

Sri Lanka Telecom PLC



Interim Condensed Consolidated Financial Statements

For the Quarter ended

31 December 2025

(All amounts in LKR Millions)

	Group		Company		Group		Company	
	Oct-Dec		Oct-Dec		Jan - Dec		Jan - Dec	
	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)
Revenue	29,530	29,058	19,061	18,253	114,176	111,148	72,980	71,309
Direct costs	(16,125)	(16,138)	(9,626)	(9,943)	(61,024)	(65,009)	(36,946)	(39,941)
Gross Profit	13,405	12,920	9,435	8,310	53,152	46,139	36,034	31,368
Sales and marketing costs	(3,310)	(2,338)	(1,768)	(1,621)	(12,667)	(10,940)	(7,439)	(6,370)
Administrative costs	(7,686)	(6,587)	(5,638)	(4,847)	(26,284)	(24,010)	(19,317)	(17,709)
Operating profit	2,409	3,995	2,029	1,842	14,201	11,189	9,278	7,289
Other income	645	868	588	776	2,752	2,040	2,689	2,031
Finance cost	(1,684)	(2,190)	(1,179)	(1,615)	(7,054)	(8,979)	(4,979)	(6,977)
Foreign exchange gain/ (loss)	165	81	144	(59)	359	699	300	(136)
Interest income	295	368	221	311	969	1,087	695	812
Share of profit / (loss) from equity - accounted investee	-	-	30	-	101	1	101	1
Profit/(loss) before tax for the period	1,860	3,122	1,832	1,255	11,328	6,037	8,083	3,020
Income tax (expenses)/reversal	1,690	(772)	344	(346)	(1,314)	(2,917)	(1,838)	(907)
Profit/(loss) for the period	3,550	2,350	2,176	909	10,014	3,120	6,245	2,113
Other comprehensive income								
Foreign currency translation reserve	(3)	-	-	-	(3)	-	-	-
Net change in fair value financial assets	1	1	-	-	2	1	-	-
Defined benefit plan actuarial gain/ (loss)	(200)	(59)	(177)	41	(195)	222	(174)	322
Tax on other comprehensive income	71	48	53	(13)	87	35	52	(97)
Other comprehensive income for the period (net of tax)	(131)	(10)	(124)	28	(109)	258	(122)	225
Total Comprehensive Income for the Period	3,419	2,340	2,052	937	9,905	3,378	6,123	2,338
Profit/(loss) Attributable to :								
Owners of the company	3,549	2,349	2,176	909	10,009	3,116	6,245	2,113
Non-controlling interest	1	1	-	-	5	4	-	-
	3,550	2,350	2,176	909	10,014	3,120	6,245	2,113
Total Comprehensive Income attributable to:								
Owners of the company	3,418	2,339	2,052	937	9,900	3,374	6,123	2,338
Non-controlling interest	1	1	-	-	5	4	-	-
	3,419	2,340	2,052	937	9,905	3,378	6,123	2,338
Earnings per share								
- Basic (Rs.)	1.97	1.30	1.21	0.50	5.55	1.73	3.46	1.17

(All amounts in LKR Millions)

	Group		Company	
	31 Dec 2025 (Reviewed)	31 Dec 2024 (Audited)	31 Dec 2025 (Reviewed)	31 Dec 2024 (Audited)
Assets				
Non-Current Assets				
Property, plant and equipment	161,002	172,637	119,933	127,935
Investment Property	856	946	2,906	3,044
Right-of-use assets	6,687	5,360	541	223
Intangible assets and Goodwill	14,027	10,606	2,441	2,860
Investments in subsidiaries	-	-	14,429	14,341
Investments in associates	568	515	568	515
Deferred tax assets	97	14	-	-
Contract cost assets	1,290	1,013	197	218
Investments In equity Shares	6	3	-	-
Other receivables	3,549	3,353	3,549	3,353
Total Non-current Assets	188,082	194,447	144,564	152,489
Current Assets				
Inventories	3,209	3,143	2,503	2,204
Trade and other receivables	28,496	30,733	21,358	21,658
Current tax receivables	578	274	335	235
Contract cost assets	919	1,150	65	132
Other investments	3,131	868	3,092	830
Cash and cash equivalents	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 and Liabilities				
Equity				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	300	300	300	300
Retained earnings	82,451	73,002	57,565	51,893
Equity attributable to equity share - holders of the company	100,800	91,351	75,914	70,242
Non controlling Interest	129	124	-	-
Total Equity	100,929	91,475	75,914	70,242
Non Current Liabilities				
Grants	103	111	-	-
Borrowings	54,360	57,360	47,450	49,500
Vendor financing	-	7,502	-	7,502
Lease liability	4,447	3,892	47	22
Contract liabilities	2,425	2,425	2,425	2,425
Deferred income	97	119	97	119
Deferred tax liabilities	12,605	11,626	10,372	8,586
Employee benefits	6,776	6,317	5,577	5,272
Trade and other payables	2,034	3,517	1,106	2,528
Total Non Current Liabilities	82,847	92,869	67,074	75,954
Current Liabilities				
Borrowings	14,089	13,679	5,645	6,598
Vendor financing	776	6,536	-	2,015
Lease liability	2,763	1,982	501	295
Contract liabilities	1,226	1,330	1,193	1,218
Deferred income	2,706	2,619	23	23
Current tax liabilities	249	83	-	-
Trade and other payables	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

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

Signed

Sanjeeva 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 27 February 2026.

Signed for and behalf of the Board.

Signed

Dr.Mothilal de Silva
Chairman

Signed

Chandrasiri Kalupahana
Director

(All amounts in LKR Millions)

Group	Attributable to owners of the Group					
	Stated capital	Insurance reserve	Retained earnings	Total	Non controlling interest	Total equity
Balance as at 1 January 2024	18,049	300	69,916	88,265	120	88,385
Deferred tax and other assets write off after -amalgamation of subsidiaries	-	-	(288)	(288)	-	(288)
Non-Controlling Interest	-	-	-	-	4	4
Total comprehensive income for period						
Net profit for the period	-	-	3,116	3,116	-	3,116
Other comprehensive income						
Defined benefit plan actuarial gain,net of tax	-	-	258	258	-	258
Total other comprehensive income for period	-	-	258	258	-	258
Total comprehensive income for the period	-	-	3,374	3,374	4	3,378
Balance as at 31 December 2024	18,049	300	73,002	91,351	124	91,475
Balance as at 1 January 2025	18,049	300	73,002	91,351	124	91,475
Non-Controlling Interest	-	-	-	-	5	5
Total comprehensive income for period						
Net profit for the period	-	-	10,009	10,009	-	10,009
Other comprehensive income						
Foreign currency translation reserve	-	-	(3)	(3)	-	(3)
Net change in fair value financial assets	-	-	2	2	-	2
Defined benefit plan actuarial gain,net of tax	-	-	(108)	(108)	-	(108)
Total other comprehensive income for period	-	-	(109)	(109)	-	(109)
Transactions with owners,recorded directly in equity						
Contribution by and distribution to owners						
Dividends to equity share holders	-	-	(451)	(451)	-	(451)
Total comprehensive income for the period	-	-	9,449	9,449	5	9,454
Balance as at 31 December 2025	18,049	300	82,451	100,800	129	100,929

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Changes In Equity

For the twelve months ended 31 December 2025

(All amounts in LKR Millions)

Company	Attributable to owners of the Company			
	Stated capital	Insurance reserve	Retained earnings	Total
Balance as at 1 January 2024	18,049	300	49,555	67,904
Total comprehensive income for period				
Net profit for the period	-	-	2,113	2,113
Other comprehensive income				
Defined benefit plan actuarial gain, net of tax	-	-	225	225
Total other comprehensive income for period	-	-	225	225
Total comprehensive income for the period	-	-	2,338	2,338
Balance as at 31 December 2024	18,049	300	51,893	70,242
Total comprehensive income for period				
Net profit for the period	-	-	6,245	6,245
Other comprehensive income				
Defined benefit plan actuarial gain, net of tax	-	-	(122)	(122)
Total other comprehensive income for period	-	-	(122)	(122)
Total comprehensive income for the period	-	-	(122)	(122)
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

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the twelve months ended 31 December 2025

(All amounts in LKR Millions)

	GROUP		COMPANY	
	2025	2024	2025	2024
Operating activities				
Cash generated from operations	47,772	33,722	29,099	26,586
Interest received	970	1,098	696	823
Interest paid	(7,544)	(10,353)	(5,599)	(9,095)
Tax paid	(370)	(798)	-	-
Gratuity paid	(851)	(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)
Investment in subsidiary	-	-	(88)	(60)
Proceeds from disposal of property, plant and equipment	758	370	531	202
Proceeds / (Purchase) of short term investments	(2,264)	(762)	(2,263)	(841)
Proceeds from disposal of subsidiary	-	80	-	-
Receipt of government grants	-	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)	(716)	(1,001)
Re-payment on borrowings	(49,182)	(51,454)	(31,000)	(30,461)
(Decrease) / Increase in vendor financing and other non current liabilities	(13,994)	(6,290)	(10,275)	(7,686)
Dividend paid to equity share holders	(451)	-	(451)	-
Net cash generated from / (used) financing activities	(21,712)	2,929	(14,693)	(2,648)
(Decrease) / Increase 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
Cash and cash equivalents at 31 December (Note)	4,136	4,389	(625)	749
Note				
Cash and cash equivalents	9,935	8,546	2,220	3,347
Bank overdraft	(5,799)	(4,157)	(2,845)	(2,598)
	4,136	4,389	(625)	749

I. Reporting Entity

Sri Lanka Telecom PLC (the 'Company') is a company domiciled in Sri Lanka. The address of the Company's registered office is Lotus Road, Colombo 1. The interim condensed separate financial statements relate to Sri Lanka Telecom PLC. These interim condensed consolidated financial statements (interim financial statements') as of 31 December 2025 and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the 'Group').

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

II. Basis of accounting

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

These interim financial statements were authorized for issue by the Company's Board of Directors on 27 February 2026.

III. Significant accounting policies

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

IV. Use of Judgments and estimates

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

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

Sri Lanka Telecom PLC

Notes to the Interim Condensed Consolidated Financial Statements

For the quarter ended 31 December 2025.

V. Operating segments

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

(a) Information about reportable segments

(All amounts in Rs.Mn)

	Fixed ICT Operations		Mobile Operations		Other Segments Operations		Total	
	Jan - Dec		Jan - Dec		Jan - Dec		Jan - Dec	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
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	972	1,214	11,379	6,112
Interest expenses & Finance costs	(4,979)	(6,977)	(2,168)	(2,101)	(35)	(67)	(7,182)	(9,145)
Foreign exchange gain / (loss)	300	(136)	71	619	(15)	216	356	699
Interest income	695	812	753	276	4	37	1,452	1,125
Depreciation and amortization	(17,083)	(18,938)	(11,658)	(10,715)	(293)	(181)	(29,034)	(29,834)

	Jan - Dec <u>2025</u>	Jan - Dec <u>2024</u>
Revenues		
Total revenue for reportable segments	120,923	121,229
Revenue for other segments	8,348	3,833
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 for reportable segments	10,404	6,094
Profit or (loss) for other segments	975	18
Reportable segment profit before tax before eliminations	11,379	6,112
Inter- segment profits adjustment	(51)	(75)
Consolidated profit or (loss) before tax	11,328	6,037

V. Operating segments (Continued)**Assets & Liabilities**

	31 Dec 2025	31 Dec 2024
Assets		
Total assets for reportable segments	262,289	266,557
Assets for other segments	4,095	1,389
	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	161,062
Liabilities for other segments	2,513	1,103
	151,002	162,165
Elimination of inter- segment liabilities	(17,581)	(14,479)
Consolidated total liabilities	133,421	147,686

VI. Seasonal or cyclical factors

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

(a) Impact on Property, Plant and Equipment

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

VII. Property Plant and Equipment**(a) Acquisitions and Disposals**

- (i) During the year ended 31 December 2025, the Group acquired assets at a cost of Rs 26,961 Mn (year ended 31 December 2024- Rs. 21,849Mn).
- (ii) Assets with a written down value of Rs.12 Mn were disposed during the year ended 31 December 2025 (year ended 31 December 2024 written down value of Rs 17 Mn), resulting in a gain on disposal of Rs.765 Mn (year ended 31 December 2024 gain of Rs.361 Mn), which was included in 'Other Income' in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Capital commitments.

	Group (Rs. Mn)		Company (Rs. Mn)	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 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

VIII. Capital and Reserves

(a) Stated Capital

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

IX. Loans and Borrowings

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

Additions	Currency	Amount (Rs. Mn.)
Bank loan - 31 Dec 2025	LKR	44,950

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

Repayments	Currency	Amount (Rs. Mn.)
Bank loan - 31 Dec 2025	LKR	49,182

X. Contingencies

There were no significant changes to the list of contingencies disclosed in the latest annual report of 2024 and interim condensed consolidated financial statements for the quarter ended 31 December 2025.

XI. Related Parties

Material related party transactions during the period under review:

Company	Nature of Transaction	Transaction Value (Rs. Mn)		Amounts due from/(to) related parties (Rs. Mn)	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Mobitel (Private) Limited	Sale of goods and services	6,606	6,147	3,065	2,047
	Purchase of goods and services	1,404	1,736	(9,322)	(7,138)

XII. Events After the Reporting Date

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

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Financial Statements

For the twelve months ended 31 December 2025

Investor Information

Ratios

	Group		Company	
	31-Dec 2025	31-Dec 2024	31-Dec 2025	31-Dec 2024
Net asset value per share (Rs.)	55.85	50.61	42.06	38.92
Debt/equity ratio - Number of times	0.76	1.00	0.71	0.95
Quick asset ratio - Number of times	0.85	0.76	0.87	0.76

	For the 12 months ended		For the 12 months ended	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Interest cover - Number of times	2.38	1.46	2.35	1.20

Market Value of Shares

Market Value of the Ordinary

Shares of the Company (Rs.)

	3 Months to 31 Dec 2025	3 Months to 31 Dec 2024
- Highest	91.60	78.00
- Lowest	63.50	60.20
- Last traded price	82.50	69.50

Dividend Payment

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

Share trading from 1 October to 31 December 2025

	3 Months to 31 Dec 2025
- No. of Transactions	11,301
- No. of Shares Traded	18,973,597
- Value of Shares Traded (Rs.)	1,510,755,514

Debenture Information

- Interest yield as at date of last trade	- Not traded after initial issue
- Yield to maturity of last trade done with trade date	- Not traded after initial issue
- Interest rate of comparable government security	- 8.68%
- Market prices (ex-interest) for the current interim period	- No trades during the Qtr 4,2025

Sri Lanka Telecom PLC**Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements****For the twelve months ended 31 December 2025****1) List of 20 Major Shareholders**

<u>Name & Address</u>	<u>Share Holding</u>	<u>Percentage %</u>
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.L.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/K.A.D.R.M.K.Kariyapperuma	460,011	0.03
16 Mr.S.Gurusinghe	453,244	0.03
17 People's Leasing & 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
	1,781,167,118	98.68

2) Percentage of public holding as at 31 December 2025 4.78%

3) Number of shareholders representing the public holding 14,255

4) Float adjusted market capitalization 7,121,707,065

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

5) Directors' shareholding None

6) Chief Executive Officer's shareholding -

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