



First Quarter Report

January – March 2020

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

On 11 March 2020, COVID-19 was declared as a pandemic by the World Health Organization. On 25 March 2020, the Government of Maldives announced the temporary halt of providing on-arrival visas from 27 March 2020, effectively suspending tourism. As the COVID-19 situation developed towards the end of the quarter, the Q1 results did not reflect the full anticipated impact from COVID-19.

Dhiraagu revenue during the first quarter decreased by 3% compared to the last quarter in 2019 mainly due to lower mobile equipment and enterprise revenues. Operating costs reduced by 10% due to the revenue reduction and focus on cost optimization. Net profit and earnings per share reduced by 12% vs Q4 2019 due to higher depreciation charges and finance costs in Q1 2020. Net cash flow increased mainly due to the increase in collections during the quarter. The company also announced a proposed final dividend of MVR 597.4m (MVR 7.86 per share) for the year ending 31 December 2019 subject to shareholder approval at the AGM.

A key focus was placed on retaining customers and minimising the impact Covid-19 situation on the revenue by providing extra data allowance for both mobile and fixed broadband. We became the first operation in the Maldives

to introduce the Samsung Galaxy S20+ and S20 Ultra 5G, making Maldives the 3rd country in the world to officially launch Samsung's flagship device. With the availability of 5G devices on the market we designed and offered 5G Add-ons and boosters.

New lifestyle channels were added to DhiraaguTV including HGTV, Travel Channel, and Food Network.

Stingray Music app – a music streaming app made freely available exclusively for Dhiraagu customers was launched in February. Lovingly curated by music experts, Stingray music app offers a comprehensive channel selection that covers all styles and tastes, and guarantees, a fun experience in discovering and enjoying thousands of music channels.

This year, the Dhiraagu Apprenticeship Program (DAP) marks its 10th anniversary. Dhiraagu Apprenticeship Program is the most widely conducted apprentice program across Maldives. At a special ceremony held at Hotel Jen with Minister of Higher Education, Dr. Ibrahim Hassan as the chief guest, 27 apprentices were graduated and 17 new apprentices were welcomed into the program.

At Dhiraagu, we are committed to championing

gender equality. From employee feedback, we understand that the decision to return to work can be a difficult one which presents a very real set of challenges for women. So to celebrate women's day the company opened a Mother's Room to pave the way in easing the transition period for new mothers who return to work after maternity leave. Our response to the COVID19 pandemic during the quarter focused on taking care of our employees and customers whilst assisting the Government and relevant authorities in their emergency response efforts.



1.2 Key Commercial Highlights



Covid-19 Support Offers

To support our customers during the unprecedented times amid COVID-19, we implement several extra benefits in March:

- Awarded 30% Extra Data allowance to all our Home Fixed Broadband customers across the nation.
- Awarded 50% discount on all Home Fixed Broadband Add-ons for the month.
- Offered FREE 10GB Data Internet Booster for all Home Fixed Broadband customers.
- Awarded 25% discount on monthly rentals on Biz Fixed Broadband and Guesthouse Internet packages to assist SMEs.
- Awarded Additional Data to Postpaid Customers with inclusive data.
- 30% Extra Data allowance for Prepaid Customers upon purchase of monthly data bundles and 50% discount on VOICE15 ADD-ON.
- Awarded 50% discount to youth segment on Mamen for Data Add-on purchases.
- Special discount is offered on DhiraaguPay to reduce merchant commission and encourage customers to carryout cashless transactions and minimize or avoid physical contact.
- Offered 500MB to Sera Customers



First 5G Add-On

In March we launched Power Boosters (500GB data allowance add-ons) for the first "friendly" 100 customers who were invited to purchase the 5G Huawei Mate 20X handset.

25Gb and 75Gb 'Power Pack' Addons and the 'Power' 3GB Booster Data bundles targeted for 5G customers were launched.



Device Launch

With Dhiraagu's offer of the Samsung Galaxy S20+ and S20 Ultra 5G in March, the Maldives became the 3rd Country to officially launch Samsung's flagship device.

1.2 Key Commercial Highlights



Dhiraagu App Promo

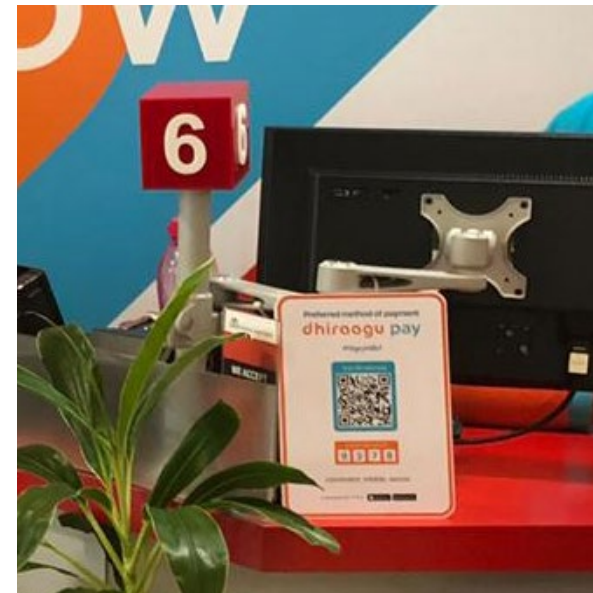
To encourage more usage of Dhiraagu app, we launched a 1-month promotion that offered extra data for customers who purchase specific Data Add-ons and Boosters through the Dhiraagu app.



Social Media Bundles

Prepaid customers were introduced exclusive social media bundles which covered all trending social apps in Maldives including Snapchat, Instagram, Twitter, Facebook, WhatsApp, and Viber.

All net bundles were introduced, and the existing bundles were revamped.



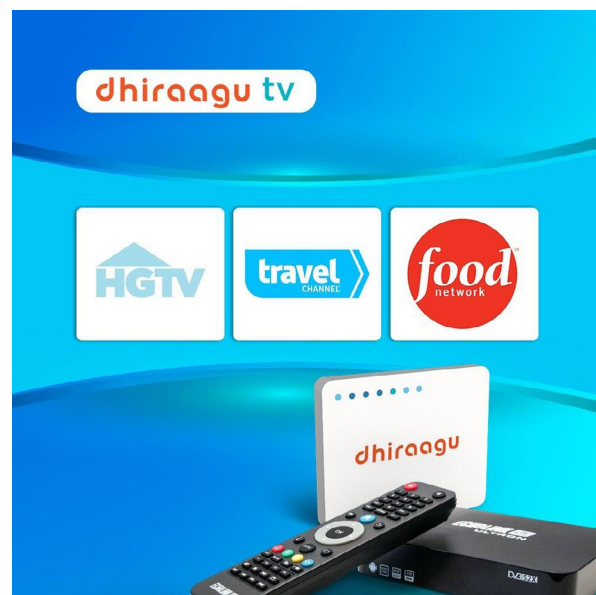
DhiraaguPay

DhiraaguPay was activated at Dhiraagu Customer Service Centre at Head Office Building, Cross-roads and Hulhumale Customer Service Centre.

DhiraaguPay can be used as the preferred payment method for all types of payment including SIM provisioning, replacement fee, setup charges and advanced payments except for bill payments and reloads. DhiraaguPay was introduced as a Digital payment method to Allied website and app.



1.2 Key Commercial Highlights



DhiraaguTV

To enrich the content on DhiraaguTV, new lifestyle channels added includes: HGTV, Travel Channel, and Food Network.



Free Music Streaming App

We introduced the Stingray Music app – a music streaming app made freely available exclusively for Dhiraagu customers.



Sponsorships

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



**Title Sponsor
of MasterChef Maldives**



**Title Sponsor
of Mamen Interschool
Cycling Championship**



**Smart Education
for All - Powered
by Dhiraagu**



1.3 Organizational Highlights



Awards and Recognitions

We received a token of appreciation for our contributions as Supporters of Children's Rights in Maldives under Advocating the Rights of Children's Corporate Ambassadorship Program.



Employee Training and Engagement

We strive to maintain our focus on our employee's professional development, health, safety, and engagement. During the quarter, 167 employees completed training on technical and non-technical areas.



Employee Wellbeing

In March we carried out awareness sessions on COVID-19 for our employees.

- Information sessions on Novel Corona Virus and practical sessions on hand washing and correct way of using medical face masks, were held by a team of Doctors lead by Dr. Ali Latheef and Dr. Muaz Moosa
- COVID-19 awareness session including personal hygiene and preventive measures were held by HPA
- Hand sanitizers were distributed to all the departments in Dhiraagu Head Office and to all the Regional Centers.
- Personal hygiene and COVID-19 spread prevention awareness session was carried out for customer frontline staff and cleaners in the workplace.

Health & Safety

- Basic first aid training was conducted for newly joined Dhiraagu Apprentices. Health and Safety, and fire safety awareness session was carried out for the newly joined staff under induction program.

1.4 Corporate Social Responsibility



Empowering Young People

17 new apprentices were enrolled in Dhiragu Apprenticeship Programme 2020, our key educational and training programme targeted for youth to enhance work skills development. 27 apprentices graduated from previous year's programme.



Empowering Women

- We supported Django Girls Male' in collaboration with Women in Tech Maldives, an initiative to inspire women to join the world of technology and programming. 28 women successfully completed the first such programme.
- We celebrated Women's Day with the opening of a Mother's Room at Dhiragu Head Office with the aim to ease the transition period for new mothers who return to work after maternity leave.



Care for Children

- During the quarter, we refreshed the Kids Zone at IGMH with an oceans theme wall mural. The Kids Zone is a children's play area at IGMH contributed by Dhiragu in 2016 for children to enjoy and have a pleasant time while visiting the hospital.



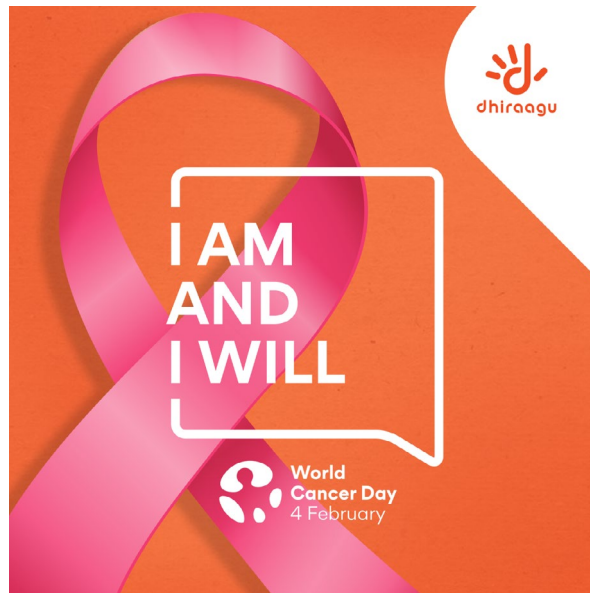
Care for Environment

- Our Dhiragu Calendar 2020 focuses on raising awareness against single use plastic and aims to draw public attention to the outrageous rate at which our oceans are being polluted. As a part of this project, we plan publish awareness videos which feature alternative options to single use plastic.
- We committed to support the A. DH. Dhangethi Council to reclaim and construct revetments to protect the land area where waste is collected and managed on the island A. Dh Dhangethi.*
- We switched off the lights at Dhiragu Head Office and all regional operational centres during Earth Hour.

*Footnote: Under the 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. One of our CSR activities in this quarter falls into this category and has been disclosed in this report. The value of each has been rounded up to the nearest thousand. (MVR 300k committed to the project, MVR 150k disbursed in Q1 2020)



1.4 Corporate Social Responsibility



Supporting Our Community

- On World Cancer Day, we supported Cancer Society of Maldives to raise awareness among public on Childhood Cancer. We also supported the "I am I Will" pledge campaign to promote and share personal commitments from our staff on adopting healthier lifestyles to reduce the risk of cancer.

Our response to the COVID-19 pandemic:

Our response to the COVID19 pandemic focuses on taking care of our employees and customers. We have placed importance to assist the Government and authorities in their emergency response efforts.

Key efforts during Q1 include:

- Implementing key measures including health and safety guidelines for our employees, providing items required for personal hygiene to our teams, for all touchpoints at Dhiraagu Offices and all our Regional Operation Centres.
- In collaboration with the Health Protection Agency, we used our digital communications and outdoor advertising mediums to promote awareness and ensure key messages are effectively delivered to the public.
- Assigning a dedicated team to the COVID-19 Task Force and relevant authorities in order to offer technical consultancy and fast response when providing them with assistance.
- Establishing a toll-free COVID hotline number for the Health Protection Agency.
- Helping to establish a Psychosocial Support Center. As well as donating phones and providing connectivity to Maldivian Red Crescent.
- Providing DhiraaguTV services to the emergency operations centre for National Disaster Management Centre.
- Created an Education Zone on our DhiraaguTV in collaboration with the Ministry of Education and Hologo in order to support remote education.
- Optimising the network and internet bandwidth for Maldives National University to support remote teaching.
- Providing extra data on residential fixed broadband packages to support students with remote learning.
- Providing free access to YES TV channel on DhiraaguTV where Ministry of Education hosts tele classes, to ease data consumption for students.
- Providing internet set up and services required for Quarantine/Isolation facilities to support Ministry of Health and National Disaster Management Centre.



02

Key Financial Highlights



2.1 Balance Sheet (unaudited)

AS AT	Mar (Q1 2020) MVR “000”	Dec (Q4 2019) MVR “000”
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	324,738	335,806
Property, Plant and Equipment	1,758,969	1,791,139
Right of Use Asset	241,478	248,999
Deferred Tax Asset	7,170	6,144
Total Non-Current Assets	2,332,355	2,382,088
Current Assets		
Inventories	56,093	58,236
Trade and Other Receivables	800,400	690,371
Cash and Bank Balances	603,546	485,685
Total Current Assets	1,460,039	1,234,292
Total Assets	3,792,394	3,616,380
Current Liabilities		
Trade and Other Payables	(611,082)	(648,431)
Amounts Due to Related Party	(1,326)	(1,386)
Right of Use Liability – Current	(24,036)	(25,320)
Current Tax Liabilities	(35,388)	(73,392)
Total Current Liabilities	(671,832)	(748,529)

	Mar (Q1 2020) MVR “000”	Dec (Q4 2019) MVR “000”
Non-Current Liabilities		
Provisions	(131,348)	(130,157)
Right of Use Liability – Non-Current	(228,599)	(232,932)
Total Non-current Liabilities	(359,947)	(363,089)
Total Liabilities	(1,031,779)	(1,111,618)
Net Assets	2,760,615	2,504,762
Equity		
Share Capital	190,000	190,000
Retained Earnings	2,570,615	2,314,762
Total Equity	2,760,615	2,504,762

2.2 Income Statement (unaudited)

STATEMENT OF INCOME

FOR THE QUARTER ENDED

	Mar (Q1 2020) MVR "000"	Dec (Q4 2019) MVR "000"
Mobile Revenue	451,205	467,553
Fixed, Broadband & Enterprise	260,561	270,652
Others	16,288	15,988
Revenue	728,054	754,193
Operating Costs	(319,468)	(353,089)
Depreciation and Amortization	(95,217)	(65,184)
Other Income	543	837
Results from Operating Activities	313,912	336,757
Net Financing Income/(Expense)	(12,986)	3,918
Profit Before Tax	300,926	340,675
Tax Expense	(45,073)	(51,493)
Profit for the period	255,853	289,182

Share Performance Ratios

Basic Earnings Per Share (Annualized MVR)	13.48	15.24
Basic Earnings Per Share (Quarter MVR)	3.37	3.81

2.3 Statement of changes in equity (unaudited)

	Share Capital MVR "000"	Retained Earnings MVR "000"	Total MVR "000"
Balance at 30 Sep 2019	190,000	2,025,580	2,215,580
Profit for the period		289,182	289,182
Balance at 31 Dec 2019	190,000	2,314,762	2,504,762
Profit for the period		255,853	255,853
Balance at 31 Mar 2020	190,000	2,570,615	2,760,615



2.4 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	Mar (Q1 2020) MVR "000"	Dec (Q4 2019) MVR "000"
Net Cash Inflow from Operating Activities	227,962	393,803
Net Outflow from Investing Activities	(90,446)	(93,004)
Net Outflow from Financing Activities	(20,655)	(24,482)
Net Increase in Cash and Cash Equivalents	116,861	276,317
Cash and Cash Equivalents at beginning of the Period	471,300	194,983
Cash and Cash Equivalents at end of the Period	588,161	471,300



Ismail Rasheed
CEO & Managing Director



Robin Wall
Chief Financial Officer



Imran Ali
Member, Audit Committee



03

Governance



BOARD OF DIRECTORS

AUDIT COMMITTEE

REMUNERATION, NOMINATION & GOVERNANCE COMMITTEE

3.1 Board Composition

On 29 March 2020 Bahrain Telecommunication Company (Batelco) brought changes to the Dhiragu Board of Directors.

Non-executive directors, Mrs. Khulood Rashid Al Qattan and Mr. Oliver McFall were removed from the Board.

With these changes, the Board was comprised of the following 5 members as at 31 March 2020.

Mr. Ismail Waheed

Chairperson, Director

Non-Executive & Independent

Chairperson, RNG Committee

Mr. Imran Ali

Director

Non-Executive & Independent

Member, Audit Committee
& RNG Committee

Mr. Ismail Rasheed

Chief Executive Officer & MD

Executive & Non- Independent

Mr. Ihab Hinnawi

Director

Non-Executive & Independent

Mr. Khalid Hussain Taqi

Director

Non-Executive & Independent

Member, RNG Committee



3.2 Board Activity

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

3.3 Board Decisions

Important Board decisions made during the Quarter included:

- Resolved to submit for shareholder's consideration and approval Audited Financial Statements for the year ended 31st December 2019.
- Resolved to submit for shareholder's consideration and approval the Annual Report of 2019.
- Resolved to submit for shareholder's consideration and approval, a full year dividend of MVR 912m amounting to MVR 12.00 per share for the year 2019.

The full year dividend is made up of:

- MVR 4.14 per share (total MVR 314,640,000) paid as interim dividend in 2019, and
- MVR 7.86 per share (total MVR 597,360,000) as final dividend for 2019 to be paid after shareholder approval at the 31st annual general meeting.
- Approval of 2019 Performance Bonus Payout.
- Resolved to submit for shareholder's consideration and approval a proposal to re-elect Mr. Imran Ali as the Public Director at the next annual general meeting.

3.5 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.

3.6 Reporting Compliance

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



04

Investor Relations



4.1 Shareholding

The Company's shareholding as at 31st March 2020 was as follows:

Shareholding	%	No. 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 Trading Highlights

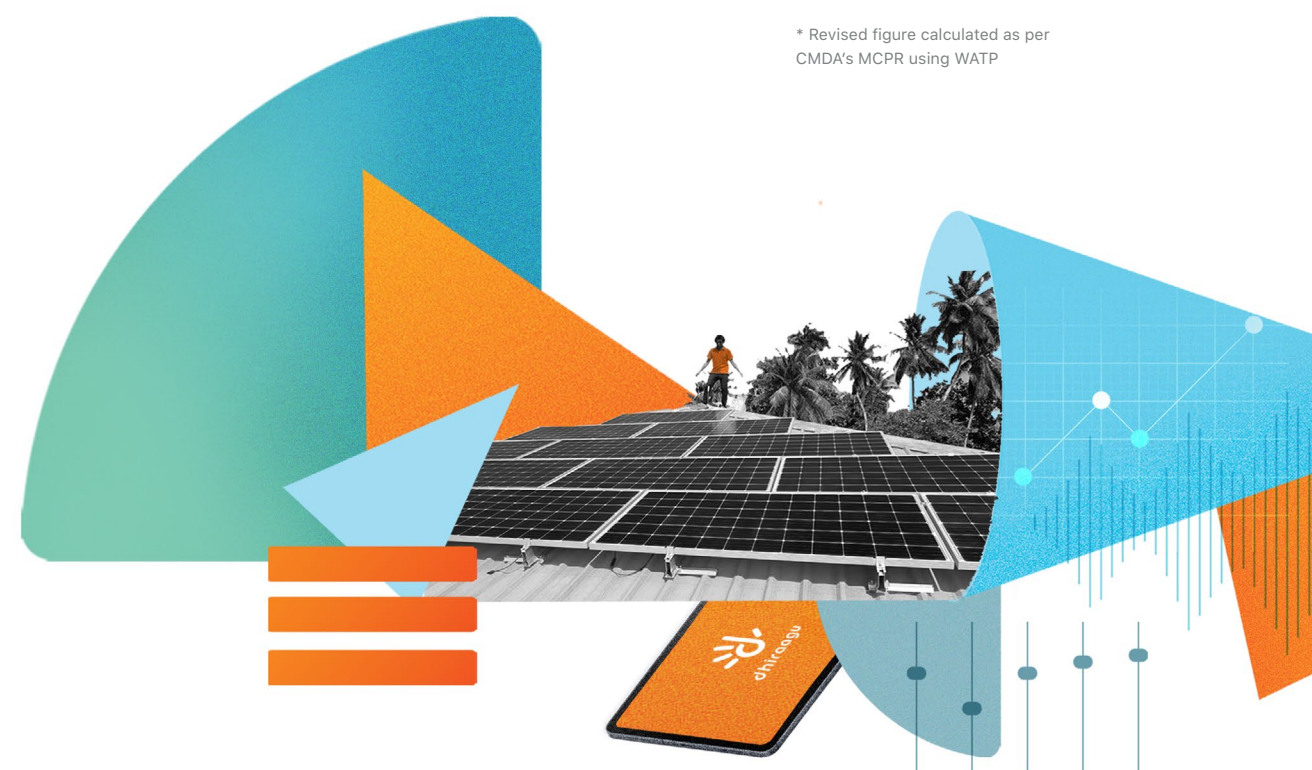
	Q1 2020	Q4 2019
Highest Traded Price (MVR)	98	110
Lowest Traded Price (MVR)	84	95
Last Traded Price (MVR)	98	105
Number of Shares Traded	1116	1560
Number of Trades	9	12
Weighted Average Traded Price (MVR)	94.78	101.03
Market Capitalization as at quarter end (MVR)	7.20bn	7.68bn*

* Revised figure calculated as per CMDA's MCPR
ie Market Cap = WATP* Outstanding shares

4.3 Share Performance

	Q1 2020	Q4 2019
EPS (Annualized MVR)	13.48	15.24
P/E Ratio (Annualized)	7.03	6.63*
Net Asset Per Share (MVR)	36.32	32.96
Dividend Yield	12.6%	11.8%
Cash flow per share (MVR)	7.74	6.20

* Revised figure calculated as per
CMDA's MCPR using WATP





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