

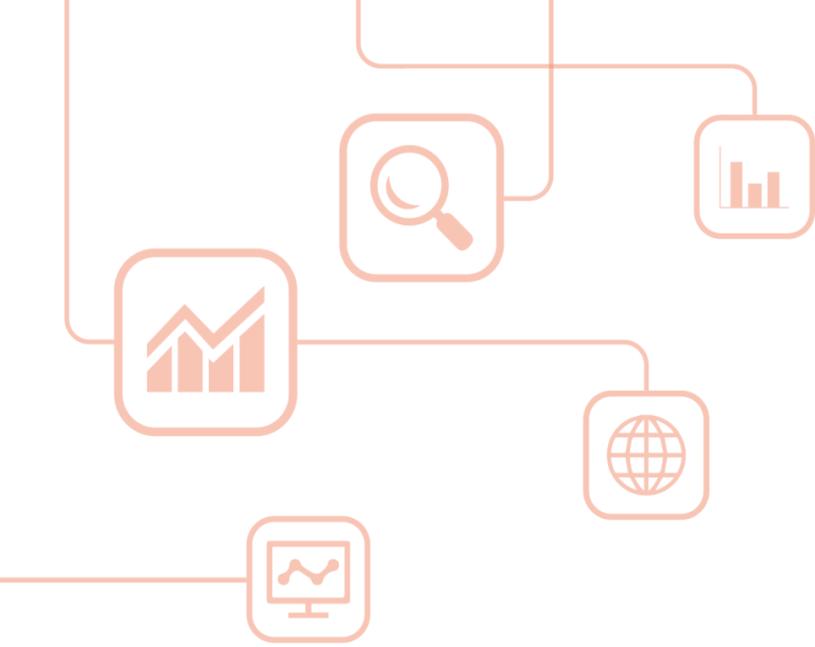
**dhiraagu**

# QUARTER 4

## REPORT 2017

October to December





01

# Commercial & Operational Highlights



## 1.1 Summary

Dhiraagu had another successful quarter with continued growth across Mobile, FTTH, Enterprise and TV. We launched the exciting ‘Mamen’ product for the Maldives youth and launched Dhiraagu Pay, our new digital wallet. We reinvented our postpaid packages offering our customers the best data for a digital lifestyle.

Dhiraagu ended the year with a MVR 46m increase in revenue compared to the previous quarter, driven by growth on mobile, FTTH and adjacent services. Net profit and EPS increased by 11% over the previous quarter mainly resulting from higher revenue. Cash flow before financing was lower during the period, mainly due to an increase in capital investment as we strive to roll out new services across the country and provide the best experience for our customers.



## 1.2 Key commercial & operational highlights

### Mamen

Dhiraagu started the quarter with the launch of Mamen, an innovative DIY mobile plan where users get to decide how much data, voice or text messaging they need. Mamen is based around the Mamen app, where customers have the freedom to build their own plans.

### Dhiraagu Pay

Another key highlight of the quarter was the launch of its mobile money service “Dhiraagu Pay” in October. Dhiraagu pay provides customers with a safe, convenient and easily accessible way to make every day financial transactions. The service was launched with the dedicated Dhiraagu Pay app making it convenient for all Dhiraagu customers to access and use their digital wallets.

### New Postpaid Revamp

In October Dhiraagu introduced its completely reinvented postpaid service – the new mobile revolution. Simple and affordable, the new packages focus on digital mediums, providing the best value for customers. The package includes enhanced data allowances with free data usage for popular social media apps, unlimited calls on Dhiraagu network and attractive IDD call discounts.

### Dhiraagu TV

Similar to previous quarters, Dhiraagu TV service was extended to 7 additional islands. Launched in 2017. Dhiraagu TV service is now available in 21 islands including Male’ and the greater Male area.



## Dhiraagu Fibre Broadband Expansion

Dhiraagu continued to deliver on its commitment to expand high-speed Fibre to the Home (FTTH) connectivity to the islands, extending FTTH coverage and services to four additional islands.

## Residential LTE Broadband Revamp

In December Dhiraagu revamped the existing 4G LTE Broadband packages. The new packages are now available nationwide and includes postpaid and prepaid plans and are ideal for customers on the move requiring high speed internet for shorter time periods.

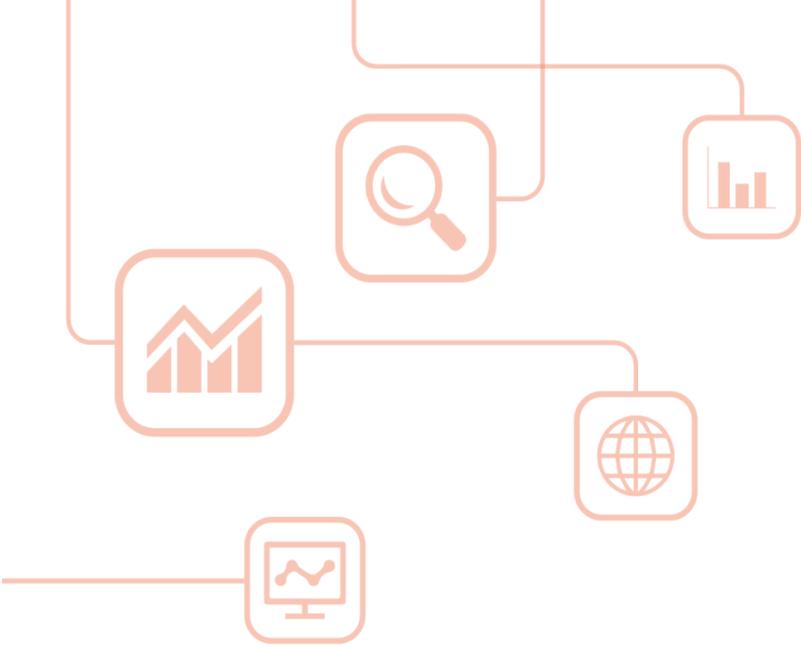
## Promotional Activities & Special Launches

Promotional activities and special launches during the quarter include:

- Special packages for Guesthouses on Dhiraagu TV.
- A targeted IDD promotion to India and Sri Lanka following tropical Cyclone Okchi.
- Samsung Note 8 with special payment options for customers.
- iPhone X, Apple's new flagship phone, on the third wave of international release. Dhiraagu customers were offered a special payment option.
- iPhone 8 and 8 Plus with special payment options for customers.

## Sporting and Event Sponsorships

- Dhiraagu was the main sponsor of the eighth edition of the Twitsal held in December. Twitsal is a Futsal tournament held by the Maldivian Twitter community and is the largest social media event in the country.
- Dhiraagu also sponsored the music event of the Youfest 2017 organised by the Hulhumale Development Corporation.
- Dhiraagu TV was the title sponsor of the sixth Dhivehi Film Awards hosted by the National Centre for the Arts.



# 02

## Corporate Social Responsibility



## 2.1 Staff Training & Engagement

### Staff Training

- During Q4 2017, 264 staff were trained, 134 staff in technical areas and 130 staff were trained in non-technical areas, with 20 staff receiving training from overseas.
- Professional Certification Programmes were conducted for both call center staff (20) and customer services center (19).

### Health and Safety

- 58 staff trained for Rigging, Tower Climber and Tower Rescue.
- 50 staff including newly joined Apprentices successfully completed First Aid training for First Aid Representative.
- Fire Safety inspections done at the Regional Operation Centers and at all sites in Greater Male' area.

### Staff Engagement

- Two core Values activation away day at K. Feydhufinolhu was held for a total of 400 staff. This is a structured learning program with team building activities with the Executive Management team and senior management joined the event.
- Fun Friday, a staff & family event was held with exciting activities, game and food stalls. Over 400 staff & family members attended the event. All the activities, game stalls were planned and executed by our staff.
- 200 Staff actively participated in key roles in DMRR 2017
- A special staff gathering was held on first October to celebrate the twenty ninth Anniversary of Dhiraagu with over 400 staff attending this gathering.



## 2.2 Support to Community and Environment

### Promoting and Protecting Children's Rights

#### Dhiraagu Special Sports Festival

300 children participated in Dhiraagu Special Sports Festival 2017 this year, an annual sports event organized and driven by Dhiraagu for children with disabilities in collaboration with various NGOs.

#### Dhiraagu Maldives Road Race

In November Dhiraagu undertook the 11th Annual Dhiraagu Maldives Road race which was participated by approximately 3000 runners. The event held at Hulhumale' is a platform to highlight the issues of child protection and actively supports NGOs engaged in child protection. This year, Dhiraagu contributed MVR 200,000 to 5 local NGOs working in the area of child protection and support through Dhiraagu Maldives Road Race 2017, the largest run in the Maldives with over 3,000 participants.

#### Training Unit for Care Society

We pledged to support Care Society to establish a vocational training unit for young adults with disabilities at Twitsal (futsal tournament), the largest social media event in Maldives.

#### Supported Children's festival on occasion UN Children's Day

To mark the United Nations Universal Children's Day, Dhiraagu supported Maldives Police Services to host a children's festival at Gn. Fuvahmulak, in collaboration with UNICEF.



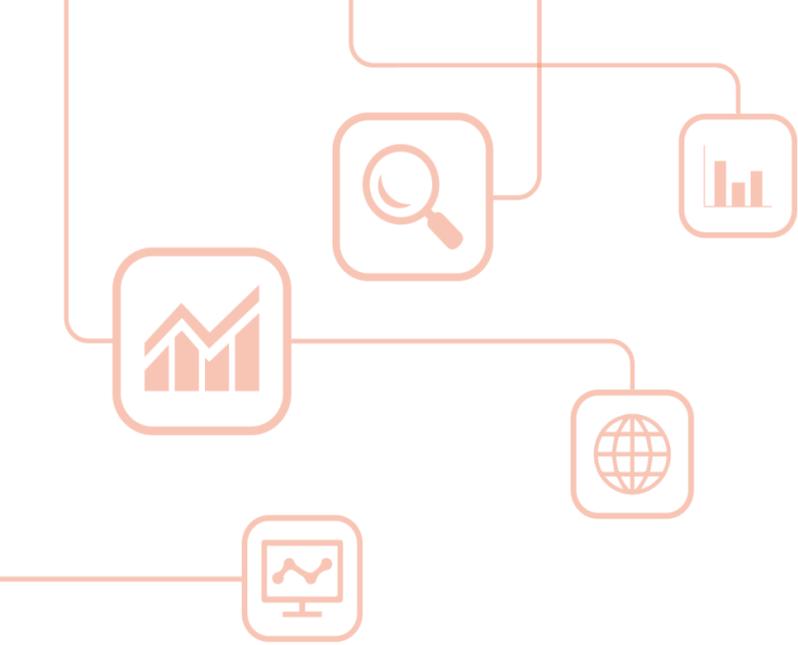
## Empowering young people

19 new apprentices were enrolled and 22 apprentices graduated from Dhiraagu Apprenticeship Program, one of our key CSR programmes, targeted for youth to enhance their work skills development.

## Promoting environment protection

We supported UNDP's "Unite for Climate Action" programme with the objective to improve community skills in addressing climate change related emergencies and natural disasters.

We supported "Save the Beach", a youth movement focused on conserving the beaches in Vilingili to conduct "Moodhu Majaa" festival. The event hosted various activities such as snorkeling, beach clean ups, nature walks and raised awareness against pollution and climate change for youth.



# 03

## Board Administration





## 3.1 Board Composition

No changes were made to the Board during the Fourth Quarter. As at 31<sup>st</sup> December 2017, the Board comprised of the following members.

Name	Position
Mr. Mohamed Ashmalee	Chairperson
Mr. AbdulRahman Fakhro	Deputy Chairperson
Mr. Ihab Hinnawi	Non-Executive & Independent Director
Mr. Abdulla Ahmed	Non-Executive & Independent Director
Mr. Imran Ali	Non-Executive & Independent Director
Mr. Oliver MacFall	Non-Executive & Independent Director
Mrs. Kholood Rashid AlQattan	Non-Executive & Independent Director
Mr. Ismail Rasheed	Chief Executive Officer & MD

At the end of the year there was one vacant Board position. On January 15, 2018, Mr. Ahmed Hafiz was appointed as a Non-Executive Director by the Government of Maldives.

## 3.2 Board Activity

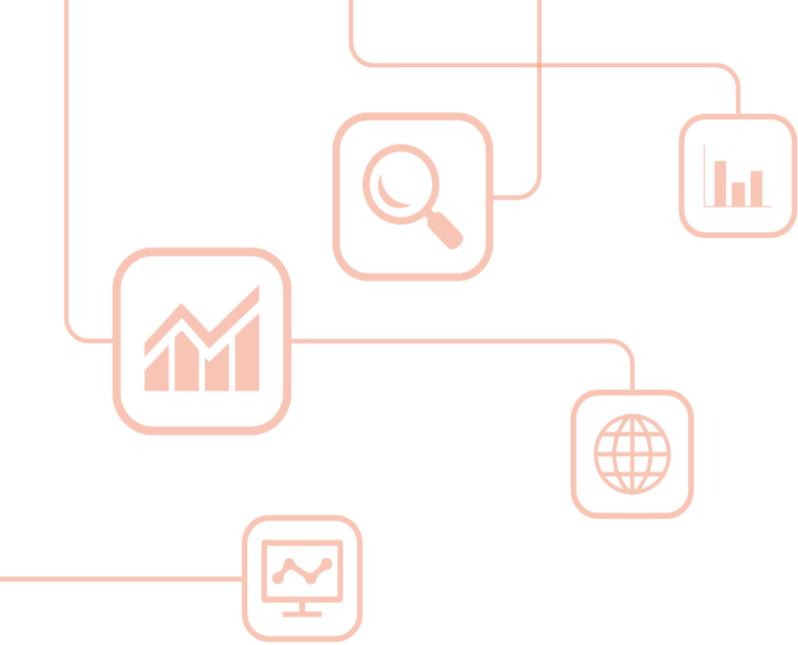
Frequency of Board and committee meetings held during the quarter:

Board	Audit Committee	RNG Committee
1	1	1

## 3.3 Board Decisions

Important Board decisions made during Quarter included:

- Approval of Interim Condensed Financial Statements as at 30 September 2017.
- Approval of the Strategy and Business Plan.
- Approval of Dhiraagu Procurement Policy.



04

# Share Performance





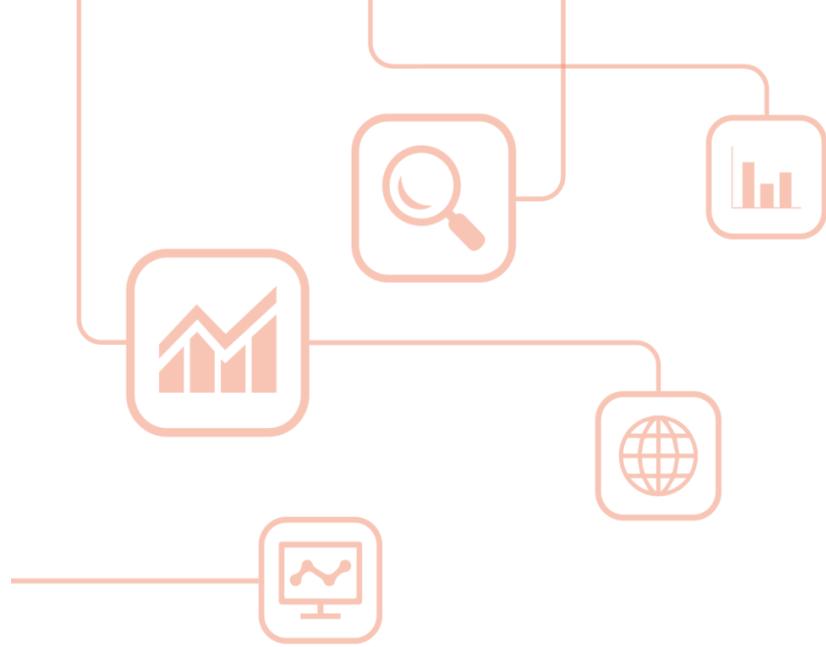
## 4.1 Shareholding

The company's shareholding as at 31 December 2017 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

## 4.2 Share trading and performance

	Q4 2017	Q3 2017
Highest Traded Price (MVR)	80	82
Lowest Traded Price (MVR)	80	82
Last Traded Price (MVR)	80	82
Number of Shares Traded	110	185
Number of Trades	3	3
Weighted Average Traded Price (MVR)	80	82
Market Capitalization as at quarter end	6.08bn	6.23bn
EPS (Annualized MVR)	12.32	11.08
P/E Ratio (Annualized)	6.49	7.40
Net Asset Per Share (MVR)	30.46	27.38



# 05

## Financial Statements



## 5.1 Balance Sheet (unaudited)

AS AT	31 Dec 2017 MVR "000"	30 Sep 2017 MVR "000"
<b>ASSETS AND LIABILITIES</b>		
<b>Non-Current Assets</b>		
Intangible Assets	243,870	159,167
Property, Plant and Equipment	1,823,336	1,741,561
Deferred Tax Asset	9,863	14,228
<b>Total Non-Current Assets</b>	<b>2,077,069</b>	<b>1,914,956</b>
<b>Current Assets</b>		
Inventories	73,130	77,307
Trade and Other Receivables	440,310	462,352
Cash and Bank Balances	607,512	456,913
<b>Total Current Assets</b>	<b>1,120,952</b>	<b>996,572</b>
<b>Total Assets</b>	<b>3,198,021</b>	<b>2,911,528</b>
<b>Current Liabilities</b>		
Trade and Other Payables	(634,273)	(617,739)
Amounts Due to Related Party	(1,359)	(1,209)
Current Tax Liabilities	(88,778)	(49,792)
<b>Total Current Liabilities</b>	<b>(724,410)</b>	<b>(668,740)</b>
<b>Non-Current Liabilities</b>		
Provisions	(158,732)	(161,913)
<b>Total Non-current Liabilities</b>	<b>(158,732)</b>	<b>(161,913)</b>
<b>Total Liabilities</b>	<b>(883,142)</b>	<b>(830,653)</b>
<b>Net Assets</b>	<b>2,314,879</b>	<b>2,080,875</b>
<b>Equity</b>		
Share Capital	190,000	190,000
Retained Earnings	2,124,879	1,890,875
<b>Total Equity</b>	<b>2,314,879</b>	<b>2,080,875</b>



## 5.2 Income Statement (unaudited)

FOR THE QUARTER ENDED	31 Dec 2017 MVR "000"	30 Sep 2017 MVR "000"
Revenue	698,095	651,841
Operating Costs	(350,211)	(326,988)
Depreciation and Amortization	(80,793)	(76,384)
Other Income	14,276	4,629
<b>Results from Operating Activities</b>	<b>281,367</b>	<b>253,098</b>
Net Financing Expense	(4,012)	(5,424)
<b>Profit Before Tax</b>	<b>277,355</b>	<b>247,674</b>
Tax Expense	(43,351)	(37,160)
<b>Profit for the period</b>	<b>234,004</b>	<b>210,514</b>
<b>Share Performance Ratios</b>		
Basic Earnings Per Share (Annualized MVR)	12.32	11.08
Basic Earnings Per Share (Quarter MVR)	3.08	2.77

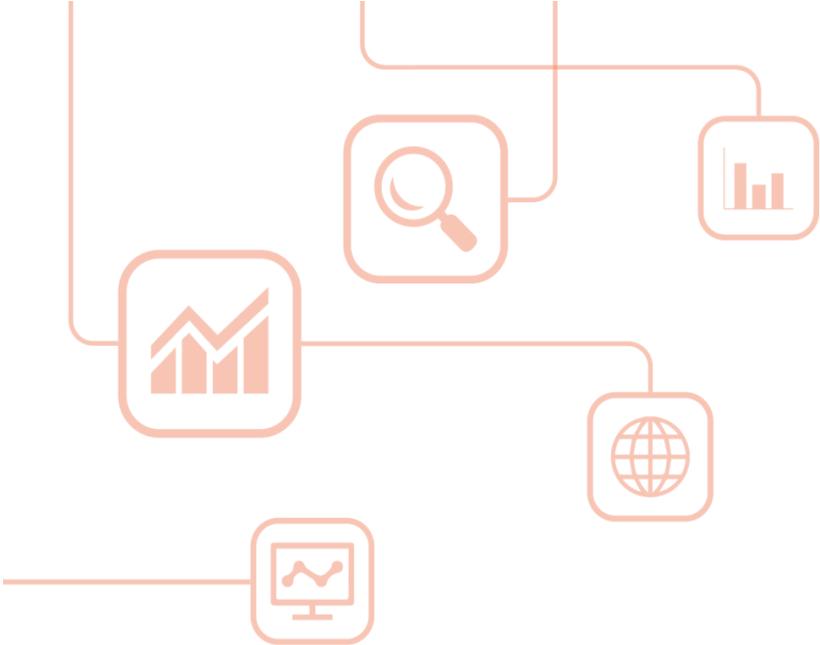


## 5.3 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	31 Dec 2017 MVR "000"	30 Sep 2017 MVR "000"
Net Cash Inflow from Operating Activities	282,674	229,374
Net (Outflow)/Inflow from Investing Activities	(84,101)	84,486
Net Outflow from Financing Activities	(2,214)	(457,467)
Net Increase / (Decrease) in Cash and Cash Equivalents	196,359	(143,607)
Cash and Cash Equivalents at beginning of the Period	228,530	372,137
Cash and Cash Equivalents at end of the Period	424,889	228,530

Robin Wall  
Chief Financial Officer

Ismail Rasheed  
CEO & Managing Director



06

# Legal and Regulatory Update



## 6.1 Compliance to CMDA Corporate Governance Code

The company complied with the CMDA's Corporate Governance Code and the 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:

[https://www.dhiraagu.com.mv/Corporate\\_Governance.aspx](https://www.dhiraagu.com.mv/Corporate_Governance.aspx).

## 6.2 Reporting Compliance

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