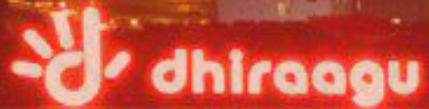




dhiraagu



THIRD QUARTER REPORT

July to September 2018

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 enable 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 is proud to be celebrating 30 years in connecting the Maldives through telecommunication. Our goal continues to be providing digital connectivity and improving customer experience across the country.

During the third quarter, we extended our Fibre Broadband service to 70% of households and expanded Dhiraagu TV to new islands. A new Prepaid Plan was launched which offered the option to customise voice and data add-ons. We delivered a key ICT project for the Ministry of Education “Digital Schools” and provided connectivity to all government schools in the country.

During the third quarter, Dhiraagu reported revenue of MVR 658m, up 1% vs Q3 2017 mainly due to the growth in adjacent business revenues. Compared with Q2 2018, revenue declined by 5% mainly contributed by seasonal roaming revenues and enterprise revenue which also resulted in reduction of 5.7% in Net profit. The company also declared an interim dividend of MVR 453m (MVR 5.96 per share) for the financial year 2018

Dhiraagu continued with its CSR and sponsorship efforts to support various social initiatives and commercial activities. Highlights during the quarter included a major activity to mark International Coastal Clean up Day. With our partners and volunteers we collected 1.5 tonnes of ocean plastic. With our partners we brought Angelhack Maldives the first international hackathon in the Maldives. Additionally, together with UNDP we screened Film for Change 2018, promoting Sustainable Development Goals.



1.2 COMMERCIAL HIGHLIGHTS



Network expansion

At the end of Quarter 3, our FTTH service is now in 44 islands reaching 70% of the population.

Fixed Broadband

Our fixed broadband offers were revamped with more data allowances and bigger boosters. A new Fibre 5M Broadband package was also introduced.

Effective 1st September, customers were able to enjoy 1Mbps speed after FUA on all of our Fibre broadband packages.



Mobile

Quarter 3 also saw the introduction of a new Prepaid Plan which offers customisation of voice and data add-ons, while offering free social media apps.

Special roaming rates and discounted IDD rates to Saudi Arabia were offered during the Hajj season and Eid Al Adha.

On the occasion of Eid Al Adha, two special data add-ons were made available for Dhiraagu Postpaid, Sera and Dhiraagu New Prepaid customers.



Enterprise

Connectivity to all government schools was delivered to the Ministry of Education under the “Digital Schools” project.



Dhiraagu Pay

We became the first to introduce personalised NFC debit cards in the Maldives. The card was launched to Ghiyaasudhin International School students as a part of our Dhiraagu Pay service.



Dhiraagu TV

During the quarter, we launched three popular channels. CBeebies, CNBC, and Paramount channel.



Samsung Galaxy Note 9

The Samsung Galaxy Note 9 was launched during the quarter, with attractive packages offering free data allowances and convenient payment plans.

Sponsorships

We continued to provide sponsorships and support various social and commercial activities including:

- sponsoring the Top Achievers Awards 2018; which recognises the achievements of the nation's top performing higher secondary students; and
- title sponsorship of the Maldives Aero-press Championship; a specialty coffee competition for baristas.



1.3 ORGANIZATIONAL HIGHLIGHTS



Achievements

We were recognised by Rebrand 100® Global Awards 2018 as one of the most effective 100 brand transformations of 2017.

We were awarded the 'Social Responsibility & Environment Awareness Award' at the Maldives Business and Customer Experience Awards 2018.



Employ training and engagement

We strive to maintain our focus on our employee's professional development, health, safety and engagement. During the quarter, we offered training to 75 employees in technical and non-technical areas, including 5 overseas trainings.

A fire safety awareness sessions, evacuation drills and inspections carried out at Ari Operation Centre, Fuvah Mulah Operation Centre and Seenu Operations Centre.



The Dhiragu Annual Awards 2017 was held at Club Faru, to recognise the achievements and celebrate the success of our employees. The event was attended by over 350 employees.

1.4 CORPORATE SOCIAL RESPONSIBILITY

Key CSR Highlights

Care for Children

- We donated 10% of the proceeds from our Roadha Special Data bundles (amounting to MVR 411,068) to the local NGO, Tiny Hearts of Maldives who work to support children with congenital heart disease.

For the Oceans

- As part of our ongoing efforts to care for the oceans with our partner Parley Maldives, we collected over 1.5 tonness of ocean plastic in collaboration MAACL.

Youth Empowerment

- We screened short films from Film for Change 2018, a joint project with UNDP Maldives aimed at empowering young people to explore social issues. This year, the films promoted the Sustainable Development Goals of Life Below Water, Climate Action, Quality Education and Gender Equality.
- We organised Angelhack Maldives together with Sparkhub. The event supports the local tech community and provides an opportunity to gain direct access into a global hackcelerator programme.



A nighttime photograph of a city skyline. On the left is a tall, dark skyscraper with some lit windows. In the center, a large, multi-story building is brightly lit with red and white horizontal stripes. To its right, a tall, thin tower is illuminated with red and white lights. The foreground shows a crowd of people, some with their hands raised, suggesting a public event or concert. The sky is dark with some light trails from the buildings.

02

Key Financial Highlights

2.1 BALANCE SHEET (UNAUDITED)

AS AT

| | 30 Sep 2018 MVR "000" | 30 Jun 2018 MVR "000" |
|---------------------------------|--------------------------|--------------------------|
| ASSETS AND LIABILITIES | | |
| Non-Current Assets | | |
| Intangible Assets | 255,845 | 242,828 |
| Property, Plant and Equipment | 1,847,799 | 1,853,566 |
| Deferred Tax Asset | 13,489 | 12,126 |
| Total Non-Current Assets | 2,117,133 | 2,108,520 |
| Current Assets | | |
| Inventories | 75,513 | 88,956 |
| Trade and Other Receivables | 520,269 | 520,111 |
| Cash and Bank Balances | 229,253 | 443,235 |
| Total Current Assets | 825,035 | 1,052,302 |
| Total Assets | 2,942,168 | 3,160,822 |
| Current Liabilities | | |
| Trade and Other Payables | (632,339) | (547,792) |
| Amounts Due to Related Party | (1,989) | (1,793) |
| Current Tax Liabilities | (42,606) | (99,416) |

| | 30 Sep 2018 MVR "000" | 30 Jun 2018 MVR "000" |
|--------------------------------------|--------------------------|--------------------------|
| Total Current Liabilities | (676,934) | (649,001) |
| Non-Current Liabilities | | |
| Provisions | (167,613) | (164,652) |
| Total Non-current Liabilities | (167,613) | (164,652) |
| Total Liabilities | (844,547) | (813,653) |
| Net Assets | 2,097,621 | 2,347,169 |
| Equity | | |
| Share Capital | 190,000 | 190,000 |
| Retained Earnings | 1,907,621 | 2,157,169 |
| Total Equity | 2,097,621 | 2,347,169 |

2.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED

| | 30 Sep 2018 MVR "000" | 30 Jun 2018 MVR "000" |
|--|--------------------------|--------------------------|
| Revenue | 658,464 | 694,395 |
| Operating Costs | (331,849) | (349,677) |
| Depreciation and Amortization | (78,535) | (80,958) |
| Other Income | 400 | 337 |
| Results from Operating Activities | 248,480 | 264,097 |
| Net Financing Expense | (9,192) | (13,320) |
| Profit Before Tax | 239,288 | 250,777 |
| Tax Expense | (35,876) | (35,125) |
| Profit for the period | 203,412 | 215,652 |

Share Performance Ratios

| | | |
|---|-------|-------|
| Basic Earnings Per Share (Annualized MVR) | 10.72 | 11.36 |
| Basic Earnings Per Share (Quarter MVR) | 2.68 | 2.84 |

2.3 CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED

| | 30 Sep 2018 MVR "000" | 30 Jun 2018 MVR "000" |
|---|--------------------------|--------------------------|
| Net Cash Inflow from Operating Activities | 279,796 | 300,820 |
| Net Inflow/(Outflow) from Investing Activities | 35,831 | (173,954) |
| Net Outflow from Financing Activities | (390,829) | (457,187) |
| Net Decrease in Cash and Cash Equivalents | (75,202) | (330,321) |
| Cash and Cash Equivalents at beginning of the Period | 284,856 | 615,177 |
| Cash and Cash Equivalents at end of the Period | 209,654 | 284,856 |



Robin Wall
Chief Financial Officer



Ismail Rasheed
CEO & Managing Director



Annual
Awards
2017



Annual
Awards
2017



03

Governance



3.1 BOARD COMPOSITION

No changes were brought to the Board composition during the third quarter of 2018. The Board composition as at 30 September 2018 was as follows.

Mr. Mohamed Ashmalee

Chairperson

Non-Executive & Independent
Chairperson, RNG Committee

Mr. AbdulRahman Fakhro

Deputy Chairperson

Non-Executive & Independent
Member, RNG Committee

Mr. Ihab Hinnawi

Director

Non-Executive & Independent

Mr. Abdulla Ahmed

Director

Non-Executive & Independent
Member, Audit Committee

Mr. Imran Ali

Director

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

Mr. Oliver McFall

Director

Non-Executive & Independent

Mrs. Kholood Rashid AlQattan

Director

Non-Executive & Independent
Chairperson, Audit Committee

Mr. Ahmed Hafiz

Director

Non-Executive & Non-Independent

Mr. Ismail Rasheed

Chief Executive Officer & MD

Executive & Non-Independent

RNG Committee = Remuneration, Nomination and Governance Committee

3.2 BOARD ACTIVITY

One Audit Committee Meeting was held during the quarter via conference call and the Board Meeting scheduled for the quarter was postpend.

3.3 BOARD DECISIONS

The Board approved the following decisions through a circular resolution:

- Approval of Interim Condensed Financial Statements as at 30 June 2018.
- Approval of MVR 5.96 per ordinary share (total 452,960,000) as interim dividend for the year 2018.

3.4 COMPLIANCE TO CMDA CORPORATE GOVERNANCE CODE

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

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



04

Investor Relations



4.1 SHAREHOLDING

The company's shareholding as at 30 September 2018 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

| | Q3 2018 | Q2 2018 |
|---|---------|---------|
| Highest Traded Price (MVR) | 80 | 85 |
| Lowest Traded Price (MVR) | 78 | 80 |
| Last Traded Price (MVR) | 80 | 80 |
| Number of Shares Traded | 600 | 2,345 |
| Number of Trades | 5 | 15 |
| Weighted Average Traded Price (MVR) | 78.95 | 83.62 |
| Market Capitalization as at quarter end (MVR) | 6.08bn | 6.08bn |

4.3 SHARE PERFORMANCE

| | Q3 2018 | Q2 2018 |
|---------------------------|---------|---------|
| EPS (Annualized MVR) | 10.72 | 11.36 |
| P/E Ratio (Annualized) | 7.46 | 7.04 |
| Net Asset Per Share (MVR) | 27.60 | 30.88 |
| Dividend Yield | NA | NA |



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