



Third Quarter Report

July - September 2021

Dhivehi Raajjeyge Gulhun PLC
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

Dhiraagu reported a 1% reduction in revenue vs previous quarter (4% increase vs Q3 of 2020). Although enterprise performed well due to the economic recovery, we saw the impact of price reductions on both mobile and fixed broadband. Roaming was also affected partly due to seasonality and travel restrictions in the key markets. Net profit and earnings per share decreased by 2% vs the prior quarter primarily due to the reduction in revenue. However, net profit improved by 21% compared to the corresponding quarter last year. Net cash flow before financing decreased during the quarter due to the interim tax payment for the year. The company also secured a \$12m financing facility during the quarter to fund capital expenditure.

With the COVID-19 situation improving in the country, movement restrictions were completely lifted in the Greater Male' area with the government offices and public sector returning back to work. Schools and colleges resumed normal sessions. With the

improvement in the tourist arrivals, resorts and guesthouses were back in operation.

In July, we completely revamped our Fixed broadband value packages with major price reduction on data, offering greater value and better experience for both consumer and business segments. With the new value proposition, customers now enjoy greater allowances and improvement of throttled speeds.

We continued to support our community through our CSR programme focusing on empowering women and young people, supporting children and helping to protect the environment. During the quarter, we had the enrollment of a new batch of the Girls to Code programme in partnership with Women in Tech Maldives for Kulhudhuffushi. We became the digital partner of SEED by BCC, the first coworking space introduced in Male' targeted to local entrepreneurs. We also welcomed the new batch of the 2021 intake of Dhiraagu

Apprenticeship Programme.

We partnered with the Cancer Society of Maldives to support a childhood cancer awareness campaign and contributed to the Maldivian Red Crescent to support their humanitarian work. To mark the International Coastal Cleanup Awareness month of September, we launched a "21DaysOfNoPlastic" social media contest to encourage ocean-friendly choices and alternatives to single-use plastic.



1.2 Key Commercial Highlights



FIXED BROADBAND

With the new revamp, our Fixed broadband customers now enjoy much greater value with a major price reduction on data, offering greater value and better experience for both consumer and business segments.

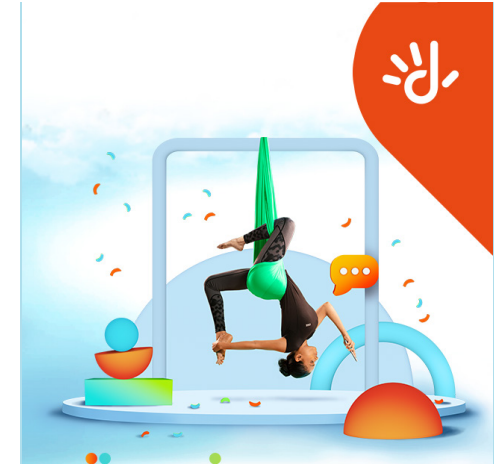
We also launched a migration campaign for our ADSL customers, encouraging them to migrate to our Fixed Broadband services for a better experience and faster internet speeds. Customers migrating under this campaign were offered free connection and free router/ONT.

Fixed Broadband services have now been extended to GDh. Rathafandoo, expanding our fixed broadband reach to a total of 65 islands nationwide.



SAMSUNG Z FOLD 3 PREORDER AND MALDIVES LAUNCH

We launched the flagship Samsung Z Fold 3, with pre-order customers getting the chance to acquire free Samsung Galaxy Buds 2. Customers had the choice to purchase these handsets on convenient payment plans and with exclusive data offers.



MAMEN

The 50% discount promotion on all Mamen Add-ons was continued.

1.2 Key Commercial Highlights



POSTPAID

Unlimited Voice Add-ons for our Amilla Postpaid customers were introduced.



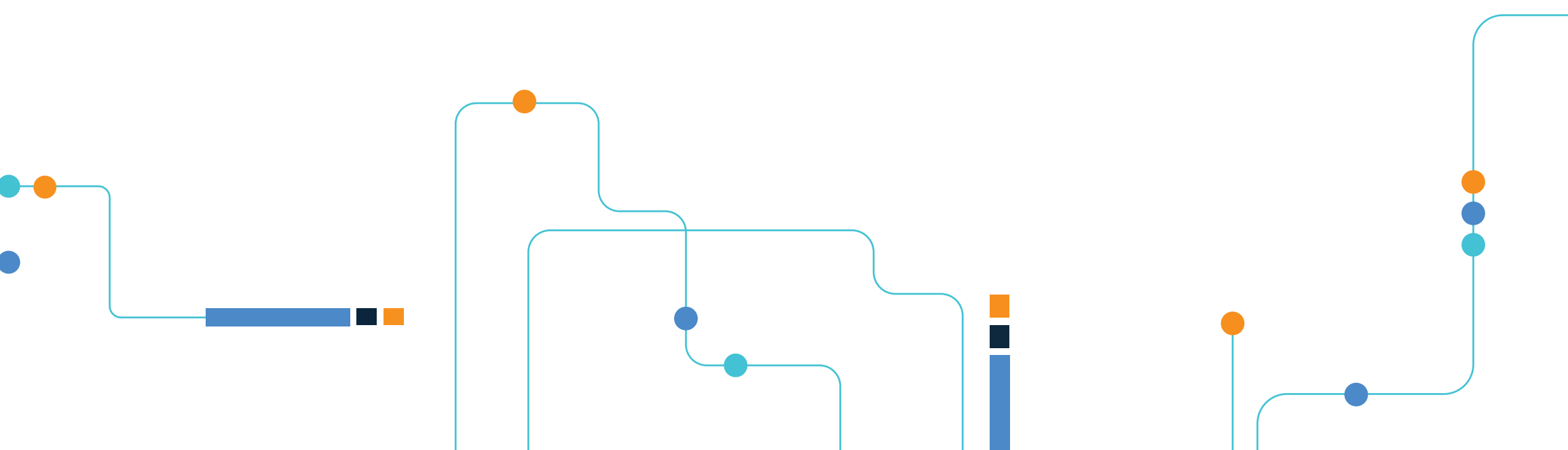
PREPAID

We launched Salhi Prepaid plans offering 1 GB per day for Weekly and Monthly plans. We also offered a promotional offer of 2GB daily for customers who purchased weekly plans during the promo period.

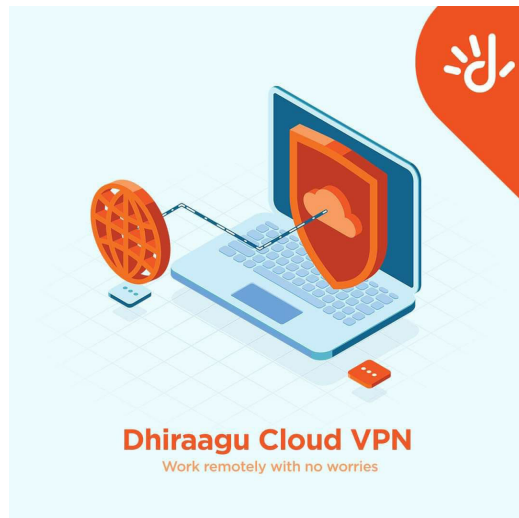


MOBILE BROADBAND

Extra data allowance promotion was launched on our Prepaid Data Sim packages.

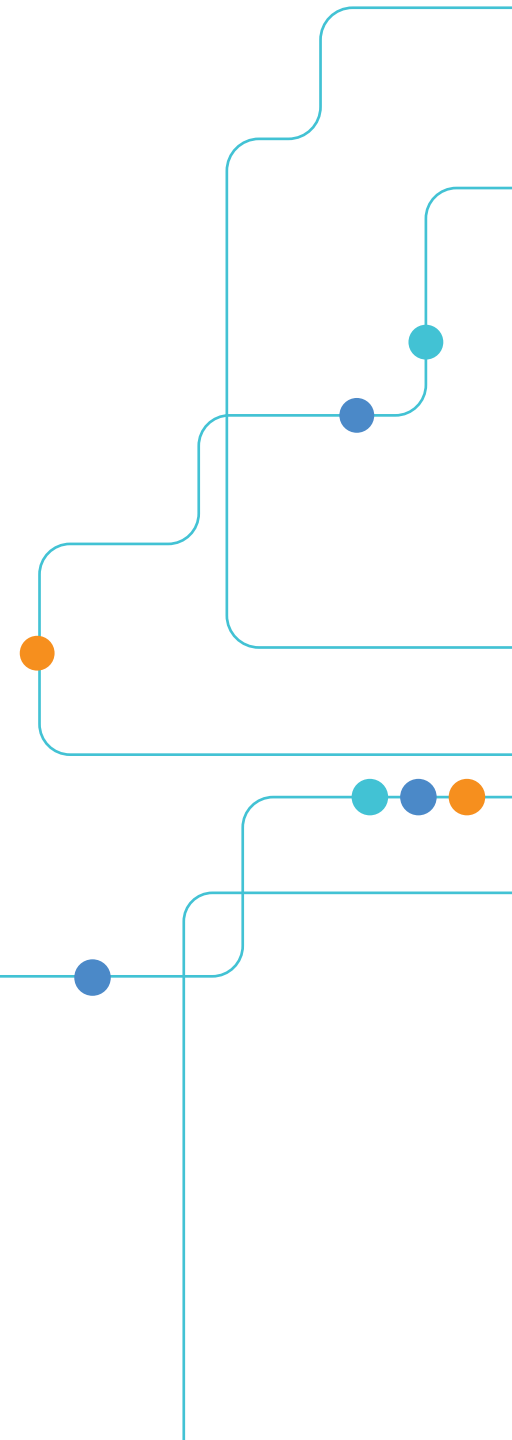


1.2 Key Commercial Highlights



BUSINESS

Cloud UTM and Cloud VPN services for our business and enterprise customers were introduced. Our business customers can now enjoy secure VPN solutions for remote learning or working with the help of Cloud VPN and protect and secure business-critical data and system using our Cloud UTM solutions.



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, we continued our program to enhance leadership and management skills. We welcomed our new batch of apprentices.

The Dhiragu Apprenticeship Programme is a key initiative providing young people with structured training in a professional work environment and helps them to gain key skills and experience.

Online opportunities to attend trainings and workshops at various technical forums in areas such as Broadband and IoT were also provided to technical teams.

EMPLOYEE WELLBEING AND HEALTH & SAFETY

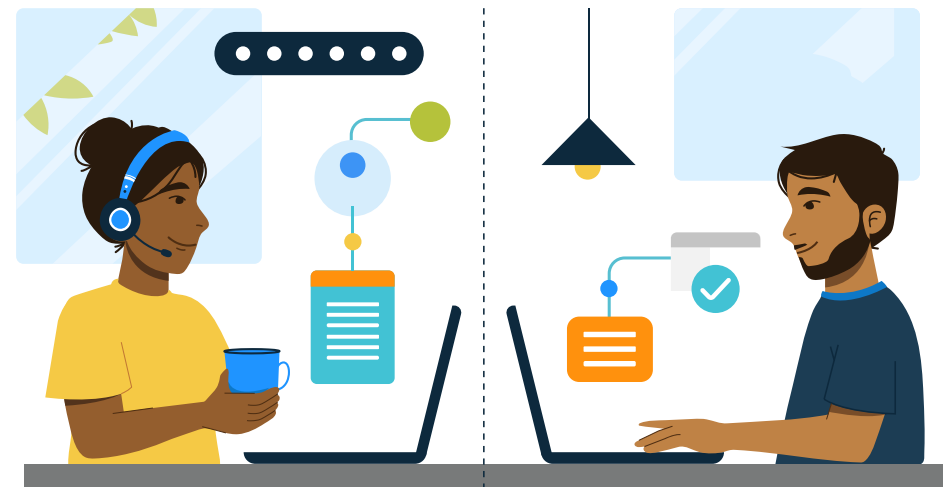
During the quarter we carried out health, safety and wellbeing sessions for our employees, which included:

- Wealthy-Vibes session on "Managing stress in difficult times".
- Awareness session on Emergency Evacuation Plan.

EMPLOYEE ENGAGEMENT

During the quarter we organised recreational activities including:

- Kick-off of "Learn to Swim programme"
- High performers recognition for CSC Team
- Virtual session on "Return to office and working in the new normal" for all employees



1.4 Corporate Social Responsibility



EMPOWERING WOMEN AND YOUNG PEOPLE

- 20 young women were enrolled in Girls to Code Kulhudhuffushi series, a programme we support in partnership with Women in Tech Maldives to encourage and inspire young women to join technology fields by teaching them how to code.
- We became the digital partner of “SEED” to support the initiative from the Ministry of Economic Development and Business Centre Corporation, the first coworking space introduced in Male’ targeted to local entrepreneurs. As the digital partner of the initiative, we provide our high-speed Business Fiber 1Gbps connection free of charge to SEED to support the initiative.¹
- We welcomed the new batch of the 2021 intake of Dhiraagu Apprenticeship Programme, a key educational and training programme helping to develop employability skills for young people.
- An orientation week for Dhiraagu Apprenticeship Programme was conducted with introductory sessions focusing on Health and Safety, Ethics, Essentials in Telecom, Digital Transformation, Brand and CSR.

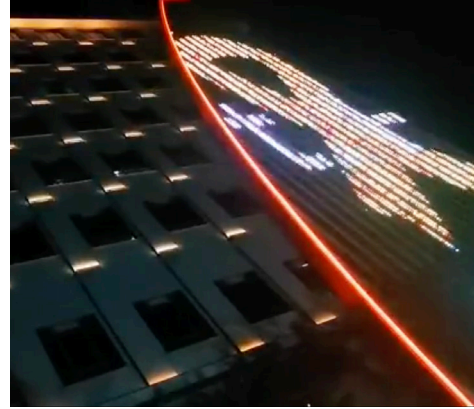
¹**Footnote:** Under Regulation No. 2019/R-1050 listed companies are required to disclose any CSR activities undertaken and spending for each activity if the total is more than or equal to MVR 100,000. Two of our CSR activities in this quarter fall into this category and have been disclosed in this report. Under our partnership for SEED by Business Centre Corporation, we are providing internet connectivity with a total value up to MVR 359,640 over a 3 year period.

1.4 Corporate Social Responsibility



CARE FOR CHILDREN

- We partnered with the Cancer Society of Maldives to support a childhood cancer awareness campaign focusing on childhood cancers in Maldives, patient stories and how society could help children reintegrate back to school and community after treatment. We marked the beginning of the month of September, by lighting up a gold ribbon in our head office building to draw attention to childhood cancers and to pledge our support to the childhood cancer awareness month.
- We further extended our support to the Family and Children Service Centres under the Ministry of Gender, Family and Social Services by providing free internet and DhiraaguTV services. The initiative is to support the Ministry's decentralization initiative in relocating children from Kuda Kudhinge Hiyaa orphanages from Greater Male' to different regions.



CARE FOR ENVIRONMENT AND COMMUNITY WELLBEING

- On the occasion of Maldivian Red Crescent Day and World Humanitarian Day, we renewed our corporate membership with the Maldivian Red Crescent to contribute and support their humanitarian work across Maldives²
- To mark the International Coastal Cleanup Awareness month of September, we launched a "21DaysOfNoplastic" social media contest to encourage ocean-friendly choices and alternatives to single-use plastic.
- On World Heart Day, we lit up a beating heart on Dhiraagu Head Office building to join the global illumination campaign and featured some of our colleagues who advocated heart-healthy messages.



²**Footnote:** MVR 100,000 spent to renew our corporate membership with Maldivian Red Crescent to support their humanitarian work.

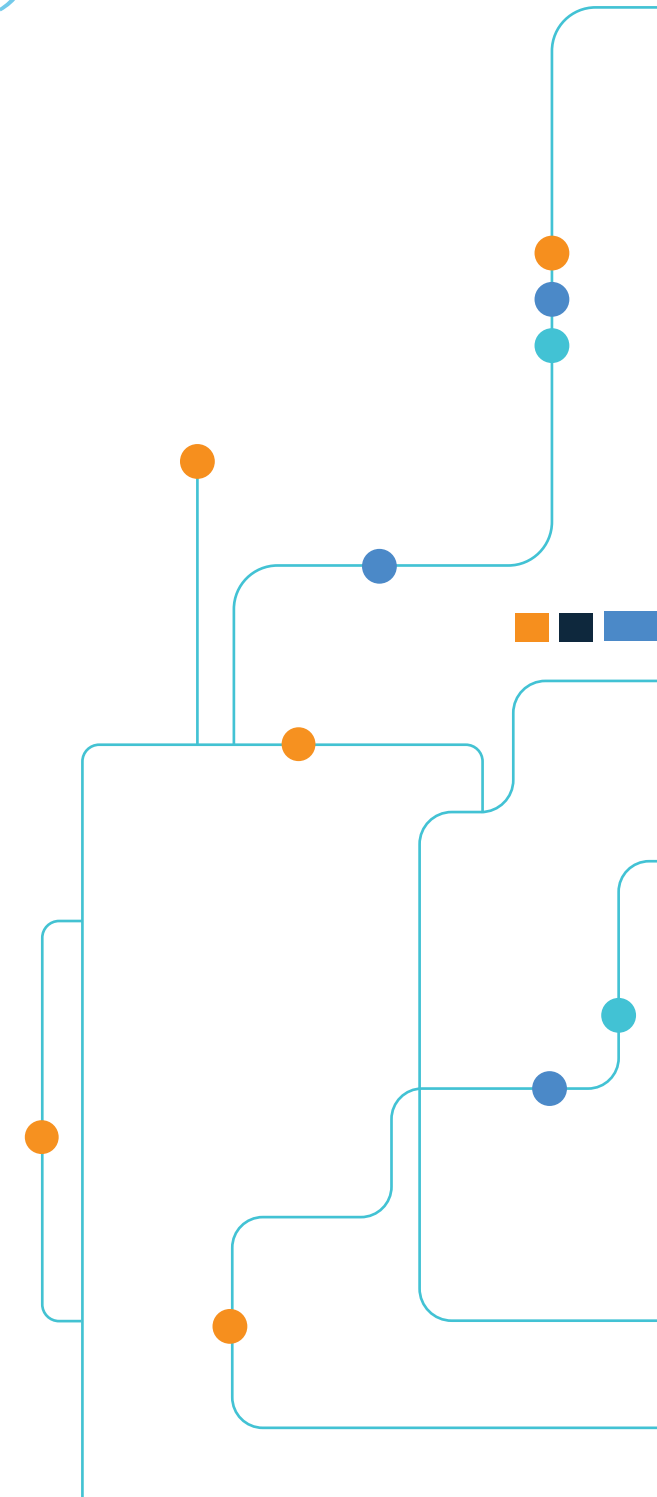
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Key Financial Highlights



2.1 Income Statement (unaudited)

FOR THE QUARTER ENDED	Q3 VS Q2	
	SEP (Q3 2021) MVR "000"	JUN (Q2 2021) MVR "000"
Mobile Revenue	325,627	340,378
Fixed, Broadband & Enterprise	268,118	261,323
Others	16,525	15,728
Revenue	610,270	617,429
Operating Costs	(279,542)	(283,077)
Depreciation and Amortization	(99,151)	(99,369)
Other Expense	(28)	(81)
Results from Operating Activities	231,549	234,902
Net Financing Expense	(6,498)	(4,278)
Profit Before Tax	225,051	230,624
Tax Expense	(33,758)	(34,818)
Profit for the period	191,293	195,806
Share Performance Ratios		
Basic Earnings Per Share (Annualized MVR)	10.08	10.32
Basic Earnings Per Share (Quarter MVR)	2.52	2.58

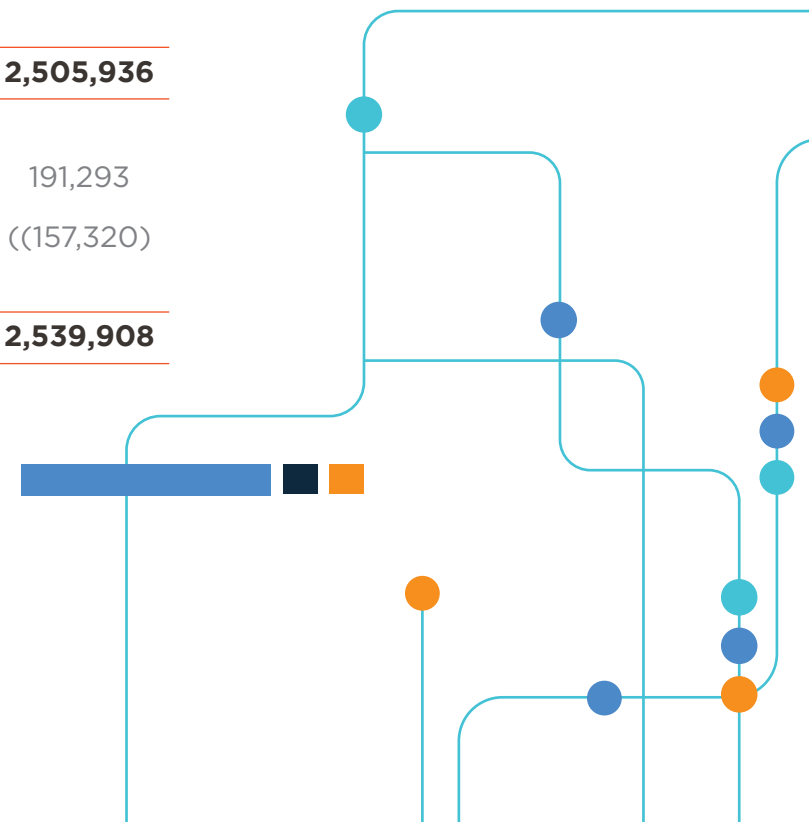


2.2 Balance Sheet (unaudited)

AS AT	Q3 VS Q2		Q3 VS Q2	
	SEP (Q3 2021) MVR "000"	JUN (Q2 2021) MVR "000"	SEP (Q3 2021) MVR "000"	JUN (Q2 2021) MVR "000"
ASSETS AND LIABILITIES				
Non-Current Assets				
Intangible Assets	317,039	308,188		
Property, Plant and Equipment	1,683,843	1,703,457		
Right of use asset	296,921	249,938		
Deferred Tax Asset	4,712	5,093		
Total Non-Current Assets	2,302,515	2,266,676		
Current Assets				
Inventories	35,907	40,938		
Trade and Other Receivables	665,584	684,253		
Cash and Bank Balances	1,479,380	1,346,592		
Total Current Assets	2,180,871	2,071,783		
Total Assets	4,483,386	4,338,459		
Current Liabilities				
Trade and Other Payables	(761,516)	(774,262)		
Amounts Due to Related Party	(543,014)	(466,287)		
Right of use liability - Current	(32,401)	(29,862)		
Short Term Loans and Borrowings	(64,520)	(25,442)		
Current Tax Liabilities	(42,310)	(72,546)		
Total Current Liabilities	(1,443,761)	(1,368,399)		
Non-Current Liabilities				
Provisions	(140,499)	(139,307)		
Long Term Loans and Borrowings	(81,232)	(93,414)		
Right of use liability - Non-Current	(277,986)	(231,403)		
Total Non-Current Liabilities	(499,717)	(464,124)		
Total Liabilities	(1,943,478)	(1,832,523)		
Net Assets	2,539,908	2,505,936		
Equity				
Share Capital	190,000	190,000		
Retained Earnings	2,349,908	2,315,936		
Total Equity	2,539,908	2,505,936		

2.3 Statement of changes in equity (unaudited)

	SHARE CAPITAL MVR "000"	RETAINED EARNINGS MVR "000"	TOTAL MVR "000"
Balance at 31 Mar 2021	190,000	2,512,290	2,702,290
Profit for the period	-	195,806	195,806
Dividends	-	(392,160)	(392,160)
Balance at 30 Jun 2021	190,000	2,315,936	2,505,936
Profit for the period	-	191,293	191,293
Dividends	-	((157,320))	((157,320))
Balance at 30 Sep 2021	190,000	2,349,908	2,539,908



2.4 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	Q3 VS Q2	
	SEP (Q3 2021) MVR "000"	JUN (Q2 2021) MVR "000"
Net Cash Inflow from Operating Activities	320,190	377,514
Net Outflow from Investing Activities	(88,946)	(83,738)
Net Outflow from Financing Activities	(98,456)	(63,572)
Net Increase in Cash and Cash Equivalents	132,788	230,204
Cash and Cash Equivalents at beginning of the Period	1,339,299	1,109,095
Cash and Cash Equivalents at end of the Period	1,472,087	1,339,299



Ismail Rasheed
CEO & Managing
Director



Ahmed Abdulrahman
Chairperson
Audit Committee



Robin Wall
Chief Financial Officer



03

Governance



3.1 Board Composition

No changes were brought to the composition of the Board during the second quarter of 2021. The Board composition as at 30 September 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 & Non-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, two Board meetings, one Audit Committee (AC) meeting and one Remuneration, Nomination and Governance (RNG) Committee meeting was held.

3.3 Board Decisions

Important Board decisions made during the quarter included:

- Approval of Interim Condensed Financial Statements for the quarter ending 30 June 2021.
- Approval of MVR 2.07 per ordinary share (total MVR 157.3m) as Interim Dividend for the year 2021 (in accordance with the Shareholder's Standing Resolution to declare Interim Dividend in 2021) with a book closure date of 12 August 2021.
- Approval of general salary increment.

3.4 Legal & Regulatory Compliance

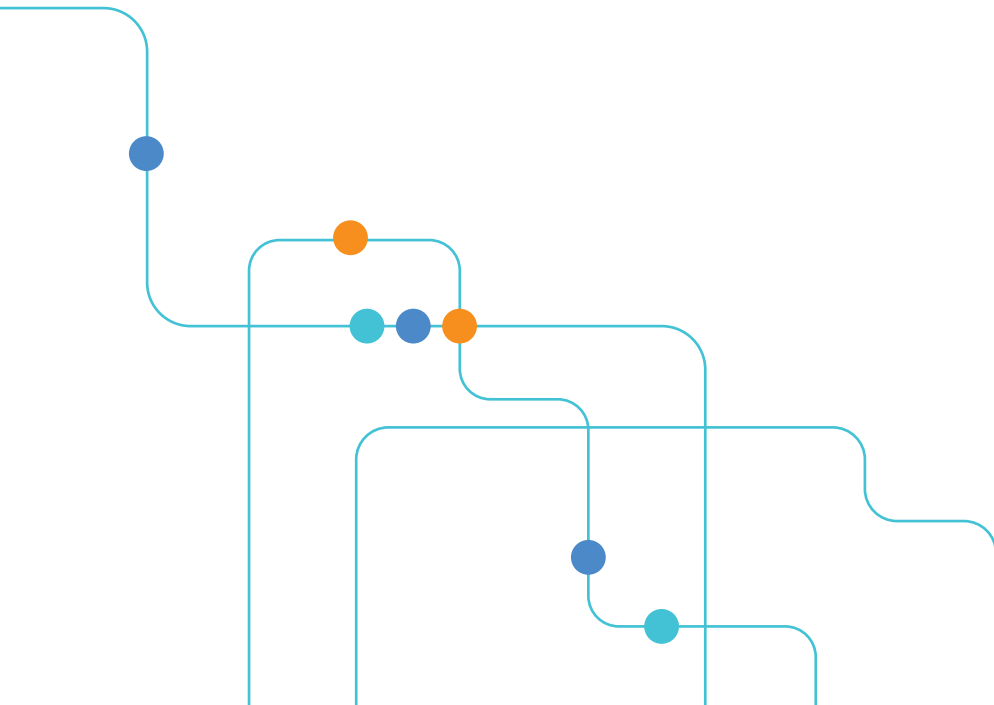
The Company complied with the CMDA's Corporate Governance Code and Dhiraagu Corporate Governance Code during the quarter. Highlights include ensuring regular, timely and effective disclosures as required by the Code.

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

3.5 Reporting Compliance

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.



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Investor Relations



4.1 Shareholding

The Company's shareholding as at 30 September 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
	100%	76,000,000

4.3 Share Performance

	Q3 2021	Q2 2020
EPS (Annualized MVR)	10.08	10.32
P/E Ratio (Annualized)	10.29	9.42
Net Asset Per Share (MVR)	33.42	32.97
Dividend Yield	7.0%	7.4%
Cash flow per share (MVR)	19.37	17.62

4.2 Trading Highlights

	Q3 2021	Q2 2021
Highest Traded Price (MVR)	110	110
Lowest Traded Price (MVR)	95	96
Last Traded Price (MVR)	107	110
Last Traded Date	15 Sep 2021	10 May 2021
Number of Shares Traded	1310	900
Number of Trades	13	4
Weighted Average Traded Price (MVR)	103.76	97.22
Market Capitalization as at quarter end (MVR)	7.89bn	7.39bn

