



# First Quarter Report

January - March 2021

Dhivehi Raajjeyge Gulhun PLC  
[www.dhiraagu.com.mv](http://www.dhiraagu.com.mv)





Dhiraagu is the leading digital and telecommunications service provider in the Maldives. Our business is to provide future-proof digital and telecommunications connectivity that enables our customers to get ahead in the digital future. We are the pioneers that ushered the Maldives into the digital age, and we continue to lead the field by placing premium value on customer experience and consistent innovation. With over half a million customers, and an employee base comprising 99% trained Maldivians and presence throughout the country, we remain committed to enrich our customers' lives through digital services.

Dhiraagu brings the latest innovations and technology to help all our customers succeed in an increasingly connected world. We offer a comprehensive range of services spanning from mobile, internet, data, TV, mobile money and fixed services. We also ensure reliable international connectivity and coverage within the Maldives. We consider ourselves a partner for business growth and provide leading enterprise solutions and offer our customers peace of mind.

# 01

## Developments During the Quarter



## 1.1 Summary

With the economy recovering and increase in tourist arrivals, Q1 performance has been better than expected. Building on the momentum towards the end of last year, we made good progress by continuing to enhance our value propositions across our services.

“Dhiraagu Amilla Postpaid” was launched in February to offer our customers unmatched levels of customisation on their postpaid plans. The ability to build up and personalise post paid plans to cater to their own needs and lifestyle has been well received by our customers.

We continue extending our FTTH services and this is now available to 80% of households across the country. To help new customers enjoy the experience of our high-speed FTTH service, we ran a promotion offering free or discounted connections. We will continue to invest in expanding our FTTH network to reach more households across the country in line with our aim to enrich lives through digital services.

Dhiraagu started 2021 with a 6% increase in revenue compared to the last quarter of 2020 primarily due to the improved economic conditions with the increase in tourist arrivals leading to better roaming and enterprise revenues. However, Q1 2021 revenue was 9% lower than Q1 2020 due to the continued effect of the economic downturn resulting from the COVID-19 pandemic. Operating costs increased by 2% due to the increase in variable costs in line with revenue, but were 6% lower than Q1 2020 due to the continuation of cost optimization measures. Net profit and earnings per share increased by 17% vs Q4 2020 due to the increase in revenues and reduction in finance expenses in Q1 2021, however net profit was 14% lower than Q1 2020 due to the continued effect of the pandemic. Net cash flow decreased compared to Q4 2020 mainly due to the lower collections and tax payment during the quarter. The Company also announced a proposed final dividend of MVR 5.16 per share for the year ending 31 December 2020, subject to shareholder approval at the AGM.

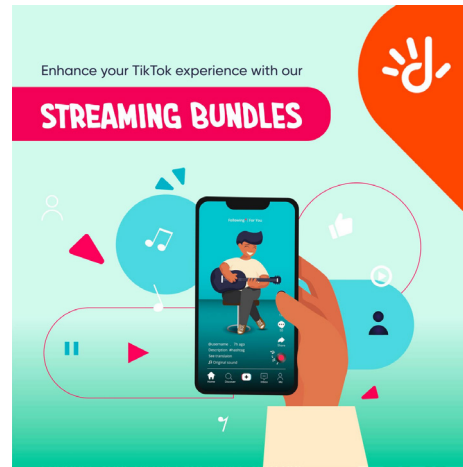
We remain steadfast in supporting the community through our CSR initiatives. In order to support businesses, the education sector with online learning and the Government, we continued our ongoing COVID-19 relief support with mobile data offers extended to teachers and students as requested by Ministry of Education and Free 10 GB data for staff and people at quarantine facilities. 17 young women successfully completed the Girls to Code G.Dh Thinadhoo Programme which we supported in partnership with Women in Tech Maldives. We also supported the NGO- Care Society’s Vocational Training Unit (VTU) Program for children with disabilities which aims to focus on training students with basic computer skills this year.

# 1.2 Key Commercial Highlights



### POSTPAID NEW PLAN

We launched 'Dhiraagu Amilla Postpaid', the first postpaid plan in the market allowing customers to personalise their own mobile plan. With this new postpaid plan, customers can boost their mobile experience by customizing their data, voice and choose from all-new value packs.



### PREPAID STREAMING BUNDLE UPGRADE

Prepaid streaming add-ons and allowances were enhanced.



### SPOTIFY STREAMING ADD-ONS

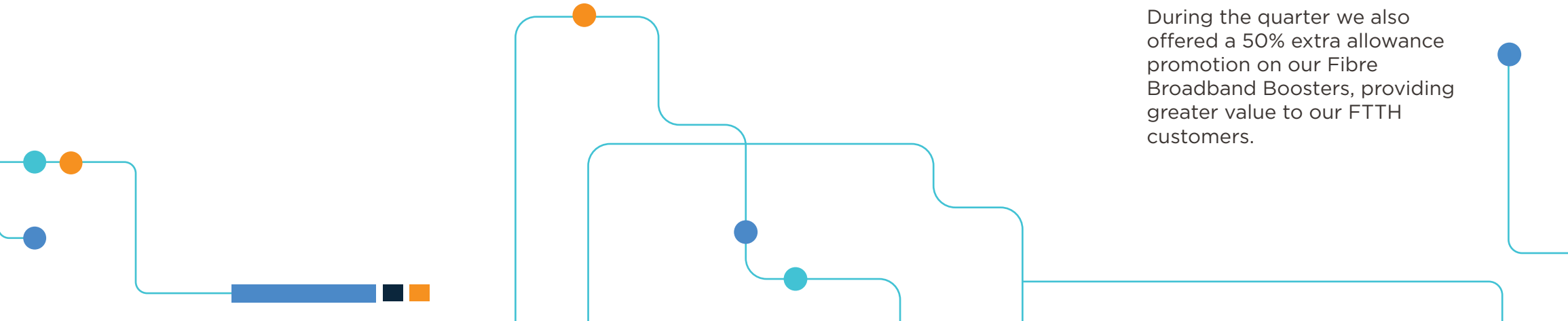
We included Spotify into our Streaming add ons enhancing the value proposition offered to the customers in addition to being the first to offer this to the market. The service is available to our Prepaid, Postpaid and Mamen customers.



### FIBRE BROADBAND PROMO

Residential Fibre Broadband free set up promotion was offered for customers residing at premises where there is an existing fibre cable in the building, Customers who are residing in buildings where there were no fibre cable received a 50% discount for their connection fee

During the quarter we also offered a 50% extra allowance promotion on our Fibre Broadband Boosters, providing greater value to our FTTH customers.



# 1.2 Key Commercial Highlights



### PREPAID PROMO

Our Prepaid year-end promo was extended till the end of January and customers continued to enjoy 100% extra allowance with every purchase of our Data 75 Mini Bundle.

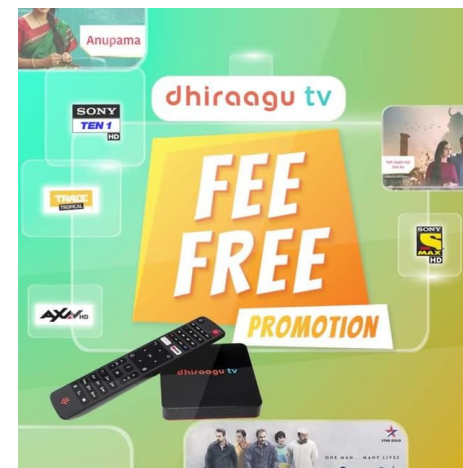
We also offered a special promotion for our prepaid customers allowing them to receive 200% extra data allowance with every purchase of the Data 75 mini bundle.



### MAMEN PROMO

We ran a promotion of 15% discounts on all Mamen Data Add-ons at the beginning of the year.

To give customer greater value, a 50% discount was offered for all Mamen Data Add-ons.



### DHIRAAGUTV PROMO

DhiraaguTV launched a fee free promotion where existing Fixed Broadband customers can apply for DhiraaguTV to enjoy a free connection and free Joybox (set-top-box).



### SAMSUNG GALAXY S21 (2021) OFFICIAL LAUNCH

Samsung Galaxy S21 handsets were launched for the Maldivian market, with customers getting the chance to acquire a free Samsung Fit2 and a Galaxy Smart Tag with every pre-order.



## 1.2 Key Commercial Highlights



### COVID-19 SUPPORT OFFERS

To support Government's initiative towards remote education and those at quarantine facilities, we further extended the mobile data offers given during COVID-19 pandemic:

- 5 GB data for teachers and students as requested by Ministry of Education
- Free 10 GB data through connect services for staff & patients at quarantine facilities



### SPONSORSHIPS

Our support towards community initiatives continued throughout Q1. We offered sponsorship support and facilitated various social events and activities including:

- Women's Day Event organised by Ministry of Education
- Women's Handball Tournament organized by Havaru Sports Club in Gdh. Thinadhoo

# 1.3 Organisational Highlights

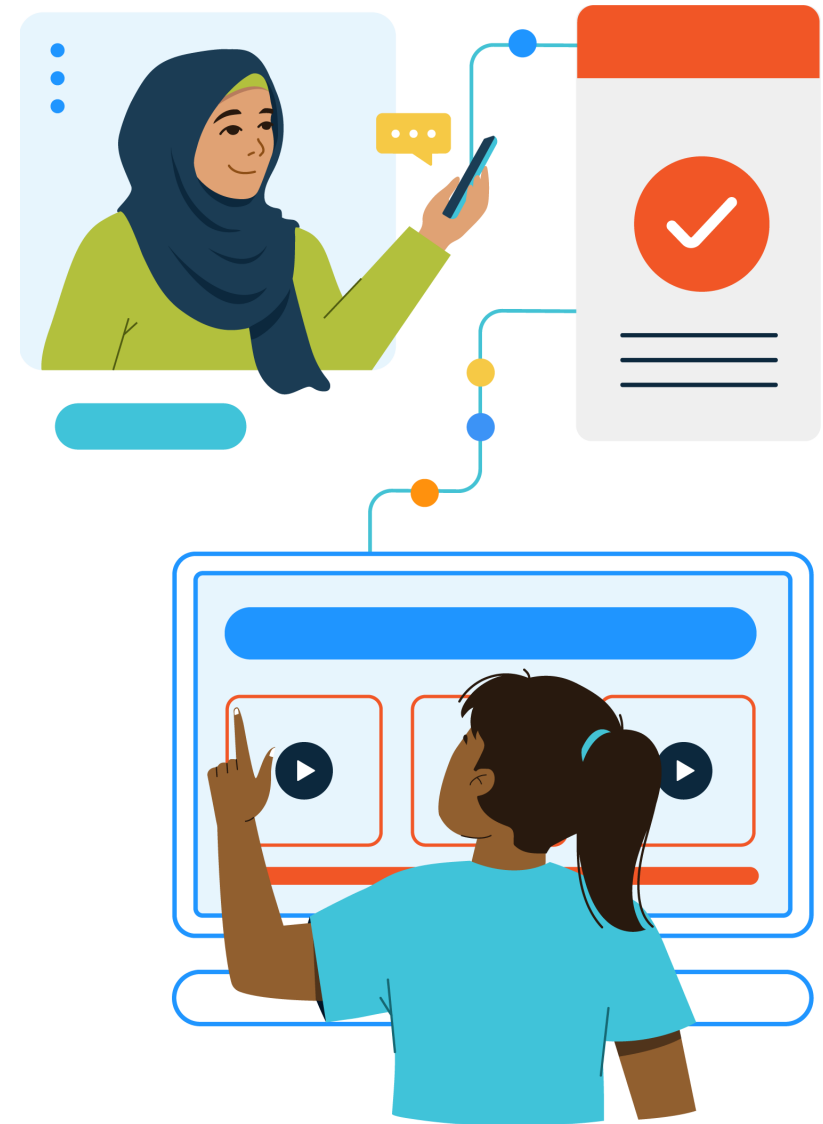
## EMPLOYEE TRAINING AND ENGAGEMENT

We strive to maintain our focus on our employee's professional development, health, safety and engagement. During the quarter, awareness sessions on new tax regulations, as well as comprehensive workshops on enhancing customer centricity were conducted. Technical trainings related to 5G networks were also carried out. The launching of the 'Knowledge Lounge', our own internal knowledge sharing series contributed to 954 learning hours in the first quarter.

## EMPLOYEE WELLBEING AND HEALTH & SAFETY

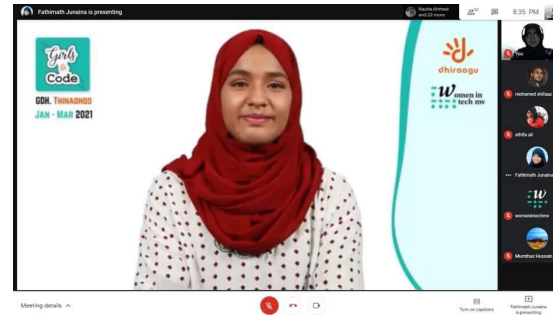
During the quarter we carried out health and wellbeing sessions for our employees, which includes

- A virtual event to start the New Year.
- Kickoff WE'ALTHY -VIBES 2021 Campaign: 2 virtual sessions held inviting all staff.
  - Basic Fire Awareness and First Aid Session was conducted by Maldives National Defence Force - Fire and Rescue Services.
  - Maldives Red Crescent conducted a session to convey the importance of COVID-19 vaccination.





## 1.4 Corporate Social Responsibility

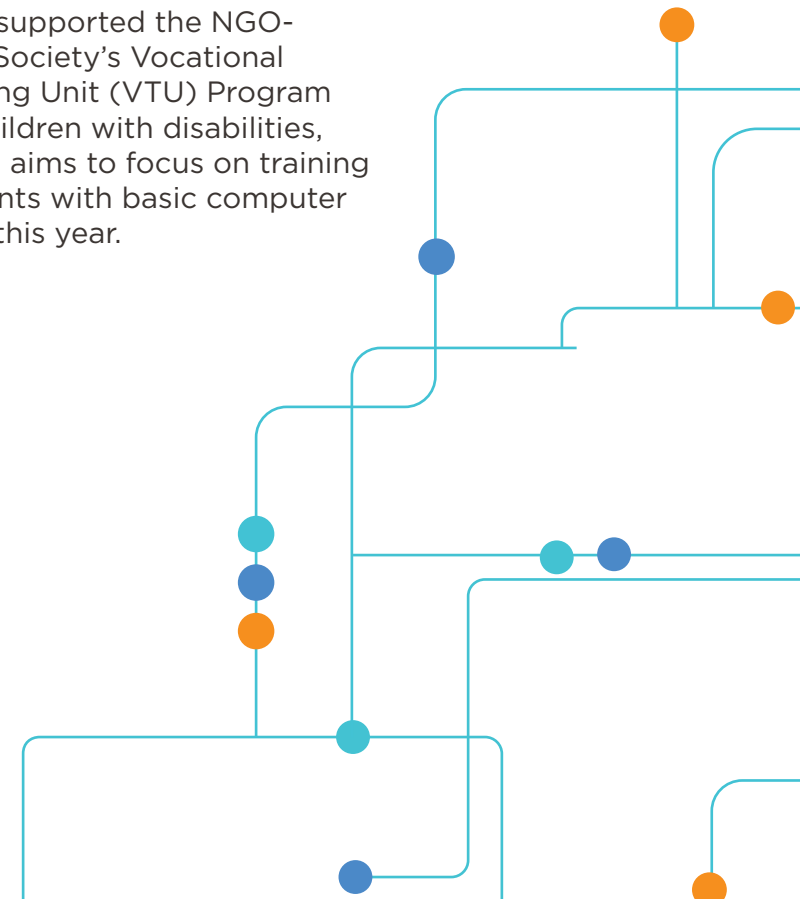


### EMPOWERING WOMEN AND YOUNG PEOPLE

- A virtual function was held to mark International Women's Day and celebrate women's empowerment. Shadiya Ibrahim, Assistant Representative UNFPA Maldives joined colleagues as a special guest speaker at the event.
- 17 young women successfully completed the Girls to Code Thinadhoo Programme which we supported in partnership with Women in Tech Maldives. We featured the girls from the programme and their inspirational stories throughout the month of March following International Women's Day and a virtual function was held to celebrate their achievements.
- Enrollment for the 2021 Dhiragu Apprenticeship Programme was opened with new graduate placements for information technology specialized training.

### CARE FOR CHILDREN

- We supported the NGO-Care Society's Vocational Training Unit (VTU) Program for children with disabilities, which aims to focus on training students with basic computer skills this year.

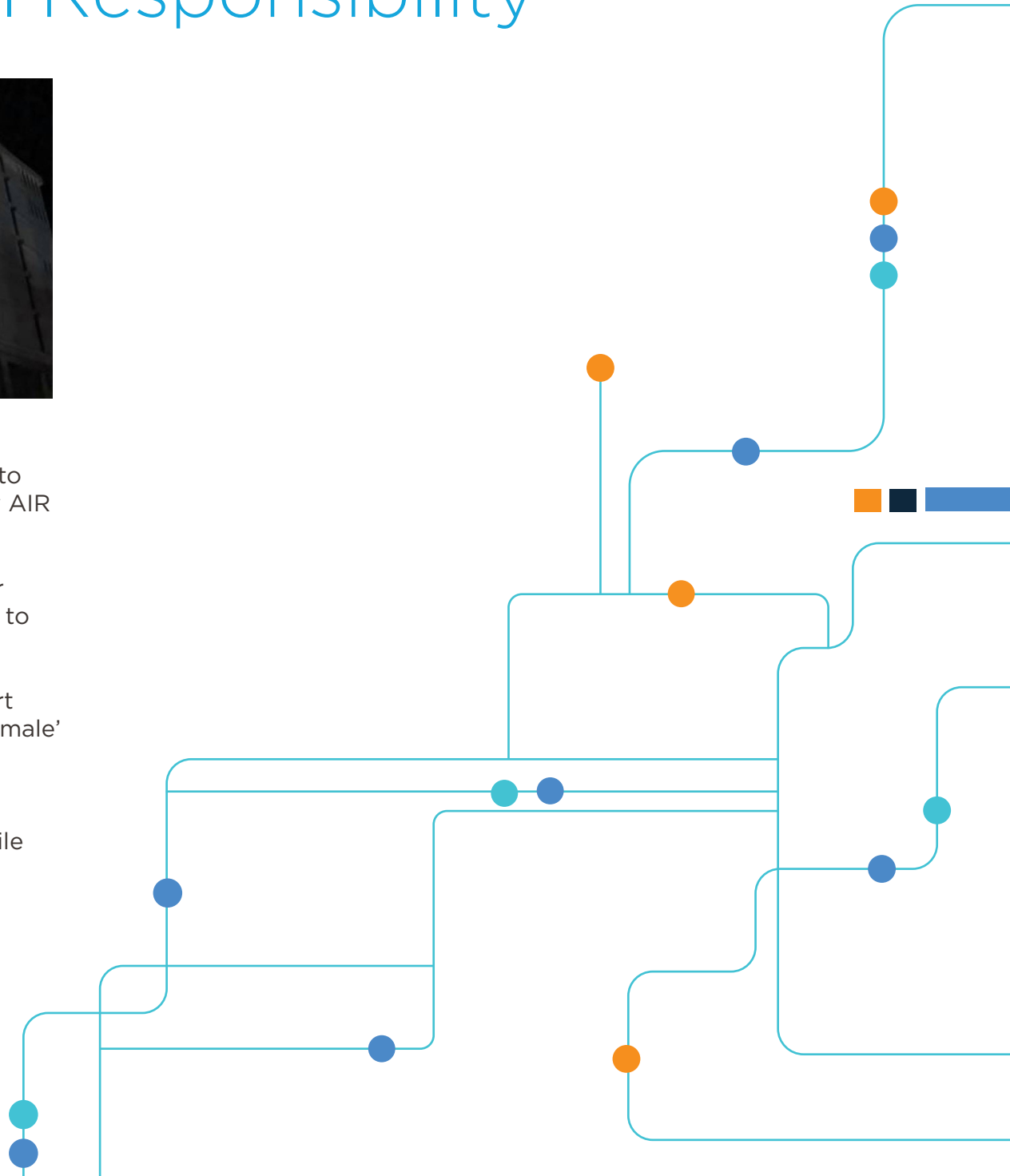


## 1.4 Corporate Social Responsibility



### CARE FOR ENVIRONMENT AND WELLBEING

- We contributed reusable bags to all students and teachers to support A. Dh. Dhangethi School's initiative to join the Parley AIR Challenge and make the school plastic free.
- We switched off the lights in Dhiraagu Head Office and our regional operational centres across the nation for Earth Hour to take part in the global campaign and raise awareness.
- We provided free internet setup and connectivity to support Vaccination teams at Social Centre, Islamic Centre and Hulhumale' Flu Clinic in Greater Male' Area as part of our support to authorities for the COVID-19 response.
- We supported Fuvahmulah Council with free Postpaid Mobile connectivity to assist their COVID-19 contact tracing work .



# 02

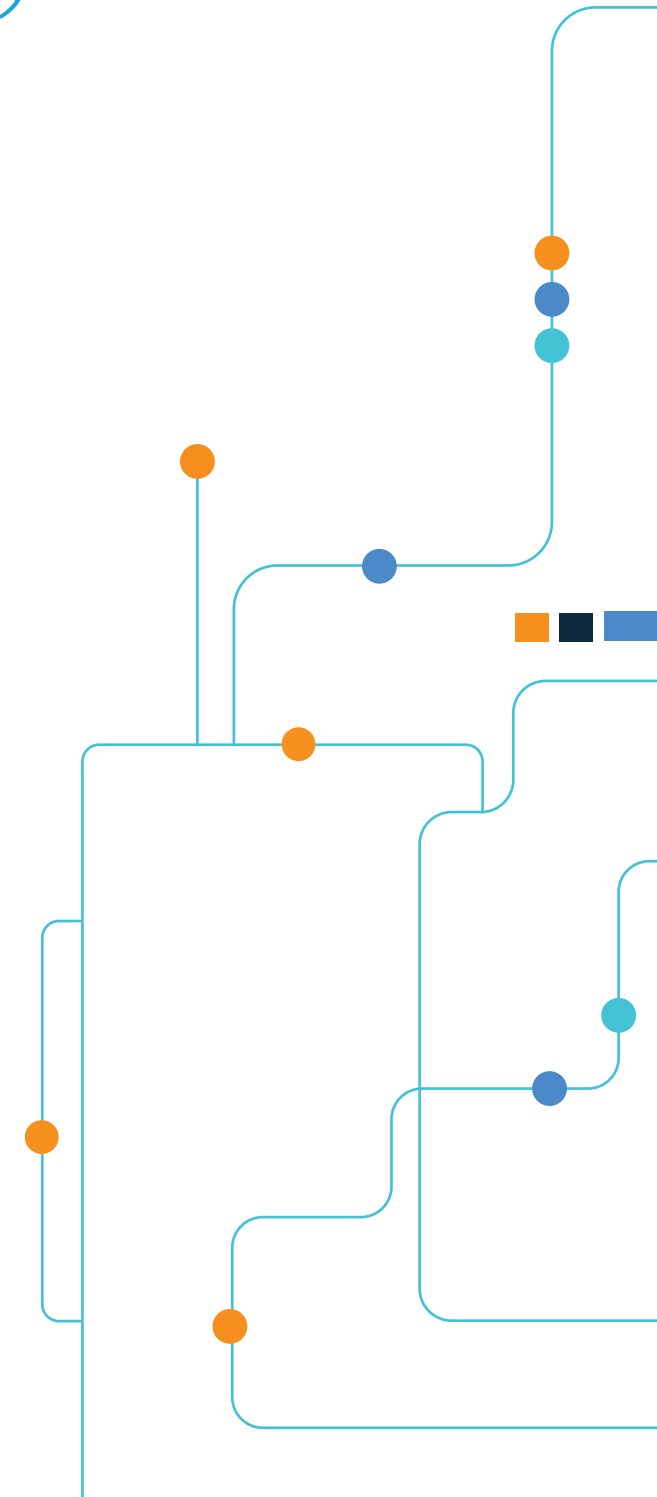
## Key Financial Highlights

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## 2.1 Income Statement (unaudited)

FOR THE QUARTER ENDED	Q1 VS Q4	
	MAR (Q1 2021) MVR "000"	DEC (Q4 2020) MVR "000"
Mobile Revenue	390,207	366,052
Fixed, Broadband & Enterprise	255,478	241,642
Others	14,484	13,865
<b>Revenue</b>	<b>660,169</b>	<b>621,559</b>
Operating Costs	(299,156)	(294,201)
Depreciation and Amortization	(98,064)	(97,934)
Other Income	60	350
<b>Results from Operating Activities</b>	<b>263,009</b>	<b>229,774</b>
Net Financing Expense	(4,573)	(8,227)
<b>Profit Before Tax</b>	<b>258,436</b>	<b>221,547</b>
Tax Expense	(38,680)	(33,164)
<b>Profit for the period</b>	<b>219,756</b>	<b>188,383</b>
<b>Share Performance Ratios</b>		
Basic Earnings Per Share (Annualized MVR)	11.56	9.92
Basic Earnings Per Share (Quarter MVR)	2.89	2.48

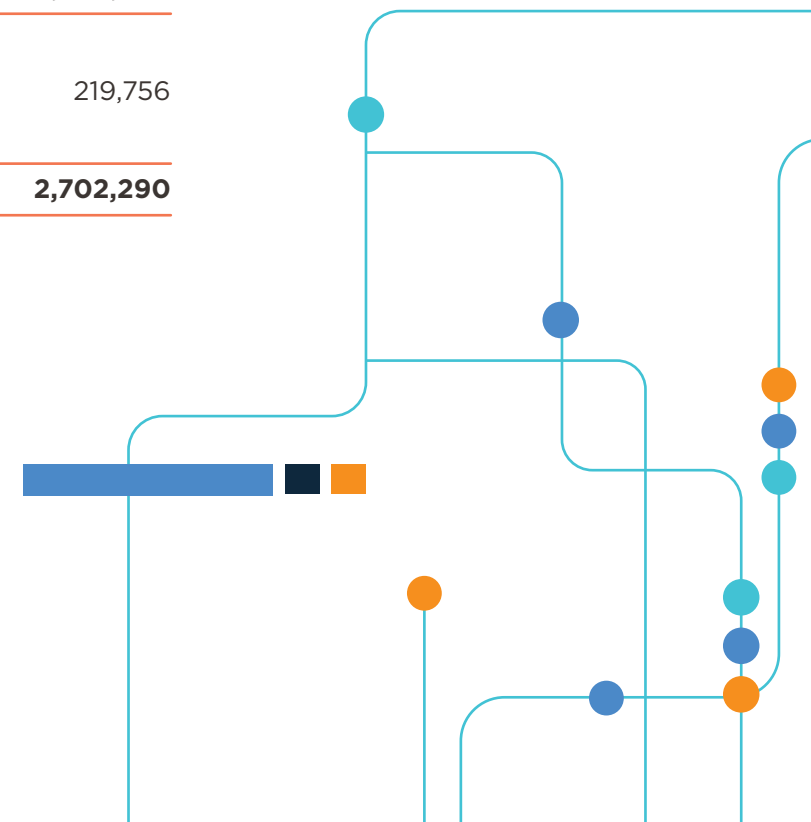


## 2.2 Balance Sheet (unaudited)

AS AT	Q1 VS Q4		MAR (Q1 2021) MVR "000"	DEC (Q4 2020) MVR "000"	MAR (Q1 2021) MVR "000"	DEC (Q4 2020) MVR "000"
<b>ASSETS AND LIABILITIES</b>						
<b>Non-Current Assets</b>						
Intangible Assets			295,580	306,550		
Property, Plant and Equipment			1,749,974	1,811,154		
Right of use asset			252,435	245,206		
Deferred Tax Asset			7,841	7,943		
<b>Total Non-Current Assets</b>			<b>2,305,830</b>	<b>2,370,853</b>		
<b>Current Assets</b>						
Inventories			49,819	49,643		
Trade and Other Receivables			725,504	709,323		
Cash and Bank Balances			1,124,684	975,477		
<b>Total Current Assets</b>			<b>1,900,007</b>	<b>1,734,443</b>		
<b>Total Assets</b>			<b>4,205,837</b>	<b>4,105,296</b>		
<b>Non-Current Liabilities</b>						
Provisions			(138,117)	(136,925)		
Right of use liability - non-current			(231,304)	(231,780)		
<b>Total Non-Current Liabilities</b>			<b>(369,421)</b>	<b>(368,705)</b>		
<b>Total Liabilities</b>			<b>(1,503,547)</b>	<b>(1,622,762)</b>		
<b>Net Assets</b>			<b>2,702,290</b>	<b>2,482,534</b>		
<b>Equity</b>						
Share Capital			190,000	190,000		
Retained Earnings			2,512,290	2,292,534		
<b>Total Equity</b>			<b>2,702,290</b>	<b>2,482,534</b>		
<b>Current Liabilities</b>						
Trade and Other Payables			(753,041)	(850,049)		
Amounts Due to Related Party			(310,071)	(307,443)		
Right of use liability - current			(30,538)	(30,403)		
Current Tax Liabilities			(40,476)	(66,162)		
<b>Total Current Liabilities</b>			<b>(1,134,126)</b>	<b>(1,254,057)</b>		

## 2.3 Statement of changes in equity (unaudited)

	SHARE CAPITAL MVR "000"	RETAINED EARNINGS MVR "000"	TOTAL MVR "000"
<b>Balance at 30 Sep 2020</b>	<b>190,000</b>	<b>2,104,151</b>	<b>2,294,151</b>
Profit for the period	-	188,383	188,383
<b>Balance at 31 Dec 2020</b>	<b>190,000</b>	<b>2,292,534</b>	<b>2,482,534</b>
Profit for the period	-	219,756	219,756
<b>Balance at 31 Mar 2021</b>	<b>190,000</b>	<b>2,512,290</b>	<b>2,702,290</b>



## 2.4 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	Q1 VS Q4	
	MAR (Q1 2021) MVR "000"	DEC (Q4 2020) MVR "000"
Net Cash Inflow from Operating Activities	276,503	410,977
Net Outflow from Investing Activities	(88,685)	(88,331)
Net Outflow from Financing Activities	(38,611)	(82,446)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>149,207</b>	<b>240,200</b>
Cash and Cash Equivalents at beginning of the Period	959,888	719,688
<b>Cash and Cash Equivalents at end of the Period</b>	<b>1,109,095</b>	<b>959,888</b>



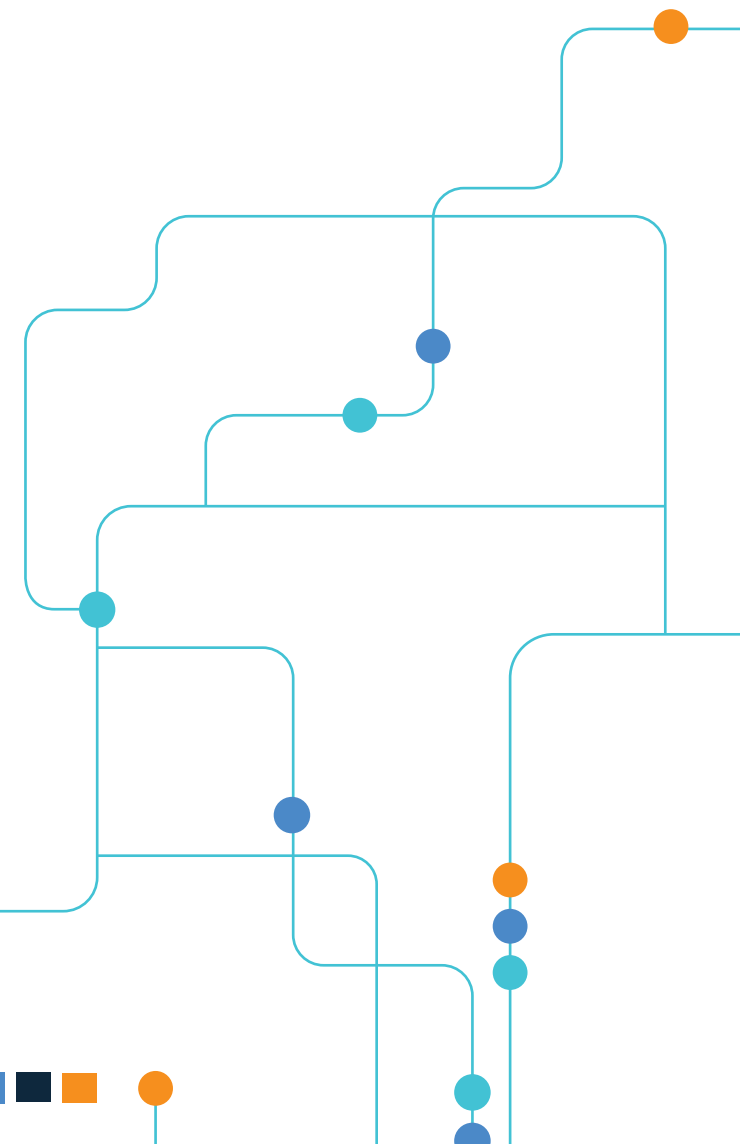
**Ismail Rasheed**  
CEO & Managing Director



**Robin Wall**  
Chief Financial Officer



**Ahmed Abdulrahman**  
Chairperson, Audit Committee



# 03

## Governance

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## 3.1 Board Composition

On 1 January 2021 Bahrain Telecommunication Company (Batelco) removed Non-executive Director, Mr. Ihab Hanna Hinnawi and appointed Mr. Isa AlSabea to the Dhiraagu Board of Directors. With this change the Board composition as at 31 March 2021 was as follows.

NAME	POSITION	CATEGORY	RESPECTIVE COMMITTEE
Mr. Ismail Waheed	Chairperson, Director	Non-Executive & Independent	Chairperson, RNG Committee
Mr. Ahmed Abdulrahman	Deputy Chairperson, Director	Non-Executive & Independent	Chairperson, Audit Committee
Mr. Imran Ali	Director	Non-Executive & Independent	Member, Audit Committee & RNG Committee
Mr. Mikkel Vinter	Director	Non-Executive & Independent	Member RNG Committee
Mr. Faisal Qamhiyah	Director	Non-Executive & Independent	
Uza. Maryam Manal Shihab	Director	Non-Executive & Independent	
Mr. Isa AlSabea	Director	Non-Executive & Independent	
Mr. Ismail Rasheed	Chief Executive Officer & MD	Executive & Non- Independent	

RNG Committee = Remuneration, Nomination and Governance Committee

## 3.2 Board Activity

During the quarter, one Board Meeting, one Audit Committee Meeting and one Remuneration, Nomination and Governance Committee Meetings was held.

## 3.3 Board Decisions

Important Board decisions made during the quarter included:

- Appointing a new Member to the RNG Committee.
- Resolution to submit for shareholder's consideration and approval Audited Financial Statements for the year ended 31st December 2020.
- Approval of 2020 Performance Bonus Payout.
- Resolution to submit for shareholder's consideration and approval a Standing Resolution to declare Interim Dividend in 2021.
- Resolution to submit for shareholder's consideration and approval, a full year dividend of MVR 7.23 per share, amounting to MVR 549m for the year 2020. The full year dividend is made up of:
  - MVR 2.07 per share (total MVR 157,320,000) paid as interim dividend in 2020, and
  - MVR 5.16 Per share (total MVR 392,160,000) as final dividend for 2020 to be paid after shareholder approval at the 32nd AGM.
- Approval of amendments to Prevention of Harassment and Bullying at the Workplace Policy.
- Approval of amendments to Leave Policy.
- Approval of amendments to Grievance Policy; and
- Approval of amendments to Authority Matrix.

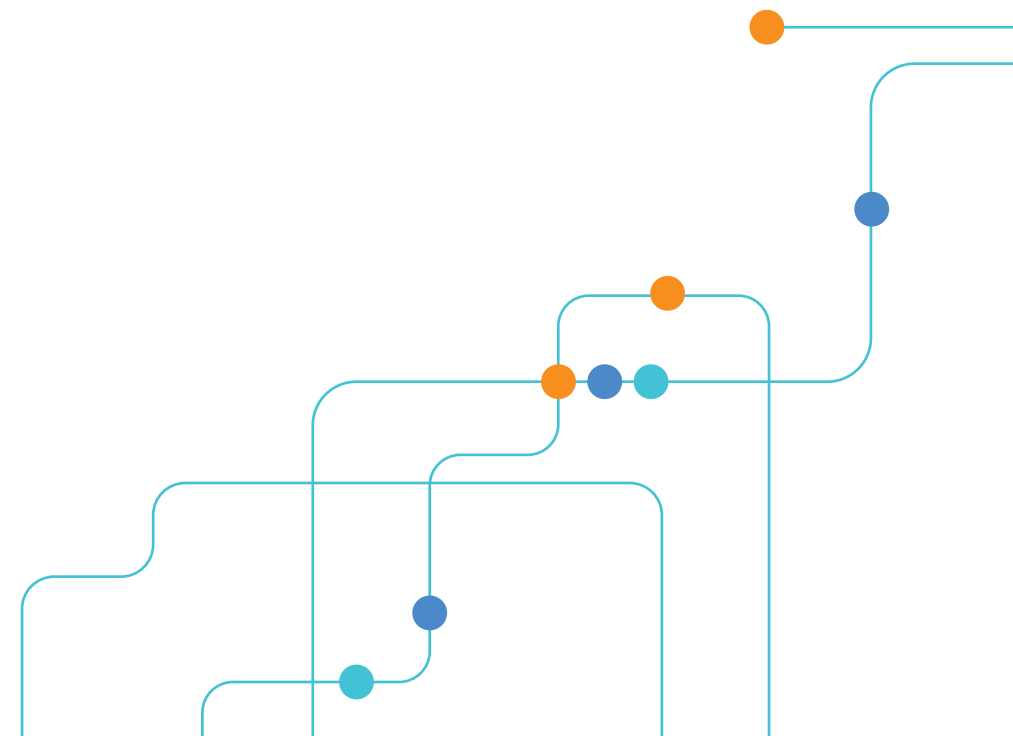
## 3.4 Legal & Regulatory Compliance

The Company complied with the CMDA's Corporate Governance Code and Dhiraagu Corporate Governance Code during the quarter. Highlights include ensuring regular, timely and effective disclosures as required by the Code.

The company's Corporate Governance Code can be viewed in the investor relations section of the Dhiraagu website.

## 3.5 Reporting Compliance

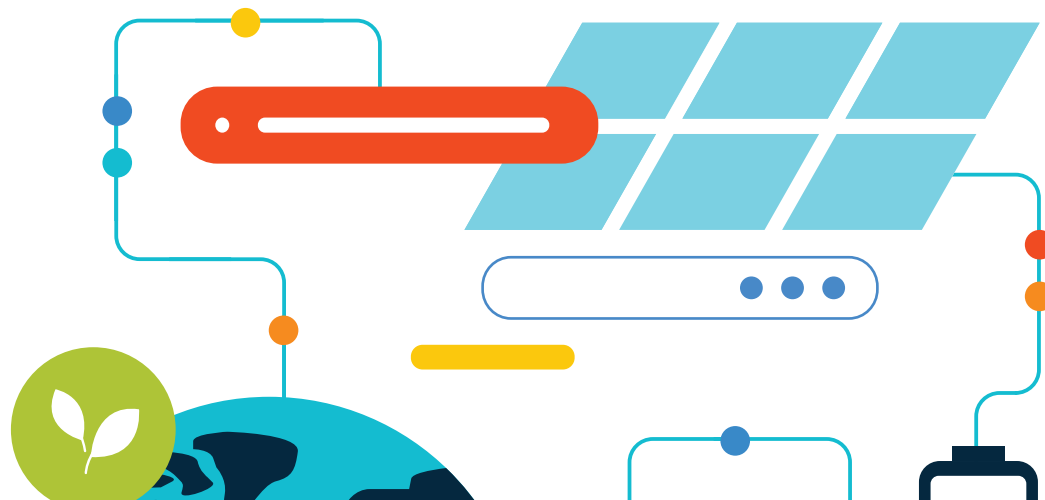
This report has been prepared in compliance with CMDA's Minimum Criteria for Periodic Reporting for Listed Companies.



# 04

## Investor Relations

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## 4.1 Shareholding

The Company's shareholding as at 31 March 2021 was as follows:

SHAREHOLDING	%	NUMBER OF SHARES
BTC Islands Limited (Batelco)	52.0%	39,520,000
Government of Maldives	41.8%	31,770,150
Public	6.2%	4,709,850
	<b>100%</b>	<b>76,000,000</b>

## 4.3 Share Performance

	Q1 2021	Q4 2020
EPS (Annualized MVR)	11.56	9.92
P/E Ratio (Annualized)	8.22	10.10
Net Asset Per Share (MVR)	35.56	32.66
Dividend Yield	7.6%	11.9%
Cash flow per share (MVR)	14.59	12.63

## 4.2 Trading Highlights

	Q1 2021	Q4 2020
Highest Traded Price (MVR)	95	110
Lowest Traded Price (MVR)	95	96
Last Traded Price (MVR)	95	96
Number of Shares Traded	200	1280
Number of Trades	1	9
Weighted Average Traded Price (MVR)	95	100.23
Market Capitalization as at quarter end (MVR)	7.22bn	7.62bn

Market Capitalization = Weighted Average Traded Price x Outstanding Shares

