



Ref: CSE/07/2020

6 May 2020

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 4-1 West Tower
World Trade Centre
Colombo 1

Dear Sir,

**CORPORATE DISCLOSURE –
IMPACT OF COVID-19 PANDEMIC ON DIALOG AXIATA PLC**

We write with reference to the CSE Circular No. 06/04/2020 dated 20 April 2020, and as requested therein, wish to state the following pertaining to the impact of COVID-19 pandemic on Dialog Axiata PLC (“Dialog”/ the “Company”).

The outbreak of COVID-19 in Sri Lanka has steered the country and economy into uncharted waters. Dialog as Sri Lanka’s premier connectivity provider has recognised its added responsibility and the pivotal role in these unprecedented times to keep Sri Lanka and its citizens working, learning, informed and entertained at home. The company continues to discharge its responsibility effectively in terms of providing a consistent connectivity and complimentary offers to those faced with affordability and accessibility constraints due to continued lockdown.

Impact on Our Business Operations

The COVID-19 outbreak and the associated developments impacted the business on multiple fronts including distribution, network rollout and working capital management.

The challenges were effectively managed with the adoption of digital methods such as e-top ups, e-payments and digital channels for handling customer queries.

The Government’s Work from Home (“WFH”) initiative and concessionary Voice/Data products resulted in a significant surge in the traffic carried on the network. Despite the challenges, the Company was able to manage the additional load on the network with minimal impact on user experience.

The continued lockdown and credit extensions to keep our subscribers connected, significantly impacted cash collections during the lock down period, on both retail and enterprise fronts, leading to pressure on working capital. To mitigate the impact of lower collections during this period, Dialog Group has undertaken many initiatives to maintain liquidity and business operations uninterrupted.

Amongst others the global impact of the COVID-19 pandemic has adversely affected Dialog’s international business where Inbound and outbound roaming contributed 2% of the Group Revenue in FY2019.

Our Response to the Crisis

- **Keeping our Subscribers Connected**

Considering the challenging time and to ensure our customers stay connected, Dialog granted many concessions on Voice, Data and SMS in addition to granting credit enhancements and extensions. A 100% bonus Data is offered on all Data add-ons for mobile and home broadband connections. Furthermore, a free offer is granted to all mobile customers in curfew/lockdown areas that include 250 D2D minutes, 250 D2D SMS & 1 GB of anytime Data free for a period of 7 days throughout the curfew period. Additionally, Dialog has extended all television channels to all its Dialog Television customers without an additional charge during this curfew period.

More: <https://www.dialog.lk/home>

- **Work from Home Solutions**

The Company launched a suite of solutions to cater to connectivity and collaborative working needs of Enterprise customers with special focus on affordable connectivity, security and surveillance, cloud hosting, access to collaboration platforms and report support.

More: <https://business.dialog.lk/products-services/wfh/>

- **Corporate Sustainability Initiatives**

From 1 April 2020, Dialog Axiata Group mobilised its sustainability initiatives with the objective of providing urgent support on the healthcare front and to communities that are struggling due to current restrictions.

- Pledge of LKR 200Mn to augment intensive care facilities, providing state-of-the-art medical equipment and enhance ICU capacity in Sri Lanka that would not only serve to treat COVID-19 patients but also those who require intensive care treatment, post COVID-19 pandemic.
- Launch of National COVID screening trilingual hotline - 1390 on the request of Ministry of Health and in partnership with Wavenet International (Pvt) Ltd and MyDoctor (My Health Solutions (Pvt) Ltd) for all Sri Lankans to receive remote access to doctors in obtaining information and advice on the coronavirus.
- Donation of a range of urgently required video-based telemedicine units for 20 hospitals including WiFi routers, feature phones, Fixed phones as well as special camera systems to remotely monitor patients and reduce the risk of infection to medical staff.
- Enabled distance learning in partnership with Ministry of Education via special teacher helpline 1377 for Ordinary Level students.
- Equipped Infectious Disease Hospital ('IDH'), the central healthcare institution spearheading the control of COVID-19, with critical connectivity solutions, video conferencing facilities and mobile devices to empower health care professionals by giving them the required digital tools to efficiently conduct emergency care.
- Extending community relief to help affected Sri Lankans, the Group joined hands with multiple media institutions and contributed Rs50Mn in distributing dry rations to over 72,000 people in 270 villages across 13 districts as of 16th April and continues to provide such relief during this prevailing situation in the country.

Expected Future Impact

The current unprecedented situation is yet evolving and the future impact will heavily depend on the duration of current restrictive environment and time taken for the economic activity to rebound to pre COVID-19 levels. The overall impact on consumer spending and the recovery of the country's enterprises will be key determinants of future impact on our business.

However, based on present trends we expect a negative impact on the Group's Revenue from the ongoing crisis. The Group has resorted to aggressive cost rescaling and rationalisation initiatives both in operating and capital expenditure to soften the impact on the business.

The Group will continue to accelerate its digital transformation program which was launched in 2017 to further strengthen its competitiveness in post COVID-19 era. In this regard Dialog has already made significant headway in digitising the customer experience throughout its journeys encompassing all touchpoints and the entire customer lifecycle. This digitisation drive has brought in significant cost savings to the Group while simultaneously delivering superior experience to customers.

Yours faithfully,
DIALOG AXIATA PLC



Supun Weerasinghe
Director / Group Chief Executive