited
- SLT Human Capital Solutions (Private) Limited
- eChannelling PLC
- Mobitel Technologies (Private) Limited
- Xyntac Singapore PTE LTD

Related party transactions disclosed above should be read in conjunction with Notes 18 to the Financial Statements.

39. Non-Uniform Accounting Policies

The impact of non-uniform accounting policies adopted by the subsidiary company has been adjusted in the consolidated Financial Statements as set out below:

(a) Adjustment due to different accounting policies of the parent and the Group entity

Sri Lanka Telecom PLC accounts for refunds on Telecommunication Development Charge (TDC) on cash basis when the payment is received whereas Mobitel (Private) Limited recognises it in the statement of profit or loss and other comprehensive income on a straight line basis.

Therefore, the recognition of the refund by Mobitel (Private) Limited was eliminated and is recognised on cash basis in the consolidated accounts.

	Group impact	
	2025	2024
Reversal of deferred revenue recognised in statement of profit or loss and other comprehensive income by Mobitel (Private) Limited	–	(21)

(All Amounts in Sri Lanka Rupees Million)

40. Fair Value Disclosure

Set out below is a comparison by class of the carrying amounts and fair values of the financial instruments that are carried in the Financial Statements.

	Carrying Amount				Fair Value			
	Group		Company		Group		Company	
	2025	2024	2025	2024	2025	2024	2025	2024
Financial Assets								
Equity instruments designated at fair value through OCI	3	3	–	–	6	3	–	–
Trade and other receivables	23,162	24,187	18,940	18,588	23,162	24,187	18,940	18,588
Short - term deposits	3,131	868	3,092	830	3,131	868	3,092	830
cash and balances with banks	9,935	8,546	2,220	3,347	9,935	8,546	2,220	3,347
Total	36,228	33,601	24,252	22,765	36,228	33,601	24,252	22,765
Borrowings	62,650	66,882	50,250	53,500	39,861	46,344	30,358	35,776
Trade and other payables	28,946	30,487	23,040	25,469	28,270	29,228	22,673	24,564
Bank overdrafts	5,799	4,157	2,845	2,598	5,799	4,157	2,845	2,598
Total	97,395	101,526	76,135	81,567	73,930	79,729	55,876	62,938

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption was used to estimate the fair values:

Cash and bank balances, short term deposits, trade receivables, trade payables (current) and bank overdraft approximate their carrying amounts lastly due to the short term maturities of these investments.

Fair value of trade and other payables and borrowings have been arrived by discounting gross values by the year end AWFDR rate and AWPR respectively.

The following table shows an analysis of assets recorded/disclosed at fair value by level of the fair value hierarchy.

As at 31 December 2025	Group			Company		
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
Financial assets						
Equity instruments designated at fair value through OCI	6	–	–	–	–	–
Trade and other receivables	–	23,162	–	–	18,940	–
Short term deposits	–	3,131	–	–	3,092	–
cash and balances with banks	–	9,935	–	–	2,220	–
Total	6	36,228	–	–	24,252	–
Borrowings	–	39,861	–	–	30,358	–
Trade and other payables	–	28,270	–	–	22,673	–
Bank overdrafts	–	5,799	–	–	2,845	–
Total	–	73,930	–	–	55,876	–

Notes to the Financial Statements

(All Amounts in Sri Lanka Rupees Million)

As at 31 December 2024	Group			Company		
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
Financial assets						
Equity instruments designated at fair value through OCI	3	–	–	–	–	–
Trade and other receivables	–	24,187	–	–	18,588	–
Short term deposits	–	868	–	–	830	–
cash and balances with banks	–	8,546	–	–	3,347	–
Total	3	33,601	–	–	22,765	–
Borrowings	–	46,344	–	–	35,776	–
Trade and other payables	–	29,228	–	–	24,564	–
Bank overdrafts	–	4,157	–	–	2,598	–
Total	–	79,729	–	–	62,938	–

Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values of those financial instruments which are not already recorded at fair value in the Financial Statements.

Assets for which fair value approximates carrying value

Financial assets and liabilities that have a short term maturity, it is assumed that the carrying amounts approximate their fair values.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

Variable rate financial instruments

Variable rate is a fair measure which reflects market movements. Hence the carrying value represents the fair value of the variable rate instruments.

4.1. Events After the Reporting Date

Proposed dividend declaration

The Board of Directors of the Company has recommended a first and final dividend of LKR 0.75 per share (2024 – LKR 0.25 per share) on voting shares of the Company to be paid by way of cash dividend for the financial year ended 31 December 2025.

Further, this dividend is to be approved at the Annual General Meeting to be held on 19 June 2026. This proposed final dividend has not been recognised as a liability as at 31 December 2025. Final dividend proposed for the year amounts to LKR 1,354 Mn. in Compliance with section 56 and 57 of Companies Act No. 07 of 2007. As required by section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the Company satisfied the solvency test in accordance with the Section 57,

prior to recommending the final dividend. A statement of solvency completed and duly signed by the Directors on 13 March 2026 has been audited by Messrs. Ernst & Young on behalf of National Audit Office.

Except as disclosed above, no other events have arisen since the statement of Financial Position date which require changes to, or disclosure in the Financial Statements.

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Ten Year Progress – Group

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Financial position – Group										
Property, plant and equipment and investment properties	161,858	173,583	174,466	164,916	141,937	137,208	140,632	123,850	117,035	108,649
Total assets	234,350	239,161	246,338	240,584	219,941	204,456	209,019	180,435	159,206	142,910
Current assets	46,268	44,714	50,279	55,451	58,417	46,762	46,718	45,377	31,048	27,464
Current liabilities	50,574	54,817	81,379	73,425	55,432	46,686	56,949	52,378	57,885	45,226
Borrowings	68,449	71,039	63,774	47,295	46,589	55,057	61,676	55,835	41,811	32,940
Equity	100,929	91,475	88,385	92,488	93,976	84,281	78,167	73,720	71,404	68,678
Performance										
Revenue	114,176	111,148	106,418	107,710	102,348	91,119	85,948	81,445	75,741	73,801
Operating profit	14,201	11,189	4,102	12,518	13,844	11,632	8,539	7,613	3,918	5,726
Finance cost	7,054	8,979	11,292	4,894	3,022	2,902	2,067	239	159	250
Profit/(loss) before tax	11,328	6,037	(2,651)	10,588	12,818	9,713	8,216	7,169	5,528	6,497
Taxation	1,314	2,917	1,270	5,823	657	1,832	1,894	2,221	1,588	1,707
Profit/(loss) after tax	10,014	3,120	(3,921)	4,765	12,161	7,881	6,322	4,948	3,940	4,790
Cash flow										
Net operating cash flows	39,977	22,931	17,224	28,914	43,381	32,300	20,410	19,656	18,224	19,466
Net cash used in investing activities	(18,754)	(25,839)	(32,676)	(40,768)	(30,001)	(15,034)	(28,278)	(22,890)	(27,415)	(24,347)
Net cash from/(used in) financing activities	(21,712)	2,929	13,115	663	(7,381)	(9,003)	4,957	16,909	756	(360)
Key financial indicators										
Earnings per share (LKR)	5.55	1.73	(2.17)	2.64	6.73	4.37	3.50	2.74	2.18	2.65
Return on assets (%)	4.27	1.30	-1.59	1.98	5.53	3.85	3.02	2.74	2.47	3.35
Return on equity (%)	9.92	3.41	-4.44	5.15	12.94	9.35	8.09	6.71	5.52	6.97
Operating margin (%)	12.44	10.07	3.85	11.62	13.53	12.77	9.94	9.35	5.17	7.76
Asset turnover (Number of times)	0.49	0.46	0.43	0.45	0.47	0.45	0.41	0.45	0.48	0.52
Current ratio (Number of times)	0.91	0.82	0.62	0.76	1.05	1.00	0.82	0.87	0.54	0.61
Quick asset ratio (Number of times)	0.85	0.76	0.57	0.71	1.01	0.94	0.76	0.82	0.48	0.57
Debt/equity ratio (Number of times)	0.76	0.99	1.02	0.78	0.66	0.78	0.93	0.76	0.59	0.48
Interest cover (Number of times interest)	2.39	1.46	0.55	1.75	3.31	1.91	1.47	1.77	2.02	4.53
Net assets per share (LKR)	55.85	50.61	48.90	51.18	52.01	46.64	43.25	40.79	39.81	38.00
Dividend per share (LKR)	0.75	0.25	Nil	0.25	2.02	1.49	1.06	1.06	0.89	0.89

1. Earnings per share – Earnings per ordinary share (EPS) – Profit attributable to ordinary shareholders divided by the number of ordinary shares in use.
2. Return on Assets – Return on assets (ROA) – Profit after tax expressed as a percentage of the average assets; indicates overall effectiveness in generating profits with available assets.
3. Return on Equity – Return on equity (ROE) – Net profit attributable to owners, expressed as percentage of average ordinary shareholders' equity.
4. Operating Margin – Operating margin is a measurement of what proportion of revenue is left over after paying for variable costs of production such as wages, raw materials, etc.
5. Asset Turnover – Asset turnover ratio measures the value of sales or revenues generated relative to the value of its assets.
6. Current Ratio – The current ratio measures the ability to cover its short-term liabilities with its current assets.
7. Quick Asset Ratio – The Quick Ratio, also known as the Acid-test or liquidity ratio, measures the ability of a business to pay its short-term liabilities by having assets that are readily convertible into cash.
8. Debt/Equity Ratio – The Debt/Equity ratio measures the proportion of borrowed funds to its equity.
9. Interest Cover – Number of times interest expense is covered by earnings before interest and tax.
10. Net assets per share – Net assets per share measures net assets divided by number of ordinary shares in use.

Investor Information

➤ Distribution of shares

Shareholding	Resident			Non-resident			Total		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
1 – 1,000 shares	11,355	3,055,150	0.17	16	6,755	0.00	11,371	3,061,905	0.17
1,001 – 10,000 shares	2,468	9,207,222	0.51	24	121,465	0.01	2,492	9,328,687	0.52
10,001 – 100,000 shares	351	8,380,452	0.46	4	88,334	0.00	355	8,468,786	0.46
100,001 – 1,000,000 shares	29	7,545,275	0.42	0	0	0.00	29	7,545,275	0.42
Over 1,000,000 shares	9	964,697,478	53.45	1	811,757,869	44.98	10	1,776,455,347	98.43
	14,212	992,885,577	55.01	45	811,974,423	44.99	14,257	1,804,860,000	100.00

➤ Categories of shareholders

Category	Number of shareholders	Number of shares
Individual	14,012	22,974,534
Institutional	245	1,781,885,466
Total	14,257	1,804,860,000

➤ 20 Major shareholders as at 31 December 2025

No.	Name	Shareholding	[%]
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.	Seylan Bank Plc/K L G Udayananda	3,365,484	0.19
7.	Employees Trust Fund Board	3,302,188	0.18
8.	Sri Lanka Insurance Corporation Ltd-General Fund	2,041,538	0.11
9.	People's Leasing & Finance Plc/K I Udayananda	1,319,851	0.07
10.	Mr K L G Udayananda	1,064,893	0.06
11.	Dr T K D A P Samarasinghe	925,000	0.05
12.	Bank of Ceylon A/C Ceybank Century Growth Fund	720,244	0.04
13.	Senkadagala Finance Plc/S Gobinath	569,980	0.03
14.	Mr R P Weerasooriya	520,710	0.03
15.	People's Leasing & Finance Plc/Mr K A D R M K Kariyapperuma	460,011	0.03
16.	Mr S Gurusinghe	453,244	0.03
17.	People's Leasing and Finance Plc/Verite Research (Pvt) Ltd	399,671	0.02
18.	Mr C Dissanayake	228,200	0.01
19.	Assetline Finance Limited/H M Lalith	217,472	0.01
20.	Seylan Bank Plc/Anuja Chamila Jayasinghe	217,239	0.01
	Total	1,781,167,118	98.68

Float adjusted Market Capitalisation as at 31 December 2025	7,121,707,065
Percentage of public holding as at 31 December 2025	4.78%
Number of shareholders representing the public holding as at 31 December 2025	14,255

➤ Ratio and Market Price Information Share Price Trend

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Highest value (LKR)	91.60	101	121.75	78.9	42.9	34.8	34.5	30	36.7	46.4	54.9
Lowest value (LKR)	53.10	54.9	62	28.7	31.5	18	19.6	18.9	27	31.2	43
Last traded price (LKR)	82.50	69.5	92.9	68	38.8	33.5	31.9	23.4	28.5	36	47
Market capitalisation (LKR Bn.)	148.9	125.4	167.7	122.7	70.02	60.4	57.57	42.23	51.43	64.97	84.83

➤ Trading Activity

	2025	2024	2023
Number of transactions	27,452	27,422	61,912
Number of shares traded	34,233,620	14,673,193	60,326,418
Value of shares traded (LKR)	2,468,153,459	1,148,525,968	5,642,355,674

➤ The Debt/Equity Ratios

At 31 December	Group		Company	
	2025	2024	2025	2024
Total borrowings	76,435	90,951	53,643	65,932
Total equity	100,929	91,475	75,914	70,242
Total capital	177,364	182,426	129,557	136,174
Debt/Equity ratio (%)	76	99	71	94

➤ Equity – Group

Group	2025	2024
Earnings per share (LKR)	5.55	1.73
Net assets per share	55.85	50.61
Debt/Equity ratio – Number of times	0.76	0.99
Quick Asset Ratio (No. of times C.L.)	0.85	0.76
Interest cover (Number of times Interest)	2.39	1.46
Dividend pay out ratio (%)	13.51	14.69
Dividend per share	0.75	0.25

➤ Debt Information – Company

Company	2025	2024
Interest rate on comparable government security market price and yield during the year (ex-interest) (%)	8.68	10.31
Highest debenture price	Debentures were not traded during the year 2025	Debentures were not traded during the year 2024
Debt/equity ratio–No of times	0.71	0.94
Interest cover (No. of times Interest)	2.36	1.20
Quick Asset Ratio (No. of times)	0.87	0.76

Portfolio of Lands

The following values are based on desk top valuation report submitted by a firm of incorporated valuers on 31 January 2024 on lands transferred on incorporation (conversion of SLT into a public limited company in 1996) and lands acquired after the incorporation. The methodology used to arrive “the fair value” in the desktop valuation is only market approach, based on previous on-site valuations done in year 2018 and year 2022. The said lands valued over LKR 500,000/- within their respective values are given below.

The level of the fair value hierarchy within which the fair value measurements are categorised is Level 3. Land values have been adopted after comparing with land sales in particular location by the valuer. Unobservable inputs for the assets have been used as inputs in the fair value measurement.

Location	Extent (Hectare)	Value (LKR Mn.)
Regional Telecom Engineers' Office, Exchange and IPT Quarters Land, Nuwara-Eliya	0.2354	977.00
Peliyagoda Stores Complex Land	1.6425	974.00
Regional Telecom Engineer's Office Land, Church Street, Galle.	0.2520	847.00
Transport Division Land, Polhengoda Road, Narahenpita.	0.3030	898.00
Regional Telecom Engineer's Office and Kandy Exchange Land Lot 1 and Lot 2	0.2251	756.00
Kurunegala Exchange and RTOM Office Land Kandy Road, Kurunegala.	0.9200	818.00
Main Street, Kalutara Lots 1, 2, 3	0.3035	540.00
Nugegoda Transport Garage Land, Nalandarama Road	0.1970	467.00
Auto Exchange and IPT Quarters Land, Main Street, Panadura. (RTOM Office) Lot 1, 2	0.2522	464.00
Regional Telecom, Engineer's Office and Exchange Land, Kotte.	0.2051	405.00
Regional Telecom Engineer's Office Land – 06, Senanayake Mawatha, Bandarawela.	0.2380	447.00
Maharagama Exchange Land	0.1114	352.00
Galle Exchange and IPT Quarters Land, No. 8, Wakwella Road, Galle.	0.1697	268.00
Regional Telecom Engineer's Office, Rathnapura.	0.3645	288.00
RTOM Office and DIT/IPT Quarters Land, Avissawella	0.4313	298.00
District Switching Centre and IPT Quarters Land, Inner Harbour Road, Trincomalee.	0.3294	117.00
Ragama Exchange Land	0.2048	182.00
Wattala Exchange Land	0.1012	170.00
Ja-Ela Exchange Land, DIT Office and IPT Quarters	0.0870	146.00

Location	Extent (Hectare)	Value (LKR Mn.)
Kaduwela Exchange Land Lot 1, 2	0.0983	140.00
Training Centre, No. 562/D, Jayanthi Road, Anuradhapura.	0.7889	140.00
Kuliyapitiya Exchange Land Lot 37, 39	0.2300	136.00
Havelock Town RSU 2 Land, Havelock Road, Colombo 05.	0.0253	150.00
Ambalangoda Exchange and DIT Office Land	0.0790	117.00
P-5 and P-6 Poththode Quarters Land, Thimbirigaskatuwa, Poththode – Negombo Lot 1, 2	1.7160	170.00
IPT Quarters (Present OPMC) Land No. 8 and 10, Sri Gunarathena Mawatha, Panadura.	0.2952	146.00
Nawalapitiya Exchange and IPT Quarters Land – Lot 1 and Lot 2	0.2782	148.00
Chilaw Exchange Land, Puttalam Road, Chilaw.	0.2708	134.00
DIT Quarters Land – No. 67, Gattuwana.	0.2730	135.00
Puttalam Auto Exchange Land, Equipment Building and IPT Quarters	0.3054	121.00
Pussellawa Exchange Land, Nuwara-Eliya Road.	0.2155	128.00
Peradeniya Exchange, Telecom Training Peradeniya, Lot 1 and Lot 2	0.1169	127.00
Auto Exchange and Quarters Land, Bandaragama.	0.2803	105.00
Havelock Town RSU 3 Land, Vaverset Place, Colombo 06.	0.0180	96.00
Katunayaka Exchange Land Lot 1, 2	0.3039	120.00
Horana Exchange and DIT Quarters Land, Anguruwatta Road, Horana.	0.2177	86.00
Primrose Hill, Circuit Bungalow Land, Kandy.	0.0751	74.00
Exchange Land, Aluth Mawatha, Mattakkuliya.	0.0460	100.00

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
RTOM Quarters, Behind the Mosque – Anuradhapura	0.1769	70.00
OPMC Land, Avissawella	0.3655	94.00
Embilipitiya Exchange and IPT Quarters Land, Embilipitiya	0.4620	91.00
Engineer's Quarters Land, No. 116/53, Lake Round, Kurunegala	0.2060	81.00
Ganemulla Exchange and IPT Quarters Land	0.1564	77.00
Kelaniya Exchange Land, Kelaniya	0.1475	87.00
HQ Building, OTS Building and CTO Building Land, Lotus Road, Colombo 01	1.3154	13,002.00
Welikada Wireless Station and Maritime Service Station Land	2.9614	7025.15
Regional Telecom Engineer's Office Land, Dickmans Road, Colombo 05	0.3360	1,860.00
No. 17, Sugathodaya Mawatha, Colombo 02	0.2190	1,515.00
Punchi Borella Exchange Land, Maradana	0.2625	1,401.00
No. 9, Anderson Road, Colombo 05	0.1949	1,040.00
Telecom Training Centre Land, Welisara	2.2280	793.00
Kegalle Exchange and RTOM Office Land, Kegalle	1.4515	629.00
Regional Telecom Engineer's Office – Matara Exchange and DIT Office Land	0.2880	541.00
No. 106, St. Joseph's Street, Negombo	0.6787	537.00
Kotugoda Stores Complex Land	7.6475	491.00
RTOM Building Land, Nugegoda	0.1170	402.00
Earth Station Satellite Land, Padukka	3.1	91.80
Mount Lavinia Exchange Land, Minor Staff Room and Stores	0.1913	329.00
Ratmalana Exchange Land, Rathmalana	0.2076	349.00
Regional Telecom Engineer's Office Matale Exchange Land	0.3342	264.00
Regional Telecom Engineers' Office, Pollonnaruwa Exchange and IPT Quarters Land	0.3129	247.00
Engineer's Office and DSC, Maitthreepala Senanayake Mawatha, Anuradhapura	0.3355	398.00
DIT Quarters, No. 108 and No. 109, Walawaththa Road, Anuradhapura	0.2434	72.00
DIT and IPT Quarters, Godage Mawatha, Anuradhapura	0.1523	90.00

Location	Extent (Hectare)	Value (LKR Mn.)
Regional Telecom Engineers Office and Switching Centre Land, Jaffna	1.1810	630.34
Badulla District Switching Centre and Engineer's Quarters Land	0.4020	278.13
Monaragala Exchange and IPT/Linemen Quarters Land	0.3160	281.09
District Switching Centre Land, Mannar.	0.3238	128.00
Regional Telecom Engineer's Office and Exchange, Galkantha Mawatha, Ampara	0.7657	227.05
DIT/IPT Quarters Land – Bandarawela	0.0705	104.51
Regional Telecom Engineer's Office Land – Kalmunai	0.4326	153.95
Haputale Exchange Land	0.4080	120.98
RTOM Office Land, Vavuniya. Lot 1772, 1773	0.4047	120.01
Narammala Old and New Exchange Land	0.0970	86.29
Minuwangoda Exchange and IPT Quarters Land	0.0759	90.00
Mannar Transmission Tower Land	0.2645	125.48
P-1, P-2, P-3, P-4 Thimbrigaskatuwa Poththode – Quarters Land, Negombo.	0.6037	65.63
Balangoda Telecom Exchange Land Lot 1 and Lot 2	0.0807	79.75
Akkaraipattu Exchange Land	0.2049	101.25
Wellampitiya Exchange Land	0.1020	80.64
Kiribathkumbura Land (Proposed for Training Centre)	0.5805	80.33
Kalawanchikudy Exchange Land	0.1693	66.93
Moratuwa Exchange Land, Moratuwa.	0.1119	77.42
Kadawatha Exchange Land Lot 1, 2	0.0567	63.53
Pelmadulla Telecom Exchange Land	0.0950	75.12
Piliyandala Exchange Land	0.0632	68.75
Mattegoda Exchange Land	0.1265	67.50
Eravur Auto Exchange Land	0.0925	73.14
Buttala Exchange Land	0.2020	59.90
Dickwella Auto Exchange and Quarters Land	0.1554	76.80
Hambantota Exchange Land, No. 66, Barrak Street	0.1920	68.31
Thambuttegama Exchange Land	0.0860	54.40
Dunagaha Exchange Land	0.1710	60.84

Location	Extent (Hectare)	Value (LKR Mn.)
Nugegoda RSU 2 Land, Kirulapane	0.0244	57.90
Boralesgamuwa Exchange Land	0.0310	49.00
Nugegoda RSU 4 Land, Kalubowila	0.0241	47.70
Repeater Station Land, Primrose Hill	0.1233	41.43
Bibile Exchange Land (Lot 770, 773,774)	0.2740	70.41
Angoda Exchange Land, Angoda	0.0900	62.27
Exchange and IPT Quarters Land, Mahawa Lot 176, 177, 179	0.4620	54.80
HP Quarters Land, Primrose Hill	0.0534	52.78
Malwana Exchange	0.1057	52.24
DGM Quarters Land, Rifle Green, Trincomalee	0.1577	71.70
OPMC, Teleshop, Station Road, Batticaloa	0.0228	22.50
OPMC, Teleshop, Station Road, Batticaloa	0.0288	28.50
Beliatta Exchange Land, Beliatta	0.4420	65.53
IPT Quarters and Stores Land Mannar Road, Vavuniya	0.3060	60.49
Weligama Exchange and IPT Quarters Land	0.1069	73.96
Gampola Singha Pitiya Road Land, Gampola	0.2529	65.00
Kotte RSU 6 Land, Nawala	0.0304	45.00
IPT Quarters Land, Station Road, Vavuniya	0.1500	53.37
DIT Quarters Land, 99/1, Rathnapura Road, Avissawella	0.1592	56.66
Kadugannawa Exchange	0.0356	52.76
Akurassa Exchange Land	0.0711	63.25
Browns Hill Repeater Station Land, Browns Hill Lot 1, 2, 3, 4, 5	0.1415	55.94
Hokandara Exchange Land	0.0857	59.29
Chilaw DIT/IPT Quarters Land	0.0468	46.25
HP's Quarters Land, Bandarawela	0.2328	55.22
Batapola Exchange	0.1160	45.86
Tangalle Exchange, IPT Quarters and Repeater Station Land	0.1960	58.12
RSU Building and Exchange Land, Beruwela	0.2100	58.12
Pallekale Land	0.0899	53.33
Kamburupitiya Exchange Land	0.0890	61.58
Weliweriya Exchange Land, Gampaha Road. Lot 1, 2, 3, 4	0.0438	47.45

Location	Extent (Hectare)	Value (LKR Mn.)
Mutur Exchange Land	0.2838	56.10
Digana Old Exchange and Repeater Station Land Ahaspokuna	0.3560	49.26
Mirigama Telecom Building, DIT Office and IPT Quarters Land, Lot 1,2,3	0.1874	55.56
Eheliyagoda Exchange Land	0.0802	47.55
Kirindiwela Exchange and IPT Quarters Land – Lot 1, 2	0.2129	42.09
Rajakadaluwa Exchange Land	0.1490	44.18
Katugastota Exchange and IPT Quarters Land	0.0395	42.93
Kekirawa Auto Exchange Land	0.1310	44.02
Rikillagaskada Exchange, and IPT Quarters Land	0.1300	43.68
Kilinochchi Exchange and Repeater Station Land	0.5799	51.59
Wilgamuwa RSU Land	0.1878	55.69
Valachchanai Auto Exchange Land	0.2036	48.30
Kotte RSU 2 Land, Talawathugoda	0.0220	32.63
Mawanella Auto Exchange Land	0.0910	44.98
IPT Quarters Land – No. 7, Gattuwana	0.1210	35.88
Ranpokunugama Exchange and IPT Quarters Land, Ranpokunugama	0.1532	39.36
Baddegama Exchange Land	0.1340	45.02
Veyangoda Exchange Land, Negombo Road	0.0889	35.14
Laggala Repeater Station (Riverston) Land (Lot 62, 69, 70, 76, Lot A, B)	1.0497	41.50
Wellawaya Exchange Land	0.1300	43.68
Ambalantota Exchange Land	0.1721	51.03
Elpitiya Exchange and Kiosk Land	0.1460	43.29
RTOM Quarters Land, Donald Janz Road, Galle.	0.0511	40.40
Kekanadura Exchange and Quarters Land, Kekanadura	0.1020	40.33
Galnawa Exchange and Linemen Quarters Land	0.1453	37.34
Mawatagama New Exchange Land, Mawatagama	0.1015	50.16
Palavi Exchange Land (Double Kiosk) Palavi.	0.2024	42.01
Makandura Exchange Land	0.4040	43.92
Passara Exchange and Linemen Quarters Land	0.3744	62.91

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
Sevanagala Exchange and LPT Qts Land Lot 4900, 4901	0.6420	38.07
Circuit Bungalow Land – Bandarawela	0.1718	44.15
Keselwatta RSU Building Land, 34, Srimathi Road, Keselwatta	0.0632	37.50
Hali-Ela Exchange Land	0.0940	33.44
Karaveddy RSU Land	0.3110	36.89
Pulmoddai Exchange Land	0.3103	30.67
Exchange Land, Padukka	0.0607	38.40
RSU 1 Land, No. 47/1A, Church Road, Mattakkuliya	0.0304	39.00
Dodangoda RSU Land	0.1510	35.82
Welimada Exchange and Kiosk Land	0.1110	37.30
Kotiyakumbura Exchange Land	0.1012	28.80
Exchange Land, Thimbolketiya (Lot 1,2,3)	0.6771	28.68
Kinniya Exchange Land	0.1080	36.30
Tower land (Opposite to the RTOM Office Separated by Highway), Gampaha	0.0157	24.80
Imaduwa Exchange and Kiosk Land Lot 473, 474	0.2150	42.50
Nikaweratiya Exchange Land. Lot 586, 680	0.1400	63.65
Kotte RSU 1 Land, Madiwela	0.0278	24.75
Wattegama Exchange Land Kudugalla Road (Part 2)	0.1512	26.90
Kottegoda Exchange Land	0.1036	36.86
Naula Exchange Land	0.1380	40.92
Akkaraipattu Old Exchange Land (PP A 1355, Lot 1 and PP Am787 Lot 1)	0.0999	33.58
Kebithigollewa Exchange Land (Lot 314, 315)	0.2628	25.98
Haddon Hill Land – Nuwara-Eliya Lot 1, 2 (Road Reservation)	0.0721	38.50
Potthuwil Exchange Land	0.2570	50.81
Chunnakam RAX Land	0.1912	34.02
Bakamuna RSU Building Land	0.3750	25.95
Hungama Exchange Land, Hungama	0.1250	32.12
Biyagama RSU 2 Land, Biyagama (Bandarawatta Land)	0.0374	25.90
Kantalai Exchange Land	0.1244	29.51

Location	Extent (Hectare)	Value (LKR Mn.)
VHF Station Land – Batticaloa (Kaliyankadu)	0.1019	30.21
Samanturai Exchange Land	0.1990	31.47
Marawila Auto Exchange Land (Lot 2)	0.0500	27.29
Thelijjawila Auto Exchange and Quarters Land	0.0690	24.55
Gonapola Land	0.0759	27.00
Bingiriya Exchange and Kiosk Land	0.1680	29.89
Ella Kiosk	0.0330	26.08
Gampola Exchange	0.0285	27.53
Galgamuwa Auto Exchange Land	0.1580	21.86
Horowpathana Exchange Land	0.4180	28.92
Kotte RSU 5 Land, Kotuwegoda	0.0311	24.60
LPT Quarters Land, Station Road, Vavuniya	0.0777	26.11
IPT Quarters (No. 1,2 and 3) and, District Switching Centre land, No. 26, Badulla	0.0340	26.88
IPT Quarters Land – 13 A/1, Galwala Road, Hambantota	0.1020	26.21
Rakwana Telecom Exchange Land.	0.2035	22.13
Chavakachcheri RAX and RSU Land	0.1214	19.20
Akurana Land	0.0759	27.00
Moratuwa RSU 3 Land, Rawathawatte.	0.0202	18.00
Welikanda Exchange Land	0.2988	20.67
Sithankerni RSU Land	0.1745	16.81
Hettipola Exchange Land	0.0980	29.06
Urubokka Exchange Land	0.1290	24.23
Nugegoda RSU 3 Land, Gangodawila.	0.0164	17.88
Tissamaharama New Exchange Land	0.0820	24.31
Hakmana Exchange Land	0.1260	24.91
Pannala Exchange Land	0.0940	27.87
Habaraduwa Exchange Land	0.0796	25.18
Udugama Exchange Land, Udugampola MSAN Land	0.1391	27.50
Yatiantota Auto Exchange Land	0.0511	4.55
Mahiyangana Exchange Land	0.0790	23.42
Kosgoda Exchange Land	0.0920	25.46
Galwela RSU Land Lot 1185, Lot 1188 and Lot 1190	0.1822	25.21

Location	Extent (Hectare)	Value (LKR Mn.)
Kalpitiya Exchange Land, Kalpitiya	0.1093	22.69
Angoda RSU 1 Land, IDH	0.0364	18.00
Piliyandala RSU 5 Land, Bokundara	0.0316	16.88
Kandapola Land	0.0894	22.97
Kotte RSU 3 Land, Battaramulla	0.0185	21.00
Kotte RSU 4 Land, Thalangama North	0.0354	18.90
Nikadalupotha Exchange Land, Hiripitiya	0.1180	17.49
Ninthavur Exchange Land	0.0863	25.59
Galigamuwa Auto Exchange Land	0.1031	22.42
Hasalaka Exchange Land, Hasalaka	0.0794	21.59
Gintota (Dodanduwa Exchange) Land	0.0513	18.25
Weeraketiya Exchange and Quarters Land	0.1700	16.80
Hemmathagama Land	0.1017	22.11
Biyagama RSU 1 Land, Heiyanduwa	0.0506	18.00
Kotadeniyawa Exchange Land	0.1686	18.33
Ingiriya Exchange Land Lot 1, 2, 3	0.2800	19.37
Alawwa Exchange Land, Narammala Road	0.0760	19.53
Kadawatha RSU 1 Land, Ranmuthugala	0.0329	19.50
RSU Land – Rattota Lot 6 and Lot 7	0.1220	16.88
Galenbindunuwewa Land	0.1921	17.09
Visaka Hill Repeater Station Land, Bandarawela	0.0958	22.72
RSU Building and IPT Quarters Land, Matugama	0.0597	21.24
Warakapola Exchange Land	0.0867	20.57
Habarana Land	0.1182	17.52
Nugegoda RSU 2 Land, Embuldeniya	0.0234	16.19
Ensalwatta Repeater Station Land – Deniyaya	0.3040	15.02
Ethagala Repeater Station Land	0.2530	15.00
Piliyandala RSU 1 Land, Honnanthara	0.0519	17.00
Ukuwela Exchange Land	0.1518	15.00
IPT Quarters Land – Diyathalawa	0.0226	17.86
Nochchiyagama Exchange Land, [Lot 1666, 1668]	0.1794	12.41
Kahatagasdigiliya Exchange Land	0.0993	14.72
RSU Land – Pallepola Lot 403	0.0970	13.42

Location	Extent (Hectare)	Value (LKR Mn.)
Pitabaddara Exchange Land, Pitabaddara	0.2160	17.08
Kadawatha RSU 2 Land, Ihala Karagahamuna	0.0430	15.30
Medirigiriya Land	0.2140	14.81
Niwitigala Exchange and Linemen Quarters Land	0.2830	16.78
Pundaluoya Exchange Land	0.2620	15.54
Deraniyagala Exchange Land (Lot 1, 2)	0.1390	16.49
Galagedara Exchange Land, Rambukkana Road	0.1386	15.07
Ampitikanda Exchange	0.2078	14.38
Moratuwa RSU 2 Land, Moratumulla	0.0276	16.38
Galapitamada Land	0.0990	14.32
Mawarala Exchange Land	0.2070	16.37
Wattegama Exchange Land Kudugalla Road (Part 1)	0.0827	19.62
Hingurakgoda Auto Exchange Land	0.0583	17.29
Rideegama Exchange Land	0.2530	15.00
Anandankulam Land	0.2020	17.97
RSU Building Bulathsinghala Land Lot 1, 2	0.2017	15.95
Oluvil Exchange Land	0.1006	17.90
Pasyala Exchange and IPT Quarters Land, Nittambuwa Road, Pasyala. Lot 1, 2	0.0534	14.77
Kollonna Exchange Land	0.3320	16.41
Angunakolapalassa Exchange Land, Lot 525, 755	0.1960	17.44
Kuruwita Telecom Exchange Land	0.0653	16.78
Mullaitivu Auto Exchange	0.6506	25.72
Akkaraipattu Road, Hingurana	0.3877	15.33
Tanamalwila Exchange Land	0.3200	15.81
Hanguranketha Ex.(New) Land	0.0851	13.46
Kosgama RSU Land, Kosgama (Lot 1, 2)	0.0759	18.00
Mulleriyawa Land (Angoda RSU 2)	0.0379	15.00
Udathuttiripitiya Exchange Land	0.1258	16.17
Kaduwela RSU 1 Land, Malabe	0.0248	14.70
Watagoda Exchange	0.1850	12.80
Nagoda Exchange Land	0.1230	12.16

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
Post Office Road, Eppawela	0.0914	12.65
Madampe New Exchange Land, Kurunegala Road (Lot 1)	0.0907	16.13
Talawakelle Exchange Land Lot 1, 2, 3	0.1813	16.13
Rathmalana RSU 1 Land, Laxapathiya.	0.0253	13.50
Deniyaya Exchange and IPT Quarters Land, Lot 764	0.1770	14.00
Bulathkohupitiya Exchange Land	0.2349	13.93
Kiri Ella Telecom Exchange Land	0.0875	14.70
Kadawatha RSU 4 Land, Makola North	0.0192	11.40
Middeniya Exchange Land, Middeniya.	0.2870	14.18
Chinabay Exchange Land – Lot 163 and Lot 165	0.0768	12.06
Mulatiyana Exchange Land, Mulatiyana.	0.1130	14.52
Single Tree Hill-Repeater Station Land Lot 1, 2, 3	0.1691	11.70
Talaimannar Repeater Station Land Lot 1 and Lot 2	0.1836	14.41
Namunukula Circuit Bangalow Land	0.2100	14.53
Wariyapola Exchange Land	0.1120	16.61
Moratuwa RSU 1 Land, Molpe	0.0257	10.18
Kochchikade Exchange Land	0.0410	12.16
Rakwana Kiosk Land.	0.0270	12.27
Walasmulla Exchange Land	0.0803	11.11
Halgaran-oya Exchange Land	0.0791	10.94
Lunuwila Exchange (New) Land	0.0900	12.45
Madolsima Exchange Land	0.3845	11.40
Thampalagam Exchange Land, Thampalagam.	0.1020	11.09
Thirukkovil RSU Land	0.1012	12.00
Badalgama Exchange Land	0.0984	10.70
Ramboda Exchange Land Lot 1, 2, 3 and 4.	0.1120	11.65
Kandaketiya Exchange Land	0.0981	9.70
Medawachchiya Exchange and Linemen Quarters Land	0.1468	14.51
Rukmalgama Exchange Land	0.0817	32.29
Madukanda Repeater Station Land Lot 1523 and Lot 1525	0.6037	14.32

Location	Extent (Hectare)	Value (LKR Mn.)
RSU Building Meegahatenna Land Lot 2828, 2829	0.2620	9.37
Kahawatta Kiosk Land	0.0140	10.23
Ruwanwella RSU Land, Ruwanwella	0.0673	13.30
Hanthana Repeater Station	0.2123	6.29
Alubomulla RSU Land	0.0759	9.75
Madawachchiya Land, Mannar Road, Medawachchiya	0.3315	13.11
Ariyalai Land	0.0658	9.10
Point Pedro Land	0.0809	7.20
Kilinochchi RAX Land, Paranthan	0.1748	8.64
Raddolugama Land	0.0291	9.78
Thoppur Auto Exchange Land	0.1745	12.07
Padiyathalawa Trans Repeater Station Land	1.2610	12.46
Bogahakumbura Exchange	0.0637	12.60
Pulasthigama Land	0.2120	10.48
Nilaveli Exchange Land	0.0629	10.57
Kal-Eliya Exchange Land	0.1005	10.93
Kotapola Exchange Land, Kotapola.	0.1220	10.85
Kadawatha RSU 3 Land, Siyambalape.	0.0202	10.00
Bambarabotuwa Exchange Land	0.1204	9.52
Godakawela RSU Land	0.0490	12.59
Medamahanuwara New Exchange Land	0.1518	7.50
Del Repeater Station	0.3721	7.36
Mahaoya Exchange Land, Main Street, Mahaoya	0.1110	9.87
Pugoda ELU-2 Land, Owitigama	0.0253	7.79
Padaviya Exchange, Padaviya	0.1088	9.68
Maskeliya Exchange Land	0.1079	8.53
Kuchchaveli Exchange Land Lot 1689 and Lot 1690	0.1375	9.53
Ginigathhena Exchange and Quarters Land	0.1420	8.42
Padavi Siripura Exchange Land	0.2631	10.40
Rattota Kiosk Land	0.0209	7.43
Namunukula Exchange Land	0.1485	8.81
Neboda Auto Exchange Land	0.1032	7.14

Location	Extent (Hectare)	Value (LKR Mn.)
Kalawana Exchange Land	0.2060	10.18
Tangalle Linemen's Quarters Land, Tissa Road, Marakolliya, Tangalle	0.0824	8.14
Aliyamalagala Repeater Station	0.2027	8.01
Katana Land	0.1012	9.00
Polgahawela Exchange and Quarters Land Lots 1, 3, 5	0.0149	7.50
Piliyandala RSU 4 Land, Batakeththara	0.0253	8.50
Handessa RSU Land	0.1012	8.00
Piliyandala RSU 3 Land, Wethara	0.0253	8.50
Lunugala Kiosk Land	0.1346	6.65
Katuwana Land	0.1000	6.92
Muruthalawa Exchange Land	0.0969	7.66
Watawela Land	0.1210	8.37
Agbopura Land	0.1920	7.59
Punagala [Ampitikanda] Repeater Station Land	0.1920	5.69
Delgoda RSU 1 Land, Delgoda	0.0320	8.22
Madolsima Repeater Station Land, Madolsima	0.1897	5.63
Rathmalana RSU 2 Land, Borupana	0.0190	6.25
Gurugoda Exchange Land, Gurugoda	0.0759	6.75
Seruwila Exchange Land	0.2320	7.80
Aranayaka Exchange Land	0.1200	8.30
Suriyakanda Repeater Station Land	0.1500	5.93
Galapitamada New Exchange Land	0.1789	7.07
Millenium City Land, Athurugiriya	0.0197	7.02
Mamadala Kiosk Land	0.0879	6.08
Ibbagamuwa DRMASS Land	0.0154	6.00
Morawaka Exchange Land, Morawaka	0.0458	7.06
Negampaha Exchange, Negampaha	0.0840	6.64
Vakarai VHF Station Land	0.1645	5.53
Cheddikulam Exchange Land	0.2026	6.01
Repeater Station Land – Glen Course	0.2244	5.32
Kandalama-Radio Repeater Station Land	0.1555	4.61

Location	Extent (Hectare)	Value (LKR Mn.)
Manipai RAX Land	0.0511	7.57
Ibbagamuwa RSU Land	0.0379	5.25
Millaniya Exchange Land, Millaniya	0.1012	6.00
Agarapathana Exchange and LPT Quarters Land	0.1500	7.41
Upcot Rural Exchange and Linemen Quarters Land, Lot 1, 2	0.1495	7.39
Undugoda Exchange Land	0.0969	4.79
Punguduthive RAX Land	0.3571	7.06
Bogawantalawa Exchange Land	0.1185	7.03
Waga Land	0.0938	5.56
Kitulgala Exchange Land, Ginigathhena Road, Kitulgala	0.0880	6.09
Galhinna Land	0.0759	5.25
Torwood Repeater Station Land, Matugama.	0.1607	4.76
Galaha Exchange and IPT Quarters Land, Galaha – Lot 2 and Lot 3	0.1278	5.05
Malwatta Exchange Land	0.1568	6.20
Suriyawewa Exchange Land	0.0820	4.86
Padiyathalawa Exchange Land	0.1020	6.05
Pankulam Exchange Land	0.0608	4.81
Norton Bridge Exchange Land	0.1519	6.01
Akurassa Repeater Station Land Lot 385, 386, 387, 388, 389, 390 and 391	0.0787	3.89
Maturata Exchange Land	0.1670	4.95
Balungala Repeater Station Land	0.2317	5.50
Thellipalai RSU Land	0.1098	5.43
Divurampitiya Repeater Station Land	0.1093	3.24
Murukkan Land	0.1062	5.25
Piliyandala RSU 2 Land, Makandana Land, Station	0.0177	4.55
Exchange Land, Yatiyana Lot 1, 2, 3 and 4	0.1288	19.75
Galoya Junction [LPT Quarters Land, Station Road]	0.2023	4.80
Homagama RSU 1 Land, Panagoda.	0.0253	4.50
Pathiraja Kanda Repeater Station Land, Ambalangoda	0.1010	2.99

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
Haldummulla Kiosk Land	0.0990	4.89
Ridiyagama Rural Exchange Land	0.0655	3.89
Madolkelle Exchange Land	0.0961	4.75
Rangala Exchange Land	0.1540	4.57
Badalgama IPT Quarters Land	0.0303	3.29
Udupussallawa Exchange Land	0.0906	3.58
Jaltara Housing Scheme Land	0.0253	3.50
Pettigala Repeater Station Land, Balangoda	0.0730	2.89
Radella LPT Quarters Land	0.0438	3.89
Namunukula Repeater Station	0.1373	2.71
Ullukkulam (SR-500) Land (Periya-Ullukkulam)	0.0536	2.99
Benachi Radio Transmission	0.0777	5.38
Welimada RLL Base Station Land	0.0527	3.12
Valvettithurai RAX Land	0.0725	2.87
Kopay RAX Land	0.0206	3.05
Inginiyagala Exchange Land	0.0470	3.25
Koslanda Exchange Land	0.0440	2.61
Pawakkulam Land	0.2091	4.13
Pandaththeruppu Land	0.0514	3.05
Pugoda ELU-1 Land, Giridara	0.0051	1.50
Homagama RSU 2 Land, Magamma	0.0152	2.70
Kotmale Kiosk	0.1012	3.00
Galewala Old Kiosk Land	0.0152	2.31
Dolosbage New Exchange Land Lot 1 and Lot 2	0.0930	2.46
Pasalai New Land	0.0908	2.15
Homagama LEU 1 Land, Pitipana North	0.0253	2.50
Agalawatta Kiosk Land – Lot 1, 2	0.0080	1.58
Potuhera Auto Exchange Land, ELU – KG206, 209	0.0090	1.25
Kaduwela ELU4 Land, Welivita Junction	0.0022	1.10
Beragama Kiosk Land	0.0600	1.78
Yakkalamulla Radio Base Station Land (Nabadawa RBS Land)	0.0506	1.50

Location	Extent (Hectare)	Value (LKR Mn.)
Hiniduma (Topparangala) Land	0.0500	1.48
Padukka LEU Land (Ihala Bope)	0.0266	1.84
Killiveddy Exchange Land	0.0331	1.64
Ingiriya Kiosk Land	0.0126	1.25
Agarapathana RSU Land, 150 K Project	0.1500	1.64
Karainagar Land	0.0516	1.22
Kaduwela ELU 1 Land, Ranala.	0.0025	0.60
Giriulla Auto Exchange Land	0.1010	23.96
Regional Telecom Engineers Office, Tower Hill Road Hambantota. Lot 1 and Lot 2	0.2150	148.75
Udugampola Land (MSAN)	0.0025	0.75
Payagala SLT Site	0.0241	6.19
Galaha Transmission Tower Land	0.0556	1.32
LPT Quarters, Nivanthaka Chethiya Road, Anuradhapura	0.0466	15.66
Wathumulla Exchange	0.0770	8.37
Regional Telecom Engineer's Office and exchange Land, Court Road, Gampaha	0.1366	270.00
RTOM and Auto Exchange Land, Batticaloa	0.4383	303.00
Hatton Exchange and RTOM Office Land, Danbar Road, Hatton Lot 1	0.9550	226.60
Training Centre Land, Horethuduwa (Sirimathi Road)	1.4346	213.00
Dambulla Exchange	0.4047	240.00
Telecom Training Centre Land, No. 176, Matara Road, Unawatuna, Galle	0.7910	235.00
Exchange Land, Homagama	0.0065	180.00
Ginigathhena Land, Kurundugolla	0.1310	10.36
Maskeliya Linemen Quarters	0.1048	9.32
Unit 205, Liberty Plaza Building	1560sqft	54.60
Unit 302, Liberty Plaza Building	1442sqft	50.47
Madolkelle Repeater Station	0.0961	2.85
Norwood Exchange	0.0370	2.93
Katupotha NC 201	0.0051	0.60
Commercial Junction – RN 202, Rathnapura	0.0063	0.50
		58,723.03

SLFRS S1 and S2 Index

Core Content	Reference	Sub Headings in SLFRS S1 and S2 Disclosure
Governance		
Disclosure of identity of governance body(s) or individual(s) responsible for oversight of sustainability-related risks and opportunities (including climate-related risks and opportunities)	SLFRS S1.27(a) (i); SLFRS S2.6(a) (i)	2.1 Governance Body Responsible for Oversight
Disclosure of how responsibilities for sustainability-related risks and opportunities are reflected in terms of reference, mandates, role descriptions and related policies	SLFRS S1.27(a) (i); SLFRS S2.6(a) (i)	2.2 Key Sustainability and Climate Responsibilities
Disclosure of how appropriate skills and competencies are ensured or developed for oversight	SLFRS S1.27(a) (ii); SLFRS S2.6(a) (ii)	2.3 Competencies and Skills Related to Sustainability and Climate-Related Risks and Opportunities
Disclosure of how and how often responsible body(s) or individual(s) are informed	SLFRSS1.27(a) (iii); SLFRS S2.6(a) (iii)	2.1 Governance Body Responsible for Oversight
Disclosure of how sustainability-related risks and opportunities are considered in strategy, major transactions and risk management	SLFRS S1.27(a) (iv); SLFRS S2.6(a) (iv)	4.6 Prioritisation of Sustainability and Climate Related Risks Relative to Other Risks
Whether trade-offs associated with climate-related risks and opportunities were considered	SLFRS S1.27(a) (iv); SLFRS S2.6(a) (iv)	True
Disclosure of oversight of target-setting and monitoring, including inclusion in remuneration	SLFRS S1.27(a) (v); SLFRS S2.6(a) (v)	2.4 Oversight of Target-Setting 5.1.7 Remuneration Linkage
Disclosure of whether and how sustainability-related performance metrics are included in remuneration	SLFRS S1.27(a) (v); SLFRS S2.6(a) (v)	2.4 Oversight of Target-Setting 5.1.7 Remuneration Linkage
Disclosure of management's role in governance processes and controls	SLFRS S1.27(b); SLFRS S2.6(b)	2.5 Management's Role in Governing Sustainability and Climate-Related Risks and Opportunities
Disclosure of delegated management-level responsibility and oversight	SLFRS S1.27(b) (i); SLFRS S2.6(b) (i)	2.5 Management's Role in Governing Sustainability and Climate-Related Risks and Opportunities
Management responsibility delegated to specific positions or committees	SLFRS S1.27(b) (i); SLFRS S2.6(b) (i)	True
Disclosure of controls and procedures supporting oversight and integration	SLFRS S1.27(b) (ii); SLFRS S2.6(b) (ii)	2.5 Management's Role in Governing Sustainability and Climate-Related Risks and Opportunities
Management uses controls and procedures for sustainability/climate risk oversight	SLFRS S1.27(b) (ii); SLFRS S2.6(b) (ii)	True
Strategy		
Disclosure of sustainability/climate-related risks or opportunities	SLFRS S1.30(a)-(b) SLFRS S2.10(a)-(c)	3.1 Climate-Related Risks and Opportunities 3.2 Sustainability-Related Risks and Opportunities
Sustainability/Climate-related risks or opportunities affecting prospects	SLFRS S1.30(a)-(b) SLFRS S2.10(a)-(c)	3.1 Climate-Related Risks and Opportunities 3.2 Sustainability-Related Risks and Opportunities
Definition of time horizons and linkage to strategic planning	SLFRS S1.30(c) SLFRS S2.10(d)	1.6 Time Horizons

Core Content	Reference	Sub Headings in SLFRS S1 and S2 Disclosure
Business model and value chain		
Effects of sustainability/climate-related risks and opportunities on business model and value chain	SLFRS S1.32 SLFRS S2.13	3.1 Climate-Related Risks and Opportunities 3.2 Sustainability-Related Risks and Opportunities
Strategy and decision-making		
Response to sustainability/climate-related risks and opportunities	SLFRS S1.33 SLFRS S2.14(a),(b),(c)	3.1 Climate-Related Risks and Opportunities 3.2 Sustainability-Related Risks and Opportunities 3.1.7 Plans to Achieve Climate Related Targets 3.1.8 Progress of Plans Disclosed in Previous Reporting Periods
Climate-related transition plan	SLFRS S2.14(a)(iv)	3.1.4 Climate-Related Transition Plan
Resourcing of climate-related strategy	SLFRS S2.14(b)	3.1.6 Resources Allocated to Climate-Related Risks and Opportunities
Progress against previously disclosed plans	SLFRS S2.14(c)	First year of adoption of SLFRS S2
Financial position, performance and cash flows		
Current financial effects of sustainability/climate-related risks and opportunities	SLFRS S1.34(a) SLFRS S2.16(a), (b)	3.1 Climate-Related Risks and Opportunities 3.2 Sustainability-Related Risks and Opportunities
Anticipated financial effects sustainability/climate-related risks and opportunities	SLFRS S1.35(a), (b), (c), (d) SLFRS S2.16(a), (b), (c), (d)	3.2.3 Expected Effects of Sustainability-Related Risks and Opportunities on Financial Position 3.2.4 Expected Effects of Sustainability-Related Risks and Opportunities on Financial Performance 3.1.3 Material Adjustments 3.1.9 Expected Effects of Climate FULL PROOF 03 Related Risks and Opportunities on Financial Position 3.1.10 Expected Effects of Climate-Related Risks and Opportunities on Financial Performance
Resilience		
Assessment of resilient to sustainability risks	SLFRS S1.41	3.1.5 Resilience
Assessment of climate resilience	SLFRS S2.22(a)	1.8 Transitional Relief
Climate scenario analysis	SLFRS S2.22(b)	1.8 Transitional Relief

Core Content	Reference	Sub Headings in SLFRS S1 and S2 Disclosure
Risk Management		
Processes to identify, assess, prioritise and monitor risks	SLFRS S1.44(a) SLFRS S2.25(a)	4.1 Processes to Identify, Assess, Priorities and Monitor Risks 4.2 Inputs and Parameters Used for Identifying Sustainability and Climate-Related Risks 4.3 Climate-Related Scenario Analysis 4.4 Risk Assessment 4.5 Managing and Reporting on Risks 4.7 Monitoring of Sustainability and Climate Related Risks
Use of scenario analysis in identifying risks	SLFRS S1.44(a) (ii) SLFRS S2.25(a) (ii)	1.8 Transitional Relief
Changes in risk management processes	SLFRS S1.44(a) (vi) SLFRS S2.25(a) (vi)	4.8 Changes to Processes Compared with the Previous Reporting Period
Processes to manage climate-related opportunities	SLFRS S1.44(b) SLFRS S2.25(b)	4.9 Processes to Identify, Assess, Prioritise and Monitor Opportunities
Scenario analysis for opportunities	SLFRS S2.25(b)	1.8 Transitional Relief
Integration into overall risk management	SLFRS S1.44(c) SLFRS S2.25(c)	4.10 Integration into Overall Risk Management Process
Metrics and Targets		
Scope 1 GHG emissions	SLFRS S2.29(a) (i.1)	5.1.1 Greenhouse Gas (GHG) Emissions
Scope 2 GHG emissions	SLFRS S2.29(a) (i.2)	5.1.1 Greenhouse Gas (GHG) Emissions
Scope 3 GHG emissions	SLFRS S2.29(a) (i.3)	1.8 Transitional Relief
GHG measurement approach	SLFRS S2.29(a) (iii.1)	5.1.1 Greenhouse Gas (GHG) Emissions
Contractual instruments for Scope 2	SLFRS S2.29(a) (v)	5.1.1 Greenhouse Gas (GHG) Emissions
Scope 3 inclusion details	SLFRS S2.29(a) (vi.1)	1.8 Transitional Relief
Assets vulnerable to transition risks	SLFRS S2.29(b)	5.1.3 Vulnerability of Assets or Business Operations to Climate Related Transition Risks
Assets vulnerable to physical risks	SLFRS S2.29(c)	5.1.2 Vulnerability of Assets or Business Operations to Climate Related Physical Risks
Assets aligned with climate opportunities	SLFRS S2.29(d)	5.1.4 Amount and Percentage of Assets or Business Activities Aligned with Climate-Related Opportunities
Capital deployed towards climate risks and opportunities	SLFRS S2.29(e)	5.1.5 Climate-Aligned Capital Deployment
Internal carbon pricing	SLFRS S2.29(f)	5.1.6 Internal Carbon Pricing
Remuneration metrics	SLFRS S2.29(g)	5.1.7 Remuneration Linkage
Industry-based metrics	SLFRS S2.32	5.3 Sustainability-Related Metrics (Industry-Specific)
Climate-related targets	SLFRS S2.33(a)-(h) SLFRS S2.34(a)-(d)	5.2 Climate-Related Targets
Sustainability-related targets	SLFRS S1.51(a)-(g)	5.4 Sustainability-Related Targets (Industry-Specific)

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Abbreviations

4G	– Fourth Generation	KPI	– Key Performance Indicator
5G	– Fifth Generation	KPO	– Knowledge Process Outsourcing
ADSL	– Asymmetric Digital Subscriber Line	LED	– Light Emitting Diode
BPO	– Business Process Outsourcing	LGN	– Lanka Government Network
BSS	– Billing Support System	LTE	– Long-Term Evolution
CAPEX	– Capital Expenditure	MBB	– Mobile Broadband
CCC	– Colombo City Centre	Mbps	– Megabits per second
CDMA	– Code Division Multiple Access	MIMO	– Multiple-Input and Multiple Output
CRM	– Customer Relationship Management	MoU	– Memorandum of Understanding
CSP	– Communication Service Provider	MPLS	– Multi Protocol Label Switching
DC HSPA+	– Dual-Carrier High Speed Packet Access	MTTR	– Mean Time To Resolution
DSP	– Digital Service Provider	NB-IoT	– Narrowband Internet of Things
EBITDA	– Earnings Before Interest, Taxes, Depreciation and Amortisation	NBN	– National Backbone Network
EPF	– Employees’ Provident Fund	NED	– Non-Executive Director
ERP	– Enterprise Resource Planning	NFV	– Network Functions Virtualisation
ETF	– Employees’ Trust Fund	NGN	– Next Generation Network
FBB	– Fixed Broadband	OPEX	– Operating Expenses
FTTP	– Fibre-To-The-Premises	OSS	– Operational Support System
FTTN	– Fibre-To-The-Node	OTT	– Over The Top
Gbps	– Gigabits per second	PAT	– Profit After Tax
GRI	– Global Reporting Initiative	PBT	– Profit Before Tax
GTH	– Global Telecommunications Holdings	PEO TV	– Personalised Entertainment Option Television
HDTV	– High Definition Television	PIOCMA	– Pacific and Indian Ocean Cable Maintenance Agreement
HSPA	– High Speed Packet Access	PoP	– Point of Presence
ICT	– Information and Communication Technologies	PSTN	– Public Switched Telephone Network
ICTA	– Information and Communication Technology Agency	RCS	– Rich Communications Suite
IDD	– International Direct Dialling	SAFA	– South Asian Federation of Accountants
IMS	– IP Multimedia Subsystem	SDN	– Software-Defined Networking
INED	– Independent Non-Executive Director	SEA ME WE	– South East Asia – Middle East – West Europe
IoE	– Internet of Everything	SEAIOCMA	– South East Asia and Indian Ocean Cable Maintenance Agreement
IoT	– Internet of Things	SLBN	– Sri Lanka Telecom Broadband Network
IPTV	– Internet Protocol Television	SLFRS	– Sri Lanka Financial Reporting Standards
ISP	– Internet Service Provider	SLIM	– Sri Lanka Institute of Marketing
ITU	– International Telecommunication Union	SME	– Small and Medium Enterprise
		SOA	– Service Oriented Architecture

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty Ninth (29th) Annual General Meeting of Sri Lanka Telecom PLC will be held as a virtual meeting on Friday, 19 June 2026, at 10:00 AM (IST – India Standard Time) from the broadcast venue at the meeting room at Mobitel (Pvt) Ltd., Lesley Ranagala Mawatha, Baseline Road, Colombo 08, for the purpose of conducting the following business:

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company and the Statement of Accounts for the year ended 31 December 2025 with the Report of the Auditors' thereon.
2. To declare a First and Final dividend of Cents Seventy Five (LKR 0.75) per share as recommended by the Directors.
3. To elect Mr A N Hapugala as a Director, who was appointed to the Board to fill a casual vacancy in the Board subsequent to the last Annual General Meeting, in terms of Article 97 of the Articles of Association of the Company.
4. To elect Mr Raghvendra Madhav as a Director, who was appointed to the Board to fill a casual vacancy in the Board subsequent to the last Annual General Meeting, in terms of Article 97 of the Articles of Association of the Company.
5. To re-elect Mr T M Thilakaratne as a Director, who retires by rotation in terms of Articles 91 and 92 of the Articles of Association of the Company.
6. To re-appoint as Director Mr Chan Chee Beng, who is over the age of 70 years and vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 [the Act].

Notice is hereby given to propose the undernoted Ordinary Resolution in terms of Section 211 of the Act, in relation to his re-appointment.

“RESOLVED THAT Mr Chan Chee Beng, who is over the age of 70 years, be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr Chan Chee Beng”

7. (a) To re-appoint as Director Mr Nihal Fonseka, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 [the Act].

Notice is hereby given to propose the undernoted Ordinary Resolution in terms of Section 211 of the Act, in relation to his re-appointment.

“RESOLVED THAT Mr Nihal Fonseka, who is over the age of 70 years, be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr Nihal Fonseka”

(b) To consider Mr Nihal Fonseka as an Independent Director in compliance with Rule 9.8.3 (ix) of the Listing Rules of the Colombo Stock Exchange.

WHEREAS the Board of Directors having confirmed the recommendations made by the Nominations and Governance Committee to consider Mr Nihal Fonseka, who is above 70 years of age, as nevertheless independent, taking into consideration the fact that he meets the criteria for determining independence as set out in Rule 9.8.3 (i) to (viii);

“RESOLVED THAT Mr Nihal Fonseka, who is above 70 years of age, be and is hereby considered as an Independent Director of the Company.

Notice of Annual General Meeting

8. To re-appoint as Director Dr Mothilal de Silva, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 [the Act].

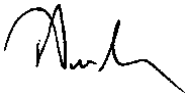
Notice is hereby given to propose the undernoted Ordinary Resolution in terms of Section 211 of the Act, in relation to his re-appointment.

“RESOLVED THAT Dr Mothilal de Silva, who is over the age of 70 years, be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr Mothilal de Silva”

9. To note the mandate provided to the Auditor General under Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka to audit the companies registered or deemed to be registered under the Companies Act No. 07 of 2007 in which the Government or a public corporation or local authority holds fifty per centum or more of the Shares of that company.
10. To authorise the Directors to determine and make donations to charities.

BY ORDER OF THE BOARD

SRI LANKA TELECOM PLC



Mahesh Athukorale

Group Company Secretary

14 May 2026

Colombo

Notes:

- (i) The AGM will be held as a virtual meeting, and as such shareholders will only be able to participate in the AGM 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 17 June 2026 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.

Form of Proxy

I/We (holder of NIC No)
of
being a member/members of Sri Lanka Telecom PLC hereby appoint
(holder of NIC No.)
of whom failing*

Dr Mothilal de Silva	whom failing*
Mr Chan Chee Beng	whom failing*
Mr Suren Amarasekera	whom failing*
Mr Niel Unamboowe, PC	whom failing*
Mr Chandrasiri Kalupahana	whom failing*
Mr T M Thilakaratne	whom failing*
Mr Nihal Fonseka	whom failing*
Mr A N Hapugala	whom failing*
Mr Raghvendra Madhav	

as my/our proxy to participate and vote on my/our behalf in accordance with the preference as indicated below at the Twenty Ninth Annual General Meeting of the Company to be held by virtual means on 19 June 2026 at 10:00AM (IST – India Standard Time) and at any adjournment thereof,

	For	Against
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31 December 2025 with the Report of the Auditors thereon	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a First and Final dividend of Cents Seventy Five (LKR 0.75) per share as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To elect Mr A N Hapugala as a Director, who retires in terms of Article 97 of the Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect Mr Raghvendra Madhav as a Director, who retires in terms of Article 97 of the Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect Mr T M Thilakaratne as a Director, who retires in terms of Articles 91 and 92 of the Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
6. To appoint Mr Chan Chee Beng, who is above 70 years of age, as a Director in terms of Section 211 of the Companies Act No. 07 of 2007	<input type="checkbox"/>	<input type="checkbox"/>
7. a. To appoint Mr Nihal Fonseka, who is above 70 years of age, as a Director in terms of Section 211 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
b. To consider Mr Nihal Fonseka as an Independent Director in compliance with Rule 9.8.3 (ix) of the Listing Rules of CSE	<input type="checkbox"/>	<input type="checkbox"/>
8. To appoint Dr Mothilal de Silva, who is above 70 years of age, as a Director in terms of Section 211 of the Companies Act No. 07 of 2007	<input type="checkbox"/>	<input type="checkbox"/>
9. To authorise the Directors to determine and make donations to charities	<input type="checkbox"/>	<input type="checkbox"/>

In witness my/our hand/seal given on this.....
day of Two Thousand and Twenty-Six.

.....
Signature

*Please delete what is inapplicable.
Note: Instructions as to completion appear overleaf.

Notes and Instructions as to completion of Form of Proxy

1. A shareholder entitled to participate and vote at the 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, 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 by post to Sri Lanka Telecom PLC, Telecom Headquarters, Lotus Road, Colombo 01, or via email to sltagm2026@slt.com.lk or sent by facsimile on (0094) 112 421461 and must be received not later than 48 hours before the time appointed for holding the meeting.
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 in the meeting and should not be used to confirm participation at the AGM. If you wish to participate in the meeting via the designated online meeting platform, you must pre-register your participation by completing the online pre-registration form at <https://slt.lk/en/about-us/investors/financial-reports/annual>.
7. If a shareholder has submitted a Form of Proxy prior to the meeting and subsequently decides to participate in the meeting himself/herself, he/she should take immediate steps to revoke the appointment of proxy.

Corporate Information

Name of the Company

Sri Lanka Telecom PLC

Legal Form

A public limited liability Company incorporated in Sri Lanka in September 1996, under the Conversion of Public Corporations of Government-Owned Business Undertakings into Public Limited Companies Act No. 23 of 1987 and quoted on the Colombo Stock Exchange in January 2003.

Company Registration Number

PQ 7

Stock Exchange Listing

1,804,860,000 Ordinary Shares of the Company are listed in the Colombo Stock Exchange.

Registered Address

Telecom Headquarters,
Lotus Road, Colombo 01.

Board of Directors

Dr Mothilal de Silva (Chairman)
Mr Chan Chee Beng
Mr Suren Amarasekera
Mr Niel Unamboowe, PC
Mr Chandrasiri Kalupahana
Mr T M Thilakaratne
Mr Nihal Fonseka
Mr Raghvendra Madhav
Mr A N Hapugala

Technology Subcommittee (TSC)

Mr Suren Amarasekera (Chairman)
Dr Mothilal de Silva
Mr T M Thilakaratne

Group Senior Tender Governance Committee (GSTGC)

Mr Nihal Fonseka (Chairman)
Mr Niel Unamboowe, PC
Dr Mothilal de Silva
Mr Raghvendra Madhav

Group Audit Committee (GAC)

Mr Chandrasiri Kalupahana (Chairman)
Mr Nihal Fonseka
Mr Raghvendra Madhav
Mr A N Hapugala
Mr T M Thilakaratne

Related Party Transactions Review Committee (RPTRC)

Mr Raghvendra Madhav (Chairman)
Mr Chandrasiri Kalupahana
Mr Nihal Fonseka
Mr A N Hapugala

Nomination and Governance Committee (N&GC)

Mr Niel Unamboowe, PC (Chairman)
Dr Mothilal de Silva
Mr Chan Chee Beng
Mr Nihal Fonseka
Mr Suren Amarasekera

Remuneration Committee (RC)

Mr Niel Unamboowe, PC (Chairman)
Mr T M Thilakaratne
Mr Chan Chee Beng
Mr Suren Amarasekera
Mr Chandrasiri Kalupahana

Auditors

Auditor General
National Audit Office,
No. 306/72,
Polduwa Road,
Battaramulla.

Company Secretary

Mr Mahesh Athukorale,
Attorney-at-law
ACG – UK

Credit Rating

Fitch Rating

National Long-Term Rating
of AA-(Ika)

Bankers

Bank of Ceylon
Bank of China
Citi Bank N.A
Commercial Bank of Ceylon PLC
Deutsche Bank
DFCC Bank PLC
Hatton National Bank PLC
HSBC
National Savings Bank
Nations Trust Bank PLC
NDB Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank

