



Second Quarter Report

with COVID-19 Impact
Assessment Report

April – June 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.

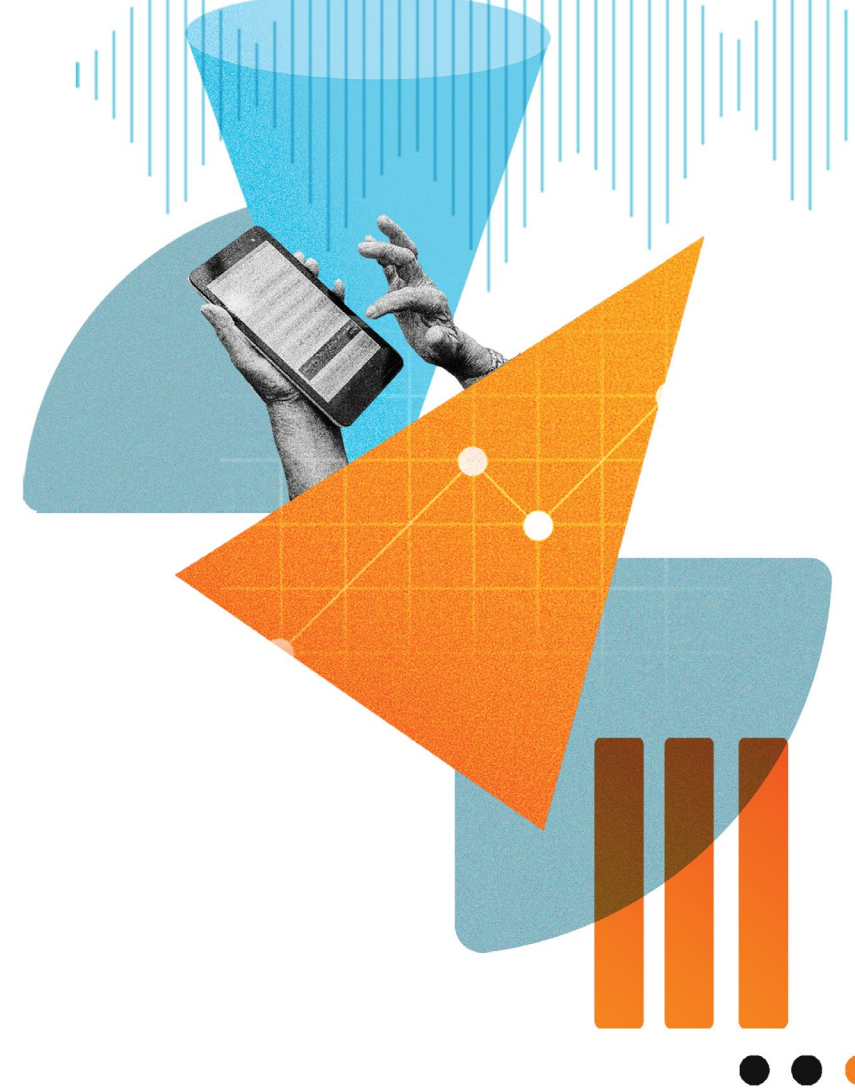
With over half a million customers, and an employee base comprising 99% trained Maldivians and presence throughout the country, we remain committed to enrich our

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 11th March 2020, COVID-19 was declared as a pandemic by the World Health Organization. On 25th March 2020, the Government of Maldives announced the temporary halt of providing on-arrival visas from 27th March 2020, effectively suspending tourism.

Dhiraagu reported a 25% decrease in revenue vs the previous quarter, primarily due to the economic impact of COVID-19. The reduction in revenue came from all key areas of the business, but the most significant impact was felt in roaming revenues and revenue from our customers in the tourism sector who have been badly impacted due to the closure of borders and cessation of tourism throughout Q2. Mobile and fixed broadband revenues also saw significant reductions due to the support provided to customers during the lockdown, including extra free data and discounts. Operating costs reduced due to cost optimization measures to partly mitigate the revenue impact. This has been offset by an increase in bad debt due to a higher payment default rate as customers faced challenges settling bills due to the challenges posed by the COVID-19 situation. Net profit decreased by 49% and earnings per share decreased by 50% vs the prior quarter due to the revenue impact from the ongoing health emergency. Net cash flow increased

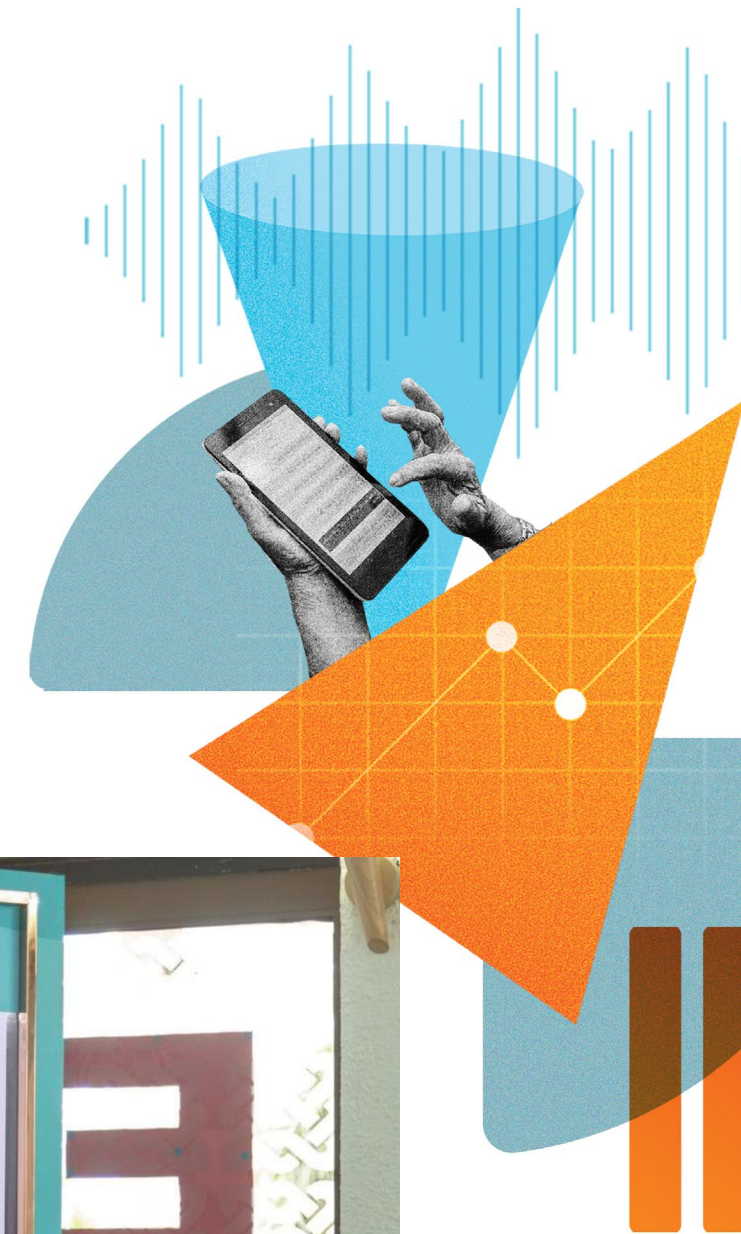
during the quarter mainly due to decrease in capital expenditure and tax payment in Q1.

Our digital transformation journey continued with the introduction of 'DhiraaguPlay' – our new platform providing content on the go. The new dedicated entertainment streaming service is currently offers 23 channels and an array of VOD content. We also launched NowMV, a Digital Lifestyle app featuring an array of curated local content. Together with Arcils, a local game developer we launched Thakuru Wars the first local multiplayer online game in the Maldives.

In the wake of Covid 19, we continued to support the community adjusting to the new normal. As an essential service provider, we played a key role in delivering services and maintaining service continuity to customers. While we had to enforce certain measures, such as closing our Greater Male outlets, we setup remote working and online and app based services, in addition to our call centre, to ensure we could continue to provide services to and support our customers.

The biggest challenge we face is due to the loss of revenue due to tourism and the related knock on impact on the wider economy. We also understand this is one

of the biggest challenges faced by our customers and the reliance they place on us to stay connected during this time. Therefore we have focused on business continuity, serving our customers and doing the key things to meet their needs. We have also implemented various initiatives to support the government and local communities.



1.2 Key Commercial Highlights



Covid-19 Support Offers

To support our customers during the continued lockdown of COVID-19, we took the initiative to implement extra benefits in April, May and June:

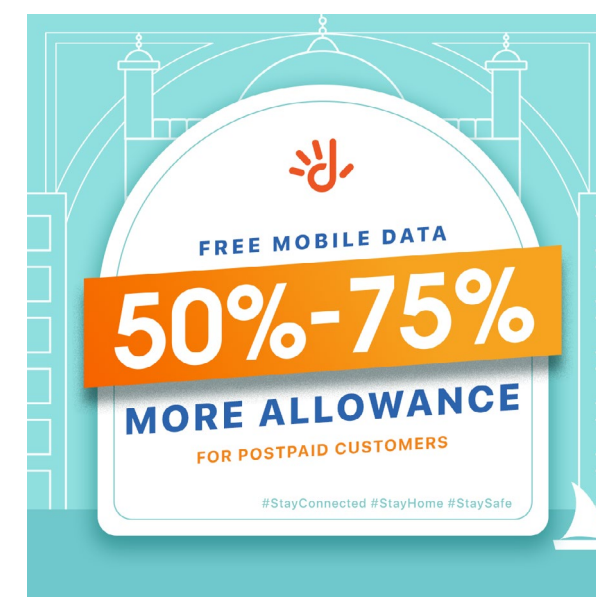
- Mobile Prepaid Customers who use DhiraaguPay for reloads from April through to June were awarded 20% Extra Credit.
- A 5% discount was offered to all customers' Monthly Rentals for subscription plans (Mobile Postpaid, Home Fixed Broadband and DhiraaguTV) paid between 1 April to 30 June 2020 using DhiraaguPay.
- DhiraaguPay customers received MVR 50 as cashback for completing at least 5 DhiraaguPay transactions during a week.
- Awarded 5GB extra allowance to Fixed Broadband customers.



- To help customers stay connected we offered bill payment extensions up to two months to customers from bill creation date.
- Customers were also provided with payment extensions or payment plans upon request to help them if they faced economic hardship due to the pandemic.
- Waived late payment charges and reconnection fees for all customers.
- Continued services for customers who were registered as unemployed.
- Awarded 50% to 140% Extra Data allowance was extended to all our Home Fixed Broadband customers
- Awarded 50% discount on all Home Fixed Broadband Boosters



- Awarded 50% to 75% Extra Data to Postpaid Customers with inclusive data
- Awarded 20% Extra Data to Mamen customers on purchase of all Mamen Data Add-ons
- Offered 50% discount on Data Boosters for Postpaid Customers
- Offered 50% Extra Data to Prepaid Customers upon purchase of monthly data
- Offered 50% discount on Data Boosters for LTE Broadband Customers
- Offered 50% discount on VOICE15 ADD-ON



Ramadan Offers

- Fitr Zakat payment via SMS was offered for Prepaid customers
- Fitr Zakat Payment via DhiraaguPay on Dhiraagu website was offered to customers
- Extended the ongoing promotion to award up to 10GB Free Social Media Allowance for Postpaid Customers
- Offered a special value pack of 3GB data for MVR 75 for Prepaid Customers

1.2 Key Commercial Highlights



NowMV

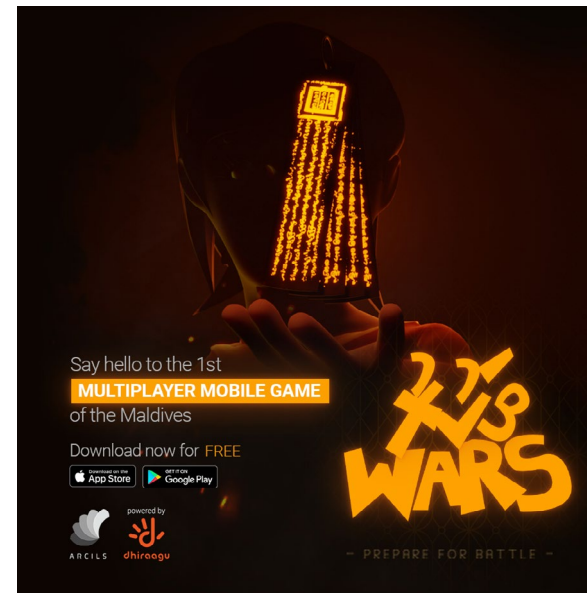
We launched NowMV, a Digital Lifestyle assistant mobile app to keep customers up to date with the latest information. The app brings a wide array of local content ranging from food, curated news and prayer alerts. The app was made available for free on both Google Play Store and iOS App Store.



DhiraaguTV and Dhiraagu Play

We partnered with ShemarooMe to bring OTT video streaming of Bollywood movies, classic cinema and Bengali movies to DhiraaguTV's VOD Platform. The service was made exclusively available to DhiraaguTV customers with an introductory 50% discount till the end of May.

We launched 'DhiraaguPlay' - your entertainment on the go. The new dedicated entertainment streaming service is currently offered to exclusively to Dhiraagu mobile customers with a 30 days free introductory offer. After the trial period, customers can enjoy 23 channels and an array of VOD content for just MVR 30 per month. DhiraaguPlay, features Multiple Screens so that customers can enjoy DhiraaguPlay on multiple devices, Recording Feature for those programs which have scheduled recording enabled, Catch-up Feature as well as a Restart Feature.



Thakuru Wars

Dhiraagu together with Arcils, a local game developer launched the first local multiplayer online game in the Maldives. The game is a first of its kind in the local market inspired by the Maldivian history and cultural artefacts. It gives us the immense pleasure to support local developers while we continue to enhance the experience of our gaming community.



Sponsorships

We offered digital sponsorship support as the Telecom Partner of AGO Webinar Series organized by the Auditor General's Office in May.

1.3 Organizational 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 focused on facilitating support to staff during the COVID-19 crisis, having run over 403 learning hours, covering 203 employees which emphasised on remote team management. Other activities include:

- online learning and support sessions for staff to cope with remote working and self-management during crisis.
- facilitated cybersecurity awareness sessions for all staff
- E-induction implemented for new staff joining Dhiragu during the lockdowns



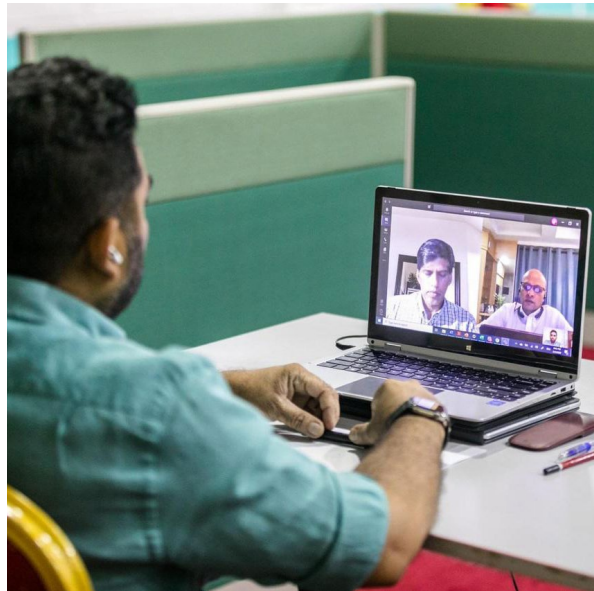
Employee Wellbeing and Health & Safety

During the quarter we carried out health and wellbeing sessions for our employees.

- Guidelines were prepared during COVID-19 lockdown and SOPs for return to work in the New Normal inline with HPA easing phases
- Remote engagement 3 activities – Staff Quiz for COVID-19 awareness, Meekaaku program and weekly riddles.
- Staff reach out program by inviting one-on-one discussions, sharing their thoughts in a friendly talk to support emotional wellbeing during COVID-19 lockdown.



1.4 Corporate Social Responsibility



Response to COVID 19

Our focus during the quarter in our CSR, was to support our community amid COVID 19, responding to the Government, Authorities and NGOs in their emergency response efforts and supporting outreach programmes.

- Donated COVID 19 Sampling Kiosks to Ministry of Health to protect frontline health care professionals and reduce the usage of PPE and enhance COVID 19 testing in Maldives.*
- Supported ARC Aid programme by Advocating the Rights of Children to provide food packages to some of the most vulnerable children and their families affected by COVID 19 situation across Maldives
- Supported MATATO and NBAM's Food Support Programme to provide meal packages to locals and foreigners displaced and affected by the COVID 19 lockdown

and living in temporary shelters during the holy month of Ramadan and Eid.

- Established the toll free number 1421 for Ministry of Gender, Family and Social Services to facilitate their call centre service for free of charge, to enable public enquires and support on social issues in relation to COVID 19.
- Supported Addu COVID-19 Emergency Operations Centre by setting up CloudVoice solution and Fiber Internet free of charge to facilitate their contact centre service and taskforce operation.
- Supported Quarantine Facility in Fuvahmulah by setting up Fiber internet and connectivity for free of charge to support COVID 19 emergency operations.
- Supported Quarantine Facility at Kulhudhuffushi by setting up Fiber Internet

and connectivity for free of charge to support COVID 19 emergency operations.

- Supported with free upgrade of Corporate Premium Internet to National Disaster Management Authority for the main Emergency Operations Centre in Dharubaaruge.
- Provided additional DhiraguTV connections during the quarter for free of charge to K. Villivaru Quarantine Facility
- Donated mobile phone service and connectivity to Maldives Medical Association to support the Mobile Medical Response Team to facilitate online consultations for quarantined patients.
- Contributed data to interpreters of Maldives Deaf Association to facilitate video calls and assist the deaf community with key COVID 19 updates and support.

- Facilitated the outreach of COVID 19 related surveys by UN Women and National Bureau of Statistics, Centre for Mental Health, IGMH , HPA and Maldives National University via SMS support.

* 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. Values have been rounded up to the nearest thousand. (MVR 203,000)

1.4 Corporate Social Responsibility



Care for Children and Supporting UNGC

- We renewed our membership with the GSMA Mobile Alliance Against Child Sexual Abuse Content to block child sexual abuse content on our network.
- We made our annual contribution to the United Nations Global Compact as a signatory to support the UNGC principles in the area of Human Rights, Labour, Anti-Corruption and Labour. Every year we report on the UNGC framework in alignment to these principles.



Care for Environment

- On World Ocean's Day we raised awareness on the importance of intercepting ocean plastic, encourage the use of reusable masks where possible and to responsibly discard items like single-use gloves and masks that are being increasingly used amid the COVID 19 pandemic.
- On World Environment Day, we highlighted our current project with UNDP Maldives- "Drones for Resilience"- that showcases how connected community resilience is with the health of our environment. The project focusing on Addu City, will equip capacity building to undertake risk-informed planning and resultantly make evidence-based climate action plans.



02

Key Financial Highlights



2.1 Balance Sheet (unaudited)

AS AT	Jun (Q2 2020) MVR “000”	Mar (Q1 2020) MVR “000”
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	303,602	324,738
Property, Plant and Equipment	1,724,249	1,758,969
Right of Use Asset	242,266	241,478
Deferred Tax Asset	10,077	7,170
Total Non-Current Assets	2,280,194	2,332,355
Current Assets		
Inventories	68,970	56,093
Trade and Other Receivables	761,980	800,400
Cash and Bank Balances	779,393	603,546
Total Current Assets	1,610,343	1,460,039
Total Assets	3,890,537	3,792,394
Current Liabilities		
Trade and Other Payables	(825,794)	(611,082)
Amounts Due to Related Party	(322,764)	(1,326)
Right of Use Liability – Current	(24,029)	(24,036)
Current Tax Liabilities	(61,140)	(35,388)
Total Current Liabilities	(1,233,727)	(671,832)

	Jun (Q2 2020) MVR “000”	Mar (Q1 2020) MVR “000”
Non-Current Liabilities		
Provisions	(132,539)	(131,348)
Right of Use Liability – Non-Current	(231,440)	(228,599)
Total Non-current Liabilities	(363,979)	(359,947)
Total Liabilities	(1,597,706)	(1,031,779)
Net Assets	2,292,831	2,760,615
Equity		
Share Capital	190,000	190,000
Retained Earnings	2,102,831	2,570,615
Total Equity	2,292,831	2,760,615

2.2 Income Statement (unaudited)

STATEMENT OF INCOME

FOR THE QUARTER ENDED

	Jun (Q2 2020) MVR "000"	Mar (Q1 2020) MVR "000"
Mobile Revenue	318,381	451,205
Fixed, Broadband & Enterprise	213,815	260,561
Others	14,576	16,288
Revenue	546,772	728,054
Operating Costs	(292,072)	(319,468)
Depreciation and Amortization	(97,053)	(95,217)
Other Income	154	543
Results from Operating Activities	157,801	313,912
Net Financing Expense	(5,380)	(12,986)
Profit Before Tax	152,421	300,926
Tax Expense	(22,845)	(45,073)
Profit for the period	129,576	255,853

Share Performance Ratios

Basic Earnings Per Share (Annualized MVR)	6.80	13.48
Basic Earnings Per Share (Quarter MVR)	1.70	3.37

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	2,314,762	2,504,762
Profit for the period		255,853	255,853
Balance at 31 Dec 2019	190,000	2,570,615	2,760,615
Profit for the period		129,576	129,576
Dividends		(597,360)	(597,360)
Balance at 31 Mar 2020	190,000	2,102,831	2,292,831



2.4 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	Jun (Q2 2020) MVR "000"	Mar (Q1 2020) MVR "000"
Net Cash Inflow from Operating Activities	341,341	227,962
Net Outflow from Investing Activities	(32,430)	(90,446)
Net Outflow from Financing Activities	(133,155)	(20,655)
Net Increase in Cash and Cash Equivalents	175,756	116,861
Cash and Cash Equivalents at beginning of the Period	588,161	471,300
Cash and Cash Equivalents at end of the Period	763,917	588,161



Ismail Rasheed
CEO & Managing Director



Robin Wall
Chief Financial Officer



Ahmed Abdulrahman
Chairperson, Audit Committee



03

Governance



3.1 Board Composition

On 30 April 2020 Bahrain Telecommunication Company (Batelco) brought changes to the Dhiraagu Board of Directors. Non-executive director Mr. Khalid Hussain Taqi was removed from the Board. Batelco appointed the following Non-executive directors to the Dhiraagu Board on 4 May 2020.

1. Mr. Ahmed Abdulrahman - Non-executive Director
2. Mr. Mikkel Vinter - Non-executive Director
3. Mr. Faisal Qamhiyah - Non-executive Director.

With these changes, the Board comprised of the following 7 members at 30 June 2020

Mr. Ismail Waheed
Chairperson, Director

Non-Executive & Independent
Chairperson, RNG Committee

Mr. Ahmed Abdulrahman
Director

Non-Executive & Independent
Chairperson, Audit Committee

Mr. Ihab Hinnawi
Director

Non-Executive & Independent

Mr. Imran Ali
Director

Non-Executive & Independent
Member, Audit Committee
& RNG Committee

Mr. Mikkel Vinter
Director
Non-Executive & Independent

Mr. Faisal Qamhiyah
Director
Non-Executive & Independent

Mr. Ismail Rasheed
Chief Executive Officer & MD
Executive & Non- Independent



3.2 Board Activity

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

3.3 Board Decisions

Important Board decisions made during Quarter included:

- Approval of Interim Condensed Financial Statements for the quarter ending 31 March 2020.
- Appointment of Member and Chairperson to the Audit Committee.
- Resolved to submit for shareholder's consideration and approval a Standing Resolution to declare Interim Dividend in 2020.
- Resolved to submit for shareholder's consideration and approval a Resolution to elect the Public Director representing the Public Shareholders of the Company.
- Resolved to submit for shareholder's consideration and approval a Special Resolution to amend the Memorandum of Association.
- Resolved to submit for shareholder's consideration and approval a Special Resolution to amend the Articles of Association.

3.4 31st Annual General Meeting

The 31st Annual General Meeting of Dhiraagu Plc was held on 11 June 2020, virtually using "Fahivote", an online General Meetings Management System developed by Maldives Securities Depository Company Pvt. Ltd. This is also the first time a virtual AGM has been held through 'Fahivote'.

With 68 shareholders in person and by proxy registered to attend and participate, the AGM was concluded successfully by passing all the resolutions proposed.

1. Approval of the Annual Report 2019 including the Director's Report and Audited Financial Statements for the year ended 31 December 2019.
2. Approval of a full year dividend of MVR 912,000,000 (Maldivian Rufiyaa Nine hundred and twelve million) amounting to MVR 12.00 per share for the year 2019. The full year dividend is made up of:
 - a. Interim Dividend of MVR 4.14 per share (total MVR 314,640,000) paid in 2019, and
 - b. Final Dividend of MVR 7.86 per share (total MVR 597,360,000) declared at the 31st Annual General Meeting for shareholder approval.
3. Re-election of Mr. Imran Ali as the Public Director for the Company's Board of Directors until the conclusion of the 33rd Annual General Meeting of the Company; after receiving the necessary majority of votes from the public shareholders present and voting at the AGM.

4. Passing of Special Resolution to amend the Memorandum of Association.
5. Passing of Special Resolution to amend the Articles of Association.
6. Approval of re-appointment of KPMG as the Company's External Auditors for the year 2020, to hold office until the conclusion of the next Annual General Meeting to carry out the statutory audit for the year ending 31 December 2020, and the approval of External Auditors fees.
7. Approval of resolution to grant the Board of Directors, the authority to approve and declare any interim dividend in accordance with the Company's Dividend Policy during the financial year 2020.



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.

75%
OF HOUSEHOLDS
NATIONWIDE



04

Investor Relations



4.1 Shareholding

The Company's shareholding as at 30th June 2020 was as follows:

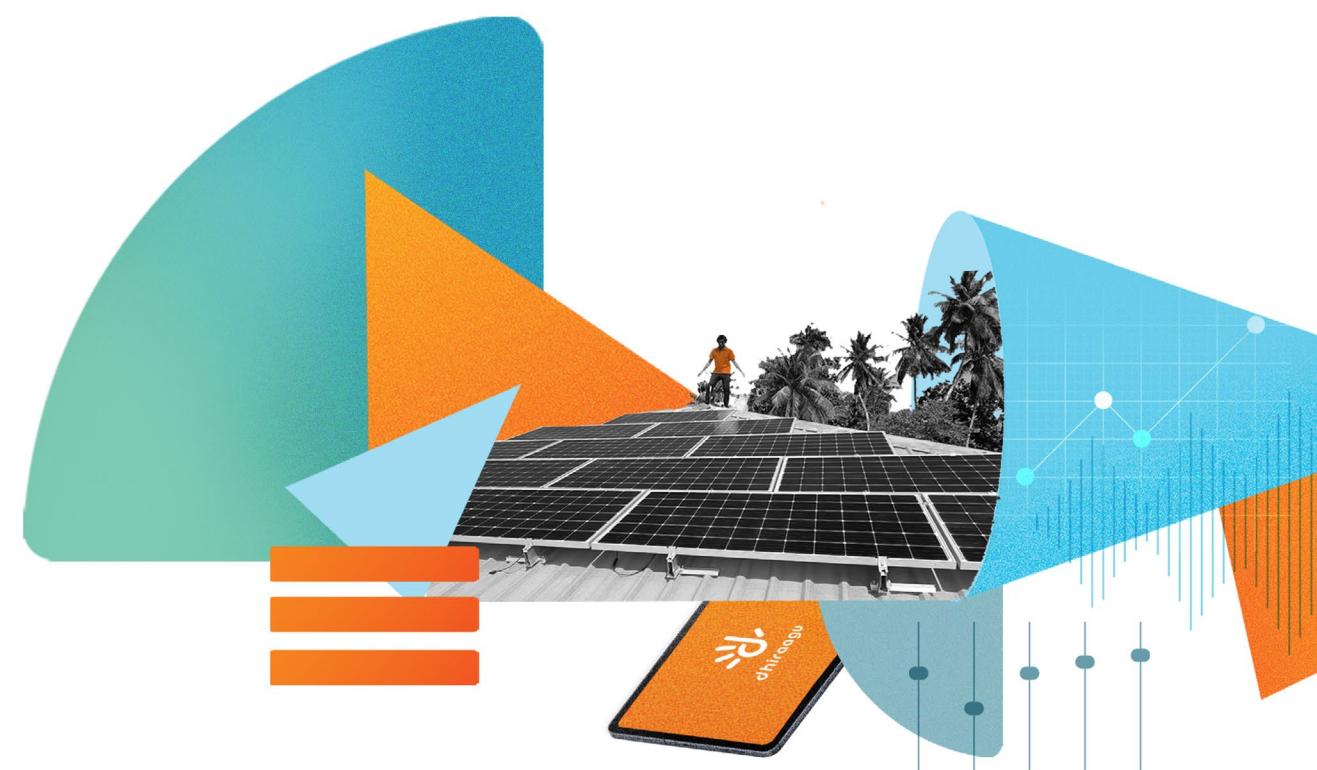
Shareholding	%	No. of Shares
BTC Islands Limited (Batelco)	52.0%	39,520,000
Government of Maldives	41.8%	31,770,150
Public	6.2%	4,709,850
	100%	76,000,000

4.2 Trading Highlights

	Q2 2020	Q1 2020
Highest Traded Price (MVR)	-	98
Lowest Traded Price (MVR)	-	84
Last Traded Price (MVR)	-	98
Number of Shares Traded	-	1116
Number of Trades	-	9
Weighted Average Traded Price (MVR)	-	94.78
Market Capitalization as at quarter end (MVR)	-	7.20bn

4.3 Share Performance

	Q2 2020	Q1 2020
EPS (Annualized MVR)	6.80	13.48
P/E Ratio (Annualized)	13.94	7.03
Net Asset Per Share (MVR)	30.17	36.32
Dividend Yield	12.7%	12.6%
Cash flow per share (MVR)	10.05	7.74



Announcement (Number: (IUL) 179/1/2020/9) dated 6 May 2020, requires listed companies to publish a COVID-19 Impact Assessment Report on or before 31 July 2020.

The following is the Company's responses to the general guideline on the information to be included in the Covid-19 Impact Assessment Report.

Unless otherwise stated, the terms 'we', 'us', 'our' and 'Dhiraagu' refers to Dhivehi Raajjeyge Gulhun Plc.

Any forward-looking statements are based on current expectations or beliefs, as well as assumptions about future events. These can generally be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'shall', 'will', 'will continue', 'may' or any other words or phrases of similar import. Similarly, statements that describe objectives, plans or goals are also to be considered as forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, among others the economic and business conditions in the Maldives and the World, technological changes, factors affecting competitive market and regulatory forces, the effect of the availability of foreign exchange and its fluctuations, future interest rates and changes in the tax regime.

All forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. By their nature, forward-looking statements are only estimates and as such we cannot guarantee future results, levels of performance or achievement.

1. Impact of COVID-19 on your financial condition and operating results. Expected impact on future operating results and near and longer term financial condition.

COVID-19 has had a significant impact on the Company's results during Q2 2020. Dhiraagu reported a 25% decrease in revenue vs Q1 2020 primarily due to the economic impact of the pandemic. The reduction in revenue came from all key areas of the business, but the most significant impact was felt in roaming revenues and revenue from the tourism sector which has been severely impacted due to the closure of borders and cessation of tourism throughout Q2. With the special discounts and extra data allowances offered to customer from March through to June, Mobile and fixed broadband revenues also impacted.

Operating costs were reduced due to cost optimisation measures to partly mitigate the revenue impact. However, this has been offset by an increase in bad debt due to a higher payment default rate as customers face challenges settling bills due to the wider economic challenges posed by the COVID-19.

Net profit decreased by 49% and earnings per share decreased by 50% vs the prior quarter due to the revenue impact.

Our expectation is that the business will continue to be impacted by COVID-19 until tourism and the wider economy recovers from the pandemic. However it is not possible to accurately predict the impact on future results considering the current uncertainty.

2. Impact of COVID-19 on your capital, financial resources and your liquidity position. Impact on your ability to meet your ongoing obligations under your credit agreements. Action taken or proposed to be taken to remedy liquidity/ cash flow deficiencies.

COVID-19 has impacted our cash flow and financial resources mainly due to the reduction in revenues and delayed collections by customers. The impact from the loss of tourism has also meant that there is a shortage of foreign exchange in the market, which in turn affects the Company's ability to meet operating and capital investment commitments.

The Company has been able to renegotiate terms with its key suppliers in most instances to defer some of its foreign currency obligations. Although the Company is confident in its ability to generate cash inflow, its ability to obtain foreign currency will depend on market conditions. Management is of the view that the Company will continue as a going concern.

3. Impact of COVID-19 on the assets on your balance sheet and your ability to timely account for those assets. For example, will there be significant changes in judgments in determining the fair-value of assets measured in accordance with IFRS?

In preparing the financial information, assumptions made by management in applying the Company accounting policies and sources of estimation are subject to a degree of uncertainty regarding the potential impacts of the current economic volatility and these represent Management's best assessment based on available or observable information.

As of Q2, there has not been any significant change to any accounting estimates or fair values due to COVID-19.

4. Expected material impairments (e.g., with respect to goodwill, other assets, right to use assets, investment securities), increase in credit losses, restructuring charges, other expenses, or changes in accounting judgments that have had or are reasonably likely to have a material impact on your financial statements?

Management has not noticed any triggering event of impairment of property and equipment, intangible assets, right-of-use assets and carrying value of inventories and no material impairment losses were recognised in the financial statements as at 30th June 2020. Due to increased payment default by customers, the outlook for collections remains negative, which has been considered in the judgements and assumptions used in preparing the financial statements.

5. Impact of COVID- 19 on your credit risk. What are the implications and measures taken to minimize credit risk. What challenges do you anticipate in relation to your credit risk and overall financial stability?

The Company has taken several steps to minimise credit risk, however the impact of COVID-19 on the country's economy and how governments, businesses and consumers would respond remains uncertain. This uncertainty is reflected in the Company's assessment of expected credit losses which is subject to a number of Management judgements and estimates. The judgements and associated assumptions have been made within the context of the impact of COVID-19 and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. Accordingly, the Company's expected credit loss estimates are inherently uncertain and, as a result, actual results may differ from the estimates.

6. Have COVID-19 circumstances such as remote work arrangements, health and safety measures adversely affected your ability to maintain operations, including financial reporting systems, internal control over financial reporting and disclosure controls and procedures? If so, what changes in your controls have occurred during the current period that materially affect or are reasonably likely to materially affect your internal control mechanisms? What challenges do you anticipate in your ability to maintain these systems and controls?

The Company has implemented various measures to maintain operations and minimise disruption, including implementing remote working for employees, which includes providing the tools and systems to maintain the majority of operational requirements, including providing services to customers, financial reporting and other operations. Measures have been implemented in the workplace and protocols implemented for our workforce who are required to provide services to customers and maintain our networks and operations. The biggest impact to the business has been the ability to provide new services or address any issues, such as faults, during the lockdown period. Considering the change in HPA guidelines during the quarter, we have overcome the majority of challenges and remain confident in our ability to safely provide services to our customers.

7. Have you experienced challenges in implementing your business continuity plans or do you foresee requiring material expenditures to do so? Do you face any material resource constraints in implementing these plans?

There were no major challenges in implementing BCM plans. The Company's BCM plan was activated from the start of the pandemic. Measures cover all aspects of the business from operations, service provision, remote working, supply chain management and financial management. Changes have been brought to the BCM plans based on the guidelines issued by HPA. Daily BCM meetings have been held with senior executives to monitor the situation and implement measures to address developments according to the COVID-19 situation.

8. Do you expect COVID-19 to materially affect the demand for your products or services?

COVID-19 has had a significant impact on the demand for products and services of both the consumer as well as the enterprise sector. With the international borders being closed our roaming services and revenue from the tourism sector have been impacted severely. It is unlikely that these revenue streams will pick up until there is a recovery of the tourism sector and wider economy.

With the lockdown; there has been an increase in demand for capacity and we incur significant expenditure to maintain our network to ensure service continuity. On the consumer front, COVID-19 has brought about challenges in distribution, changes to customer usage, and behaviour which has adversely affected our mobile revenues. Similarly, FBB usage behaviour has changed and despite greater demand revenue was impacted due to the special offers which were run through March till the end of June. Lockdown measures also hindered our ability to acquire new customers.



9. Do you anticipate a material adverse impact of COVID-19 on your supply chain or the methods used to distribute your products or services? Do you expect the anticipated impact of COVID-19 to materially change the relationship between costs and revenues due to these changes?

There has been an impact on our supply chain considering most goods and services used to supply our services are imported. We have mitigated the impact to the best of our ability. Local distribution and transport has also been impacted due to the restrictions on movement. Although we anticipate disruptions, the Company has implemented initiatives to manage its resources, supply chains and local distribution network.

10. Will your operations be materially impacted by any constraints or other impacts on your human capital resources and productivity?

The health, safety and wellbeing of our staff is our top most priority when providing continued services to our customers during this health crisis.

To overcome challenges we have limited our service operations which require physical customer interaction. Where contact is required, we have issued guidance and necessary equipment to protect our staff. The pandemic has also had the following impact on our workforce and productivity:

- recruitment and onboarding were impacted due to remote working conditions;
- segregation of teams and phasing shift had to be implemented;
- employee wellness and engagement while working remotely during a health crisis.

11. Are COVID-19 related protective measures expected to have a material impact on your ability to operate and achieve your business goals?

We are in the business of enriching lives through digital services. This pandemic has meant that our communities have had to rely on our services more than ever. However, the socio economic impacts of Covid19 can be seen and felt in both the consumer and enterprise segments. As a result, we have had to adapt to the challenges this pandemic poses. In order to mitigate the impacts, we have embarked on a cost reduction program to reduce the expenditure across all the functions. The situation has had an impact on our business

and will continue to do so until there is a recovery of the tourism sector and the wider economy.





dhiraagu
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