



Second Quarter Report

April - June 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.

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Developments During the Quarter



1.1 Summary

Q2 has been more challenging with the increase in COVID-19 cases around the world and the emergence of the new variants resulting in reduction of tourist arrivals compared to Q1.

Despite the prevailing challenges Dhiraagu performed well barring the seasonal impact of Q2. Activities for the consumer segment mainly focused on launching COVID-19 relief initiatives. To encourage work from home and remote education due to the restrictions enforced in greater Male', we rolled out additional free allowances and discounts on boosters for FBB, postpaid and prepaid. Additionally, we ran an FBB and TV acquisition promo which was very successful.

At the end of the quarter, we also announced our revamped FBB packages in accordance with the Government's directive. The new offers, were launched on 1st July. Packages were redesigned to ensure improvement in value with significant price reductions, increase in allowance and changes to throttle speed.

Dhiraagu reported a 6% decrease in revenue vs the previous quarter, primarily due to the continued effect of economic

downturn resulting from the COVID-19, with tourist arrivals and roaming revenues impacted and other revenue lines experiencing a similar knock-on effect. However, Q2 2021 was significantly better than Q2 2020, with revenues 13% higher, demonstrating the general improvement since last year.

Operating costs reduced by 5% vs Q1 due to continued cost optimisation measures undertaken by the Company. Net profit and earnings per share decreased by 11% vs the prior quarter primarily due to the revenue reduction during the quarter, however, were 51% better than the corresponding quarter last year. Net cash flow before financing increased during the quarter primarily due to the tax payment in Q1 and improvement in working capital. The Company also secured a \$8m loan from HSBC to finance our foreign currency capital expenditure. A final dividend for the financial year ending 31st December 2020 of MVR 5.16 per share, totaling MVR 392m was also declared by the Company following approval by the shareholders at the 32nd AGM.

We continued to support the Government, authorities and the community as part of our response to the COVID-19

pandemic. Together with Samsung, we jointly donated Galaxy Tabs to Ministry of Health and Addu Equatorial Hospital as part of supporting digitisation efforts and pandemic management by the health sector. We partnered with the NGO, Advocating the Rights of Children for Eid Al-Fitr to support the ARC Aid food support programme for some of the most vulnerable children and their families affected by the pandemic. We also continued other focused efforts to support children and empower young people. We committed to support the Corporate Scholarship Scheme by Ministry of Higher Education to train students in special Therapeutic courses as part of the Government's efforts in developing trained professionals for working with persons with disabilities. During the quarter, we also offered a special donation of MVR 313,235 to Maldivian Thalassemia Society as part of our initiatives during Ramadan with the contribution of 10% of the spent by customers from Ramadan and Eid data boosters and bundles.



1.2 Key Commercial Highlights



FIXED BROADBAND

We extended our campaign for Fixed Broadband (FBB), where new customers were eligible to get a 50% discount on router and free set up. During this quarter we also ran two special Booster promotions for our FBB customers on the occasion of Ramadan and Eid Al-Fitr, 10% of the proceeds gained from both promotions were donated to Maldivian Thalassaemia Society.



DhiraaguTV

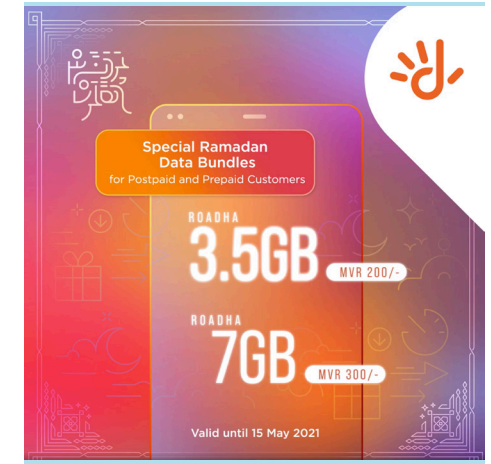
DhiraaguTV services were extended to additional islands reaching a total of 58 islands. To further extend the high quality entertainment experience to the market, we continued our special promotion for customers to enjoy free setup inclusive of joybox with every new connection.

We introduced a Gold Package for DhiraaguTV customers with more than 100 channels including 5 brand new channels. During this quarter we also introduced special Ramadan promos.



MAMEN

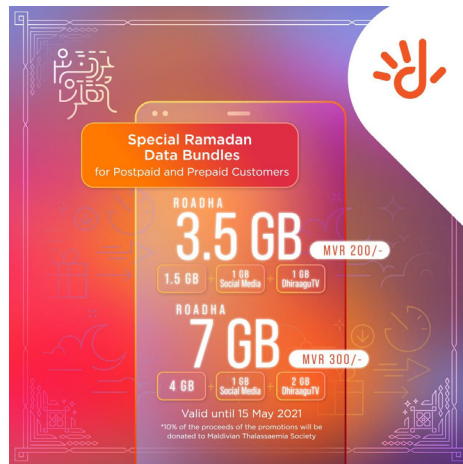
New Add-ons promotion exclusively for Mamen streaming was introduced including Social Media and Chat. Mamen customers also enjoyed 50% extra allowance with their add-ons. Additionally we ran a 50% discount promotion on all Mamen Add-ons for customers to enjoy even more savings on data.



POSTPAID

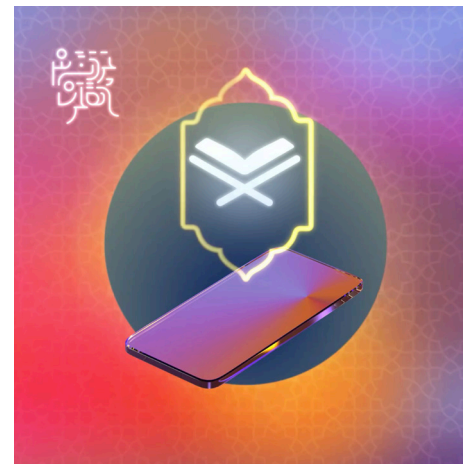
For the month of Ramadan and Eid Al-Fitr, we introduced special Ramadan Data bundles for our Postpaid customers, 10% of the proceeds from both promotions were donated to Maldivian Thalassaemia Society. We also facilitated Fitr Zakat Payments through DhiraaguPay during the month of Ramadan.

1.2 Key Commercial Highlights



PREPAID

For the month of Ramadan and Eid Al-Fitr, we introduced special Ramadan Data bundles for our Prepaid customers, 10% of the proceeds from both promotions were donated to Maldivian Thalassemia Society. We facilitated our Prepaid customers to be able to pay Fitr Zakat through DhiraaguPay and SMS.



NowMV

Through our NowMV App, we introduced several exciting new features during the month of Ramadan. Customers can get regular prayer alerts, make Fitr Zakat Payments as well as follow Holy Quran recitations.



DhiraaguPay

We partnered with a number of merchants during the month of Ramadan to allow our DhiraaguPay customer to enjoy a 10% discount on all bills paid via DhiraaguPay.



COVID-19 SUPPORT OFFERS

With the announcement of curfew extensions and restrictions within the Greater Male' Region, we extended special offers to encourage work from home and remote education. The support included offers for our Dhiraagu Postpaid, Prepaid, Fixed Broadband, LTE and MBB customers, giving them more data with no additional costs along with discounts on boosters.

1.2 Key Commercial Highlights



SPONSORSHIPS

Our support towards community initiatives continued throughout Q2. We offered sponsorship support and facilitated various social events and activities including:

- SuperSonic Gaming tournament by Glitch Gaming as the Title Sponsor
- Madaha Ran Adu Season 2 by Maldives Music & Arts Centre
- Safer Internet Day Art Competition by former Ministry of Communication, Science and Technology
- Ramadan Cricket Tournament by Male' Sports Club

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, high level leadership and management development trainings were initiated, and blended learning sessions on soft skills and technical skills were carried out. This, along with increased internal knowledge sharing sessions and activities, have contributed to 1928 learning hours in the second quarter.

EMPLOYEE WELLBEING AND HEALTH & SAFETY

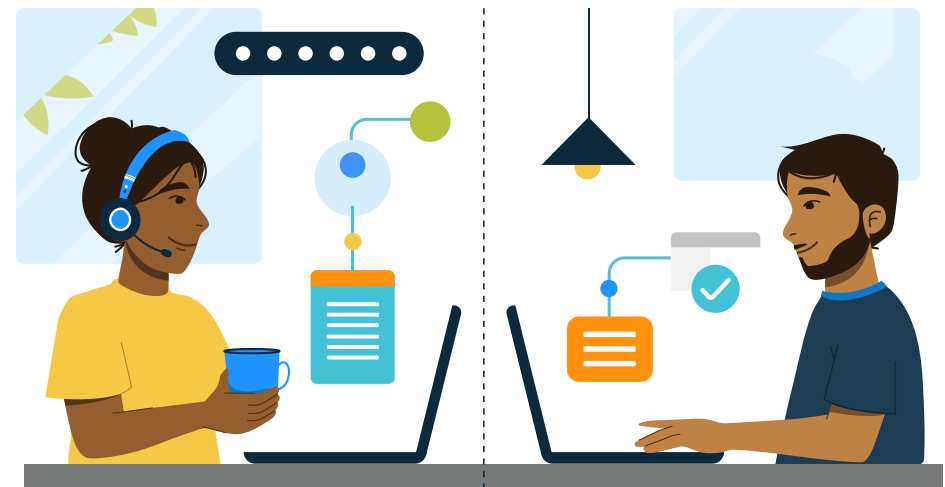
During the quarter we carried out health, safety and wellbeing sessions for our employees, which included:

- A virtual event to celebrate the 1st anniversary of Wealthy-Vibes program.
- Wealthy-Vibes 2021 Campaign: Five virtual sessions were held inviting all staff;
 - Fiber & Laser Safety by CSD Leaders
 - Electrical Safety by Networks (Power Team)
 - Emotional Wellbeing session by SHE
 - Work at Height Safety Awareness session by Networks (Rigging Team)
 - Occupational Safety and Health awareness for regional Teams

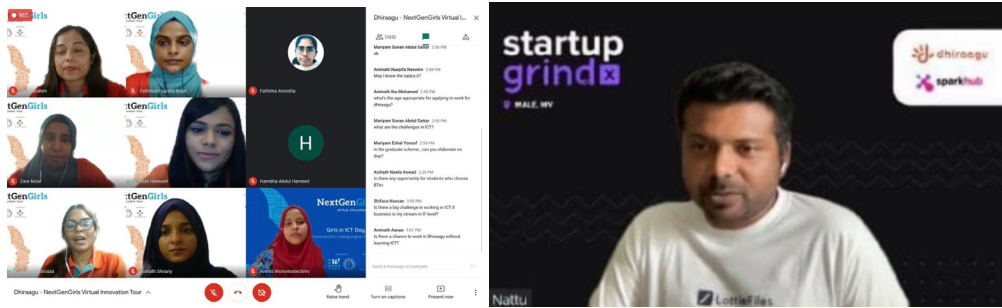
EMPLOYEE ENGAGEMENT

Virtual competitions were held for employee engagements under staff recreational activities:

- Islamic Knowledge Quiz competition during Ramazan for KOC staff (regional team)
- Islamic Knowledge Quiz competition during Ramazan for all staff
- A photo competition for all staff
- Kick started "Staff Euro Challenge": over 123 staff registered



1.4 Corporate Social Responsibility



EMPOWERING WOMEN AND YOUNG PEOPLE

- We committed to support the Corporate Scholarship Scheme by Ministry of Higher Education to train students in special Therapeutic courses as part of the Government’s efforts in developing trained professionals for working with persons with disabilities¹.
- In collaboration with Women in Tech Maldives, on the International Girls in ICT Day, we facilitated a NextGen Girls Virtual Innovation Tour for students joining from Rehendi School, Funadhoo School, Addu High School and Thoddoo School to inspire them on various roles and opportunities from Dhiraagu.
- As part of our efforts to foster the local startup culture, the virtual edition of Startup Grind X Male’ was held in partnership with Sparkhub, featuring Nasrullah Adnan, Co-Founder and CTO of Lottifiles to share his entrepreneurial journey with the public.

Footnote: Under the Regulation No. 2019/R-1050 listed companies are required to disclose any CSR activities undertook and spending for each activity if the total is more than or equal to MVR 100,000. Three of our CSR activities in this quarter fall into this category and have been disclosed in this report.

¹ MVR 771,000 has been committed over a 3 year period for this initiative. As the scheme had not started during the quarter, no disbursements have been made yet.



CARE FOR CHILDREN

- Thalassaemia being a key public health concern affecting children in Maldives, we offered a special donation of MVR 313,235 to Maldivian Thalassaemia Society as part of our initiatives during Ramadan with the contribution of 10% of the spent by customers from Ramadan and Eid Data Boosters and Bundles².
- We partnered with ARC Maldives for Eid Al-Fitr to support the ARC Aid food support programme for some of the most vulnerable children and their families affected by the COVID-19 pandemic.
- To support the relocation of children from the Kuda Kudhinge Hiya orphanages, we supported the Ministry of Gender, Family and Social Services by offering free Dhiraagu Internet and TV services to the new locations at Family and Children’s Service Centres established across 7 atolls.
- We contributed to Himmafushi Council as part of our commitment to help develop a children’s park in Himmafushi which would serve as a much-needed valuable space in the island for children to play and lead a healthy and active life³.
- We renewed our membership with the Internet Watch Foundation as part of the GSMA Mobile Alliance Against Child Sexual Abuse Content to block child sexual abuse content on our network.

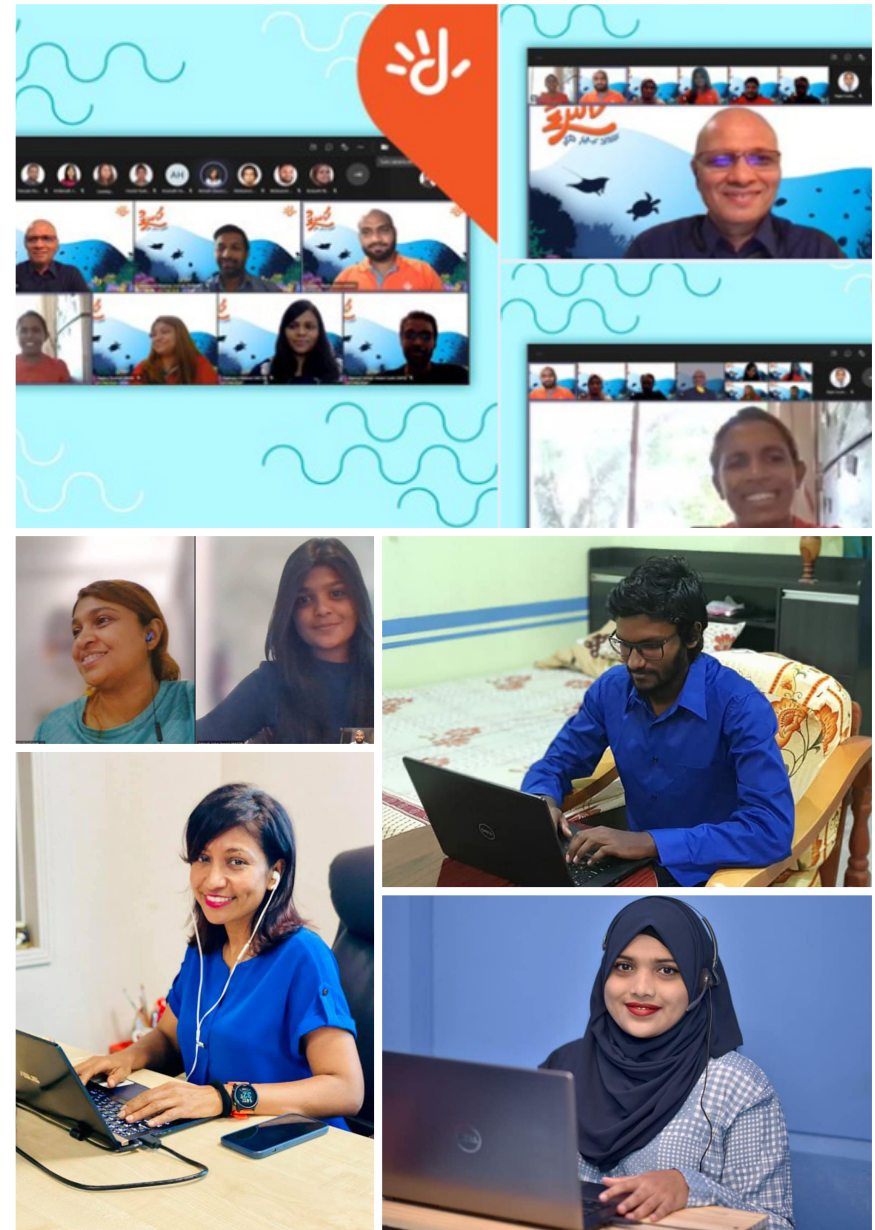
² MVR 313,235 disbursed on 8 July 2021.

³ MVR 190k committed to the full project, MVR 95k disbursed in Q4 2020, balance MVR 95K disbursed in Q2 2021.

1.4 Corporate Social Responsibility

CARE FOR ENVIRONMENT AND WELLBEING

- We celebrated World Oceans Day by highlighting our focus in reducing single use plastic and raising awareness through a special virtual staff function. We introduced Ms. Zoonaa Naseem, the nation's first female PADI Course Director as our new brand ambassador to accelerate our efforts.
- Together with Samsung, we jointly donated Galaxy Tabs to Ministry of Health and Addu Equatorial Hospital to further enhance digitisation efforts of pandemic management and support the health sector.
- We supported the Ministry of Home Affairs by donating a TV and mobile phones to the National Reintegration Centre established by the Government to detain and conduct assessments for insurgents, their families and children returning from foreign conflicts and war zones.
- We provided Dhiraagu TV service to Dharubaaruge for HEOC as part of the support to the COVID-19 operations.
- We supported the Maldivian Red Crescent with free toll-free service for their Psychosocial Support Helpline 1425 and Migrant Support Helpline 1458, in order to enable psychosocial support to the public and to reach the migrant community who are facing hardships during the pandemic.
- We supported the Ministry of Health by providing free internet connectivity to support COVID-19 Vaccination teams at Villimale' Youth Centre.
- We provided free internet connectivity to Hulhumale' Hospital to offer Wi-Fi to patients admitted in the hospital for COVID-19 so that they can be connected to their loved ones.
- We supported the Kulhudhuffushi Council by providing connectivity to Kulhudhuffushi Harbour Monitoring Desk established to monitor the traffic of people going in and out of Kulhudhuffushi as part of the COVID-19 response.
- Though most of our colleagues have been remote working, we wore blue to unite and show solidarity for World Autism Awareness Day. We also lit our head office building in blue to raise awareness and take part in the global campaign.



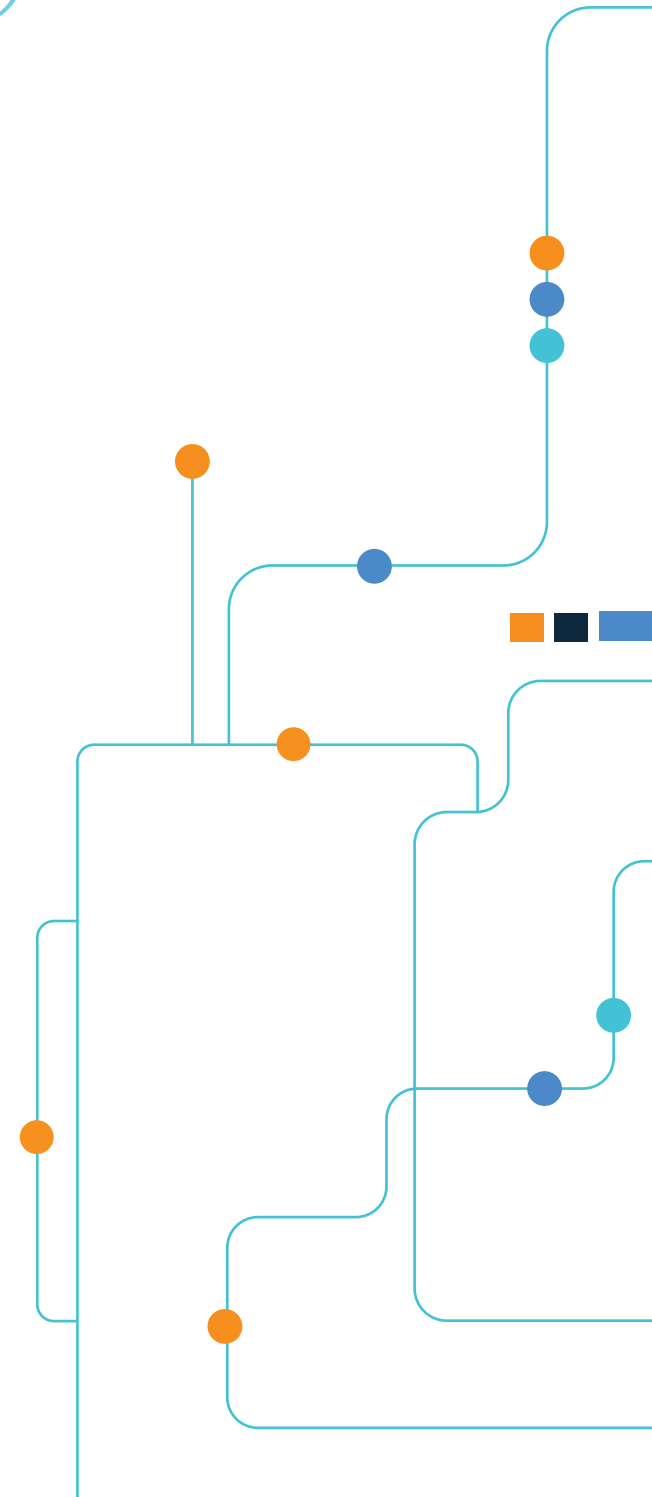
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Key Financial Highlights



2.1 Income Statement (unaudited)

FOR THE QUARTER ENDED	Q2 VS Q1	
	JUN (Q2 2021) MVR "000"	MAR (Q1 2021) MVR "000"
Mobile Revenue	340,378	390,207
Fixed, Broadband & Enterprise	261,323	255,478
Others	15,728	14,484
Revenue	617,429	660,169
Operating Costs	(283,077)	(299,156)
Depreciation and Amortization	(99,369)	(98,064)
Other Income / (Expense)	(81)	60
Results from Operating Activities	234,902	263,009
Net Financing Expense	(4,278)	(4,573)
Profit Before Tax	230,624	258,436
Tax Expense	(34,818)	(38,680)
Profit for the period	195,806	219,756
Share Performance Ratios		
Basic Earnings Per Share (Annualized MVR)	10.32	11.56
Basic Earnings Per Share (Quarter MVR)	2.58	2.89

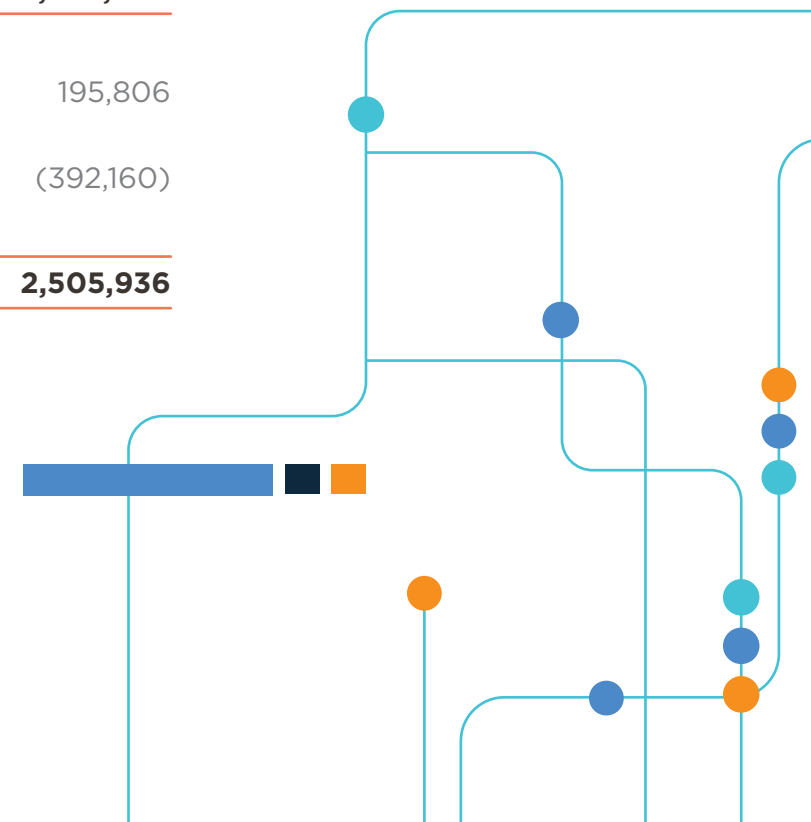


2.2 Balance Sheet (unaudited)

AS AT	Q2 VS Q1		Q2 VS Q1	
	JUN (Q2 2021) MVR "000"	MAR (Q1 2021) MVR "000"	JUN (Q2 2021) MVR "000"	MAR (Q1 2021) MVR "000"
ASSETS AND LIABILITIES				
Non-Current Assets				
Intangible Assets	308,188	295,580		
Property, Plant and Equipment	1,703,457	1,749,974		
Right of use asset	249,938	252,435		
Deferred Tax Asset	5,093	7,841		
Total Non-Current Assets	2,266,676	2,305,830		
Current Assets				
Inventories	40,938	49,819		
Trade and Other Receivables	684,253	725,504		
Cash and Bank Balances	1,346,592	1,124,684		
Total Current Assets	2,071,783	1,900,007		
Total Assets	4,338,459	4,205,837		
Current Liabilities				
Trade and Other Payables	(774,262)	(753,041)		
Amounts Due to Related Party	(466,287)	(310,071)		
Right of use liability - current	(29,862)	(30,538)		
Short Term Loans and Borrowings	(25,442)			
Current Tax Liabilities	(72,546)	(40,476)		
Total Current Liabilities	(1,368,399)	(1,134,126)		
Non-Current Liabilities				
Provisions	(139,307)	(138,117)		
Long Term Loans and Borrowings	(93,414)			
Right of use liability - non-current	(231,403)	(231,304)		
Total Non-Current Liabilities	(464,124)	(369,421)		
Total Liabilities	(1,832,523)	(1,503,547)		
Net Assets	2,505,936	2,702,290		
Equity				
Share Capital	190,000	190,000		
Retained Earnings	2,315,936	2,512,290		
Total Equity	2,505,936	2,702,290		

2.3 Statement of changes in equity (unaudited)

	SHARE CAPITAL MVR "000"	RETAINED EARNINGS MVR "000"	TOTAL MVR "000"
Balance at 31 Dec 2020	190,000	2,292,534	2,482,534
Profit for the period	-	219,756	219,756
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



2.4 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	Q2 VS Q1	
	JUN (Q2 2021) MVR "000"	MAR (Q1 2021) MVR "000"
Net Cash Inflow from Operating Activities	377,514	276,503
Net Outflow from Investing Activities	(83,738)	(88,685)
Net Outflow from Financing Activities	(63,572)	(38,611)
Net Increase in Cash and Cash Equivalents	230,204	149,207
Cash and Cash Equivalents at beginning of the Period	1,109,095	959,888
Cash and Cash Equivalents at end of the Period	1,339,299	1,109,095



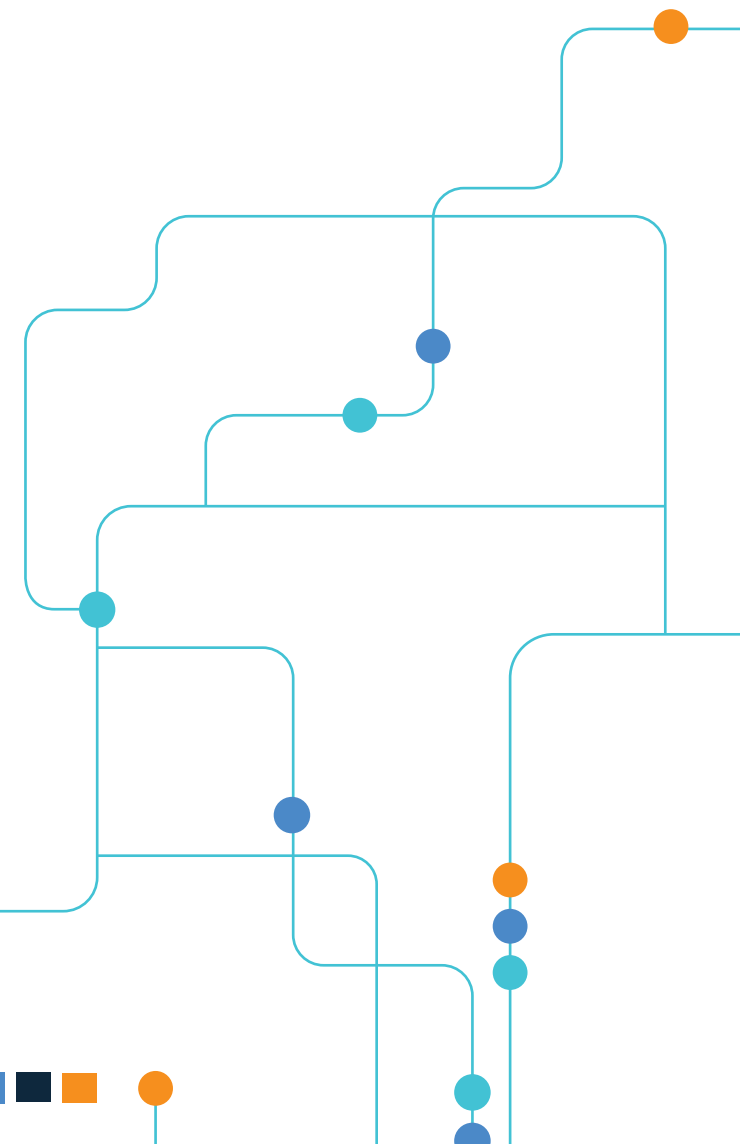
Ismail Rasheed
CEO & Managing
Director



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 June 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, two Board Meetings and two Audit Committee Meetings were held in addition to the Company's Annual General Meeting (AGM).

3.3 Board Decisions

Important Board decisions made during the quarter included:

- Approval to submit for shareholder's consideration and approval, the Annual Report for the year ended 31st December 2020.
- Approval to submit for shareholder's consideration and approval, the re-appointment of KPMG as the Company's External Auditors for the year 2021.
- Approval to reduce fixed broadband prices as per Government's request.
- Approval to obtain an \$8m term loan from Hongkong and Shanghai Banking Corporation Limited (HSBC) for the Company's capital expenditure.
- Approval to obtain a \$12m import loan facility from Hongkong and Shanghai Banking Corporation Limited (HSBC) for the Company's capital expenditure.

3.4 32nd Annual General Meeting

The Company's 32nd AGM was held on 20 May 2021, virtually using "Fahivote", an online General Meetings Management System developed by Maldives Securities Depository Company Pvt Ltd (MSD).

With 73 shareholders in person and 2 shareholders by proxy registered to attend and participate at the meeting, representing 75,380,987 shares. The 32nd AGM was successfully concluded by passing all the resolutions proposed.

The following resolutions were passed by the required majority who were present and voting at the meeting.

1. Approval of the Annual Report 2020 including the Director's Report and Audited Financial Statements for the year ended 31st December 2020.
2. Declaration of a full year dividend for 2020 of MVR 7.23 per share for the year amounting to MVR 549,480,000 (Maldivian Rufiyaa five hundred and forty nine million, four hundred and eighty thousand). The full year dividend is made up of:
 - i. Interim Dividend of MVR 2.07 per share (total MVR 157,320,000) declared in 2020, and
 - ii. Final Dividend of MVR 5.16 per share (total MVR 392,160,000) declared at the 32nd Annual General Meeting.
3. Re-appointment of KPMG as the Company's External Auditors for the year 2021, to hold office until the conclusion of the next Annual General Meeting to carry out the statutory audit for the year ending 31 December 2021, and the approval of External Auditors fees.
4. 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 2021.

Draft Minutes of the 32nd AGM were published on 23 May 2021. Shareholders wishing to propose any amendments to the Draft Minutes were invited to do so before 16:00 hrs. on Thursday, 1 July 2021.

3.5 Legal & Regulatory Compliance

The Company complied with the CMDA's Corporate Governance Code and Dhiragu 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 Dhiragu 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 30 June 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

	Q2 2021	Q1 2021
EPS (Annualized MVR)	10.32	11.56
P/E Ratio (Annualized)	9.42	8.22
Net Asset Per Share (MVR)	32.97	35.56
Dividend Yield	7.4%	7.6%
Cash flow per share (MVR)	17.62	14.59

4.2 Trading Highlights

	Q2 2021	Q1 2021
Highest Traded Price (MVR)	110	95
Lowest Traded Price (MVR)	96	95
Last Traded Price (MVR)	110	95
Last Traded Date	10 May 2021	24 Jan 2021
Number of Shares Traded	900	200
Number of Trades	4	1
Weighted Average Traded Price (MVR)	97.22	95
Market Capitalization as at quarter end (MVR)	7.39bn	7.22bn

