

ANNUAL REPORT
2020



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

This is the Annual Report (the "Annual Report") of Ooredoo Maldives Plc ("Ooredoo Maldives" or the "Company") for the year 2020.

The Annual Report includes the Directors' Report, Financial Statements for the year ended 31st December 2020 and key operational and financial highlights during the year 2020. It contains both factual and forward-looking statements. The forward-looking statements should not be considered as facts as they are based on assumptions and predictions which might differ from the end result.

CONTENTS

06

About Us

22

Strategic Report

46

Enriching Sustainable Development

64

Corporate Governance

78

Report of the Audit and Risk Committee

84

Report of the Nomination and Remuneration Committee

90

Subsidiary Companies

94

Independent Auditors' Report and Financial Statements

152

Corporate Information

ABOUT US



OUR BUSINESS

Ooredoo Maldives is a member of Ooredoo Group, a leading international communications company with operating businesses in 10 countries across the Middle East, North Africa and Southeast Asia. Launched in August 2005 as Wataniya Telecom Maldives Private Limited, it revolutionized the local telecommunication industry through the introduction of world-class network technologies and innovative solutions to help people enjoy the internet.

On 6th October 2016, the Company changed its legal status to a public limited company and thereby re-registered as Ooredoo Maldives Public Limited Company. Our majority shareholder Wataniya International FZ-LLC holds 90.5% and the Maldives Pension Administration office holds 5.64% of the issued shares of the Company, while the remaining 3.86% of the shares are held by other public shareholders.

The Company is driven by its vision of enriching people's lives through telecommunications and technology to help people achieve their full potential. We cater to customers across Maldives including small to medium businesses, large corporates and state institutions, providing a wide range of innovative voice, data, broadband, content, enterprise and e-commerce services tailored to the growing needs of today's consumers and businesses. By the end of 2020, our subscriber base was over 345,000 with Compound Annual Growth Rate ("CAGR") remaining constant at 0.01% the last 5 years.

Since the beginning of the Company's establishment in the Maldives, we have continued to remain at the helm of revolutionary changes in the development of the telecommunications industry in the Maldives by introducing leading edge technologies and innovative solutions. We were the first operator to launch the first ever and fastest 3G, 4G Networks and 5G Home Broadband services in the Maldives. We remain committed to enrich the lives of Maldivians by providing them with the latest advancements of the telecommunications industry.



VISION

Enriching people's lives as a leading international communications company

MISSION

To provide world class, innovative communications products and services to the people of, and visitors to the Maldives

CORE VALUES

CARING

We make things easy for you. With us, everything is simple and transparent. We respond quickly to your requests, and show concern and respect.

CONNECTING

We play an active role in our local communities, deploying our reliable, trustworthy networks to deliver relevant services that give you access to the solutions and support you need.

CHALLENGING

We love a challenge because we have an ever youthful spirit, fueling our passion to be the best and enabling us to lead change and innovation to benefit our customers.



OUR 15 YEARS JOURNEY

(2005-2020)



2019

- Passed MVR 2 Billion Revenue Mark
- Introduction of HD Voice services to the Maldives
- SuperNet expanded to over 65% of the Maldives
- Launch of Voice over Wi-Fi services, for the 1st time in the Maldives
- Launch of LTE Roaming Services
- Expansion of Ooredoo Color Run to Addu City
- Launch of Ooredoo Moolee e-commerce platform
- 1st Startup launched under NIRU Accelerator Program
- Establishment of Digital Classroom at Maafushi Rehabilitation Center, powered by Ooredoo Smart Campus

2017

- Inauguration of Ooredoo Flagship Building (groundbreaking)
- Nationwide 4G+ Launch
- Partnered with UNDP Maldives & Housing Development Corporation Ltd for Smart Cities Project
- Launch of Ooredoo Magey Plan
- Launch of Ooredoo Next
- Launch of Ooredoo Faseyha, Home Broadband
- Commencement of secondary market trading on the Maldives Stock Exchange
- Introduction of Ooredoo Color Run

2015

- Crossed MVR 1 Billion Revenue Mark
- Launch of Huawei Easy Macro, a new technology with a carbon footprint of zero, which enhances user experience while meeting the increasing demands of customers
- Partnership with Facebook to Launch Free Basics Services in the Maldives
- Ooredoo Maldives granted license to provide fixed line internet services
- Nationwide Submarine Cable Project kick off

2020

- Celebrated 15 years of service in the Maldives
- Renewed Telecommunications Licence
- Enabled 24/7 Live Chat on Ooredoo App, Web and Ooredoo “Evee” on Viber
- Introduced Digital Centers in 7 islands in the Maldives
- Launched “Visit Maldives Now” Campaign
- Inaugurated special digital kiosks for tourists in Velana International Airport
- Successfully landed Maldives-Sri Lanka Cable
- Rolled out 5G and AirFibre – 1st 5G Broadband Service in the Maldives

2018

- 5G demonstration, with the highest ever experienced speeds in Maldives
- Re-launch of Ooredoo Mas Race
- Donation of 3 Sea Ambulances to the Government of Maldives
- Launch of Niru Accelerator Program, a 1st of its kind learning based business accelerator program in the Maldives
- Amazon Prime Video Offer introduced to the Maldives for the 1st time

2016

- Introduction of Mobile Number Portability
- Launch of Ooredoo Smart Campus
- Introduction of m-Faisaa, the 1st mobile money platform in the Maldives
- Launch of Ooredoo SuperNet (Fixed Broadband)
- Conversion of Ooredoo Maldives from a Private Limited Company to a Public Limited Company
- Completion of Nationwide Submarine Cable Project
- Achieved goal of reaching MVR 1.5 Billion Revenue Mark

2014

- Launch of Cross Functional Projects
- Trial and launch of 4G LTE Advanced, for the 1st time in the Maldives
- Passed MVR 771 Million Revenue Mark
- Launch of WiFi Hangout

OUR 15 YEARS JOURNEY

(2005-2020)

2013

- Launched the Maldives' 1st LTE network for Fixed and Mobile Broadband
- Rebranded from Wataniya Telecom Maldives Private Limited to Ooredoo Maldives Private Limited

2011

- Introduction of Single Ran Towers
- Introduction of Prepaid Broadband

2009

- Launch of Wireless Broadband

2007

- Launch of SMS based information services

2005

- Wataniya Telecom Maldives Private Limited commenced its services in the Maldives

2012

- Launch of video broadcast over 3G

2010

- Launch of Information and Communication Technology Incubator
- Launch of wLocate

2008

- Launch of 3G
- Inauguration of 1st 3.5 HSDP Network

2006

- Establishment of 1st International Subsea Cable
- Launch of Mobile Virtual Private Network (MVPN)





Chairman's Message - Mr. Andrew Tor Oddvar Kvålseth



Dear Shareholders,

On behalf of the Board of Directors, it is my honor to present to you the 2020 Annual Report of Ooredoo Maldives. 2020 marked fifteen incredible years for the Company, in our journey of enriching the lives of our customers and creating a Digital Maldives which inspires new growth potential for communities and businesses.

Enriching the Digital Lives of Customers

Innovation is often born at times of crisis. 2020 was a year that we could not have envisaged, however I am proud of the heartfelt commitment of the team to support customers at a time when the need for digital was unprecedented.

With relentless efforts from our employees and partners to adapt to rapidly evolving situations, we were able to cater to critical needs for digital solutions that enabled families across the nation to stay in touch with loved ones, study, work and get essential deliveries at home.

Investing in our Network

Despite the discernible challenges of the Covid-19 pandemic, significant measures such as the investment into a new international submarine cable were undertaken to make our network more resilient and increase readiness to accommodate existing and future needs of the country. 2020 also witnessed the roll-out of Ooredoo 5G services in the Maldives, an exciting technology which opens doors to a whole new era of digital and endless possibilities that are still to be envisaged.

Supporting Communities

At the core of everything we do, lies our vision of enriching lives. This commitment we have made to the people of Maldives remained close to our hearts this year, as we made it our highest priority to support our customers and communities throughout the pandemic, and the new normal which followed.

Together with Ooredoo Group, we contributed MVR 2.5 million (Two and a Half Million Maldivian Rufiyaa) towards medical equipment and Personal Protective Equipment (PPE) for the Covid-19 response and worked closely with stakeholders to provide key connectivity solutions for emergency response workers, doctors, teachers, small businesses and more. Beyond our normal business, we used our local and international resources to support the rebuilding of the tourism sector, following the global pandemic.

We turned to virtual events to continue community engagement initiatives to bring us closer to customers and keep spirits high at a time we were forced to be distant from one another, by exploring innovative ways to serve the relevant needs and wants of our customers.

Sustaining our Business

The Ooredoo Maldives team has shown an impressive performance in 2020, continuing to grow despite strong market challenges to key verticals such as tourism led revenues, prepaid services and enterprise business. Backed by a strong digital strategy, we realigned our portfolios to serve relevant and critical needs of customers, which enabled positive responses, both in terms of business growth and overall acceleration in digitalization.

Dividends

The Board of Directors is pleased to recommend a dividend of MVR 2.34 per share for the financial year of 2020.

Acknowledgement

I would like to thank our Board of Directors, Executive Management and the entire team of Ooredoo Maldives for your dedicated efforts to enrich the lives of our customers. I am both humbled and amazed by the sheer dedication of our team, who have kept the momentum high and have not compromised on quality, while working remotely for over nine months. It is your deep-rooted caring for our customers that drives our achievements as a company.

I take this moment to appreciate our customers for their trust and support, over the past fifteen years in the Maldives. Your confidence in us, hunger for new technologies and passion for innovation encourages us to reach new heights. The world once again looks towards a new era filled with endless possibilities, and our commitment to connect our customers to these opportunities remains strong.

**Andrew Tor Oddvar Kvålseth,
Chairman**





Managing Director and Chief Executive Officer's Message - Mr. Najib Khan



Dear Shareholders,

2020 marks an unprecedented year for the entire world. We witnessed an incredible response by the Ooredoo Maldives team, overcoming huge challenges to support our customers and connect them to the apt digital support to navigate our new reality.

The Covid-19 pandemic was not just a global health emergency but also an economic one, with its strong impact felt by communities across all corners of the globe. The Maldives was forced to close its borders in early 2020, thus bringing its flourishing tourism industry to a standstill and creating an immediate crisis for industry workers and the thousands of families and small businesses that directly and indirectly rely on tourism for their livelihood. Internet became a lifeline for the community during the lockdown period, with families relying on it for essential shopping, virtual classes, working from home/remotely and keeping in touch with the loved ones. At such a time, our biggest priority was to utilize our technologies, nationwide network and innovative services to step up for our customers and for the nation at its time of need.

Despite the adverse impact of the pandemic on enterprise and mobile business, we made it a priority to continue investing in the Maldives. The launch of the Maldives-Sri Lanka Cable will support the growing needs of our customers, and also strengthen the telecommunications infrastructure of the Maldives to implement innovative and evolving technology of the world. We rolled out Ooredoo 5G services, as we prepare for the new era of digital transformation, to revolutionize the way we interact with each other and conduct business. We put forward new and innovative solutions such as Facebook Flex, Digital Hospitality Suite, Ooredoo Meet and more, which addressed customers' immediate needs during the heart of the pandemic and the new normal that followed. This in turn

enabled the Company in achieving a positive performance allowing us to continue creating value for our shareholders.

Understanding the critical need for internet, we provided free data for customers, including free GBs per day during lockdown for home broadband customers and free connectivity for those in quarantine, emergency workers, public health authorities, students, teachers, Government employees and more. To further ease the financial difficulties faced by our customers, we provided payment plans according to customer capabilities so they could continue using our services and to help them stay connected.

Our focus on a seamless digital experience enabled our employees to effortlessly shift to working from home with zero impact on services, and our customers to continue receiving all our services via the safety of staying at home. Ooredoo Maldives' self-care application, supported by our mobile money platform "m-Faisaa" and e-commerce platform "Moolee", enabled the customers to purchase, pay and manage all their services online. In addition to facilitating doorstep deliveries of our products and services, "Moolee" also supported small businesses with an instantly adoptable digital platform that provided them with a contactless experience to supply essentials such as water, food and safety items to customers during lockdown. We further enhanced our digital customer experience with the introduction of self-service Digital Centers across the nation and at Velana International Airport, enabling customers to continue receiving our services at their convenience with minimal waiting time, while eliminating physical contact.

Ooredoo Maldives has always remained an active supporter of the community and in 2020, we greatly prioritized supporting the national pandemic response. With the aim to join the countrywide efforts in restoring the tourism industry of the Maldives, we launched the "Visit Maldives Now" campaign to promote the country as a safe haven for visitors, targeting to reach over 100 million customers across all of Ooredoo's global markets. Additionally, we engaged with our customers from all corners of the country by organizing virtual events such as the Eid Music Show

and "Atholhu Dhuvun" - a first of its kind virtual run in the Maldives that was joined by over 5,000 participants from all corners of the country which showed the hopefulness and togetherness of our communities.

Reflecting back on the year 2020, it will be remembered not for the obstacles that we had to overcome, but for what we achieved as a company and as part of the larger community, in the face of these unprecedented challenges. On behalf of the Management, I extend my warmest congratulations to the Ooredoo Maldives' team for all the achievements of 2020. Many thanks to our Crisis Response Team for their swift response in guiding, facilitating and enabling the entire team to continue their work remotely and for providing support for physical and mental well-being of the Ooredoo Maldives family.

We are excited for what's next in 2021, to lead the 5G evolution in the Maldives and harnessing the power of Internet of Things ("IoT") and machine learning to cater to the needs and wants of our people and businesses in the new normal.

Najib Khan
Managing Director and Chief Executive Officer



BOARD OF DIRECTORS



Mr. Andrew Tor Oddvar Kvalseth
Independent, Non-Executive Director

Mr. Andrew Tor Oddvar Kvalseth is the Chairman of Ooredoo Maldives effective from 23rd April 2020 and is an Independent, Non-Executive Director.

Mr. Kvalseth also currently serves as the Group Chief Commercial Officer at Ooredoo Group and has more than 14 years of experience in the telecommunications industry. He has expertise in the areas of Marketing, Strategy, Digital Services, and operations. He has previously held several senior positions including Chief Digital Officer, Chief Marketing Officer and Chief Strategy Officer at Telenor ASA Thailand, Chief Strategy Officer and Head of M&A at Telenor Digital Services Norway, Director Group Strategy at Telenor Group Norway.

Mr. Kvalseth has a Master of Business Administration from the University of Oxford – Said Business School, United Kingdom



Mr. Najib Khan
Non-Independent, Executive Director

Mr. Najib Khan is the Chief Executive Officer (“CEO”) of Ooredoo Maldives, since April 2017 and is a Non-Independent, Executive Director. He is also the Managing Director of the Company effective from 3rd March 2019.

Mr. Khan took over the leadership of the Company’s management team during its successful IPO launch. His tenure has seen acceleration in the Digitalization of the market and Ooredoo Maldives. Under his leadership the Company has pioneered digital access for consumers through many path breaking digital apps like Magey Plan, AI based BOT, enrichment of Ooredoo App and Business Apps for Digitalization of resorts. In an era of Digital economy, the m-Faisaa app for utility payments and democratization of broadband service through Faseyha Home Broadband has provided access to a digital lifestyle for homes and businesses.

He joined the Ooredoo Group in November 2014 as a Senior Director in the Commercial Division. He has experience of nearly 26 years in the telecoms sector including his role as a CXO for about 9 years in various departments of Bharti Airtel Limited in India. Mr. Khan has significant experience in managing B2B, Wholesale and B2C commercial activities with an impressive skill set spanning operations, product P&L management and business development.

Mr. Khan has a Bachelor of Science in Industrial Electronics Engineering from Mumbai University



Mr. George Bowring Challenor
Independent, Non-Executive Director

Mr. George Bowring Challenor is an Independent, Non-Executive Director effective from 23rd April 2020. He is also the Chairman of the Audit and Risk Committee of Ooredoo Maldives.

Mr. Challenor currently serves as the Senior Director – Group Treasury and Financing at Ooredoo Group, and he is presently a Commissioner on the Board of Commissioners of Indosat Ooredoo. He has immense expertise in telecommunications industry in the areas of Equity and Debt Capital Markets, Asset Management and he has held several senior positions in Financial Institutions and Banking Institutions. He has previously held numerous senior positions including, Chief Investment Officer of Multi Asset Class Solutions, Director at Credit Suisse Asset Management (UK) Ltd, and Strategist & Head of Portfolio Management Equity Team at Credit Suisse Private Banking Ltd.

Mr. Challenor has a Postgraduate Diploma in Economics from the London School of Economics & Political Science, University of London, UK, and he is a Chartered Financial Analyst (“CFA”) Charterholder



Mr. Khalid Hassan M A Al-Hamadi
Independent, Non-Executive Director

Mr. Khalid Hassan M A Al-Hamadi is an Independent, Non-Executive Director. He is also the Chairman of the Nomination and Remuneration Committee of Ooredoo Maldives and a member of the Audit and Risk Committee.

He joined Ooredoo Qatar in 2008 and currently is a Senior Director in Consumer Sales at Ooredoo Qatar. He brings a rich experience of over 15 years in the Oil and Gas industry with international experience and he has also worked with General Electric in Florence, Italy. He used to be the Head of Planning and Strategy and was key to implementing the reorganization initiative in Sales and Service with passion and commitment to take this department to higher levels.

Mr. Al-Hamadi has a Bachelor of Science in System Engineering from the University of Arizona.



Ms. Dheena Hussain
Non-Independent, Non-Executive Director

Ms. Dheena Hussain is a Non-Independent, Non-Executive Director and is a member of the Nomination and Remuneration Committee of Ooredoo Maldives.

She is the Managing Partner of the law firm SHC Lawyers LLP and also one of the founding partners of the law firm Shah, Hussain & Co. Barristers and Attorneys.

Ms. Hussain has served the Government of Maldives in a number of capacities; including postings with the Ministry of Defence and National Security and the Maldives Police Service. She was also a member of the Drafting Panel of the Special Majlis (Constitutional Assembly) which drafted the 2008 Constitution of the Maldives. She is also currently the Chairperson of the Appeal Committee of Bar Council of the Maldives.

Ms. Hussain is licensed to practice before the courts of the Maldives including the Supreme Court of the Republic of Maldives. She graduated in Law from the University of Birmingham in 1996, was called to the Bar by Lincoln’s Inn in 1997 and obtained a Master’s degree in Banking and Finance Law from the University of London in 2003.



Mr. Suresh Kalpathi Chidambaram
Non-Independent, Executive Director

Mr. Suresh Kalpathi Chidambaram is the Chief Financial Officer of Ooredoo Maldives and is a Non-Independent, Executive Director, effective from 17th September 2019.

Mr. Chidambaram has over 30 years of finance experience in various industries including manufacturing, retail and telecommunications. He joined the Ooredoo Group in 2008 and held the position of Senior Director, Investment Management until 2013. He was also the Chief Financial Officer at Ooredoo Global Services prior to his current role as CFO of Ooredoo Maldives. He has tremendous experience in financial operations and business planning.

Mr. Chidambaram holds a Master of Management Studies from Birla Institute of Science and Technology (B.I.T.S Pilani) and he is a member of the Institute of the Chartered Accountants of India.



Ms. Fareeha Shareef
Independent, Non-Executive Director

Ms. Fareeha Shareef is an Independent, Non-Executive Director elected by the general shareholders at the Annual General Meeting held on 2nd March 2020.

Ms. Shareef is currently the Managing Partner of FJS Associates LLP. She has held several senior positions including Chairperson of Bank of Maldives Plc, Chairperson of HDFC Plc, Chief Internal Auditor of State Trading Organization Plc and Junior Advisor at KMPG Ford Rhodes & Thornton. She has multiple years of experience in governance, financial and business management, auditing, taxation and socio-economic research. She is presently a Council Member of the Institute of Chartered Accountants of Maldives.

Ms. Shareef holds a Masters of Management Studies from University of Waikato, New Zealand and she is a Fellow Member of the Association of Chartered Certified Accountants (ACCA).



Mr. Mark Henry Dowds
Independent, Non-Executive Director

Mr. Mark Henry Dowds is an Independent, Non-Executive Director effective from 23rd April 2020 and is a member of the Audit and Risk Committee and the Nomination and Remuneration Committee.

Mr. Dowds currently holds the position of Group Senior Director – Corporate Strategy at Ooredoo Group. He has over 25 years of experience across emerging and developed markets in a mix of leadership roles and has expertise across telecommunications. He has previously held the position of Chief Strategist for Tyco EMEA Group, Senior Manager-Strategy at Vodafone Group, and EU R&D Project Manager at Motorola UK.

Mr. Dowds holds a Master of Science in Telecommunications from the University of Strathclyde, UK and he is a Member of the Institute of Electrical and Electronic Engineers (“MIEEE”).

OUR TEAM



Mr. Najib Khan
Managing Director & Chief Executive Officer

Mr. Najib Khan is the Chief Executive Officer (“CEO”) of Ooredoo Maldives, since April 2017 and is a Non-Independent, Executive Director. He is also the Managing Director of the Company effective from 3rd March 2019.

Mr. Khan took over the leadership of the Company’s management team during its successful IPO launch. His tenure has seen acceleration in the Digitalization of the market and Ooredoo Maldives. Under his leadership the Company has pioneered digital access for consumers through many path breaking digital apps like Magey Plan, AI based BOT, enrichment of Ooredoo App and Business Apps for Digitalization of resorts. In an era of Digital economy, the m-Faisaa app for utility payments and democratization of broadband service through Faseyha Home Broadband has provided access to a digital lifestyle for homes and businesses.

He joined the Ooredoo Group in November 2014 as a Senior Director in the Commercial Division. He has experience of nearly 26 years in the telecoms sector including his role as a CXO for about 9 years in various departments of Bharti Airtel Limited in India. Mr. Khan has significant experience in managing B2B, Wholesale and B2C commercial activities with an impressive skill set spanning operations, product P&L management and business development.

Mr. Khan has a Bachelor of Science in Industrial Electronics Engineering from Mumbai University



Mr. Suresh Kalpathi Chidambaram
Executive Director, Chief Financial Officer

Mr. Suresh Kalpathi Chidambaram is the Chief Financial Officer of Ooredoo Maldives and is a Non-Independent, Executive Director, effective from 17th September 2019.

Mr. Chidambaram has over 30 years of finance experience in various industries including manufacturing, retail and telecommunications. He joined the Ooredoo Group in 2008 and held the position of Senior Director, Investment Management until 2013. He was also the Chief Financial Officer at Ooredoo Global Services prior to his current role as CFO of Ooredoo Maldives. He has tremendous experience in financial operations and business planning.

Mr. Chidambaram holds a Master of Management Studies from Birla Institute of Science and Technology (B.I.T.S Pilani) and he is a member of the Institute of the Chartered Accountants of India.



Mr . M S Tanwar
Chief Technology Officer

Mr. M. S. Tanwar has served as the Chief Technology Officer of Ooredoo Maldives since July 2016 onwards.

Prior to joining Ooredoo Maldives, he worked with Ericsson, Nokia and Tata in India, Africa and Europe serving large telecommunications companies such as Airtel India, Airtel Africa, H3 Ireland, Open Eir Ireland and Vodafone India. With over 27 years of experience in telecommunications services, he possesses vast knowledge and rich experience in R&D, network engineering, projects, operations and business development.

Mr. Tanwar holds a Bachelor's Degree in Electronics and Communications Engineering and a Master's in Business Administration in Operations Management. He has also completed post-graduate education in Marketing Management. He successfully completed the Leadership Development Program from the Indian School of Business, Lead Auditor of Quality Systems from Cranfield University, UK and an Executive Leadership Program from PDI Sweden.



Mr. Hussain Niyaz
Acting Chief Commercial Officer

Mr. Hussain Niyaz joined Ooredoo Maldives in April 2005, and currently serves as the Acting Chief Commercial Officer.

Mr. Niyaz has nearly 15 years of experience in the telecommunications sector. He began his journey with Ooredoo Maldives as an RNE Technician, progressing onto senior roles such as Manager - Network Planning and Optimization, Head of Networks, Head of Sales, Director Sales & Distribution, and Acting Chief Commercial Officer.

Prior to joining Ooredoo Maldives, Mr. Niyaz worked for 12 years at the Maldives National Defence Force in the Communication, Electronics and IT Department.

Mr. Niyaz holds an Executive Masters in Telecom Management and in addition has completed training on Electronics and Communications at Fort Gordon - United States Army, Leadership Development Training from Center for Creative Leadership, Singapore and has completed the Ooredoo Leadership Development Program which was conducted by the Ooredoo Group in partnership with IMD.



Ms. Fazna Mansoor
Human Resources Director

Ms. Fazna Mansoor joined Ooredoo Maldives in January 2005 and currently holds the position of Human Resources Director.

Ms. Mansoor has over 20 years of extensive experience in the field of Human Resources having held key positions such as Acting Director Human Resources and Administration, Head of Organizational Development and Senior Manager Human Resources at Ooredoo Maldives.

Ms. Mansoor holds a Master of Business Administrations (MBA) from Angelia Ruskin University, UK, and is a certified Global Talent Mobility Specialist



Mr. Shabeen Ali
Director Network & IT Planning

Mr. Shabeen Ali joined Ooredoo Maldives in May 2005, and currently serves as Director Network & IT Planning.

Mr. Shabeen has over 26 years of work experience in the Technology field which includes 13 years in the Telecom sector. He began his journey with Ooredoo Maldives as a technician progressing to senior positions such as Head of Operations, Head of Planning and Operations.

Prior to joining Ooredoo Maldives, Mr. Shabeen worked at the Maldives National Defence Force for 13 years in the Communication, Electronics and IT Department.

Mr. Shabeen holds an Executive Masters in Telecom Management and in addition completed training on Electronics and Communications at Fort Gordon - United States Army, and has completed a Leadership Development Program at CCL, Singapore.



Mr . Prasanna Uchil
Director Strategy & PMO

Mr. Prasanna Uchil joined Ooredoo Maldives in September 2017 and currently serves as Director Strategy & PMO.

Mr. Uchil has over 18 years of experience in the telecom space in various capacities, leading teams in a matrix setup overlapping Project Management, Strategy, Business Development & Marketing. He has previously worked at companies such as TATA Communications, Reliance Infocomm and Global Cloud Xchange.

Mr. Uchil holds a Masters' Degree in Management Studies and a Bachelors of Engineering from Mumbai University.

Strategic Report

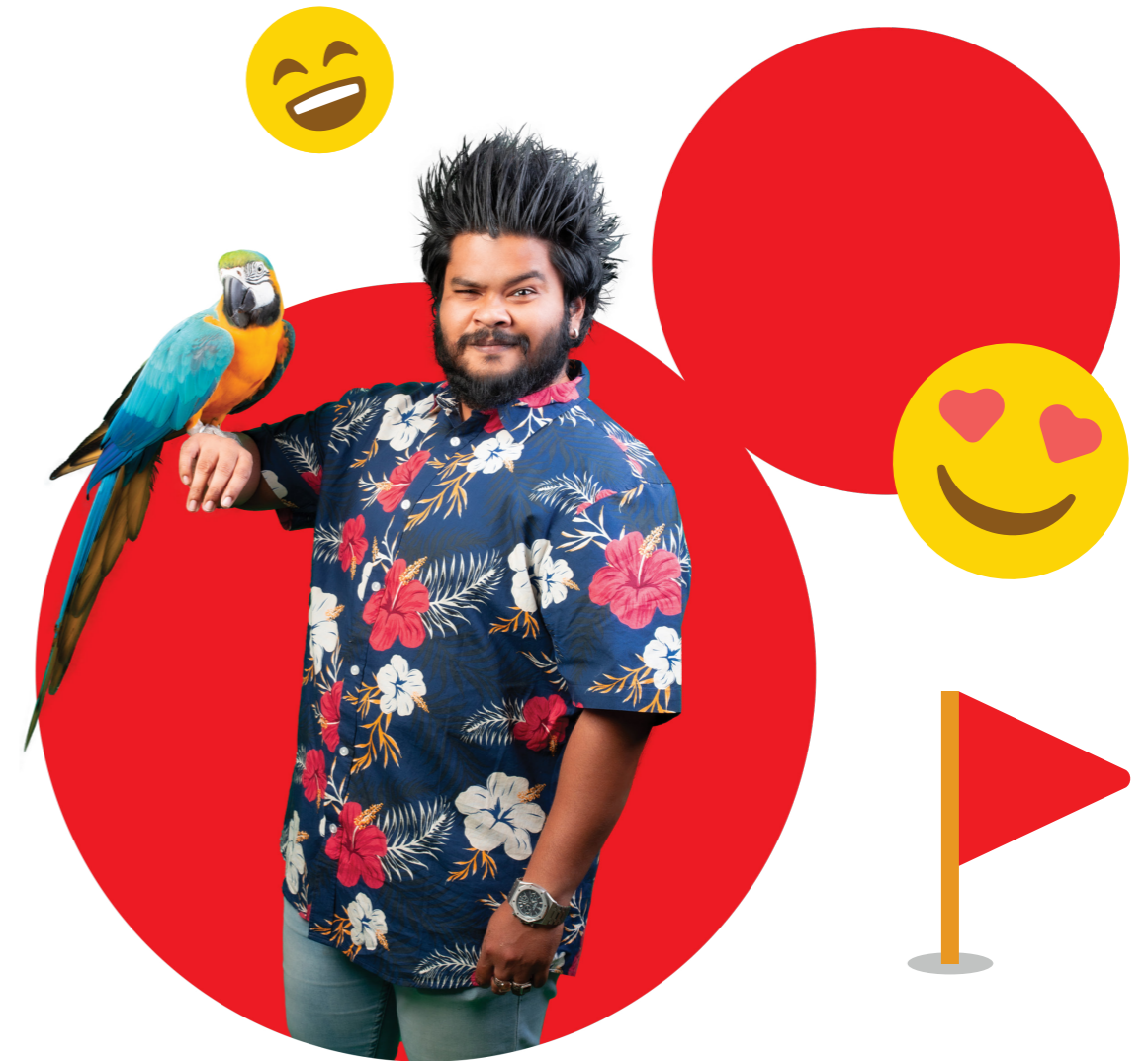


OUR STRATEGIC DIRECTION

As the entire world responds to a global pandemic of an unprecedented scale, we believe that as a telecommunication and ICT service provider, we play a critical role in ensuring that our communities stay connected through our digital channels. We have placed strong emphasis on the four digital tenets; Digital Sales, Digital Care, Digital Skills and Digital Operations and continue to invest on digitalization initiatives in line with our vision on "Enriching people's Digital Lives".

Ooredoo Maldives has launched first of its kind Digital Centers across the Maldives. The Digital Centers greatly simplifies customer experience and provides a convenient and tech driven solution for customers' needs and enables them to purchase SIMs, recharge, pay bills and cash in m-Faisaa digital currency at any time of the day from the Digital Centers. Over the last few years Ooredoo Maldives has also invested heavily in Digital platforms, and our proactive investments are paying off during this pandemic situation where Digital is one of the primary means of secure access. In addition, we have launched a 24/7, self-service Digital Kiosk at Velana International Airport for tourists, enabling contactless registration and instant purchase of tourist SIMs.

Additional digital initiatives include partnership with oDoc - Sri Lanka's leading telemedicine platform, that connects patients with doctors for online consultation and care with an aim of providing universally accessible high quality health care that is affordable to all. We also partnered with Huawei to launch Cloud services to provide a powerful and easy-to-use computing platform for enterprise customers.



Our vision of Digital Maldives is highly inclusive and envisions broadband access in every island, in every home especially the remote and thinly populated islands of the Maldives. We have currently expanded Fixed Broadband to 28 inhabited islands in the Maldives. We have launched 5G with download speeds up to 1 Gbps in Male' City. This revolutionary technology with ultra-low latency speed would enable deployment of host of use cases in segments of gaming, hospitality, IoT etc. We also have completed deployment of International Fiber Optic Submarine Cable System between Maldives and Sri Lanka which is expected to further strengthen bandwidth locally and internationally. We have launched several promotional and new products offers to our customers like Magey Plan exclusive daily and weekly offers, m-Faisaa cashback offers, promotional offers on our e-commerce platform "Moolee", and special data plans for Prepaid and Postpaid customers.

In continuation of our ongoing CSR activities, Ooredoo Group and Ooredoo Maldives donated MVR 2.5 million (two and a half million Maldivian Rufiyaa) to the Government of Maldives as relief aid for the Covid-19 crisis. Additionally, we have extended our support to stakeholders in creating awareness among the community, provided internet support for institutions who are part of the national emergency response of Covid-19, offered free 10GB to all persons and employees staying at quarantine facilities. In partnership with the Ministry of Education, we also provided free data allowances and easy access to educational tools such as Google Classroom, Microsoft Teams, Moodle, Zoom, etc. for online classes.

OUR STRENGTH

Brand Equity

Ooredoo is a globally recognized brand and our brand equity continues to increase which is currently valued at US\$ 3.5 billion by the world's leading branded business valuation firm Brand Finance in 2020. Ooredoo Group ranked 25th in "The Middle East's Top 100 Companies 2020" by Forbes magazine. Since the launch of the Ooredoo brand in 2013, Ooredoo Maldives has undertaken major transformations, including an ongoing complete digitalization program, and significant investments are being made to ensure continued customer satisfaction.

Leadership Team with Strong Expertise

We are led by qualified telecommunication experts with extensive experience across the world. The depth and breadth of experience possessed by the leadership team has been a vital element in engineering the Company's successful growth trajectory. The strong leadership is complemented by a remarkably energetic and young workforce on the ground.

Superior Data Connectivity

We are committed to bring new innovation and technology to our network. We launched an innovative 5G network in Male' City, with blistering download speed of above 1Gbps, upholding our promise of consistently bringing the latest technologies and innovation to the people of Maldives. With the launch of 5G, we also launched Ooredoo AirFibre Broadband for our customers to experience our 5G network.

The International Fiber Optic Submarine Cable System deployment between Maldives and Sri Lanka has now been completed. This new Cable is expected to significantly improve bandwidth locally and internationally, strengthening network connectivity across Maldives.

Our SuperNet Fixed Broadband network was expanded to 7 new islands this year. In addition, our Mobile Broadband service, Faseyha Broadband service is available to anywhere in the Maldives via our 4G network.

Customer-Centric Products

Our culture has always been customer centric with customers being the focus of what we do. During the course of the last few years, we have taken extensive measures to alleviate customer concerns by challenging the conventional ways of doing things. We have also launched exciting new digital products and services for our customers. As part of our commitment to enriching lives, we launched a revamped loyalty program "Vedhun" that enables our Prepaid and Postpaid customers to earn 1% cashback on all recharges and bill payments, into their App wallet at the end of each month as free credit, which can be used for paying bills or purchasing data.

Strong Distribution Network

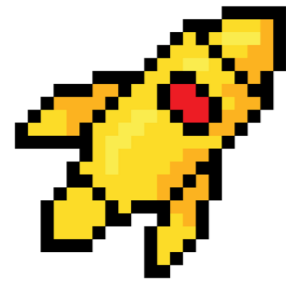
Continuing our focus to increase our retail footprint across the Maldives, we now have an Ooredoo Maldives sales agent or a partner in every inhabited island and m-Faisaa services available across 50% of the country.

Agile Working Practice

At Ooredoo Maldives, we believe Agile working practices create an adaptive and flexible workplace environment, which leads to increase in productivity and efficiency by bringing key stakeholders together in more efficient and optimum ways. Today our core business functions consist of small Strategic Business Units working with Agile business practices.

Employee-Centric Workplace

Ooredoo Maldives scored Top Decile in Ooredoo Health Index and Ooredoo Engagement Index and is proud to be at the top among the Ooredoo Group. During this pandemic period, to increase employee engagement, we have conducted virtual brigade challenges, town halls, HR connect meets, employee competitions and employee communication forums. We also implemented LinkedIn Learning for our employees, enabling them to self-learn while staying at home during the pandemic.



OUR REACH

With our aim towards achieving a Digital Maldives, we have established various channels, both digital and physical, to provide convenience to our customers, in addition to the 10 Ooredoo Experience Centers ("OEC") across the country.

Contact Center

999, 929, 333, 221, 120

Digital Channels

- Moolee
- Evee
- Live Chat
- Ooredoo Next (Viber, Facebook Messenger)
- Ooredoo App
- Ooredoo Website
- Ooredoo web portal

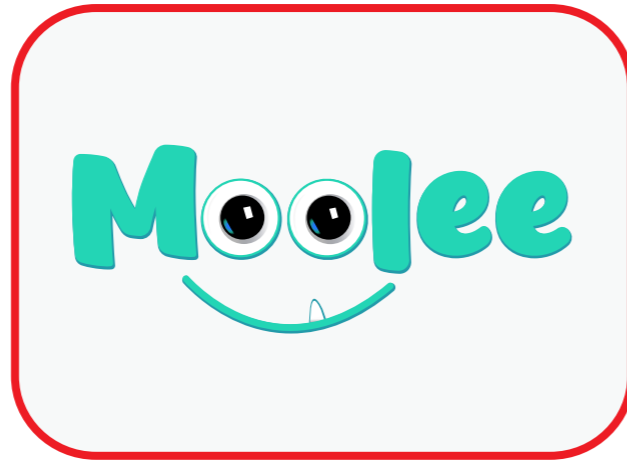
OECs

- OEC Male'
- OEC Hulhumale'
- OEC Hulhule'
- OEC Gan
- OEC Hithadhoo
- OEC Thinadhoo
- OEC Fuvahmulah

Digital Centers

- K. Male'
- K. Hulhumale'
- HDh. Kulhudhuffushi
- S. Hithadhoo
- GDh. Thinadhoo
- Gn. Fuvahmulah
- S. Gan
- Velana International Airport

Club Premiere Lounge -Male'



OUR NETWORK

Business Partners & Sales Partners

GRAND TOTAL

247



KEY HIGHLIGHTS OF 2020

JAN

Ooredoo Maldives kickstarted its 15th anniversary celebrations on 27th January 2020 at a special event "Marhaba 2020" held at Hotel Jen Male'

FEB

Enabled 24/7 Live Chat on Ooredoo App & Web, as well as Ooredoo Eevee on Viber.

Launched "Mashaa Eku" package special for the deaf community for the first time in the Maldives.

Partnered with OPPO Smartphones to officially launch OPPO handsets in the Maldives for the first time.

MAR

Inaugurated the first ever Digital Center in the Maldives.

Successfully hosted the 2020 Annual General Meeting at Kurumba Maldives.

Celebrated Women's Day with a special video featuring Ooredoo Maldives' team members telling inspiring stories of strong women in their lives.

Our e-commerce platform, "Moolee" provided special offers on selected items on the occasion of Women's Day.

Launched "Go Digital Campaign" to encourage our customers and employees to switch to digital platforms to ensure their safety during Covid-19.

Launched social media awareness campaign in multiple languages, delivering important messages on safety, maintaining mental health and latest updates to keep our customers informed.

Launched Digital Center in K. Hulhumale' to enable customers living in the city to receive contactless and fast services.

Partnered with the Ministry of Education to provide special connectivity solutions for students and teachers utilizing educational tools such as Google Classroom, Moodle, Zoom etc. for online classes.

Introduced "Stay Home Challenge" social media weekly contest, to help customers be active and engaged during the lockdown.

Celebrated Earth Hour by inviting our customers and the general public to turn off the lights for an hour and applaud the frontline heroes of Covid-19 from their balconies.

APR

Partnered with the Ministry of Communication, Science and Technology to enable Government employees to work from home.

Launched Ramadan Campaign video in partnership with Ooredoo Group, shot from the homes of people across 11 countries during the lockdown.

Celebrated Ramadan with special offers for our customers, including extra Data for Prepaid, Postpaid and Broadband customers as well as discounted call rates to all SAARC nations throughout the month.

MAY

Partnered with UNDP and conducted the fifth Social Innovation Camp for Youth, Miyaheli 2020 virtually.

Onboarded daily essentials on "Moolee" to enable small enterprises to continue their businesses online during the lockdown and help its customers get their daily essential items delivered while staying home safely.

Announced "Zuvaan Masveriya", Mr. Hassan Saajin as the new Brand Ambassador of Ooredoo Maldives.

Ooredoo Group and Ooredoo Maldives donated MVR 2.5 million to the Government of the Maldives as Covid-19 relief assistance.

Launched a special "Eid Hadhiya" promotion with exciting gifts on "Moolee".

Hosted virtual Eid music show, featuring live performances of talented musicians during the lockdown.

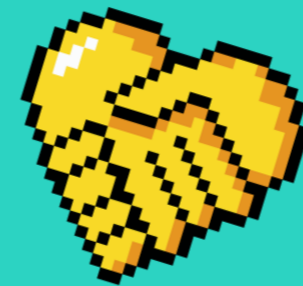
Donated Intubation Boxes to the National Disaster Management Authority.

Celebrated Mother's Day on social media, featuring videos honoring courageous mothers working at the frontline during the ongoing pandemic.

JUN

Inaugurated Ooredoo Digital Centers in HDh. Kulhudhufushi, Gn. Fuvahmulah and GDh. Thinadhoo.

Partnered with Facebook and introduced Facebook Flex, enabling our customers to stay connected via Facebook even with zero balance.



KEY HIGHLIGHTS OF 2020



JUL

“Moolee” celebrated Eid Al-Adha with the first ever digital carnival offering exciting gifts for shoppers.

Partnered with Amana Takaful (Maldives) Plc and Allied Insurance Company of the Maldives to enable insurance payments via m-Faisaa.

AUG

Ooredoo Maldives celebrated 15 years of services in the Maldives.

Hosted “Atholhu Dhuvun” a first of its kind virtual run in the Maldives, with over 5,000 participants joining in from across the nation and overseas.

“Moolee” celebrated its 1 year Anniversary with special offers for its loyal customers.

Revamped SuperNet services to cater for increased communication needs during the pandemic, giving twice the data and higher speeds.

Unveiled a special network experience campaign, featuring our global brand ambassador, Mr. Lionel Messi and local brand ambassador “Zuvaan Masveriya”, Mr. Hassan Saajin teaming up to promote Ooredoo Maldives’ unbeatable internet experience.

Partnered with Sri Lanka’s leading telemedicine platform, oDoc and enabled access to quality medical services at an affordable rate while staying home.

Commenced Ooredoo Maldives’ New Office Building development in Hulhumale’.

SEP

Launched missed call service for our customers to remain connected even with zero balance.

Launched “Visit Maldives Now” campaign to further boost the tourism industry with the reopening of the Maldives’ border after the lockdown.

Inaugurated a special Digital Kiosk for tourists in Velana International Airport.

OCT

Celebrated exciting wins at the Stevie IBA and APAC Awards 2020.

Gold Stevie - Award for Innovation in Apps.

Gold Stevie - Award for Innovation in Customer Service.

Stevie Silver - Award for Excellence in Innovation in Technology Industries.

NOV

Signed as the Main Partner for TTM Maldives 2020 Virtual.

Launched commitment based Prepaid Plans “Aachaa”, for the first time in the Maldives.

Revamp of Vedhun Loyalty program.

Partnered with Maldives Islamic Bank Plc to offer Handsets and Accessories Instalment service to customers.

DEC

Introduced first in the market benefits with Aachaa Daily 1GB plans, including unlimited calls with weekly and monthly packages.

Hosted “Year End Carnival” with exciting discounts and gifts on “Moolee”.

Received “Licence to Operate as an Insurance Agent in the Maldives” in soliciting general insurance contracts for Amana Takaful (Maldives) Plc.

Maldives-Sri Lanka Cable (MSC), successfully landed in the Maldives.

Welcomed Maldives to a new digital age with the roll out of 5G and AirFibre - first 5G Broadband service in the Maldives.



COMMERCIAL HIGHLIGHTS

MOBILE SERVICES

Launched Mashaa Eku Plan, a dedicated Postpaid plan designed for the deaf community was launched in partnership with the Maldives Deaf Association. Along with the plan, a Video Helpline was launched enabling our customers to communicate through sign language, for the first time in the Maldives.

Introduced a special offer to support our customers to stay updated and connected with their loved ones during the Covid-19 pandemic, by providing 25% bonus data on all Postpaid plans.

25% bonus data offer: Ooredoo Maldives introduced a special 25% bonus data to allow families and friends to stay in touch, during the lockdown due to Covid-19 pandemic.

Ooredoo Maldives partnered with the Ministry of Education to announce special allowances for Google Classroom. We announced a data package with special allowances to assist educational institutions in the Maldives for conducting online lessons. Within this data package, a special allowance was provided for the Google Classroom Mobile application.

To help our customers reach their families and friends, local SMS to all Ooredoo Maldives customers was provided for free from 15th March 2020 until end of April 2020.

Ooredoo Maldives provided bill payment extensions for customers who were unable to pay bills on time, to allow them to stay connected.

Ooredoo Maldives provided 50% discounts on Faseyha Broadband Boosters as part of the support offered to customers for easy access to quality and affordable internet services during April and May 2020.

Free 10GB special data allowances were provided for people at quarantine facilities throughout the year 2020.

Ramadan offers:

- Daily data combo: A special combo pack offering 1GB plus unlimited Ooredoo calls for only MVR 35 (valid for 24 hours) were offered.
- 50% extra data: 50% extra data for all Prepaid customers from all monthly data bundles were offered exclusively on the Ooredoo App.
- 5x bonus data: 5x bonus data was offered for recharges made through the Ooredoo App.



- Special Eid al-Fitr offers were provided to our customers exclusively for MageyPlan.
- New sets of MageyPlan offers were introduced to drive data add-ons across the digital platform.
- Special promotion offers were provided on the occasion of Independence Day and Eid al-Adha
- MVR 75, 3GB (3 days) exclusively on "Magey Plan".
- MVR 35, 1GB plus unlimited Ooredoo calls.
- Revamp of Ooredoo Vedhun - a reward program that rewards Prepaid and Postpaid customers whenever they use our services.

Ooredoo Maldives 15th year anniversary celebration offers:

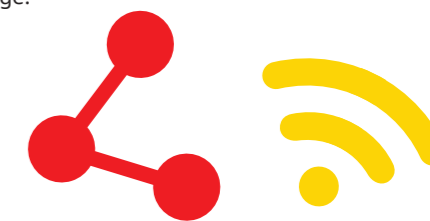
- Up to 50% extra data on all monthly data packs were provided for the month of August 2020.
- All Prepaid customers were provided with 50% extra data when activating any monthly data packs throughout the month of August 2020.
- All Postpaid customers were provided 20% extra data on all monthly data packs for the month of August 2020.
- 15% bonus data was offered for all recharges made throughout the month of August 2020.
- 15% discount was offered for IDD calls to all SAARC nations during the month of August 2020.

Launched "Achaa" Prepaid Plans:

- Commitment based Prepaid plans "Achaa" was launched for the first time in the Maldives.
- Introduced first in the market benefits with Achaa daily 1GB plans with unlimited calls and with weekly and monthly packages.

SUPERNET & HOME BROADBAND

- All new SuperNet customers activating services for the period of January and February 2020 were provided with a 30% bonus allowance for 6 months.
- Launched new broadband Prepaid and Postpaid products bundled with pocked MiFi with 50% bonus data offering for the first 2 months.
- 50% off on Faseyha Booster add on was offered to customers as a special Covid-19 offer.
- To enhance digital user experience, we enabled rate plan upgrade on self-care portal for all SuperNet users.
- 25% bonus data was provided to all SuperNet customers to support users to improve their experience, while working or studying from home during the lockdown.
- Daily free 5GB allowance was provided to SuperNet users upon finishing the package inclusive data allowances to support users to improve their experience, while working or studying from home during the lockdown.
- 15% bonus data was offered to all new Faseyha Mifi activations during the month of August 2020 as part of Ooredoo Maldives' 15th year anniversary celebration.
- Roll out of 5G and AirFibre - first 5G Broadband service in the Maldives., welcoming Maldives to a new digital age.



SuperNet
FIBRE BROADBAND



COMMERCIAL HIGHLIGHTS

DIGITAL APPLICATIONS

Launched self-service Digital Centers across the Maldives, including K. Male', K. Hulhumale', HDh. Kulhudhuffushi, Gn. Fuvahmulah, GDh. Thinadhoo, L. Gan and Addu City, that provides SIM card issuance, Prepaid recharge, as well as m-Faisaa cash-in, cash-out and money transfer.

Launched Quick Bill View for our Postpaid customers, providing convenience in viewing bills and making payments. This has enabled our customers to easily view and pay Postpaid bills via our website.

Enhanced the add-on section on Ooredoo App enabling our customers to buy from a variety of data packs, social packs, voice and special gaming packs.

Launched the "Do it All from App" digital campaign to drive awareness on its features on recharge, bill payments, sending money, shopping and 24/7 customer care via Live Chat on Ooredoo App.

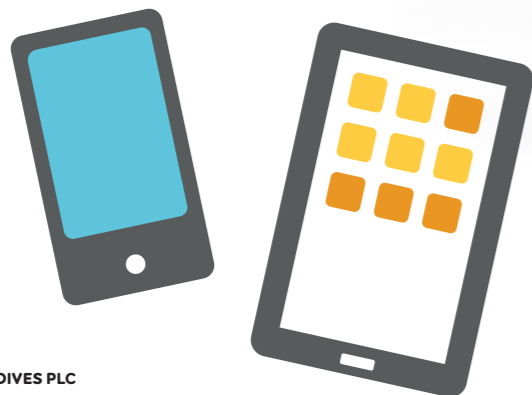
Physical to eSIM swap initiative enabled customers with eSIM capable devices to switch to eSIM right from the comfort of their homes.

Ooredoo App was whitelisted, allowing Prepaid customers to, recharge or activate data add-on even with zero balance.

Postpaid upgrade was launched allowing users to upgrade their plans without physically visiting our shops.

Revamped "Ooredoo Vedhun" program, a reward program to appreciate our loyal customers, both Prepaid and Postpaid for their commitment. The program enables our customers to earn 1% cashback on every Laari spent/deposited directly into their App wallet at the end of each month as free credit which can be used for paying bills or purchasing data.

Launched the very first self-service Digital Kiosk for tourists at Velana International Airport, in order to provide fast and contactless service to visitors that support the safety practices implemented by health authorities during the pandemic.



MOOLEE

Our e-commerce platform "Moolee" currently offers more than 500 products, with an ever-growing list of merchants. We acquired new categories including books, lifestyle, cosmetics, home improvement and fishing accessories during the year.

Onboarded new merchants providing essential items during the lockdown, to support small businesses and to enable a safe shopping experience for customers.

Celebrated 1 year anniversary of Moolee with special offers on the platform and a social media drawing contest for children, with exciting gifts. Additionally, coupons and promo zones were introduced in partnership with merchants.

Hosted a virtual carnival, "Eid Carnival" to celebrate Eid Al-Fitr with participation of more than 20 merchants offering exciting gifts and fabulous discounts for our shoppers.

Hosted Year End Carnival with up to 50% discount on products from over 10 different merchants and exciting gifts for our customers.



M-FAISAA

Revamped m-Faisaa for our customers' convenience in managing their wallet accounts, adding money via bank transfer and upgrading their wallet status.

Partnered with Amana Takaful (Maldives) Plc and Allied Insurance Company of the Maldives to enable insurance payments via m-Faisaa. Customers are now provided with the convenience of making their insurance payments online using their m-Faisaa wallets.

Partnered with Maldives Inland Revenue Authority ("MIRA") to enable tax service payments via m-Faisaa. Customers are now provided with the convenience of making their tax service payments online using their m-Faisaa wallets.

Partnered with Coke2Home providing the opportunity to customers in making payments to Coke2Home orders digitally using m-Faisaa anywhere in K. Male', K. Hulhumale' and Addu using their m-Faisaa wallets.

CONTENT AND DEVICES

Introduced new Airpod Pro and launched Apple Watch series 5 for the first time in the Maldives.

Samsung A30 and A50 was introduced with a bundled offer of 1GB for 6 months.

Launched Samsung S20/Plus variant with a bundled offering of 2020Mb data per month until the end of the year 2020, with Samsung buds available for customers who pre-ordered.

Launched Oppo Renno-2, A5 and A1K, with a bundled offering of 2GB for 6 months and 1GB for 6 months, for the first time in the Maldives.

Introduced Facebook Flex, which is a free Facebook program, allowing our customers to remain connected with their friends and family, even without mobile credit or data allowance. This program enabled our customers to toggle between free and paid version of Facebook conveniently through Android applications of Facebook and Messenger.

Launched iPhone SE 2 exclusively on "Moolee"

Samsung ZFlip was launched on "Moolee" with 2020MB data per month till the end of 2020.

Launched Samsung Note 20, with bundled offer of 12GB per month for 6 months.

Partnered with regional telehealth/ teleconsultation application "oDoc" to enhance the digital experience of online consultation.

Launched missed call service enabling customers to make missed calls to their loved ones, even with zero balance.

Partnered with Maldives Islamic Bank Plc to offer Handsets & Accessories Instalment service to customers.



COMMERCIAL HIGHLIGHTS

OOREDOO BUSINESS (B2B)

Introduced FlexiWork to the market as a remedy and response to the Covid-19 pandemic. FlexiWork empowers offices to connect and collaborate for business continuity and ensures employee safety. It includes Internet, Intranet and Video and Audio-conferencing solutions while working remotely from home.

Introduced B2B Smart Partner Model which is a unique partnership model to enhance our customer's digital journey roadmap. This will help and enable customers to co-develop and customize smart automation and ICT services as per their requirements and needs.

Introduced Digital Butler for the Hospitality segment. Digital Butler for resorts is a contactless 24/7 Artificial Intelligence enabled Virtual Assistant, designed to provide enhanced guest experience. It also provides advanced and real time analytics of guest bookings for services and enables effective inventory planning.

Launched Ooredoo Centribiz, a simplified managed telephony solution for small enterprises in the Maldives. This IP Centrex solution enables SMEs and SOHO businesses to deploy services without installing any physical system or infrastructure on premises.

Introduced Cloud services in partnership with Huawei to the Maldivian market which provides a powerful and easy to use computing platform with numerous services (compute, storage, Network, Security, databases, backup and many more).



KEY INVESTMENTS

Launch of 5G services and 5G AirFibre

In 2020, Ooredoo Maldives introduced a new digital age with the roll out of 5G Services & 5G AirFibre - the first 5G Broadband service in the Maldives, providing speeds that are tenfold. Paired with IoT Technology, this unlocks a wave of opportunities such as intelligent homes, smart cars, drone deliveries, etc and power healthcare services, education and even entertainment such as sporting events and gaming.

Development of Ooredoo Maldives Headquarters in Hulhumale'

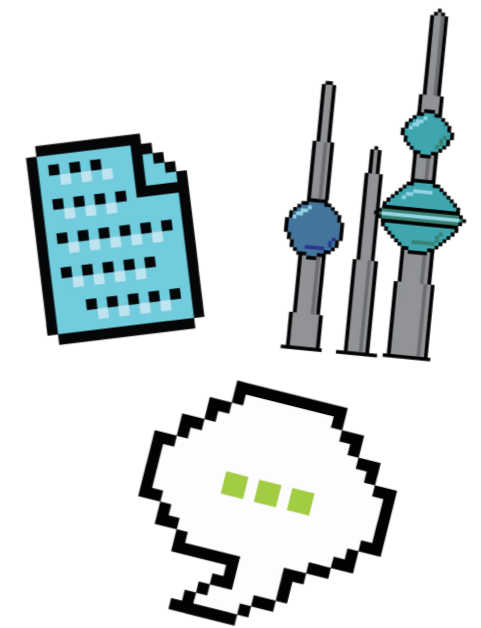
During 2020, Ooredoo Maldives commenced the development of the Company's New Office Building in Hulhumale'. As part of our commitment towards the well-being and betterment of our employees, the 11 storey-office building is designed to provide our employees with a spacious work place, better resources and extra facilities including a cafeteria, gym and day care centre. With the development of the building, Ooredoo Maldives will become the first international corporation to have its headquarters in Hulhumale'. This project would strengthen the concept of Hulhumale' as a Smart City while the Company remains focused to offer residents and visitors of the city the best of what technology has to offer.

Establishment of Maldives-Sri Lanka Cable

As part of our efforts in making investments on the technological front to cater to the growing communication needs in the Maldives, and to ensure readiness for the next era of digital connectivity, Ooredoo Maldives invested in establishing an International Fibre Optic Submarine Cable System between Maldives and Sri Lanka, under the tripartite agreement between Ooredoo Maldives, Dhiraagu Plc, and Dialog AXIATA Plc. The Cable was successfully launched in December 2020, strengthening our infrastructure in the Maldives and providing new avenues for further technological enhancement.

Development of Ooredoo Maldives Data Center

During the year 2020, Ooredoo Maldives completed the development of the Company's Data Center in Hulhumale'. The Data Centre was established to ensure establishment of the required infrastructure for providing ICT services to customers and further improve the service quality while introducing innovative solutions and latest technology to our communities.



BRAND BUILDING ACTIVITIES

Marhabaa 2020 Event

We kickstarted our 15th year anniversary celebrations on 27th January 2020 at a special event held at Hotel Jen Male'. The event was held to recognize and extend appreciation towards close local partners of the Company, who have contributed to our successful journey of 15 years in enriching lives.

Ooredoo Group signs major partnership with Huawei

Ooredoo Group signed a major partnership with Huawei that will see Ooredoo networks in Kuwait, Oman, Indonesia, Tunisia, and Maldives fully 5G-enabled. This will greatly enhance our customers' digital experience and enable them to further enjoy the Internet experience.

Ooredoo Maldives welcomed First Tourist of 2020

Ooredoo Maldives joined the Maldives Marketing and Public Relations Corporation ("MMPRC") team in welcoming the very first tourist of 2020 to the Maldives.

Maziya Sports & Recreation Club onboarded as new Brand Ambassador

Maziya Sports & Recreation Club was announced as a Brand Ambassador for Ooredoo Maldives for 2020. Under this exciting partnership, Ooredoo Maldives will be closely collaborating with Maziya Sports & Recreation Club and the Football Academy to promote football in the Maldives and bring new opportunities for young people who aspire to become professional players.

First Press Conference in Sign Language to launch First Sign Language Hotline in Maldives

As part of our efforts in building an all-inclusive community and enriching lives, Ooredoo Maldives hosted the first press conference in sign language to create awareness about the struggles of the deaf community, in partnership with the Maldives Deaf Association. The event also unveiled the first sign language hotline in the Maldives and launched customized postpaid plans for the deaf community.

Digital Day at Ooredoo Experience Center

Ooredoo Maldives conducted a Digital Day on 21st February 2020, at the Ooredoo Experience Center ("OEC") in Male' to teach customers how to use their available digital services, which enable them to obtain our services and support from wherever they are.

Do it all on App Campaign

Supported by our key focus on digitizing services over the past few years, our customers can now easily manage all services online, from wherever they are. In the wake of the Covid-19 pandemic, a special campaign was launched to create awareness and encourage customers to utilize our digital channels to subscribe, pay and manage all services.

Dhurugaa ves Eku Ekee - Covid-19 Awareness Campaign

Ooredoo Maldives used multiple channels to create awareness about Covid-19 and the importance of social distancing, after the first case of Covid-19 in the Maldives. This included awareness via SMS, social media campaigns and outdoor billboards providing prevention tips to further encourage people to maintain social distancing.

Upon the announcement of lockdown in Greater Male' region, the campaign's focus was changed towards supporting the local community to stay home. This included awareness messages about Covid-19, tips for remaining healthy and positive while in lockdown, mental health messages and more.

Virtual Eid Music Show

Ooredoo Maldives hosted a virtual music show, on the occasion of Eid Al-Fitr. The special virtual performances sought to make Eid Al-Fitr "more cheerful, colorful and connected", as Maldivians observe the celebrations at home amid the Covid-19 pandemic. The Ooredoo Maldives Eid Show featured an array of local artists including Zakitte, Anya, Mira, Shammoon, Habeys Indi, Habeys Thola, Ibrahim Waheed (Bodube) and renowned guitarist Fasy Live, performing live from their homes.

15th Anniversary Celebrations

Ooredoo Maldives celebrated a historic anniversary on 1st August 2020, commemorating 15 years from when we started our journey in the Maldives under the name Wataniya Telecom Maldives Pvt Ltd and revolutionized the local telecommunications industry. The Company's remarkable success, growth and many milestones achieved in the past 15 years was celebrated by unveiling special offers for customers and hosting virtual community engagement initiatives that included the entire Maldives.

Ooredoo Atholhu Dhuvun

Continuing the Company's 15th anniversary celebration, Ooredoo Maldives launched Ooredoo Atholhu Dhuvun - a first of its kind virtual run across all twenty atolls of the Maldives. This run aimed to promote togetherness through sports during a time where we are forced to be physically distant from our loved ones. The virtual run featured two categories where pre-selected runners completed a 15km run across 20 Atolls representing the connectivity of the Ooredoo Maldives network across all corners of the

Maldives and a 5km category that was opened for the public to participate from wherever they were. The event was successfully held during the month of August 2020 with over 5,000 participants from across the Maldives and beyond.

Enjoy the Internet Campaign

Ooredoo Maldives unveiled a special network experience campaign featuring global brand ambassador Mr. Lionel Messi and local brand ambassador "Zuvaan Masveriya", Mr. Hassan Saajin to promote Ooredoo Maldives' unbeatable internet experience. The campaign showcased Ooredoo Maldives' world class networks that enable our customers to experience a complete digital experience.

Visit Maldives Now Campaign

Ooredoo Maldives together with the Ministry of Tourism, Maldives Marketing and Public Relations Corporation and Orca Media Group launched a destination marketing campaign "Visit Maldives Now" reaching our international network of over 117 million people across 10 countries. The impact of Covid-19 on the local tourism sector has been felt by businesses and families across the nation. With this campaign, Ooredoo Maldives also joins countrywide efforts to restore the tourism industry in the Maldives and thus the livelihood of many.



KEY SPONSORSHIPS

PUBG weekly tournament – Main Sponsor

Ooredoo Maldives partnered with Electronic Entertainment Sports (E2S) and launched PUBG events in the Maldives. As part of this partnership, E2S hosted community based monthly PUBG events.

Haa to Seenu – Digital Partner

Ooredoo Maldives participated in Haa to Seenu series as digital partner. Haa to Seenu is a series of vlogs (185 episodes, 45 minutes each) of visits to 185 Inhabited islands, sharing travel information to further our knowledge about individual islands and atolls today.

Business Expo – Gold Partner

Ooredoo Maldives was the Gold Partner for the “Business Expo” which is a premier business networking and trade show in the Maldives organized by leading business news magazine “Corporate Maldives “. Attracting over 1,500 professionals and 150 business exhibitors, Business Expo is focused on targeted learning, networking, building valuable new business relationships and finding partners that help business owners to take their business to the next level.

Maldives Living Expo 2020 – Digital Partner

Ooredoo Maldives participated in the Maldives Living Expo 2020 as the digital partner. As the longest running property show held in the Maldives, the brand has gained more popularity within the last 4 years with the participation of Sri Lankan properties enhancing options for the fast-moving condominium industry.

Virtual B2B Expo – Digital Partner

One of the finalists of the Niru Accelerator Program, Supply Mv held the Maldives’ First Virtual B2B Expo showcasing products of suppliers from different industries such as food & beverages, home & kitchen appliances, electronics, clothing and accessories, and many more. Ooredoo Maldives participated in this expo as the digital partner.

Talenz – Digital Partner

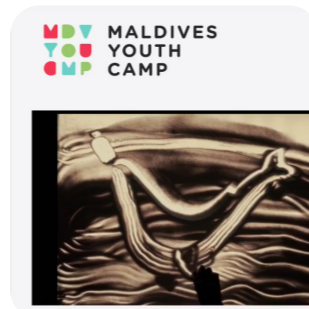
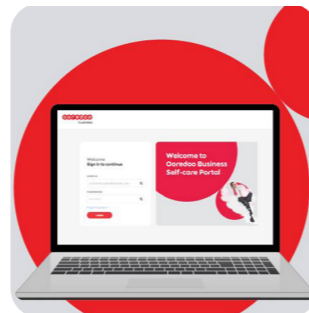
Ooredoo Maldives, MV+ and Kuaza Institute teamed up to bring “Little Buddy Talenz”, the world’s biggest online talent competition, to Maldives. The entirely student-led competition gives young people the opportunity to take ownership of their chosen activity and undertake them in areas they enjoy or see as important, giving them a broader perspective and helping them to develop an independent approach.

Maldives Youth Camp – Digital Partner

On the occasion of National Youth Day 2020, the Ministry of Youth, Sports & Community Empowerment had the first virtual youth camp (“Maldives Youth Camp”) targeted for 150 youth across the nation. As digital partner, we ensured seamless connectivity during the fully virtual event.

Hour of Code Maldives – Premier Partner

Ooredoo Maldives was the premiere partner of Hour of Code Maldives, which takes place globally each year during the Computer Science Education Week, from 7th to 13th December 2020. This year Hour of Code Maldives was further expanded, reaching all corners of the country. This event was a part of the global movement reaching tens



of millions of students in 180+ countries through a one-hour introduction to computer programming in a fun way opened for all ages.

The South Asian Travel Awards (SATA) 2020 – Digital Partner

The region’s top and most prestigious travel and hospitality awarding body, the South Asian Travel Awards (“SATA”) was held for the first time virtually and Ooredoo Maldives was the digital partner for this event. The SATA 2020 Virtual Awards Ceremony received over 1,000 nominations in 52 categories for Travel, Tourism and Hospitality Industry Brands, Properties and Businesses to compete from Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka, in addition to Visitors Choice Awards and Special Recognition Awards.



Health Forum – Digital Partner

The health forum, “Improving Healthcare in the Maldives: Stakeholder Perspectives on the Maldivian Healthcare Sector – Northern Atolls” brought together various Maldivian stakeholders in the 7 northern atolls (doctors, nurses, other healthcare workers, healthcare educators, people from the public and healthcare policy officials from the Health Ministry) to discuss and debate issues such as human resources, legislations, affordability, equity and trust in the healthcare system. Ooredoo Maldives was the digital partner for this health forum.

Hack Maldives – Digital Partner

Ooredoo Maldives was the digital partner for Hack Maldives which was the first Maldivian Hybrid International Hackathon. This event raised awareness on developing essential skills required for entrepreneurship. The aim of the hackathon was to build open platforms especially for locals, help them grow so that we can establish business objectives driven by local support.

VR Cafe Partnership – Digital Partner

Ooredoo Maldives was the digital partner of the first virtual reality cafe in the Maldives, VR Cafe is a unique space targeted for people of all ages to experience the wonders of virtual reality. The VR Cafe is powered by Ooredoo 5G.



AWARDS & RECOGNITIONS



Gold 100 Awards

Ooredoo Maldives was honored to receive the Gold 100 award. GOLD 100 is a prestigious award given to the leading 100 business entities in the Maldives.

Asia's Most Inspiring Executives – Ooredoo Maldives MD & CEO Mr. Najib Khan

The Asia Corporate Excellence & Sustainability Awards (“ACES”) is one of the most prestigious accolades that recognises inspiring leaders and sustainability advocates cross-industry and across Asia. Ooredoo Maldives’ Managing Director and Chief Executive Officer, Mr. Najib Khan was awarded the “Asia’s Most Inspiring Executives” by ACES.

Wins at the 2020 Asia-Pacific Stevie Awards

The Asia-Pacific Stevie Awards are an international business awards competition that are open to all organizations in the 29 nations of the Asia-Pacific region. The focus of the awards is on recognizing innovation in all its forms.

Ooredoo Maldives was honored to win 2 Gold Stevie and 1 Silver Stevie at the Asia Pacific Stevie Awards.

- Gold Stevie - Award for Innovation in Apps
- Gold Stevie - Award for Innovation in Customer Service
- Silver Stevie - Award for Excellence in Innovation in Technology Industries

Wins at the Stevie International Business Award

Known as “the International Stevies,” the IBAs are open to all organizations worldwide: large and small, public and private, for-profit and non-profit. Nominations may be submitted by organizations or individuals.

The 2020 competition attracted more than 3,800 nominations from organizations of all types in 63 nations. Ooredoo Maldives was honored to win 1 Gold Stevie, 1 Silver Stevie and 2 Bronze Stevie at the Stevie International Business Awards 2020.

- Gold Stevie - Company of the Year (Telecommunications - Medium-size)**
- Silver Stevie - Most Innovative Company of the Year - Up to 2,500 Employees**
- Bronze Stevie - Mobile Site & App Award (Business)**
- Bronze Stevie - Most Valuable Corporate Response**

Best Investor Relations Company Maldives 2020

Ooredoo Maldives was honored as the Best Investor Relations Company Maldives 2020 from the Global Banking & Finance Awards 2020. The Global Banking and Finance Review Awards were created to recognize companies of all sizes that are prominent in particular areas of expertise and excellence within the global financial community.

The Awards have evolved and grown to include those in Foreign Exchange, Banking, Insurance, Hedge Funds, Pension Funds, Compliance, Corporate Governance, Wealth Management, Islamic Finance, Exchange Traded Funds, Project Finance, Binary Options, Technology, Corporate Social Responsibility, and other relative areas.

Bronze Stevie Award for Female Executive of the Year, Consumer Services (11 to 2,500 Employees) – Ooredoo Maldives Senior Manager Customer Care, Ms. Dhiyana Afeef

Senior Manager Customer Care, Ms. Dhiyana Afeef won the Bronze Stevie Award for Female Executive of the Year, Customer Service (11 to 2,500 employees). The Stevie Awards for Women in Business offers categories for every aspect of the women-run workplace.



SHORT LISTED AWARDS

Shortlisted for People & Culture Award at the World Communication Awards 2020

Since 1999 the World Communication Award (“WCA”) by Total Telecom, recognizes innovation and excellence of leading telecom companies in the global market. Ooredoo Maldives was nominated for the People & Culture award at the WCA 2020 recognizing the Company’s investment in its people, enhancing digital skills and digital literacy.

Shortlisted for Mobile Money Mastery Award at the Global Telecom Awards 2020

Out of total of 89 entries from an incredibly wide selection of companies competing for 19 awards, Ooredoo Maldives was shortlisted for the Mobile Money Mastery Award at the Global Telecom Awards 2020. The Mobile Money Mastery award is presented to the Company, product or initiative that demonstrates the greatest innovation in the provision of financial services via telecommunications networks and/or mobile devices.

Shortlisted for Best Covid-19 Initiative at the Global Carrier Awards 2020

The Global Carrier Awards (“GCA”) are the biggest, most prestigious awards event of the wholesale telecoms calendar, and are part of the annual Capacity Europe event. Ooredoo Maldives was shortlisted for the Best Covid-19 Initiative at the GCA 2020 recognizing the Company’s initiatives and measures taken to help ensure communities stay connected and for the continuity of the business.

Shortlisted for Crisis Response Award at the Asia Communication Awards 2020

It was an honor to be shortlisted for the Crisis Response Award at the Asia Communication Awards 2020, as it recognizes the Company’s efforts and initiatives that positively impacts the community during these unprecedented times.

Shortlisted for Digital Transformation Project of the Year at the Asia Communication Awards 2020

Ooredoo Maldives was distinguished and shortlisted for the Digital Transformation Project of the Year recognizing its efforts and determination to establish a Digital Maldives at the Asia Communication Awards 2020.

Shortlisted for Innovations Award (Operator) at the Asia Communication Awards 2020

Ooredoo Maldives was shortlisted for the Innovations Award (Operator) which is awarded to operators and communications service providers in the Asian market that showcase a specific example of an innovative approach.

Enriching Sustainable Development



Our vision at Ooredoo Maldives is enriching lives of the communities we operate in, by providing innovative communication products and services. We strive towards establishing a Digital Maldives and providing convenient and innovative solutions to the customers. Despite the challenges we faced during the year 2020 due to the global Covid-19 pandemic, we have continued to work towards the betterment of our communities considering the economic, social and environmental impacts, aligned with our corporate values of Caring, Connecting and Challenging.

Our community-oriented projects this year have been focused mainly on responding to the relief efforts of the Covid-19 pandemic. This would not have been possible without the dedication and passion of the Ooredoo Maldives volunteers who gladly contribute their time and efforts.

Looking towards 2021, I remain confident that we will continue to support communities and businesses in the Maldives through sustainable technologies and services.



Najib Khan

Managing Director / Chief Executive Officer
Ooredoo Maldives



Commitment to Achieving the Sustainable Development Goals

In October 2015, Ooredoo Maldives pledged its commitment to the United Nations Sustainable Development Goals (“Global Goals”), which aims to eradicate extreme poverty, improve the lives of people and create an all-round healthier world for tomorrow.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“SDG”s), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

These are ambitious targets which cannot be achieved without fully leveraging the reach and capabilities of mobile technology. Ooredoo Maldives continues its work to stimulate human growth and contribute to the sustainable development of local communities across the nation.

With a strong belief in the transformative power of digital, Ooredoo Maldives is strongly aware of the role that it can play in supporting the achievement of the 2030 Agenda for Sustainable Development Goals; focusing on good health and well-being, quality education, gender equality, innovation, reduced inequalities, sustainable cities and climate action.

Digital Literacy Program

Digital Literacy Programs were held for the elderly community of L. Isdhoo Kalaidhoo and HDh.Kulhudhufushi, focusing on the basics of mobile phone and internet use to the elderly community. The purpose of this program was to bridge the digital literacy gap between the generations and ensure that no one is left behind in this fast paced digital age.

Rahkaatheirkan: Cyber-Safety campaign

As a part of the cyber-safety campaign an awareness session was held for parents of L. Isdhoo Kalaidhoo School. Due to travel restrictions, the campaign was later carried out virtually with weekly awareness social media posts and a monthly awareness video.

Virtual Miyaheli

Ooredoo Maldives and UNDP Maldives teamed up with the Ministry of Youth, Sports and Community Empowerment and the National Youth Council for the 5th cycle of the “Miyaheli” – social innovation camp series. In response to the Covid-19 pandemic, our annual “Miyaheli” was held virtually, bringing together changemakers, experts and tools to create innovative ideas that would aid the nation in its response and recovery efforts during the time of Covid-19.

Art for Action

Family Legal Clinic collaborated with UNDP Maldives and Ooredoo Maldives, for an art campaign to advocate for greater social responsibility, while uplifting the voices of those affected by gender based violence. The campaign was held nationwide, under the guiding themes of Justice, Empowerment, and Hope in relation to the issue of gender based violence. The aim of this campaign was to encourage the public to consider how communities and politicians can address these problems, to foster the notion that gender based violence is a collective issue that requires collective responsibility.

As the entire world responded to a health emergency of an unprecedented scale, a majority of our Corporate Social Responsibilities were focused on Covid-19 response. Our biggest priority was the well-being of our communities, especially in situations where our support was needed the most. Some of the critical actions that we have taken to support the emergency response to Covid-19 are included below.

Donation to the Government of Maldives

Ooredoo Group and Ooredoo Maldives contributed MVR 2.5 million (Two and a Half Million Maldivian Rufiyaa) to the Government of Maldives as Relief Aid for the Covid-19 crisis.

Donation of Intubation Boxes

Ooredoo Maldives donated 50 Intubation Boxes to the National Disaster Management Authority. Intubation Boxes separate health workers from patients, who have difficulty in breathing, during the intubation procedure. This involves the insertion of a tube into a patient’s trachea before connecting them to a ventilator, which without an Intubation Box would place healthcare workers at risk of infection.

Distribution of Eid Meals

Ooredoo Maldives partnered with MATATO to provide special lunch meals on Eid Al-Fitr, for people in temporary shelters and expatriate workers in quarantine.

Awareness on Covid-19

In collaboration with stakeholders; Health Protection Agency and Maldivian Red Crescent, Ooredoo Maldives spread awareness messages and health alerts regarding Covid-19, via SMS and social media. The Covid-19 response website was also whitelisted to ensure free accessibility to all.

Internet support for Covid-19 stakeholders

Free internet support was provided for Government institutions and other stakeholders who were part of the national emergency response for Covid-19 in the Maldives. This includes Emergency Centers, Isolation Facilities, Flu Clinics and Communication and Awareness Teams.

Quarantine Data Offer

10GB data was provided free of charge to all persons and staffs staying at quarantine facilities to help them stay connected with their loved ones.

Education Offer

Ooredoo Maldives partnered with the Ministry of Education to provide easy access to educational tools such as Google Classroom, Microsoft Teams, Moodle, Zoom etc. for online classes. The free data allowances were made available for our customers, as validated by the Ministry of Education.

Digital Classroom Setup for Maldivian Red Crescent

Ooredoo Maldives created Digital Classroom for the Maldivian Red Crescent for virtual psychosocial trainings to their regional branches. The setup was also used for mass awareness across the nation.

Free Postpaid connections for the National Disaster Management Authority

Ooredoo Maldives provided free Postpaid numbers for Covid-19 contact tracing and surveying purposes.

“OUR PEOPLE”

Our energetic and multi-cultural pool of employees continues to be the driving force behind our business growth and success. Our human resource strategy focuses on attracting the best talent while driving a performance oriented culture. We remain committed in providing an inspiring, safe and appropriate working environment for our employees. The Company continues to maintain its employee attrition rate at a healthy 6% since 2016. Employee strength stands at 370 out of which 93% are Maldivians, demonstrating the Company’s commitment towards the community and local talent development. Female ratio of the total work force stands at 31% with female representation at Executive Management.

TRAINING AND DEVELOPMENT

Capability building is a key strategic pillar focused on building a strong talent pool with specific skillsets to cater for the current and future needs of the Company. The shift from in-class training to virtual learning through the implementation of the Learning Management System (“LMS”) has been a very positive and effective step forward to continue the learning process, while we continued to work from home. We successfully covered 100% of the calendared training programs for the year and more, including leadership development, professional certifications, soft skills and competency development.

EMPLOYEE WELLBEING & ENGAGEMENT

We believe employee wellbeing and engagement is paramount to the success of the business.

Year 2020 was kicked off with an energizer, an all employee outdoor event, “Brigade 2k obstacle run”, to gear up for the year.

The start of the pandemic loomed in late January 2020. Considering the health and safety of our employees as a top priority, various safety measures were implemented across the Company in February 2020 to ensure employees’ safety and business continuity.

- Safety items (sanitizers, masks) were provided for employees at all Ooredoo Experience Centers (“OEC”).
- Office cleaning was carried out twice a day with disinfectants.
- Sanitizers were kept at all door entries.
- Frontline employees were provided with safety kits.
- A Pandemic Response Plan was created and Marshalls were appointed to implement the measures Company wide.
- Introduction of “Work from Home” policies which provided flexibility to work from remote locations during situations such as disaster recovery periods, viral epidemics, or to address a temporary personal situation of an employee. The urgent implementation of this policy contributed towards social distancing, according to the prevention efforts for Covid-19.
- All large group meetings were held only through video conferencing across organization.
- Biometric access was replaced by Secure ID cards.
- Regular updates were communicated with employees.
- High risk employees were identified and relieved from duties on the frontline. Safety items were provided to all employees and offices across Maldives.

Work from Home was implemented with 95% of employees being shifted to Work from Home with access to secure cloud-based systems.

Embracing remote working from home quickly became the new normal. Employees brought their children to zoom meetings and gave their kids a glimpse into the working world and had some fun interactions. Additionally, support groups and individual psychosocial sessions were held for employees who required psychological support during the lock-down.

All employee townhall meets were held for the very first time digitally, an interactive gathering held to communicate business updates and upcoming plans. Additionally, the very first digital Brigade challenge was held to revitalize the cross functional collaboration during the lock down phase.

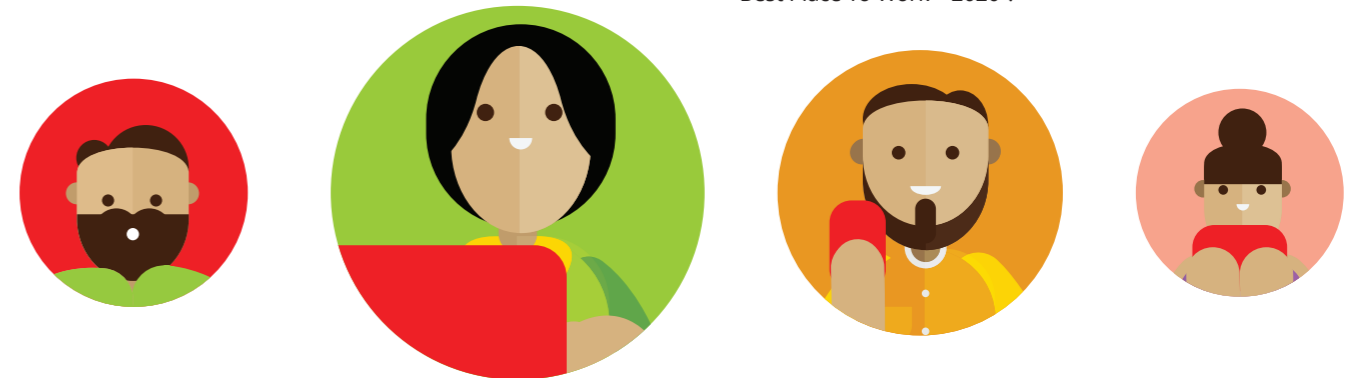
The very first Employee Communication Forum (“ECF”) was held digitally with over 300 employees celebrating rewards and recognition as well as enjoying employee entertainment and fun videos. With the easing of Covid-19 safety measures, a Brigade virtual run challenge was held outdoors to bring back the energy and fun element into the work.

DIGITAL HR AND OUR WAY OF WORK

We remain steadfast in our belief that the agile way of work is a mindset and that working in small groups wherein any task can be ideated, executed and monitored in a quick and efficient manner. We continue to work in Small Business Units (“SBU”) to drive the key business imperatives successfully and efficiently. We embraced digital way of working by leveraging technology in people management processes and practices in 2017. Automation and analytics are integrated into the fabric of everyday business. Our Performance Management System is run with real time performance reviews benchmarking our performance management standards against those of peers and leading multinationals. We run trainings on our LMS, with access to learning materials at fingertips any time. Employees reward each other on our E-Kudos instant reward programme implemented in 2018 which migrated to cloud in 2020.

Our HR procedures won the award for “Best Place To Work – 2020”.

With the first sign of Covid-19 in the Maldives, in March 2020,



THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

PRINCIPLE 1: Business should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2: Business should ensure that they are not complicit in human rights abuses.

LABOUR

PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4: The elimination of all forms of forced and compulsory labour.

PRINCIPLE 5: The effective abolition of child labour.

PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

PRINCIPLE 7: Business should support a precautionary approach to environmental challenges.

PRINCIPLE 8: Business should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9: Business should encourage the development and diffusion of environmentally friendly technologies.

ANTI CORRUPTION

PRINCIPLE 10: Business should work against corruption in all its forms, including extortion and bribery.

United Nations Global Compact

HUMAN RIGHTS PRINCIPLES

Principle 1: Business should support and respect the protection of internationally proclaimed human rights.

Principle 2: Business should ensure that they are not complicit in human rights abuses.

Health & Safety

Ooredoo Maldives remains committed to ensuring the health and safety of employees, with strong policies that guide our team to appropriate actions and promptly report incidents that are likely to result health and safety concerns. The Company issues personal protective equipment and have safety work instructions for all hazardous activities.

In 2020, the Company created a Crisis Response Team to prioritise on the safety of our employees during the Covid-19 pandemic, ensuring the physical and mental well-being of employees while working remotely and taking critical safety measures in all interactions with team members, customers and the community at large. "Work from Home" policies were implemented which provide flexibility to work from remote locations during situations such as disaster recovery periods, viral epidemics, or to address a temporary personal situation of an employee. The urgent implementation of this policy contributed towards social distancing, which had then been recommended by the Health Protection Agency ("HPA") as per prevention efforts for Covid-19.

FAIR TREATMENT & WORKPLACE WITHOUT HARASSMENT

Clear policies and procedures ensure fair treatment for all employees, with respect to assigning of work, remuneration, career development and all employee related matters. The Company has a zero-tolerance policy towards harassment which prohibits it in any form within the work environment, while ensuring that there will not be any retribution against an employee that lodges such a complaint.

MEDICAL INSURANCE & RETIREMENT BENEFITS

Ooredoo Maldives has been providing medical insurance to team members since its initial establishment in 2005. Upon successful completion of the probation period, all employees and their immediate family members are provided with medical care, under the Company's medical insurance scheme.

Implementation

- Company policies and procedures are shared with all employees upon handover of employee contract, as well as during the orientation program for new joiners.
- Annual First Aid Trainings, Maritime Trainings and Fire and Safety Trainings are conducted for relevant employees.
- All employees are given medical insurance and registered under the Maldives Retirement Pension Scheme.



LABOUR PRINCIPLES

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:
The elimination of all forms of forced and compulsory labour.

Principle 5:
The effective abolition of child labour.

Principle 6:
The elimination of discrimination in respect of employment and occupation.

EQUAL OPPORTUNITY TO ALL

Employees of Ooredoo Maldives, as well as applicants, are provided equal opportunities in employment, development and trainings, as well as career advancements without any discrimination based on race, color, marital status, parental status, ancestry, source of income, religion, gender, age, national origin or handicap. The Maldives is a signatory to the United Declaration of Human Rights, and Ooredoo Maldives complies with all local laws and regulations, and respects the culture and values within all aspects of our operations.

Implementation

- Ooredoo Maldives adheres to the Maldives Employment Act to guarantee the elimination of forced and compulsory labor, the effective abolition of child labor and the elimination of discrimination, in respect of employment and occupation.
- As a company that believes in the benefits of gender diversity, efforts are made to increase equal opportunities and participation across all functions and job levels. Under the Ooredoo Group led Gender Diversity Program, efforts made include encouraging female entrants for relevant postings during the recruitment stage, opportunities in training and development, providing mentorships for career growth and more.

ENVIRONMENT PRINCIPLES

Principle 7:
Business should support a precautionary approach to environmental challenges.

Principle 8:
Business should undertake initiatives to promote greater environmental responsibility.

Principle 9:
Business should encourage the development and diffusion of environmentally friendly technologies.

Implementation

Climate Action is one of the key focus areas for Ooredoo Maldives' corporate social responsibility efforts, as part of its commitment towards achieving the United Nations Sustainable Development Goals. We help to protect our planet by implementing green practices within our business activities.

- Green practices have been incorporated within all internal and external dealings, to reduce the Company's carbon footprint. This includes the introduction of e-bills, installation of eco-friendly lighting within the office, and more.
- Ooredoo Maldives was the first company in the Maldives to introduce the modern Single Radio Access Network ("RAN") equipment. 100% of our sites have now been modernized with Single RAN equipment, successfully saving 54% in electricity consumption and 80% in carbon footprint.
- Company-wide "Go Green" program was carried out to encourage environment friendly practices and to reduce wastage of resources such as electricity, water and paper.
- The Company abolishing the usage of single use plastic water bottles within the office, from 2018 onwards.
- One of the major green practices started within the Company has been the automation of manual processes. The Company has completely digitized all internal processes, eliminating the need for paper use and printing within the workplace.

ANTI-CORRUPTION PRINCIPLES

Principle 10:
Business should work against corruption in all its forms, including extortion and bribery.

Ooredoo Maldives has policies in place to eliminate corruption inclusive of:

SUPPLIERS

Employees must interact with suppliers or vendors with honesty and integrity. Decisions to purchase products and services shall be based on the Company's interest, taking into account factors such as quality, price, performance, suitability and reliability. Employees who are required to engage in dealings with regard to purchasing of assets, items and equipment's or obtaining services from suppliers, vendors and service providers should avoid conflict of interest or appearance of any conflict of interest.

CONFLICT OF INTEREST

Employees shall not practice any business or trade, which is in conflict with their duties, or with the Company's interest or which may cause the employee to have direct or indirect interest in any contracts or works related to the Company's activities or to which the Company is a party.

The Company policy requires that employees avoid any situation that creates a conflict of interest between the employee's own interest and that of the Company. Employees shall ensure that their activities during and after office hours do not conflict with their duties or with the Company's interest. The employee should inform the Management in case any activity or situation creates a conflict of interest.

It is the responsibility of the employee to declare their business interest that may or may not create any conflict of interest.

Implementation

- HR policies are communicated to and signed by all employees upon signing the employment agreement, and further explained in detail during the onboarding of new employees.
- Internal Audits are conducted to prevent corruption and bribery.
- A Disciplinary Committee is assembled to carry out non-biased investigations of fraud, bribery or corruption.

- A Whistleblower Policy was introduced to ensure the receipt, analysis and processing of reports of violation of laws, regulations, policies, decisions, instructions, code of conduct or ethics in the Company. In addition to the problems that occur in the system of internal control, maintaining the confidentiality of company information and fraud attempts, this includes any errors that could have a negative impact on the Company, Ooredoo Group, employees, customers, investors, shareholders or others in general.
- The whistle-blower reporting is controlled by the Internal Audit Department of Ooredoo Maldives, whereby information related to the whistle blower and reported issues are kept confidential.
- Employees are given the opportunity to report any concerns, wrongdoings or frauds via the Whistleblower Policy.
- Instant reporting of concerns to Human Resources was enabled through a Digital Feedback Mechanism available from the Company Intranet.

Financial Performance



FINANCIAL PERFORMANCE

Ooredoo Maldives revenue de-grew by 15% for the financial year 2020. Despite the impact of Covid-19, we continued to deliver value to our shareholders and customers.

The Ooredoo Maldives Group achieved an EBITDA of MVR 855 million for the year, a de-growth of 24% in EBITDA, with an EBITDA margin of 50% (EBITDA as a percentage of revenue) in 2020. While operational costs decreased in absolute terms, the Company continuously maintains EBITDA Margins. PAT margins reduced from 29.4% in 2019 to 23.6% in 2020 with a PAT of MVR 407 million in 2020. Earnings Per Share ("EPS") for the year is at MVR 2.76 as we continue to yield value for our shareholders. Ooredoo Maldives therefore proposes a dividend of MVR 2.34 per share for the year 2020.

| MVR (Millions) | 2020 | 2019 | Growth % |
|--------------------------|-------|-------|----------|
| Revenue | 1,723 | 2,038 | -15% |
| EBITDA | 855 | 1,120 | -24% |
| Profit After Tax | 407 | 599 | -32% |
| Earnings per Share (MVR) | 2.76 | 4.03 | -32% |
| Free Cash Flow | 538 | 570 | -6% |
| Total Assets | 3,387 | 3,098 | 9% |
| Current Liabilities | 1,579 | 1,078 | 47% |
| Non-current Liabilities | 532 | 664 | -20% |
| Net Assets | 1,276 | 1,357 | -6% |

REVENUE – MVR 1,723 MILLION [-15%]

We achieved a Revenue of MVR 1,723 million which is a decrease of MVR 314 million in 2020 (-15%) compared to 2019, mainly due to the impact of Covid-19 on Roaming, Mobile Business and Enterprise Segment.

EBITDA – MVR 855 MILLION [-24%]

The de-growth in revenue by 15% was offset by optimization of operating costs, resulting in the Ooredoo Maldives Group achieving an EBITDA of MVR 855 million.

PROFIT AFTER TAX ("PAT") – MVR 407 MILLION [-32%]

PAT for the year 2020 is at MVR 407 million, which is a de-growth of 32% compared to 2019.

ASSETS & ROCE

At the end of 2020 the Ooredoo Maldives Group's total asset base stood at MVR 3.39 billion with net assets value of MVR 1.28 billion. Return on Capital Employed ("ROCE") for the Ooredoo Maldives Group is 22.5% at the end of 2020 versus 35.7% at the end of 2019.

CAPITAL INVESTMENT

Total capital investment in 2020 was MVR 392 million in network capacity improvements, coverage and capacity enhancements, international subsea cable, 5G and Data Centre.

FREE CASH FLOW

Free cash flow (cash flow from operating activities less capital expenditure) was MVR 538 million for 2020 versus MVR 570 million in 2019.

SUBSIDIARY PERFORMANCE

WARF Telecom International Private Limited ("WARF"), a subsidiary of Ooredoo Maldives, achieved a revenue of MVR 34.1 million and Loss of MVR 0.1 million during the year ended 2020. WARF's net assets of MVR 322 million accounted for approximately 25% of the net assets of the Ooredoo Maldives Group.



INVESTOR RELATIONS

Shareholding

There have been no changes to the shareholding percentages or number of shares of the Company during the year 2020.

| NAME OF THE SHAREHOLDER | Number of Shares | % of Shareholding |
|--|---------------------------|-------------------|
| Wataniya International FZ-LLC | 133,755,130 Shares | 90.5% |
| Maldives Pension Administration Office | 8,333,330 Shares | 5.64% |
| Other Shareholders | 5,711,941 Shares | 3.86% |
| Total Shareholding of the Company | 147,800,401 Shares | 100% |

Ooredoo Maldives listed its shares and commenced Secondary Trading on the Maldives Stock Exchange on 9th August 2017. As of 31st December 2020, the number of shares listed on the Maldives Stock Exchange is 14,042,010.

VALUE CREATION FOR OUR SHAREHOLDERS

Our priority is working in the best interest of our shareholders while we continue our growth journey. While we expand our business, it is our utmost priority to create value for our shareholders and provide a good return for their investment.

DIVIDEND – MVR 2.34 per share

For the financial year 2020, a total dividend of approximately MVR 346 million is proposed to be paid to the shareholders at MVR 2.34 per share.

| MVR | 2020 | 2019 |
|----------------------------|------|------|
| Earnings Per Share ("EPS") | 2.76 | 4.03 |
| Dividend Per Share | 2.34 | 3.30 |
| Net Asset Value Per Share | 8.63 | 9.18 |

EARNINGS PER SHARE – MVR 2.76 per share

As a result of the de-growth in PAT, basic and diluted EPS decreased by 32% resulting in EPS of MVR 2.76 during 2020.

SHARE TRADING

During the year 2020, the shares held by the public have been traded as follows:-

| | |
|-------------------------------|--------------------------------|
| Highest Traded Price | MVR 45 |
| Lowest Traded Price | MVR 32 |
| Last Traded Price | MVR 42 |
| Last Traded Date | 22 nd December 2020 |
| Number of Shares Traded | 6,998 Shares |
| Total Traded Value | MVR 264,384.00 |
| Number of Trades | 21 Trades |
| Weighted Average Traded Price | MVR 37.78 |
| Market Capitalization | MVR 6,207,616,842.00 |

ANNUAL GENERAL MEETING

Ooredoo Maldives held its Annual General Meeting ("AGM") on Monday, 2nd March 2020 at 20:30 hrs. at the Convention Hall of Kurumba Maldives, Republic of Maldives.

Attendance

The attendance of shareholders at the AGM was as follows:-

| | |
|--|---------------------|
| Shareholders present in person: | 195 shareholders |
| Shareholders present by proxy: | 1,119 proxy holders |
| Total number of shareholders present (in person and by proxy): | 1,314 shareholders |
| Total number of shares represented: | 137,013,618 shares |

The meeting was attended by shareholders (in person or proxy) representing more than 51% of the shares which constitutes the quorum of the AGM as required by the Articles of Association of the Company.

Approvals by shareholders

The shareholders approved the following matters at the AGM:

- Approved the minutes of the Annual General Meeting held on Monday 3rd March 2019, at Dharubaaruge, Ran-nabandeyri Maalam, Boduthakurufaanu Magu, Male', Republic of Maldives
- Approved the minutes of the Extraordinary General Meeting held on Monday, 16th December 2019 at Hotel Jen, Ameer Ahmed Magu, Male', Republic of Maldives
- Approved the Audited Balance Sheet, Profit and Loss Account and the Auditors' Report of the Company for the year ended 31st December 2019
- Approved the Company's Directors' Report for the year ended 31st December 2019
- Ratified the appointment of the Auditors' for 2020 and their remuneration
- Approved the dividend for the year 2019 to be MVR 3.30 per share
- General shareholders elected Ms. Fareeha Shareef as a Director to represent them on the Board of Directors of Ooredoo Maldives

SHAREHOLDER COMMUNICATIONS

One of our top priorities is ensuring the engagement of our shareholders in the Company's activities and providing accurate and timely information for the benefit of the shareholders.

We have established various mechanisms to communicate with our shareholders and provide relevant and required information in compliance with the regulatory requirements. Our website discloses information about the business, Board of Directors, Board Committees and Management team. Additionally, the quarterly reports, annual reports, and other material information are published on the Investor Relations page of our website in a timely manner and according to the regulatory requirements.

All the General Meetings of the Company are conducted after giving prior notice and publication of all relevant documents including the Notice & Agenda, Financial Statements, Directors Report, minutes of previous general meetings, and all other relevant documents (if any). The shareholders are well informed about the matters to be discussed at the general meetings and the Board of Directors, Management and External Auditors are available during the meetings if the shareholders require any further information.

Our website includes contact details, for anyone who wishes to approach the Company and our Investor Relations team responds to these queries from shareholders and other stakeholders.

MECHANISM TO RAISE CONCERNS

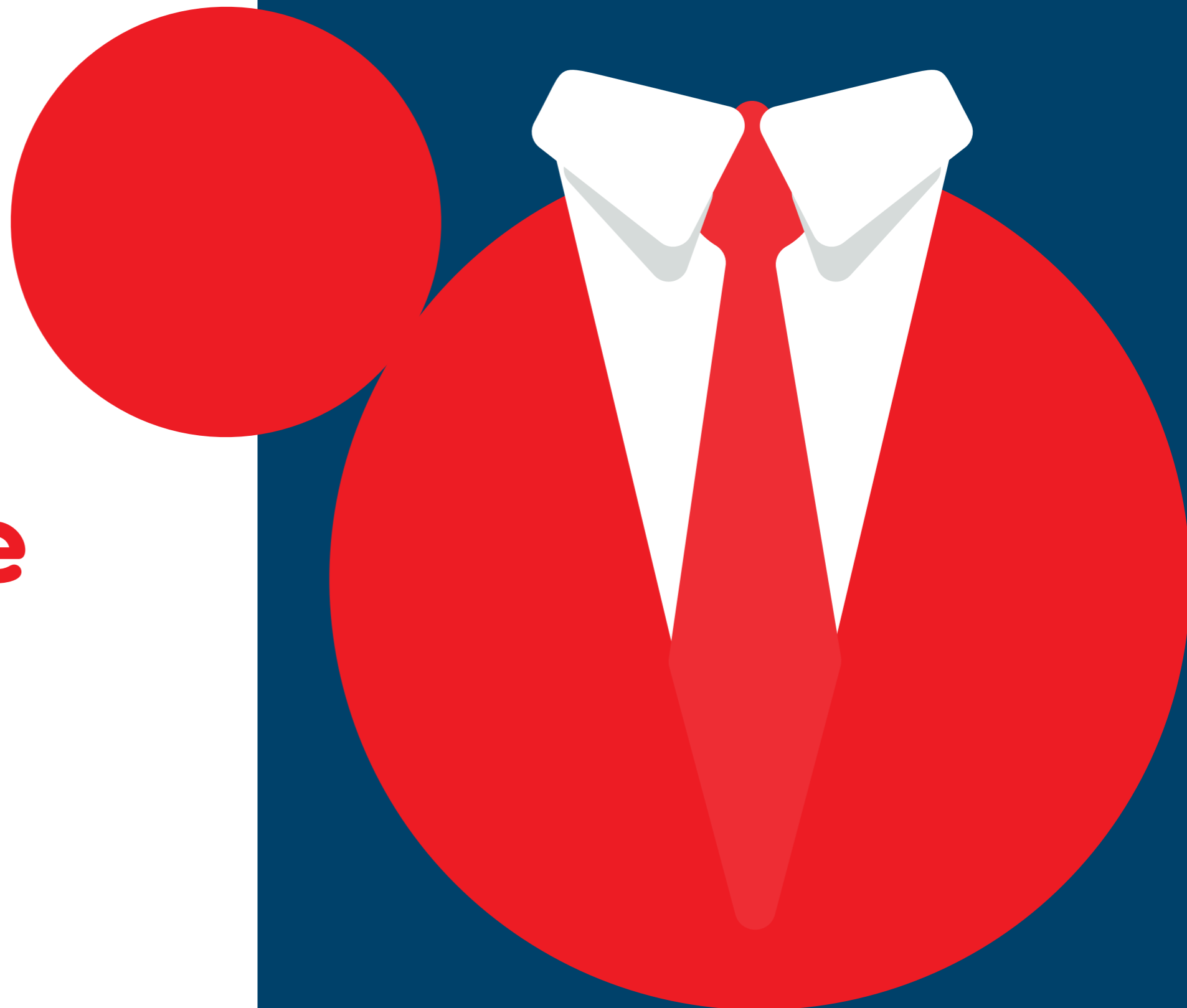
Our stakeholders (including shareholders, customers, employees and suppliers) can reach us conveniently through the various mechanisms established for raising concerns. These mechanisms provide confidence to our stakeholders that their concerns will be addressed confidentially without any bias or influence.

Our utmost priority is safeguarding the interest of our customers as they are one of our key stakeholders. Our Customer Grievance Policy enables customers to lodge their complaints via our call center, email, post, messaging through social media including Facebook, Twitter, Chat service or by visiting any of our Ooredoo Experience Centers.

Additionally, through the Whistleblowing form made available on our website, any suspected misconduct or unethical behaviour, or breach of law or regulation can be brought to the attention of the Company and these cases are handled and investigated confidentially by our Head of Internal Audit.



Corporate Governance



CORPORATE GOVERNANCE

Ooredoo Maldives' business operations are in accordance with the laws and regulations issued by the relevant authorities including the Companies Act of the Republic of Maldives (Act No.: 10/96), the Maldives Securities Act (Act No.: 2/2006), the Securities (General) Regulations 2007, the Securities (Continuing Disclosure Obligations of Issuers) Regulations 2019 (Regulation No.: 2019/R-1050), the Corporate Governance Code of the Capital Market Development Authority ("CG Code"), the Listing Rules of the Maldives Stock Exchange ("Listing Rules") and the Memorandum and Articles of Association of the Company.

With the aim to ensure that the rights of all the stakeholders are protected, we continue our operations focusing on promoting transparency, accountability and best practices. The Board of Directors and Management is committed in ensuring compliance with the laws and regulations of the Maldives and adhering to the uppermost corporate governance principles and practices while following ethical behaviours, corporate governance policies and best practices. The Company has adopted a Corporate Governance Manual which outlines these guidelines to ensure the rights of the stakeholders are protected.

Due to Company policy, confidentiality and the competitive environment that we operate within, the individual remuneration paid to the top Management, and the level and mix of remuneration is not disclosed in this Report. The top Management's remuneration is approved by the Board of Directors according to the recommendations of the NRC, based on their roles and responsibilities, scope of work and market rates for comparable roles.

Board of Directors

The ultimate governing body of the Company is the Board of Directors who are responsible for providing institutional leadership and driving the Company towards the right strategic direction while working in the best interest of the Company and shareholders.

The Board of Directors ensure they perform their duties and responsibilities within a framework of prudent policies and guidelines which enable effective risk management to achieve the goals and objectives of the Company. Additionally, the Board of Directors ensure that the Management's technical expertise and advice is taken into consideration in decision making and possess the authority to delegate some of the responsibilities to the Management including development of operational plans, budget and reports, for the review and approval of the Board of Directors. Furthermore, the Board of Directors has approved a Decision Rights Matrix ("DRM") of the Company which details the authority provided to the Management in carrying out the operations of the Company.

Chairman's Role

The Chairman is responsible for providing guidance and leadership to the Board of Directors while ensuring the Company is in compliance with the applicable laws and regulations of Maldives and operates as per the Memorandum and Articles of Association of the Company.

Chief Executive Officer's Role

The Chief Executive Officer ("CEO") is responsible for leading and driving the Company towards the strategic direction outlined by the Board of Directors. The CEO also leads the team to manage the Company within the set guidelines and processes and provides guidance and direction to the Management and employees of the Company in achieving the Company's objectives and goals while following the vision, mission and strategies of the Company.

Composition of the Board

Ooredoo Maldives Board consists of a total 8 Directors out of whom 5 are Independent, Non-Executive Directors, 1 is a Non-Independent Non-Executive Director and 2 are Executive Directors.

Pursuant to the Corporate Governance Code of Maldives ("CG Code"), the Board of Directors of Ooredoo Maldives comprises of a mix of Executive, Non-Executive and Independent Directors, with majority of the Non-Executive Directors being Independent Directors and one of the two Executive Directors being the CEO.

The composition of the Board of Directors as at 31st December 2020 was as follows:

| TYPE | Name of Directors | Appointed by | Appointed Date |
|---|---------------------------------|-------------------------------|---|
| Independent, Non-Executive Directors | Mr. Andrew Tor Oddvar Kvålseth | Wataniya International FZ-LLC | 23 rd April 2020 |
| | Mr. George Bowring Challenor | Wataniya International FZ-LLC | 23 rd April 2020 |
| | Mr. Khalid Hassan M A Al-Hamadi | Wataniya International FZ-LLC | 26 th February 2017 |
| | Mr. Mark Henry Dowds | Wataniya International FZ-LLC | 23 rd April 2020 |
| | Ms. Fareeha Shareef | General Shareholders | 2 nd March 2020 |
| Non-Independent, Non-Executive Director | Ms. Dheena Hussain | Wataniya International FZ-LLC | Initially appointed on 7 th December 2004 Re-appointed on 8 th August 2016 |
| Executive Directors | Mr. Najib Khan | Wataniya International FZ-LLC | 4 th April 2017 |
| | Mr. Suresh Kalpathi Chidambaram | Wataniya International FZ-LLC | 17 th September 2019 |

Mandate of the Board

The key responsibilities of the Board of Directors include: -

- Set strategic direction and objectives for the Company
- Provide guidance to the Executive Management and ensure the implementation of the strategies in achieving the set objectives of the Company
- Establish policies and processes to ensure good governance within the Company in the interest of all the stakeholders, which provides an effective framework to direct the Company towards long term success
- Review and approve the policies, reports and accounts of the Company
- Ensure compliance to all applicable laws, regulations, policies of the regulatory authorities, accounting and auditing standards and principles, and internal policies and processes of the Company
- Protect and safeguard the rights of the stakeholders, including shareholders, employees, customers, suppliers and other stakeholders
- Succession planning of key executives

The position of the Chairman and CEO are held by two different individuals, to ensure that an appropriate balance of power and increased accountability is established within the Company.

Changes to the Board during 2020

The changes to the Board of Directors during the year 2020 are:-

| Change | Effective Date |
|---|-----------------------------|
| Mr. Ahmed Zuhoor's term of office as a Director on the Board, representing the general shareholders expired on 2 nd March 2020 | 2 nd March 2020 |
| Election of Ms. Fareeha Shareef by the general shareholders to represent the general shareholders on the Board of Directors | 2 nd March 2020 |
| Resignation of Mr. Damian Philip Chappell as the Chairman and a Director on the Board of Directors | 8 th April 2020 |
| Resignation of Dr. A Hamid Mohd A Marafi as a Director on the Board of Directors | 8 th April 2020 |
| Resignation of Mr. Ian Grant Fenton as a Director on the Board of Directors | 8 th April 2020 |
| Appointment of Mr. Andrew Tor Oddvar Kvålseth as a Director on the Board of Directors and as Chairman | 23 rd April 2020 |
| Appointment of Mr. George Bowring Challenor as a Director on the Board of Directors | 23 rd April 2020 |
| Appointment of Mr. Mark Henry Dowds as a Director on the Board of Directors | 23 rd April 2020 |

The appointment of the Chairman, Mr. Andrew Tor Oddvar Kvålseth and two Non-Executive Directors, Mr. George Bowring Challenor and Mr. Mark Henry Dowds on the Board of the Company was made in accordance with the provisions of the Articles of Association and no external search consultancy or open advertisement was utilised. The appointment of the Director to the Board of Directors by the general shareholders, was conducted by open advertisement, inviting applications for the position. The NRC evaluated all the applications, all eligible applicants were approved by the Board of Directors, and their names were then submitted to the general shareholders for voting at the AGM held on 2nd March 2020.

Meetings of the Board

The Board of Directors held a total of 7 Board Meetings during the year 2020, which included 1 Non-Executive Directors' Meeting as required by the CG Code.

The attendance at Board of Directors Meetings was as follows:-

CURRENT BOARD DIRECTORS

| Name | Position & Type | Meetings Attended |
|---------------------------------|---|--|
| Mr. Andrew Tor Oddvar Kvålseth | Chairman/ Independent, Non-Executive Director | Attended all 5 Board Meetings held during the year 2020 after his appointment on 23 rd April 2020 |
| Mr. Najib Khan | Managing Director & Chief Executive Officer/ Executive Director | Attended all 6 of the Board Meetings held for Executive Directors during the year 2020 |
| Mr. George Bowring Challenor | Director/ Independent, Non-Executive Director | Attended all 5 Board Meetings held during the year 2020 after his appointment on 23 rd April 2020 |
| Mr. Khalid Hassan M A Al-Hamadi | Director/ Independent, Non-Executive Director | Attended all 7 of the Board Meetings held during the year 2020 |
| Ms. Dheena Hussain | Director/ Non-Independent, Non-Executive Director | Attended all 7 Board Meetings held during the year 2020 |
| Mr. Suresh Kalpathi Chidambaram | Chief Financial Officer/ Executive Director | Attended all 6 of the Board Meetings held for Executive Directors during the year 2020 |
| Ms. Fareeha Shareef | Director/ Independent, Non-Executive Director | Attended all 6 Board Meetings held during the year 2020 after her appointment on 2 nd March 2020 |
| Mr. Mark Henry Dowds | Director/ Independent, Non-Executive Director | Attended all 5 Board Meetings held during the year 2020 after his appointment on 23 rd April 2020 |

FORMER BOARD DIRECTORS

| Name | Position & Type | Meetings attended |
|----------------------------|---|---|
| Mr. Damian Philip Chappell | Chairman/ Independent, Non-Executive Director | Attended all 2 Board Meetings held during the year 2020 prior to his resignation on 8 th April 2020 |
| Dr. A Hamid Mohd A Marafi | Director/ Independent, Non-Executive Director | Attended all 2 Board Meetings held during the year 2020 prior to his resignation on 8 th April 2020 |
| Mr. Ian Grant Fenton | Director/ Independent, Non-Executive Director | Attended all 2 Board Meetings held during the year 2020 prior to his resignation on 8 th April 2020 |
| Mr. Ahmed Zuhoor | Director/ Independent, Non-Executive Director | Attended the 1 Board Meeting held during the year 2020 prior to his term of office expiration on 2 nd March 2020 |

The Management provides comprehensive information to the Board of Directors on all matters submitted to the Board for review and approval, including background information, financial information/forecasts, associated risks and opportunities, evaluation and analysis of the matter and its impact on the business, and recommendations for the way forward. To ensure the Board makes well informed decisions, the Executive Management and other relevant senior employees are invited to the Board Meetings for providing additional information and perspective regarding the matters.

The Company Secretary performs all the responsibilities (including but not limited to) outlined in the Companies Act, CG Code, Articles of Association of the Company, Board Charter, and provides advice to the Board of Directors to ensure the Board and the Company is in compliance with the regulatory requirements. Additionally, the Company Secretary keeps an annual record of the Company's compliance / non-compliance with the CG Code and other applicable laws and presents the Board with the Corporate Governance Code Compliance Report. During 2020, the Company has complied materially with the requirements outlined in the CG Code and relevant laws.

KEY DECISIONS OF THE BOARD DURING 2020

- Approved the Audited Financial Statement of the Company for the year ended 31st December 2019
- Ratified the proposed amendments to the Auditors' Report and Financial Statement of the Company for the year ended 31st December 2019
- Approved the 2019 Annual Report of Ooredoo Maldives
- Approved the recommendation of External Auditors' for 2020 and their remuneration to the shareholders
- Approved the dividend for the year 2019
- Approved the shortlisted applicants for the Board Director position for election by the general shareholders at the AGM held in 2020
- Approved additional budget allocation for Co-Sourcing the ICOFR Assignment for 2020
- Ratified the Shadow Share Scheme Payments to Employees
- Approved 2019 Corporate Scorecard
- Approved 2019 CXO Scorecards, excluding the CFO Scorecard
- Approved Annual Bonus for 2019 and Increments for 2020
- Approved 2020 CXO Scorecards
- Approved the promotion of Mr. Rajesh Mehta as Director Enterprise Business, effective from 1st January 2020
- Approved the promotion of Mr. Prasanna Ramachandra Uchil as Director, Strategy & PMO effective from 1st January 2020
- Approved the payment of Withholding Tax on income for employees
- Delegated authority to the MD/CEO and CFO to take all necessary actions for completion of the Data Center Project
- Approved the disposal of two old Monopoles
- Approved the Q1 2020 Audit Reviewed Financial Statements of the Company
- Delegated authority to the Nomination and Remuneration Committee to approve the 2020 Corporate Scorecard of the Company
- Delegated authority to the Nomination and Remuneration Committee to approve the Scorecard of the CFO for the year 2019
- Delegated authority to the Audit & Risk Committee to approve the Data Protection Policy of the Company
- Delegated authority to the Audit & Risk Committee to approve the Code of Conduct and Ethics of the Company
- Approved the delegation of rights specified in the Decisions Rights Matrix for Director Finance to Financial Controller
- Approved the extension of employment contract of Mr. Jamil Ahmed, Director Internal Audit for a period of 2 years effective from 30th April 2020

- Approved the Q2 2020 Audit Reviewed Financial Statements of the Company
- Delegated authority to the Audit & Risk Committee to approve the Company's Bad Debt write-off from 2005 to 31st December 2017 against the provisions made
- Delegated authority to the Nomination and Remuneration Committee to approve the amended Policy on Prevention of Insider Trading
- Delegated authority to the Nomination and Remuneration Committee to approve the amended HR Policy Manual
- Delegated authority to the Audit & Risk Committee to approve the amended Information Security Policy
- Approved the Company's Risk Appetite for 2020
- Delegated authority to 2 Non-Executive Directors to approve early Ordering 2021 for RAN 4G project
- Approved the Q3 2020 Audit Reviewed Financial Statements of the Company
- Delegated authority to the Audit & Risk Committee to approve the Company's Business Continuity Management Policy
- Approved the designation of Ms. Arushee Mohamed as the Corporate Governance Single Point of Contact
- Approved the authority to MD/CEO and CFO to jointly provide indemnity to The Hongkong and Shanghai Banking Corporation Limited (HSBC Maldives) for e-mail instructions
- Delegated authority to any 2 Non-Executive Directors to approve the Company's Business Plan for the years 2021 to 2023
- Delegated authority to any 2 Non-Executive Directors to approve the Company's Annual Operating Plan of the Company for the year 2021
- Approved the Annual Treasury Strategy of the Company for the year 2021
- Approved the Date of the Annual General Meeting to be held in 2021
- Approved the Agenda of the Annual General Meeting to be held in 2021
- Approved the peering at London Internet Exchange Limited
- Reviewed and approved the composition of the Board of Directors of Ooredoo Maldives
- Reviewed and approved the composition of the Audit and Risk Committee of Ooredoo Maldives
- Carried out the Annual Review of the Nomination and Remuneration Committee's Composition, Constitution and Terms of Reference
- Approved a loan facility of US\$ 29.1 million from The Hong Kong and Shanghai Banking Corporation Limited, Sri Lanka for restructuring existing debts
- Approved the resignation of Mr. Damian Philip Chappell as a Director and Chairman of the Board of Directors of Ooredoo Maldives, effective from 8th April 2020
- Approved the resignation of Dr. A Hamid Mohd A Marafi as a Director of the Board of Directors of Ooredoo Maldives, effective from 8th April 2020
- Approved the resignation of Mr. Ian Grant Fenton as a Director of the Board of Directors of Ooredoo Maldives, effective from 8th April 2020
- Approved the appointment of Mr. Andrew Tor Oddvar Kvålseth as a Director and Chairman of the Board of Directors of Ooredoo Maldives, effective from 23rd April 2020

- Approved the appointment of Mr. George Bowring Challenor as a Director of the Board of Directors of Ooredoo Maldives, effective from 23rd April 2020
- Approved the appointment of Mr. Mark Henry Dowds as a Director of the Board of Directors of Ooredoo Maldives, effective from 23rd April 2020
- Approved the appointment of Mr. George Bowring Challenor as a member and the Chairman of the Audit and Risk Committee of the Company
- Approved the appointment of Mr. Khalid Hassan M A Al-Hamadi as the Chairman of the Nomination and Remuneration Committee of the Company
- Approved the appointment of Mr. Mark Henry Dowds as a member of the Audit and Risk Committee and the Nomination and Remuneration Committee of the Company
- Approved the resignation of Chief Commercial Officer, Mr. Balaji Srinivasan and appointment of Mr. Hussain Niyaz as the Acting Chief Commercial Officer
- Approved the donation to the Government of Maldives as aid to combat against Covid-19 pandemic in the Maldives
- Approved the appointment of Ms. Fazna Mansoor as the Human Resources Director
- Approved a Loan of US\$ 10 million from The Hongkong and Shanghai Banking Corporation Limited (HSBC Maldives) for the Company's Capex requirements

Committees of the Board

The following 2 committees are established by the Company.

1. the Audit and Risk Committee ("ARC"); and
2. the Nomination and Remuneration Committee ("NRC").

A written charter for both ARC and NRC is approved by the Board of Directors which outlines the responsibilities, objectives, guidelines and the process for operating the Committee.

To ensure that the Company functions effectively and works in the best of all the stakeholders, both the Committees operate in compliance with the Charters and carries out their duties and responsibilities as instructed and advised by the Board.

The mandates and activities of the ARC and NRC are detailed in their respective reports.

Shareholdings by Directors

The Directors holding shares in the Company as at 31st December 2020 were as follows:

| Name | No. of Shares | Interest in Other Entities with shareholdings in the Company |
|---------------------------------|---------------|---|
| Mr. Andrew Tor Oddvar Kvålseth | None | None |
| Mr. Najib Khan | 5,000 | None |
| Mr. George Bowring Challenor | None | None |
| Mr. Khalid Hassan M A Al-Hamadi | None | None |
| Ms. Dheena Hussain | 67,001 | Ms. Hussain is a shareholder (holding 1 share) and a Director of Capricer Pvt Ltd which holds 16,670 shares in Ooredoo Maldives |
| Mr. Suresh Kalpathi Chidambaram | None | None |
| Ms. Fareeha Shareef | 3,500 | None |
| Mr. Mark Henry Dowds | None | None |

Evaluation of the Board and Board Committees

The evaluation of the Board of Directors is carried out annually using an Evaluation Form recommended by the NRC and approved by the Board. In this regard the evaluation of the Board was carried out in 2020 as well. The Evaluation Form and process has been developed in accordance with the applicable requirements of the Capital Market Development Authority of Maldives ("CMDA"), the Maldives Stock Exchange ("MSE") and the Corporate Governance Code of the Maldives and other applicable laws and regulations.

The NRC has reviewed the Board evaluation process and the Evaluation Form in 2020 and confirmed that the evaluation process was in order as required by the regulatory requirements. This has also been submitted to the Board for their information.

The composition of the Board and ARC was also reviewed by the NRC and submitted to the Board during 2020, to ensure that the Board and ARC are in compliance with the regulatory requirements and operates in accordance with the Charters. Additionally, the NRC reviewed its composition, constitution and terms of reference and recommended that no revisions are currently required to the NRC Charter and it is in order to ensure it operates at maximum effectiveness, and this was approved by the Board of Directors.

Board Development

During the year 2020, the Board of Directors were provided with a training, organised with CMDA and MIRA, providing insight about the applicable laws and regulations in the Maldives including information about corporate governance, corporate tax system in the Maldives and other applicable laws and regulations of the Maldives. The Board is provided with regular updates on the laws, regulations and guidelines to ensure they are well informed about the significant areas and have the capacity to perform their responsibilities efficiently.

Internal Audit

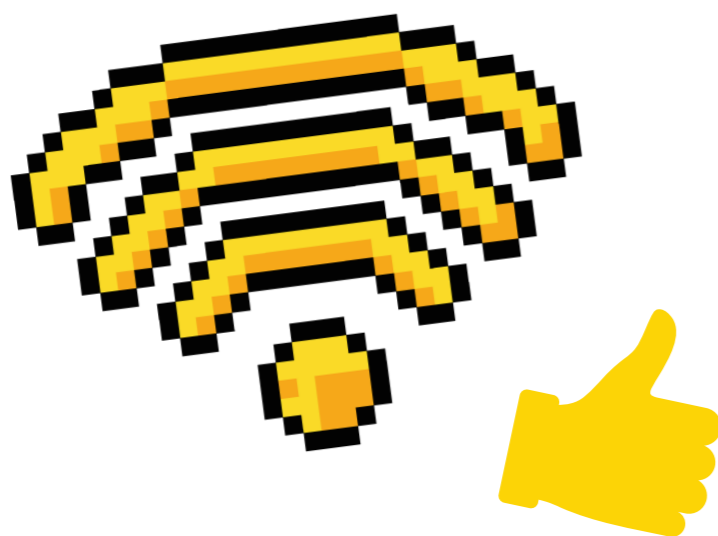
An independent Internal Audit function is established within the Company which reports to the ARC and carries out its duties and responsibilities outlined in the Internal Audit Charter and as per the approved Annual Internal Audit Plan. The Internal Audit function provides advice to the ARC ensuring the Company performs within the regulatory frame and follows the outlined processes and guidelines.

The Internal Audit function also ensures the Company operates towards the strategic direction by assessing and managing the risks, and also ensures the governance practices are followed within the Company.

The activities performed by Internal Audit during 2020, are highlighted within the ARC Report.

External Audit

During the AGM held in 2020, the shareholder approved the appointment of PricewaterhouseCoopers ("PwC") as the External Auditors of the Company for the year 2020, as per the recommendation by the Board of Directors. The appointment was made after obtaining competitive proposals from qualified service providers, with all the proposals evaluations being reviewed by the ARC and the Board of Directors.



Internal Controls and Risk Management

To safeguard the assets and interest of the stakeholders, the Company maintains strict and effective controls for its operation and management. To ensure the Company functions efficiently and effectively, the processes, guidelines and controls are regularly reviewed by the Management and Board.

Financial internal control is part of Ooredoo Maldives' corporate governance framework and ensures mitigation of risks, safeguarding of assets, compliance with legislation, and accuracy and reliability of financial reporting. During 2019, Ooredoo Maldives adopted the Internal Control Over Financial Reporting ("ICOFR") Framework which is based on international best practices. The ICOFR ensures that:-

- The Company's financial data and information published internally and externally are accurate, reliable and timely;
- The actions of the Board, Management and employees are in compliance with the established policies, standards, procedures and all relevant laws and regulations;
- The Company's assets and resources, including people, systems and data/information bases are adequately protected;
- The strategic and business objectives, plans and programs are achieved;
- The exposure to loss which relate to the various operations have been identified and evaluated;
- Practical controlling processes have been established that require and encourage the Board, Management and employees to carry out their duties and responsibilities in an efficient and effective manner.

The Company also ensures identification of potential risks and focus on development of mitigation plans to reduce the exposure to loss. In this regard, an independent Enterprise Risk Management ("ERM") function is established within the Company which is responsible for managing the Enterprise Risks of the Company and reports directly to the Managing Director & Chief Executive Officer.

Furthermore, the ARC advises the Board of Directors on risk management of the Company and provides recommendation on the efficiency and adequacy of internal control systems.

Code of Conduct and Ethics

For ensuring transparency, integrity, professionalism and ethical conduct is established within the Company, an enhanced guideline and process of Code of Conduct and Ethics was reviewed and approved by the ARC during the year 2020 and was submitted to the Board of Directors for information. This Code directs the Company to follow ethical practices in making decisions and work in the interest of all stakeholders including shareholders, customers, suppliers and employees, while we give our utmost importance in promoting best practices and remaining as a good corporate citizen.

Anti-Corruption

As a Company one of our priorities is remaining ethical and safeguarding the interest of stakeholders in making decisions and we ensure dealing with suppliers and vendors with honesty and integrity. The policies and guidelines of the Company prohibit employees to participate in any trade or business activity which conflicts their role in the company.

For protecting the interest of the Company and stakeholders, on behalf of Ooredoo Maldives, Ooredoo Group signs a "Supplier's Code of Conduct" with the regular suppliers and vendors. Additionally, in the event of reports on fraud, corruption and bribery, a Disciplinary Committee is formed to investigate the case independently without any influence or bias.

We are committed in being a leader in ethical conduct, hence we became a signatory to the United Nations Global Compact ("UNGC") in 2012, after which we have implemented and followed strict internal policies towards anti-corruption which is one of the 4 pillars of UNGC.

Prevention of Insider Trading

A separate policy is established by the Company to prevent insider trading and ensures compliance with the requirements of the "Policy on Prohibition of Dealing in Securities by Connected Persons with Access to Unpublished Information" by CMDA. This policy applies to the Board of Directors, all employees, consultants, contractors of the Company and all Restricted Persons.

Pursuant to the Policy, a Restricted Persons list is developed by the Company including persons who have access to unpublished price sensitive information of the Company including the Board of Directors, the Company Secretary, persons undertaking the secretarial functions of the Board and Committees (ARC and NRC), employees undertaking financial matters, consultants and contractors with access or potential access to price sensitive information of the Company. The persons included on the list have been notified and provided with information about the prohibited periods for share trading, procedure and process for obtaining approval for trading and penalty/fine for not following the terms of the Policy.

Related Parties Transactions

As a framework for governing and reporting related party transactions, the Company has established a "Related Parties Transactions Policy" (the "Policy"), with an intention to protect the interests of all the parties involved. This Policy applies to the Board of Directors and to all the employees of Ooredoo Maldives.

The Policy has been communicated with the Board of Directors and all employees with instructions to notify the Corporate Governance Single Point of Contact (Corporate Governance SPOC) by disclosing any relevant transaction. The disclosure is thereafter, required by the Board and employees at the time of an appointment, annually and whenever there is a change in the disclosure so made, about all persons and legal entities in which there is an interest whether directly or indirectly. The disclosures made to the Corporate Governance SPOC are submitted to the ARC and the Board for their information/approval as required.

During the year 2020, the following disclosures were made and submitted to the ARC and the Board of Directors:

- Ms. Dheena Hussain, Board Director & Company Secretary: SHC Lawyers LLP is the External Legal Counsel for Ooredoo Maldives, and Ms. Dheena Hussain holds 1 Share of SHC Lawyers LLP.
- Mr. Shabeen Ali, Director Network & IT Planning: Lithium Capital Pvt Ltd has worked on a project for the Company in Gn. Fuvahmulah around April 2019 and has carried out additional work for Ooredoo Maldives. A cousin of Mr. Shabeen Ali owns 50% of the shares of Lithium Capital Pvt Ltd.

Statutory Fees and Taxes

All fees including the annual fee, annual listing fee and depository fee payable to the relevant authorities have been paid on or before the due dates.

Declaration by the Board of Directors

The Board of Directors of Ooredoo Maldives declare that this report has been prepared in compliance with the Companies Act of the Republic of Maldives (Act No.: 10/96), the Maldives Securities Act (Act No.: 2/2006), the Securities (General) Regulations 2007, the Securities (Continuing Disclosure Obligations of Issuers) Regulations 2019 (Regulation No.: 2019/R-1050), the Corporate Governance Code of the Capital Market Development Authority ("CG Code") and the Listing Rules of the Maldives Stock Exchange (the "Listing Rules").

The Board of Directors affirms that to the best of our knowledge and belief, the information presented in this Annual Report is true and accurate and that there are no other facts, the omission of which would make any statement herein misleading or inaccurate.

The Board of Directors ensured to perform their roles and responsibilities with the highest level of professionalism, transparency, fairness and diligence with the utmost priority to safeguard the interest of the shareholders and create the best value for our shareholders while driving the Company towards its strategic direction.

Annual Report

This report includes information for the year ended 31st December 2020 with key activities and highlights of the Company for the year 2020 including the operational information and financial performance of the Company. We confirm that the information included in this report are true and accurate.

Financial Statements

The consolidated financial statements consist of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Shareholder Equity and Notes to the Consolidated Financial Statements. The financial statements for the year ended 31st December 2020 have been prepared:

- In conformance with applicable laws and regulations;
- In accordance with the International Financial Reporting Standards;
- To provide information that is true and fair; and
- Certified by the Managing Director/ Chief Executive Officer and Chief Financial Officer, reviewed by the Audit and Risk Committee and approved by the Board of Directors.

Going Concern and Future Outlook

The Board continuously endeavours to implement the strategic plans in line with the vision of the Company, and the Board of Directors is confident that the Company possess the resources to carry out the business as a going concern and pursue the objectives set forth in its strategic plans.

Safeguarding Company's Assets

The Company continually strives to improve the internal controls to safeguard the Company's resources and shareholders' interest. Quarterly and annual reviews of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems are carried out, and these reviews are approved by the ARC and submitted to the Board.

Independent Audit

The independent External Auditor appointed by the Shareholders of the Company has reviewed the financial statements, and their unbiased opinion and recommendations were welcomed by the Management and Board of Directors. Additionally, the Board of Directors endeavours to improve any weaknesses highlighted in the Auditor's Report.

Dividend

The Board of Directors is pleased to propose a dividend of MVR 2.34 per share for the year 2020 and to present this to the shareholders' for approval at the AGM.

Declaration of Interest

The Directors of Ooredoo Maldives confirm that subject to information disclosed in this Annual Report:

- Neither the Directors nor any associates had any significant interest, direct or indirect in the equity or debt securities of Ooredoo Maldives or subsidiaries or had any right to subscribe for equity or debt securities of the Company or its subsidiaries;
- There were no contracts of significance subsisting, during or at the end of the accounting period in which a Director of Ooredoo Maldives or its subsidiaries was materially interested, either directly or indirectly;
- Except for those disclosed in the Annual Report and note 37 of the Audited Financial Statements, there were no substantial or material third party transactions, monetary transactions or relationships between the Company and its Directors, the Management, subsidiaries or relatives.

On behalf of the Board of Directors:



Najib Khan
Managing Director and Chief Executive Officer



Suresh Kalpathi Chidambaram
Executive Director and Chief Financial Officer

Report of the Audit and Risk Committee



REPORT OF THE AUDIT AND RISK COMMITTEE

Composition

Ooredoo Maldives' Audit and Risk Committee ("ARC") is established in accordance with the requirements of the Corporate Governance Code ("CG Code") of the Maldives. The ARC is comprised of 3 members, all of whom are Non-Executive Directors and the majority of whom including the Chairman of the ARC are independent as required by the CG Code.

Mandate

The ARC assists the Board of Directors in fulfilling its statutory obligations and advises them on the adequacy and effectiveness of internal controls, risk management, control and governance processes, ensuring the independence and objectivity of internal and external audit functions and the integrity of the Company's financial statements.

Members and Meeting Attendance

Pursuant to the ARC Charter, the ARC is required to hold at least 4 (four) meetings each year (at least once every 3 (three) months). During the year 2020, the ARC has held a total of 4 (four) meetings.

Mr. George Bowring Challenor replaced Mr. Ian Grant Fenton as the Chairman of the ARC effective 23rd April 2020. Mr. Mark Henry Dowds replaced Dr. A Hamid Mohd Marafi as the new ARC Member effective 23rd April 2020.

| ARC Members | Type | Meetings Attended |
|---|-------------------------------------|--|
| Mr. George Bowring Challenor (Chairman) | Independent, Non-Executive Director | 3/3 Attended all ARC Meetings after his appointment on 23 rd April 2020. |
| Mr. Khalid Hassan M A Al-Hamadi | Independent, Non-Executive Director | 4/4 |
| Mr. Mark Henry Dowds | Independent, Non-Executive Director | 3/3 Attended all ARC Meetings after his appointment on 23 rd April 2020. |

Former ARC Members

| | | |
|---------------------------------|-------------------------------------|--|
| Mr. Ian Grant Fenton (Chairman) | Independent, Non-Executive Director | 1/1 Attended all ARC Meetings prior to his resignation on 8 th April 2020. |
| Dr. A Hamid Mohd A Marafi | Independent, Non-Executive Director | 1/1 Attended all ARC Meetings prior to his resignation on 8 th April 2020. |

The Managing Director & Chief Executive Officer, Chief Financial Officer, Director Internal Audit, Enterprise Risk Management Champion, a representative from the Ooredoo Group's Internal Audit and a representative from the Ooredoo Group's Corporate Governance were invited to all ARC meetings held in 2020. The Company's External Auditors ("PwC") were also invited to present the quarterly financial results in the quarterly meetings and Annual Audited Financials and the Management Letter in the annual meeting.

The ARC has appointed a separate secretary whose duties are outlined in the ARC's Charter and includes recording and drafting the minutes of meetings, its decisions and documents.

Key Activities

The ARC reviewed and approved the following matters in 2020 which were then submitted to the Board of Directors for their approval:-

- The Quarterly Audit Reviewed Consolidated Financial Statements (for Q1 2020, Q2 2020, Q3 2020) of the Company, along with the related significant accounting and reporting issues;
- The Annual Audited Consolidated Financial Statements of the Company for 2019, along with the related significant accounting and reporting issues;
- Management Letter from the External Auditors;
- The financial policies, accounting standards and rules and procurement policies;
- Approval for additional budget allocation for Co-Sourcing the ICOFR Assignment for 2020;
- Extension of Director Internal Audit's Employment Contract for a period of 2 years effective 30th April 2020.

The ARC also reviewed and approved the following matters which were then submitted to the Board of Directors for their information: -

- The Code of Ethics and Conduct;
- The Data Protection Policy;
- The Internal Audit Department's quarterly progress reports for the year 2020 and the annual progress report for 2019;
- The quarterly Enterprise Risk Management Reports and associated Internal Audit Review comments.

The following matters were reviewed and approved by the ARC:-

- The definition of 2020 Scorecard for the Internal Audit Department;
- The performance evaluation of the Ooredoo Maldives Internal Audit, through the review of results for the 2019 Internal Audit Scorecard;
- The Ooredoo Maldives Internal Quality Assurance & Improvement Program (QAIP) Report for 2020;
- The 2019 Annual ARC Report;
- The annual declaration of Internal Audit Organizational Independent and Objectivity for 2020;
- The 2020 Mid-Year risk assessment and updated Internal Audit Plan;
- ERM Plan for 2020; and
- Proposed RFP and Evaluation Criteria for External Auditors Appointment 2021-2025.

The following matters were reviewed by the ARC:-

- Quarterly Revenue Assurance and Fraud Management Updates;
- Quarterly updates on financial statement and legal cases;
- Quarterly Update on Related Party Transactions; and
- OMPL Management Assessment Report (MAR) and ISAE 3000 Report by KPMG on ICFR.

External Audit

During the AGM held on 2nd March 2020, the shareholders appointed PwC as the External Auditors of the Company for the year 2020. As Business Profit Tax Compliance is provided by PwC, the ARC reviewed the services and were satisfied with the objectivity and independence of the External Auditors in carrying out the external audit of the Company.

Internal Audit

The Internal Audit Department carried out multiple audits during the year in line with the approved Internal Audit Plan for 2020. The findings of the audits were presented to the ARC in the quarterly Internal Audit progress reports, along with the Management comments and Action Plan.

The key activities completed by the Internal Audit in 2020 include:-

- Prepared a risk based Internal Audit Plan and the Internal Audit Budget for 2021-2023;
- Reviewed and evaluated the operations, governance and internal controls through implementation of the approved Internal Audit Plan;
- Reviewed the quarterly Enterprise Risk Management reports of Ooredoo Maldives;
- Prepared and submitted the Quarterly Internal Audit progress reports to the Group IA and ARC;
- Performed the Internal Quality Assessment for the Internal Audit function and submitted the final report to the ARC;
- Performed a follow-up review for implementation of External and Internal Quality Assurance Review recommendations;
- Assisted in evaluating and appointment of the External Auditors for the Company;
- Performed the Operating Effectiveness testing of the Internal Control over Financial Reporting for Q1, Q2, Q3 & Q4 of 2020;
- Implemented Teammate and IDEA Software for the use of Internal Audit Team; and
- Reviewed policies submitted by Management and provided Internal Audit comments.

In reliance to the activities referred above, the ARC is satisfied with the Company's Internal Audit function, its independence and objectivity and the adequacy and effectiveness of the internal controls established.

On behalf of the Audit and Risk Committee



George Bowring Challenor,
Chairman, Audit and Risk Committee

Report of the Nomination and Remuneration Committee



REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee (the "NRC") of Ooredoo Maldives is established in accordance with the requirements of the Corporate Governance Code ("CG Code") of the Maldives.

The NRC comprises of 3 (three) members appointed for a term of 3 (three) years, the majority of whom are Independent, Non-Executive Directors.

The NRC is mandated with carrying out the functions of both the Nomination Committee and the Remuneration Committee. Based on the scope and expertise required to expedite the responsibilities of both Committees and considering the time and resources required, a combined Committee is considered to be more effective and efficient.

Mandate

The key roles and responsibilities of the NRC include:-

- Providing recommendations to the Board and to the shareholders on Board appointments after a proper evaluation;
- Providing recommendations on remuneration packages for the Board and the Chief Executive Officer for approval by the Board;
- Reviewing policies with respect to remuneration, pension, performance related pay schemes for approval by the Board.

Members and Meeting Attendance

Pursuant to the NRC Charter, the NRC is required to hold at least 4 (four) meetings each year (once every 3 (three) months). During the year 2020, the NRC held a total of 6 (six) meetings.

Mr. Khalid Hassan M A Al-Hamadi replaced Dr. A Hamid Mohd A Marafi as the Chairman of the NRC effective 23rd April 2020. Mr. Mark Henry Dowds joined as a new NRC Member effective 23rd April 2020.

| NRC Members | Type | Meetings Attended |
|--|---|--|
| Mr. Khalid Hassan M A Al-Hamadi (Chairman) | Independent, Non-Executive Director | 5/6 Appointed Dr. A Hamid Mohd A Marafi as Proxy for NRC Meeting 1 of 2020. |
| Ms. Dheena Hussain | Non-Independent, Non-Executive Director | 6/6 |
| Mr. Mark Henry Dowds | Independent, Non-Executive Director | 4/4 Attended all NRC Meetings after his appointment on 23 rd April 2020. |
| Former NRC Members | | |
| Dr. A Hamid Mohd A Marafi (Chairman) | Independent, Non-Executive Director | 2/2 Attended all NRC Meetings prior to his resignation on 8 th April 2020. |

The NRC has appointed an NRC Secretary whose responsibilities are outlined in the NRC Charter which includes recording the NRC minutes, preparing draft minutes and submitting required matters for NRC approval.

Key Activities

- Approved the NRC Report as part of the Ooredoo Maldives' 2019 Annual Report;
- Approved the shortlisted applicants for the Board Director position to be elected by the general shareholders at the Annual General Meeting to be held in 2020 which was then submitted for final approval of the Board of Directors;
- Approved the 2019 Corporate and CXO Scorecard (excluding Chief Financial Officer Scorecard) which was then submitted for the final approval of the Board of Directors;
- Approved the Annual Bonus for the year 2019 and Increments for the year 2020 which was then submitted for the final approval of the Board of Directors;
- Approved the 2020 CXO Scorecard which was then submitted for the final approval of the Board of Directors;
- Approved the promotion of Mr. Rajesh Mehta as Director Enterprise Business, effective from 1st January 2020 which was then submitted for the final approval of the Board of Directors;
- Approved the promotion of Mr. Prasanna Ramachandra Uchil as Director, Strategy & PMO, effective from 1st January 2020 which was then submitted for the final approval of the Board of Directors;
- Approved the payment of Withholding Tax on income for employees which was then submitted for the final approval of the Board of Directors;
- Approved the extension of the employment contract of Mr. Jamil Ahmed, Director Internal Audit for a period of 2 years effective from 30th April 2020 which was then submitted for the final approval of the Board of Directors;
- Approved the 2020 Corporate Scorecard which was then submitted to the Board of Directors for information;
- Approved the Scorecard evaluation of the Chief Commercial Officer for 2019 which was then submitted to the Board of Directors for information;
- Approved the appointment of Mr. Andrew Tor Oddvar Kvålseth as a Director and Chairman of the Board of Directors of Ooredoo Maldives, effective from 23rd April 2020, which was then submitted for the final approval of the Board of Directors;
- Approved the appointment of Mr. George Bowring Challenor as a Director of the Board of Directors of Ooredoo Maldives, effective from 23rd April 2020, which was then submitted for the final approval of the Board of Directors;
- Approved the appointment of Mr. Mark Henry Dowds as a Director of the Board of Directors of Ooredoo Maldives, effective from 23rd April 2020, which was then submitted for the final approval of the Board of Directors;
- Approved the resignation of Chief Commercial Officer, Mr. Balaji Srinivasan and the appointment of Mr. Hussain Niyaz as the Acting Chief Commercial Officer, which was then submitted for the final approval of the Board of Directors;
- Approved the appointment of Ms. Fazna Mansoor as the Human Resources Director, which was then submitted for the final approval of the Board of Directors;
- Approved the amended HR Policy Manual which was then submitted to the Board of Directors for information;
- Reviewed and approved the composition of the Board of Directors, which was then submitted for final approval of the Board of Directors;
- Reviewed and approved the composition of the Audit and Risk Committee, which was then submitted for final approval of the Board of Directors;
- Carried out the annual review of the NRC composition, constitution and terms of reference which was then submitted for final approval of the Board of Directors;
- Carried out the NRC's annual review of the Board Performance Evaluation Process which was then submitted for the information of the Board of Directors;
- Carried out the annual review of the remuneration of the Board of Directors.

Board Appointments

The Articles of Association of the Company states that the maximum number of Directors shall not exceed 8 (eight) and shall not be less than 5 (five). The current Board of Directors comprises 7 (seven) Directors appointed by the majority shareholder, Wataniya International FZ-LLC and 1 (one) Director elected by the general shareholders.

Appointments by the majority shareholder, Wataniya International FZ-LLC

The NRC made the recommendations on the appointments of the following 3 (three) Directors to the Board of Directors: -

- Due to the resignation of Mr. Damian Philip Chappell as the Chairman and Director on the Board of Directors on 8th April 2020, the Board appointed Mr. Andrew Tor Oddvar Kvålseth as a Director on the Board of Directors and as Chairman effective from 23rd April 2020.
- With the resignation of Dr. A Hamid Mohd A Marafi and Mr. Ian Grant Fenton as Directors on the Board of Directors on 8th April 2020, the Board appointed Mr. George Bowring Challenor and Mr. Mark Henry Dowds as Directors on the Board of Directors.

Elections by the general shareholders

Every appointment to the Board of Directors are reviewed and evaluated by the NRC. The Director to represent the general shareholders is elected by voting carried out amongst the general shareholders from shortlisted candidates proposed at the Annual General Meeting ("AGM").

Pursuant to the Articles of Association of the Company, Mr. Ahmed Zuhoor's (elected by the general shareholders, on 1st October 2017) term of office expired on 2nd March 2020, and therefore the general shareholders were requested to elect a new Director during the AGM held in 2020. The general shareholders elected Ms. Fareeha Shareef on 2nd March 2020 at the AGM, as a Director to represent them on the Board of Directors.

While driving the Company towards the right strategic direction, the Board of Directors endeavours to engage in discussions with shareholders to understand their views on the Company.

Remuneration

Remuneration for the Board of Directors

The Board of Directors are provided with:-

- a sitting fee of MVR 30,000 for each Board Meeting attended in person;
- a monthly fee of MVR 2,000.

A total of MVR 1,809,201 was paid to the Board of Directors as sitting fees and monthly fees for the year 2020.

Remuneration for NRC Members

NRC members are paid a sitting fee of MVR 2,000 for each NRC meeting attended in person.

A total of MVR 34,000 was paid to NRC members as sitting fees for the year 2020.

Remuneration for ARC Members

The ARC members do not receive any remuneration for carrying out the responsibilities of the ARC.

Remuneration for Key Top Management

Ooredoo Maldives ensures that qualified, experienced and a talented team is hired at the top management level to lead the Company. The remuneration of the executive team is determined based on their job roles, responsibilities, scope of work and market rates for comparable roles. In order to ensure that required expertise is attracted and retained, key executives are offered with attractive remuneration packages which comprise of fixed components and significant performance-related packages.

A total of MVR 29,021,190 (which includes basic salary, allowances and variable pay) was paid to the Managing Director/Chief Executive Officer and key top Management for the year 2020.

Stock options do not form part of the remuneration package for any of the Directors, Managing Director/Chief Executive Officer or any other employee.

Due to Company policy, confidentiality and the competitive environment that we operate within, the individual remuneration paid to the Managing Director/Chief Executive Officer and key top Management, and the level and mix of remuneration is not disclosed in the Annual Report.

Executive Directors Serving Elsewhere

Mr. Najib Khan is on the Board of Directors of WARF Telecom International Pvt Ltd ("WARF"), a subsidiary of Ooredoo Maldives, and serves as the Vice Chairman on the Board of Directors of Ooredoo Palestine. He does not receive any additional remuneration for these positions.

Gender Diversity

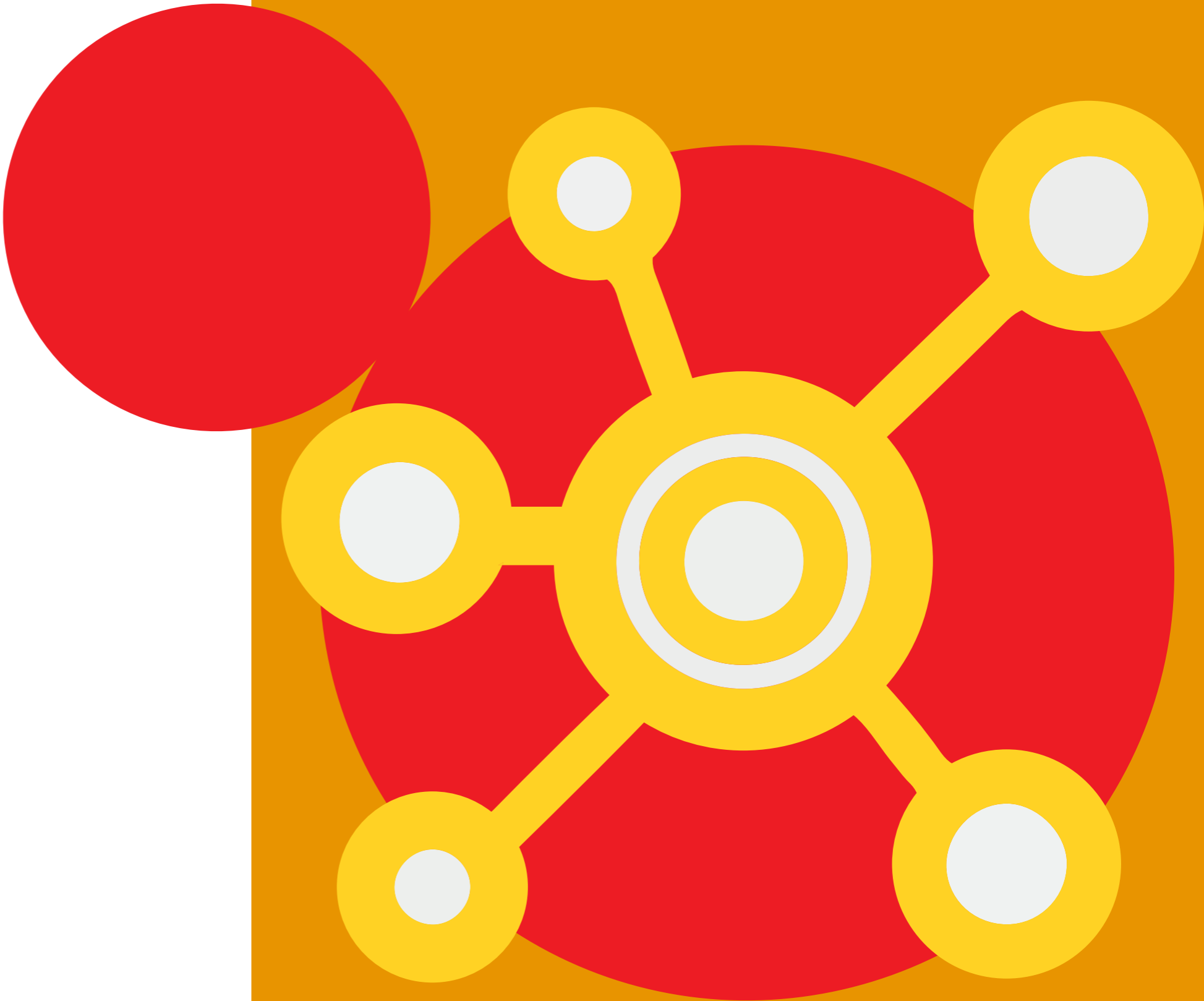
One of the priorities of the Company is promoting best practices to achieve greater gender diversity across the Company at all layers including Management and Board of Directors. Ooredoo Maldives complies with the requirements of laws and regulations of the Maldives as well as adheres to the CG Code and the Company has always prioritised compliance to the CG Code and the promotion of good governance.

Ooredoo Maldives was one of the first GSMA Operator members to endorse the Connected Women Commitment initiative focusing on the socio-economic benefits of greater inclusion of women at all points in the mobile industry from consumer to employee to leaders. As a partner to the Connected Women Programme which accelerates the growth of the female digital economy, we are committed to work in bringing significant socio-economic benefits to all women and to the mobile eco-system of the Maldives.

On behalf of the Nomination and Remuneration Committee

Khalid Hassan M A Al-Hamadi,
Chairman, Nomination and Remuneration Committee

Subsidiary Companies



WARF Telecom International Private Limited

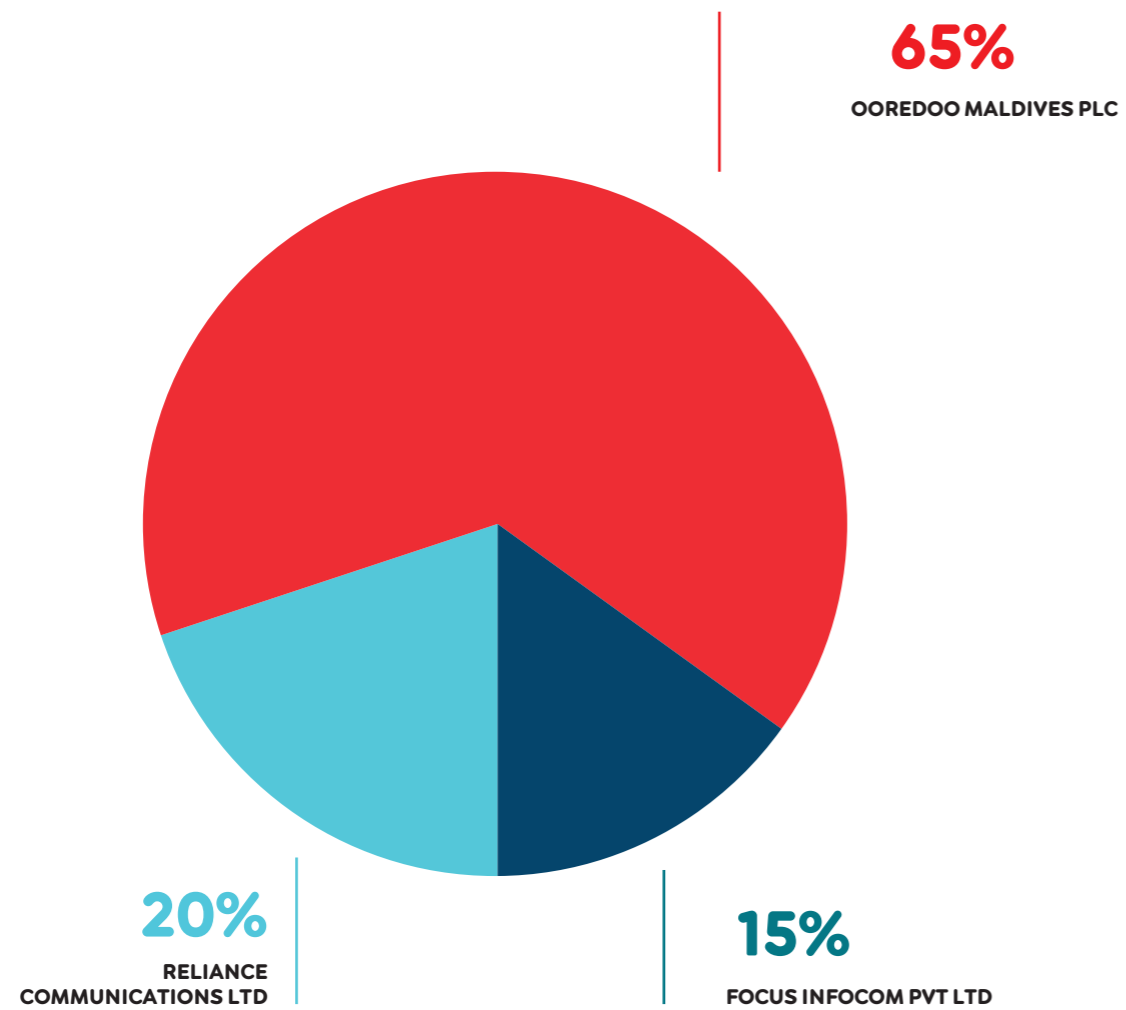
About WARF

WARF Telecom International Pvt Ltd ("WARF") is the only subsidiary of Ooredoo Maldives, WARF was incorporated in 2005 in the Republic of Maldives. The main objective of WARF is providing International Telecommunication bandwidth in and out of the Maldives. WARF obtained the necessary licenses to undertake its business activities in March 2006 for a 15-year period up to March 2021.

During the financial year ended 31st December 2020, WARF achieved a Revenue of MVR 34.1 million and Loss of MVR 0.1 million. WARF's financial year is from 1st January to 31st December.

As recommended by the Board of Directors of WARF, the Shareholders of WARF have approved a dividend declaration of MVR 0.531 per share totalling MVR 172.70 million for the year 2019

Shareholding of WARF



Independent Auditors' Report and Financial Statements



Independent auditor's report

To the Shareholders of Ooredoo Maldives PLC

Our opinion

In our opinion, the financial statements of Ooredoo Maldives PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group") give a true and fair view of the financial position of the Company and the Group as at 31 December 2020, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of the Company and the consolidated financial statements of the Group, which comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers, H. Thandiraimage, 3rd Floor, Roshanee Magu, Malé, Republic of Maldives

Tel: +960 3318342, 3336046, Fax: +960 3314601, www.pwc.com/lk

Partners D.T.S.H. Mudalige FCA, C.S. Manoharan FCA, T.U. Jayasinghe FCA

Resident Partner Jatindra Bhatray FCA

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Key audit matter

How our audit addressed the Key audit matter

The Company and the Group:

Revenue recognition- accuracy of revenue recorded given the complexity of the IT systems

(Refer to the significant accounting policies note 4.13 and note 6 in the consolidated financial statements)

Revenue from contracts with customers include mobile and fixed, broadband and enterprise revenue of MVR 1,699 Mn which is a significant component of revenue for the Company and the Group for the year ended 31 December 2020.

Mobile and fixed, broadband and enterprise revenue streams are recognized based on reports generated from different IT systems.

We focused on this area as determining revenue from contracts with customers involves risk due to:

- Multiple element arrangements inherent to the industry; and
- Revenue being processed by complex systems involving large volumes of data with a combination of different products and prices.

The Company:

Recoverability of investment in subsidiary

(Refer to the significant accounting policies note 4 (a) (i) and note 16 in the consolidated financial statements)

The carrying value of the Company's investment in subsidiary, WARF Telecom International Private Limited, amounting to MVR 188 Mn as at 31 December 2020 is significant to the Company's total assets.

The subsidiary had a loss for the year ended 31 December 2020 and accumulated losses as of that date. Management consider this as an impairment indicator and performs impairment assessment annually by comparing the carrying amount of the subsidiary with the recoverable amount which is the higher of the subsidiary's fair value less cost of disposal and value in use. The recoverable amount is dependent on the valuation methodology adopted and the inputs into the valuation model involves discounted future cash flows. An impairment loss is recognised for the amount by which the carrying amount of the investment in the subsidiary exceeds its recoverable amount.

We identified impairment of investment in subsidiary as a key audit matter as the value of investment in subsidiary in the Company's statement of financial position is significant and due to the inherently subjective nature of estimating the recoverable amount to determine impairment, by use of discounted cash flow forecasts requiring management judgment, particularly in estimates of future cash flows and discount rate.

Our audit procedures included both control testing and substantive procedures performed with the assistance of our IT specialists;

- Understanding and evaluating the relevant IT systems and the design of the controls and testing the operating effectiveness of the controls over the;
 - capturing and recording of revenue transactions;
 - authorization of the rate changes and the input of such rates to the billing systems;
 - system calculation of the amounts billed to the customers; and
 - revenue assurance function
- Performing reconciliations of amounts from data records to the billing systems and to the general ledger;
- Testing the accuracy of customer bill calculations and the respective revenue transactions recorded on a sample basis;
- Checking the accounting treatment for significant new products and promotions launched with multiple element arrangements and testing that they are appropriately incorporated into the billing systems; and
- Examining material manual journal entries and other adjustments processed to revenue.

Based on the worked performed we found that mobile and fixed, broadband and enterprise revenue had been recognised in line with the Group's revenue recognition policies.

Our audit procedures included both control testing and substantive procedures as follows:

- Obtaining an understanding of the process by which management evaluates the recoverability of investment in subsidiary and evaluating management's assessment of impairment indicator;
- Involving our valuation expert in the evaluation of the appropriateness of the management's valuation models and basis, reasonability of key assumptions and information used by the management;
- Testing the calculation of the impairment charge as at the end of the year.
- Performing sensitivity analysis for discount rates and other assumptions.
- Assessing the adequacy of the disclosures in the financial statements.

Based on the work performed, we found the estimation of impairment provision on investment in subsidiary by management had been based on reasonable assumptions and appropriate methodology.

Other information

Management is responsible for the other information. The other information comprises the Annual Report for the year ended 31 December 2020 but does not include the financial statements and our auditor's report thereon which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's/Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of Company and the consolidated financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethical requirements in accordance with IESBA Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jatindra Bhatray.

MALE'
6 February 2021

For PRICEWATERHOUSECOOPERS
Registration No: F0005

Jatindra Bhatray
Partner

CONTENTS

Consolidated and separate financial statements

- Consolidated and separate statements of comprehensive income
- Consolidated and separate statements of financial position
- Consolidated and separate statements of changes in equity
- Consolidated and separate statements of cash flows
- Notes to the consolidated and separate financial statements

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

| Note | Group | | Company | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" | |
| Revenue | 6 | 1,723,323 | 2,037,598 | 1,717,402 | 2,013,912 |
| Other income | 7 | - | 2,053 | 2,436 | 4,489 |
| Operating expenses | 8 | (917,045) | (1,002,722) | (928,204) | (1,008,873) |
| Impairment loss on the financial assets | | (28,658) | (14,273) | (30,919) | (16,153) |
| Depreciation and amortization | | (286,723) | (267,497) | (264,932) | (245,670) |
| Results from operating activities | | 490,897 | 755,159 | 495,783 | 747,705 |
| Finance income | 9 | 14,389 | 11,896 | 9,750 | 7,579 |
| Finance costs | 9 | (44,015) | (56,620) | (44,015) | (56,620) |
| Net finance costs | | (29,626) | (44,724) | (34,265) | (49,041) |
| Profit before tax | | 461,271 | 710,435 | 461,518 | 698,664 |
| Income tax expense | 10 | (54,009) | (111,519) | (54,116) | (110,056) |
| Profit (total comprehensive income) for the year | | 407,262 | 598,916 | 407,402 | 588,608 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the company | | 407,311 | 595,308 | 407,402 | 588,608 |
| Non-controlling interest | 24 | (49) | 3,608 | - | - |
| Total comprehensive income for the year | | 407,262 | 598,916 | 407,402 | 588,608 |
| Basic and diluted earnings per share | 11 | 2.76 | 4.03 | 2.76 | 3.98 |

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 107 to 148. The Report of the Independent Auditors is given on pages 96 to 99.


OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

| Notes | Group | | Company | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-----------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 12 | 1,222,453 | 1,041,535 | 1,213,724 | 1,031,554 |
| Intangible assets | 13 | 61,042 | 100,136 | 40,503 | 59,058 |
| Prepaid lease rent | 14 | - | - | - | - |
| Right of use assets | 15 | 189,689 | 168,122 | 189,689 | 168,122 |
| Investment in subsidiary | 16 | - | - | 188,488 | 188,488 |
| Financial assets at amortised cost | 20 | 48,467 | 56,214 | - | 10,000 |
| Deferred tax assets | 10.2 | 52,513 | 27,044 | 51,258 | 27,434 |
| Total non-current assets | | 1,574,164 | 1,393,051 | 1,683,662 | 1,484,656 |
| Current assets | | | | | |
| Inventories | 17 | 12,675 | 28,546 | 12,675 | 28,546 |
| Trade and other receivables | 18 | 356,420 | 494,271 | 355,747 | 496,926 |
| Amount due from a related party | 19 | 33,191 | 31,549 | - | - |
| Financial assets at amortised cost | 20 | 419,155 | 532,749 | 251,958 | 357,650 |
| Cash and cash equivalents | 21 | 991,278 | 618,272 | 964,260 | 593,608 |
| Total current assets | | 1,812,719 | 1,705,387 | 1,584,640 | 1,476,730 |
| Total assets | | 3,386,883 | 3,098,438 | 3,268,302 | 2,961,386 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 22 | 1,478,004 | 1,478,004 | 1,478,004 | 1,478,004 |
| Reserve on translation of share capital | 23 | 144,180 | 144,180 | 144,180 | 144,180 |
| Accumulated deficit | | (458,661) | (378,231) | (479,319) | (398,980) |
| Total equity attributable to equity holders of the parent | | 1,163,523 | 1,243,953 | 1,142,865 | 1,223,204 |
| Non-controlling interest | 24 | 112,585 | 112,634 | - | - |
| Total equity | | 1,276,108 | 1,356,587 | 1,142,865 | 1,223,204 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Loans and borrowings | 25 | 349,777 | 496,028 | 349,777 | 496,028 |
| Provisions | 26 | 13,351 | 17,690 | 13,351 | 17,690 |
| Deferred tax liabilities | 10.3 | 1,256 | 567 | 1,256 | 2,105 |
| Lease liabilities | 27 | 167,386 | 150,013 | 167,386 | 150,013 |
| Total non-current liabilities | | 531,770 | 664,298 | 531,770 | 665,836 |
| Current liabilities | | | | | |
| Loans and borrowings | 25 | 192,236 | 263,449 | 192,236 | 263,449 |
| Lease liabilities | 27 | 49,938 | 26,472 | 49,938 | 26,472 |
| Amounts due to related parties | 28 | 317,138 | 231,538 | 340,394 | 231,870 |
| Trade and other payables | 29 | 979,840 | 495,997 | 968,814 | 489,865 |
| Current tax liabilities | 30 | 39,853 | 60,097 | 42,285 | 60,690 |
| Total current liabilities | | 1,579,005 | 1,077,553 | 1,593,667 | 1,072,346 |
| Total liabilities | | 2,110,775 | 1,741,851 | 2,125,437 | 1,738,182 |
| Total equity and liabilities | | 3,386,883 | 3,098,438 | 3,268,302 | 2,961,386 |

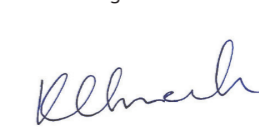
Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 107 to 148. The Report of the Independent Auditors is given on pages 96 to 99.

These Consolidated and Separate Financial Statements were approved by the Board of Directors and signed on its behalf by:


George Bowring Challenor
Chairman, Audit and Risk Committee


Najib Khan
Managing Director and Chief Executive Officer


Suresh Kalpathi Chidambaram
Executive Director and Chief Financial Officer

01 February 2021

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

| Group | Attributable to the owners of the company | | | | Non-controlling interest | Total equity |
|---|---|---|---------------------|------------------|--------------------------|------------------|
| | Share capital | Reserve on translation of share capital | Accumulated deficit | Total | | |
| | MVR "000" | MVR "000" | MVR "000" | MVR "000" | | |
| As at 1 January 2019 | 1,478,004 | 144,180 | (497,622) | 1,124,562 | 109,026 | 1,233,588 |
| Comprehensive income for the year | | | | | | |
| Profit for the year | - | - | 595,308 | 595,308 | 3,608 | 598,916 |
| Total comprehensive income for the year | - | - | 595,308 | 595,308 | 3,608 | 598,916 |
| Transactions with owners in their capacity as owners : | | | | | | |
| Dividend declared (note 22.4) | - | - | (475,917) | (475,917) | - | (475,917) |
| Total transactions with owners in their capacity as owners | - | - | (475,917) | (475,917) | - | (475,917) |
| As at 31 December 2019 | <u>1,478,004</u> | <u>144,180</u> | <u>(378,231)</u> | <u>1,243,953</u> | <u>112,634</u> | <u>1,356,587</u> |
| As at 1 January 2020 | 1,478,004 | 144,180 | (378,231) | 1,243,953 | 112,634 | 1,356,587 |
| Comprehensive income for the year | | | | | | |
| Profit for the year | - | - | 407,311 | 407,311 | (49) | 407,262 |
| Total comprehensive income for the year | - | - | 407,311 | 407,311 | (49) | 407,262 |
| Transactions with owners in their capacity as owners : | | | | | | |
| Dividend declared (note 22.4) | - | - | (487,741) | (487,741) | - | (487,741) |
| Total transactions with owners in their capacity as owners | - | - | (487,741) | (487,741) | - | (487,741) |
| As at 31 December 2020 | <u>1,478,004</u> | <u>144,180</u> | <u>(458,661)</u> | <u>1,163,523</u> | <u>112,585</u> | <u>1,276,108</u> |

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 107 to 148. The Report of the Independent Auditors is given on pages 96 to 99.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
SEPARATE STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

| Company | Share capital | Reserve on translation of share capital | Accumulated deficit | Total equity |
|---|----------------------|---|---------------------|------------------|
| | MVR "000" | MVR "000" | MVR "000" | MVR "000" |
| | As at 1 January 2019 | 1,478,004 | 144,180 | (511,671) |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 588,608 | 588,608 |
| Total comprehensive income for the year | - | - | 588,608 | 588,608 |
| Transactions with owners in their capacity as owners : | | | | |
| Dividend declared (Note 22.4) | - | - | (475,917) | (475,917) |
| Total transactions with owners in their capacity as owners | - | - | (475,917) | (475,917) |
| As at 31st December 2019 | <u>1,478,004</u> | <u>144,180</u> | <u>(398,980)</u> | <u>1,223,204</u> |
| As at 1st January 2020 | 1,478,004 | 144,180 | (398,980) | 1,223,204 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 407,402 | 407,402 |
| Total comprehensive income for the year | - | - | 407,402 | 407,402 |
| Transactions with owners in their capacity as owners : | | | | |
| Dividend declared (Note 22.4) | - | - | (487,741) | (487,741) |
| Total transactions with owners in their capacity as owners | - | - | (487,741) | (487,741) |
| As at 31 December 2020 | <u>1,478,004</u> | <u>144,180</u> | <u>(479,319)</u> | <u>1,142,865</u> |

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 107 to 148. The Report of the Independent Auditors is given on pages 96 to 99.

| Notes | Group | | Company | |
|---|--------------------|-------------------|--------------------|-------------------|
| | 2,020 MVR "000" | 2019 MVR "000" | 2,020 MVR "000" | 2019 MVR "000" |
| Cash flows from operating activities | | | | |
| Profit before tax | 461,271 | 710,435 | 461,518 | 698,664 |
| Adjustments for : | | | | |
| Depreciation on property, plant and equipment | 12 | 197,322 | 194,972 | 196,070 |
| Disposal loss of property, plant and equipment | | 73 | - | 73 |
| Amortization of intangible assets | 13 | 45,084 | 42,054 | 24,544 |
| Amortization of right of use assets | 15 | 44,318 | 30,471 | 44,318 |
| Write down / write back of inventories | 17.1 | 1,695 | (485) | 1,695 |
| Provision for the share based payment obligation | | - | 2,248 | - |
| Provision for expected credit losses on trade receivables | 18.1 | 29,111 | 16,303 | 29,677 |
| Reversal of provision for expected credit losses on investments | 20.1 | 702 | (81) | 751 |
| Provision / (reversal) for expected credit losses on bank balances | 21.1 | 487 | (175) | 491 |
| Reversal of amortization of lease prepayment | 14 | - | (619) | - |
| Reversal of provision for expected credit losses on amount due from a related party | 19.1 | (1,642) | (1,774) | - |
| Interest income | 9 | (14,389) | (11,896) | (9,750) |
| Interest expense | 9 | 44,015 | 56,620 | 44,015 |
| Operating profit before working capital changes | | 808,047 | 1,038,073 | 793,402 |
| Working capital changes | | | | |
| Change in inventories | | 14,176 | (3,267) | 14,176 |
| Change in trade and other receivables | | 108,739 | (87,828) | 111,502 |
| Change in amount due from a related party | | - | 8,810 | - |
| Change in amounts due to related parties | | 85,600 | (39,175) | 108,524 |
| Change in trade and other payables | | 39,846 | 10,355 | 34,952 |
| Cash from operating activities | | 1,056,408 | 926,968 | 1,062,556 |
| Interest paid | | (42,088) | (54,742) | (42,088) |
| Interest received | | 14,389 | 11,896 | 9,750 |
| Tax paid | | (99,033) | (104,597) | (97,194) |
| Net cash from operating activities | | 929,676 | 779,525 | 933,024 |
| Cash flows from investing activities | | | | |
| Purchase and construction of property, plant and equipment | 12 | (383,807) | (178,284) | (383,807) |
| Acquisition of intangible assets | 13 | (8,143) | (31,690) | (8,143) |
| Net movement in financial assets at amortised cost | 20 | 120,639 | (233,947) | 114,941 |
| Net cash used in investing activities | | (271,311) | (443,921) | (365,186) |
| Cash flows from financing activities | | | | |
| Dividend paid during the year | | (43,744) | (408,698) | (43,744) |
| Principal element of lease repayment | | (23,664) | (19,135) | (23,664) |
| Proceeds from loan and borrowings | 25 | 448,722 | 246,719 | 448,722 |
| Repayment of loan and borrowings | 25 | (666,186) | (318,507) | (666,186) |
| Repayment of share based payment | 26.2 | - | (7,997) | - |
| Net cash used in financing activities | | (284,872) | (507,618) | (284,872) |
| Net increase / (decrease) in cash and cash equivalents | | 373,493 | (172,014) | 371,143 |
| Cash and cash equivalents at beginning of the year | | 618,981 | 790,995 | 594,303 |
| Cash and cash equivalents at end of the year | 21 | 992,474 | 618,981 | 965,446 |

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 107 to 148. The Report of the Independent Auditors is given on pages 96 to 99.

1. REPORTING ENTITY

Ooredoo Maldives PLC (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company since 07 December 2004 under the name of "Wataniya Telecom Maldives Private Limited" with its registered office at 2nd Floor, Urban Unit Building, Hulhumale, Republic of Maldives. The Company's name was changed to Ooredoo Maldives Private Limited and Ooredoo Maldives PLC, respectively with effect from 22 December 2013 and 06 October 2016 and presently governed under the Companies Act No. 10 of 1996, with its registered office at P.O. Box 2196, 5th floor, H. Sunleet, Gadhage' Mohamedfulhu Building, Boduthakurufaanu Magu. Male', Republic of Maldives.

The main business activity of the Company is to engage in the provision of mobile telephone, mobile telecommunication services and provide internet services in Republic of Maldives under a license from Communication Authority of Maldives.

The consolidated financial statements of the Company for the year ended 31st December 2020 comprise the Company and its subsidiary WARF Telecom International Private Limited (together referred to as the "Group").

The Company is the immediate holding Company of WARF Telecom International Private Limited, which is engaged in facilitating the bulk sale of international telecommunications and to construct and operate all telecommunications apparatus and or facilities that are required to provide international telecommunications bandwidth in and out of the Republic of Maldives. As at the reporting date, the Company holds 65% shareholding of WARF Telecom International Private Limited. Its registered office at 2nd Floor, HDC Building, Hulhumale, Male', P.O.Box 2196, Republic of Maldives.

The Company's ultimate parent undertaking and controlling party is Ooredoo Q.S.C., a Company incorporated and domiciled in Qatar.

The Company with its only subsidiary WARF Telecom International private Limited, has reviewed its exposure to COVID-19 pandemic and effect on economic slowdown and other emerging business risks, and has found that it has a slowdown effect on the Group's revenue temporarily. However, it has sufficient working capital to sustain its operations. The Group also has comfortable liquidity buffers and does not foresee any breach in financial covenants set out in loan agreements.

2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

The Consolidated and Separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

B. BASIS OF MEASUREMENT

The Consolidated and Separate financial statements have been prepared on the historical cost basis.

C. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated and separate financial statements are presented in Maldivian Rufiyaa, which is the Group's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest thousand Maldivian Rufiyaa.

D. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are addressed in the respective notes as below.

• Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company and the Group use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's and Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

D. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

• **Estimation in relation to lease accounting**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company and the Group become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

• **Estimated useful lives of PPE and intangible assets**

The Company and the Group review annually the estimated useful lives of PPE and intangible assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE and intangible assets would increase the recorded depreciation and amortization charge and decrease the carrying value in accordance with the accounting policy stated in note 4.2 and 4.3.

• **Recognition of deferred income tax assets**

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred income tax asset has been recognised in accordance with the accounting policy stated in note 4.16.

• **Asset retirement obligations ('ARO')**

ARO applies when there is a legal or constructive obligation associated with the retirement of tangible long-lived assets, and the liability can be reliably estimated. The assumptions used in determining the ARO include the discount rate and expected future cost of escalation as disclosed in note 26 to the financial statements.

• **Fair values - unquoted equity investments and business combinations**

Valuation techniques for unquoted equity investments and identifiable assets, liabilities and contingent liabilities arising in a business combination make use of estimates such as future cash flows, discount factors, yield curves, current market prices adjusted for market, credit and model risks and related costs and other valuation techniques commonly used by market participants where appropriate.

• **Contingent liabilities**

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities or litigation is based on management's judgment.

• **Impairment of inventories**

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

3. CHANGES IN ACCOUNTING POLICIES

New and amended accounting standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2020. Most of the amendments listed below did not have any significant impact on amounts recognised in prior periods and are not significantly affect current or future period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

- i. Definition of Material – Amendments to IAS 1 and IAS 8
- ii. Definition of a Business – Amendments to IFRS 3
- iii. Revised Conceptual Framework for Financial Reporting
- iv. Interest Rate Benchmark Reform – Amendments to IFRS 7, IFRS 9 and IAS 39
- v. Covid-19-related Rent Concessions – Amendments to IFRS 16

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements and have been applied consistently by the Group.

A. BASIS OF CONSOLIDATION

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra- group transactions, are eliminated in preparing the consolidated financial statements.

iii. Non-controlling interest

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

B. TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies other than the functional currency are translated to the functional currency at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the profit or loss.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in foreign currencies are translated to the functional currency at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to the functional currency at the exchange rates ruling at the dates the values were determined.

4.1. FINANCIAL INSTRUMENTS

i. Recognition and initial measurements

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group/ Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4.2. FINANCIAL INSTRUMENTS

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4.2. FINANCIAL INSTRUMENTS (CONTINUED)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include

4.2. FINANCIAL INSTRUMENTS (CONTINUED)

reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

| | |
|------------------------------------|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI. |

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

iii. De-recognition

Financial assets

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.2. FINANCIAL INSTRUMENTS (CONTINUED)

v. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity

4.2 PROPERTY, PLANT AND EQUIPMENT

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii. Capital work in progress

Capital work in progress as at the year-end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

iv. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives for the current and comparative periods are as follows:

| | |
|----------------------------------|---------------|
| Leasehold improvement | 5 years |
| Network equipment | 8 to 25 years |
| Network infrastructure equipment | 14 years |
| Office and computer equipment | 3 to 5 years |
| Furniture and fixtures | 5 years |
| Tool and equipment | 3 to 14 years |
| Vessels and motor vehicles | 5 years |

Depreciation is provided from the month in which the property, plant and equipment is available for use. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.3. INTANGIBLE ASSETS

i. Recognition and measurement

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

iii. Capital work in progress

Capital work in progress as at the year-end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

iv. Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected patterns of consumption of the future economic benefits embodied in the assets.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

| | |
|----------------|--------------|
| License fee | 15 years |
| IT software | 3 to 8 years |
| Capacity right | 15 years |

4.4. LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered on or after 1st January 2019.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

4.4 LEASES (CONTINUED)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, small items of office furniture etc. underlying asset value of which is less than USD 5,000.

4.5. INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.6. TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company.

4.7. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company and the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.8. CASH AND CASH EQUIVALENT

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

4.9. IMPAIRMENT

4.9.1 Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties

4.9 IMPAIRMENT (CONTINUED)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

4.9.2 Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

i. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.10. BORROWING COST

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the construction of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

4.11. EMPLOYEE BENEFITS

A. SHORT TERM EMPLOYEE BENEFITS

Short-term employee benefit obligations of the Group are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

B. DEFINED CONTRIBUTION PLANS - EMPLOYEES' RETIREMENT PENSION SCHEME

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Employees are eligible for Employees' Retirement Pension Scheme Contributions in accordance with the respective statutes and regulations. The Company contributes 7% of gross emoluments of employees to the Employees' Retirement Pension Scheme.

4.11. EMPLOYEE BENEFITS (CONTINUED)

C. SHARE BASED PAYMENT ARRANGEMENT

The fair value of the amounts payable to employees in respect of shadow shares, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to the payment. The liability is re-measured at each reporting date and settlement date based on the fair value of the shadow shares. Any changes in the liability is recognized in profit or loss for the period.

4.12. PROVISIONS

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

A provision is made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property, plant and equipment and restoring the sites on which they are located.

4.13. REVENUE RECOGNITION

Revenue from contracts with customers

Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations they are aggregated with other goods and/or services in the agreement until a separate performance obligation is identified.

The Company and the Group determine the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. In determining the transaction price, the Company and the Group consider variable and non-cash consideration such as rebates or discounts and consideration payable to a customer such as refunds to the extent that it is highly probable that a significant reversal will not occur. The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Company and the Group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external input; observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach.

Revenue is derecognized when the respective obligations in the contract are delivered to the customer and payment remains probable. The revenue is recognized as follows:

i. Domestic and international telecommunications service revenue

Revenue from the provision of telecommunication services, such as call time, messaging, data services and information provision, fees for connecting uses of other fixed line and mobile networks to the Company's and the Group's network recognised when or as the entity performs the related service during the agreed service period. The customers are charged Government taxes at the applicable rates and the revenue is recognised net of such taxes.

ii. Fixed broadband services

Each subscription to a contract for fixed broadband service is considered as a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. The providing of set-top boxes, routers and connection fees for the exclusive use of the Group's services do not represent distinct services or goods, and they are to be combined with the subscription service as a single performance obligation satisfied over time. Revenue is recognised over the period the service is performed from the activation date of the subscription and as the service is provided.

4.13. REVENUE RECOGNITION (CONTINUED)

- iii. Revenue from other network operators and international settlement
Revenue from other network operators, local and international, for the use of the Company's and the Group's telecommunication network for completing call connections are recognised when the related services are performed, based on traffic minutes/per second rates stipulated in the relevant agreements and regulations.
- iv. Bundled packages
If a good or service is separately identifiable from other items in a bundled package and if a customer can benefit from it, the Company and the Group recognise revenue for individual services separately. The consideration is allocated between separate services in a bundle based on their standalone selling prices. The standalone selling prices are determined based on the list prices at which the Company and the Group sell network services separately. Post-paid contracts including handsets are evaluated, to determine if they contain a significant financing component. For the contracts where the timing difference between customer payment and transfer of goods or services is expected to be one year or less, the Company and the Group have elected to apply the practical expedient that allows not to adjust the transaction price for the significant financing components.
- v. Enterprise solutions
Revenue is recognized over time by measuring progress towards complete satisfaction of performance obligation at the reporting date, measured based on the proportion of contract cost incurred for work performed to date relative to the estimated total contracts costs, using input method.
- vi. Sale of equipment
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue from sales of telecommunications equipment is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the performance obligation related to the supply of the goods is completed, recovery of the consideration is probable.
- Return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.
- If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. The total consideration on arrangements with multiple revenue generating activities (generally the sale of telecommunications equipment and ongoing service) is allocated to those components that are separable based on the estimated fair value of the components.
- The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.
- vii. Income from capacity right
In relation to the services rendered such as income from capacity right, the revenue is recognized by reference to the time duration of service rendered.

4.14. OPERATING EXPENSES

Operating expenses are the expenses that are incurred in the natural course of business. These expenses generally consist of the selling and administration expenses. These expenses are revenue in nature since these are incurred in the day-to-day operations of the business and do not incur on the non-current assets.

The nature of the operating expenses is revenue. Therefore, these expenses are not capitalized. Unlike capital expenses that are incurred to support the operations of the business or in the extension of operations, these expenses are supporting in nature and are incurred to carry out the small operations.

4.15. FINANCE INCOME AND FINANCE COSTS

The Group's finance income and finance costs include:

- interest income;
- interest expense;

4.15. FINANCE INCOME AND FINANCE COSTS (CONTINUED)

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.16. TAX EXPENSE

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

4.17. EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

The materiality of the events occurring subsequent to the reporting date has been considered and appropriate adjustments and provisions have been made in the consolidated financial statements wherever necessary.

4.18. MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

4.18. MEASUREMENT OF FAIRVALUE (CONTINUED)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRS 17, 'Insurance contracts'
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020

For the year ended 31 December 2020

6 Revenue

Disaggregation of revenue from contracts with customers

The Company and the Group derive revenue from the transfer of goods and services over time and at a point in time through following business lines.

| Business lines | Group | | Company | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| Mobile revenue | 1,318,904 | 1,689,662 | 1,318,904 | 1,689,662 |
| Fixed, broadband and enterprise | 380,057 | 323,949 | 380,057 | 323,949 |
| Others | 24,362 | 23,987 | 18,441 | 301 |
| | <u>1,723,323</u> | <u>2,037,598</u> | <u>1,717,402</u> | <u>2,013,912</u> |

| Timing of revenue recognition | Group | | Company | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| At a point in time | 27,102 | 57,954 | 27,102 | 57,954 |
| Over time | 1,696,221 | 1,979,644 | 1,690,300 | 1,955,958 |
| | <u>1,723,323</u> | <u>2,037,598</u> | <u>1,717,402</u> | <u>2,013,912</u> |

7 Other income

| | Group | | Company | |
|----------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| Management fee | - | - | 2,436 | 2,436 |
| Exchange gain | - | 1,695 | - | 1,695 |
| Sundry income | - | 358 | - | 358 |
| | <u>-</u> | <u>2,053</u> | <u>2,436</u> | <u>4,489</u> |

8 Operating expenses

| | Group | | Company | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| Direct cost of services | 432,981 | 436,710 | 447,214 | 447,095 |
| Personnel costs (Note 8.1) | 189,013 | 188,458 | 188,920 | 188,458 |
| Management fees | 47,466 | 56,704 | 47,466 | 56,704 |
| Marketing expenses | 20,385 | 43,388 | 20,385 | 43,388 |
| Repair and maintenance costs | 25,815 | 27,358 | 25,815 | 27,358 |
| Operating lease rent | 1,254 | 1,512 | 698 | 957 |
| Royalty expense | 25,731 | 30,209 | 25,731 | 30,209 |
| Professional fees | 1,128 | 16,579 | 970 | 16,313 |
| Other operating costs | 173,272 | 201,804 | 171,005 | 198,391 |
| | <u>917,045</u> | <u>1,002,722</u> | <u>928,204</u> | <u>1,008,873</u> |

Other operating costs of the company and group include network maintenance expenses amounting to MVR 45.9Mn (2019 MVR 48.3Mn) and regulatory fees amounting to MVR 90.8Mn (2019 - MVR 119.4Mn).

8.1 Personnel costs

| | Group | | Company | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| Salaries and wages | 118,048 | 114,897 | 117,955 | 114,897 |
| Pension fund contribution | 4,469 | 4,295 | 4,469 | 4,295 |
| Cost of share based payment awards | - | 2,248 | - | 2,248 |
| Allowances | 30,271 | 26,997 | 30,271 | 26,997 |
| Bonus | 23,765 | 21,924 | 23,765 | 21,924 |
| Other staff costs | 12,460 | 18,097 | 12,460 | 18,097 |
| | <u>189,013</u> | <u>188,458</u> | <u>188,920</u> | <u>188,458</u> |

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| 9 Net finance costs | | | | |
| Finance income | | | | |
| Interest income | 14,389 | 11,896 | 9,750 | 7,579 |
| Finance costs | | | | |
| Interest expenses | (19,727) | (38,808) | (19,727) | (38,808) |
| Interest cost on lease liability | (21,454) | (15,934) | (21,454) | (15,934) |
| Exchange loss | (109) | - | (109) | - |
| Bank charges | (798) | - | (798) | - |
| Unwinding of discount of asset retirement obligation | (1,927) | (1,878) | (1,927) | (1,878) |
| | <u>(44,015)</u> | <u>(56,620)</u> | <u>(44,015)</u> | <u>(56,620)</u> |
| Net finance costs | <u>(29,626)</u> | <u>(44,724)</u> | <u>(34,265)</u> | <u>(49,041)</u> |
| 10 Income tax expense | | | | |
| | Group | | Company | |
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| Current tax expense (Note 10.1) | 78,789 | 113,799 | 78,789 | 113,109 |
| Recognition of deferred tax asset (Note 10.2) | (25,469) | (2,743) | (23,824) | (2,741) |
| Recognition/ (reversal) of deferred tax liability (Note 10.3) | 689 | 462 | (849) | (312) |
| | <u>54,009</u> | <u>111,519</u> | <u>54,116</u> | <u>110,056</u> |
| 10.1 Reconciliation between accounting profit and taxable profit: | | | | |
| | Group | | Company | |
| | 2020 MVR "000" | 2019 MVR "000" | 2020 MVR "000" | 2019 MVR "000" |
| Accounting profit before tax | 461,271 | 710,435 | 461,518 | 698,664 |
| Tax calculated at the rate of 15% | 69,191 | 106,565 | 69,228 | 104,800 |
| Add: tax on non-deductible expenses | 8,435 | 20,538 | 8,167 | 20,521 |
| Less: tax on deductible expenses | (23,617) | (15,584) | (23,279) | (15,265) |
| Income tax expense | <u>54,009</u> | <u>111,519</u> | <u>54,116</u> | <u>110,056</u> |

In accordance with the provisions of the Business Profit Tax Act No. 5 of 2011, relevant regulations and subsequent amendments thereto, the Company is liable for income tax on its taxable profits at the rate of 15%.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including tax regulations, guidelines and prior experience.

10 Tax expense (continued)

10.2 Deferred tax assets

As at 1 January
Recognized during the year
As at 31 December

The recognized deferred tax assets are attributable to the following:

As at 31 December 2020

Property, plant and equipment
Asset retirement obligation
Provision for doubtful debt
Bonus provision
Intangible asset
Unabsorbed losses

As at 31 December 2019

Property, plant and equipment
Asset retirement obligation
Leases

10.3 Deferred tax liabilities

As at 1 January
Recognized/ (reversed) during the year
As at 31 December

| | Group | | Company | |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | 27,044 | 24,301 | 27,434 | 24,693 |
| Recognized during the year | 25,469 | 2,743 | 23,824 | 2,741 |
| As at 31 December | <u>52,513</u> | <u>27,044</u> | <u>51,258</u> | <u>27,434</u> |

| | Group | | Company | |
|-------------------------------|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
| | 31/12/2020 | | 31/12/2020 | |
| | Temporary difference MVR "000" | Tax effect MVR "000" | Temporary difference MVR "000" | Tax effect MVR "000" |
| Property, plant and equipment | 169,765 | 25,466 | 172,397 | 25,860 |
| Asset retirement obligation | 13,352 | 2,003 | 13,352 | 2,003 |
| Provision for doubtful debt | 124,403 | 18,660 | 124,403 | 18,660 |
| Bonus provision | 31,564 | 4,735 | 31,564 | 4,735 |
| Intangible asset | 5,090 | 764 | - | - |
| Unabsorbed losses | 5,902 | 885 | - | - |
| | <u>350,076</u> | <u>52,513</u> | <u>341,716</u> | <u>51,258</u> |

| | Group | | Company | |
|-------------------------------|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
| | 31/12/2019 | | 31/12/2019 | |
| | Temporary difference MVR "000" | Tax effect MVR "000" | Temporary difference MVR "000" | Tax effect MVR "000" |
| Property, plant and equipment | 154,238 | 23,136 | 156,841 | 23,526 |
| Asset retirement obligation | 17,690 | 2,654 | 17,690 | 2,654 |
| Leases | 8,363 | 1,254 | 8,363 | 1,254 |
| | <u>180,291</u> | <u>27,044</u> | <u>182,894</u> | <u>27,434</u> |

| | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | 567 | 105 | 2,105 | 2,417 |
| Recognized/ (reversed) during the year | 689 | 462 | (849) | (312) |
| As at 31 December | <u>1,256</u> | <u>567</u> | <u>1,256</u> | <u>2,105</u> |

10 Tax expense (continued)

10.3 Deferred tax liabilities (continued)

The recognized deferred tax liabilities are attributable to the following;

| As at 31 December 2020 | Group | | Company | |
|------------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| | 31/12/2020 | 31/12/2020 | 31/12/2020 | 31/12/2020 |
| | Temporary difference MVR "000" | Tax effect MVR "000" | Temporary difference MVR "000" | Tax effect MVR "000" |
| Intangible assets | 8,373 | 1,256 | 8,373 | 1,256 |
| | <u>8,373</u> | <u>1,256</u> | <u>8,373</u> | <u>1,256</u> |

| As at 31 December 2019 | Group | | Company | |
|------------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| | 31/12/2019 | 31/12/2019 | 31/12/2019 | 31/12/2019 |
| | Temporary difference MVR "000" | Tax effect MVR "000" | Temporary difference MVR "000" | Tax effect MVR "000" |
| Intangible assets | 3,780 | 567 | 14,032 | 2,105 |
| | <u>3,780</u> | <u>567</u> | <u>14,032</u> | <u>2,105</u> |

11 Basic and diluted earning per share

The calculation of basic and diluted earnings per share is based on profit for the year attributable to the ordinary shareholders and weighted number of ordinary shares outstanding during the year and calculated as follows;

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| Profit for the year attributable to shareholders (MVR. "000") | 407,311 | 595,308 | 407,402 | 588,608 |
| Weighted average number of ordinary shares in issue ("000") | 147,800 | 147,800 | 147,800 | 147,800 |
| Basic and diluted earnings per shares (MVR) | <u>2.76</u> | <u>4.03</u> | <u>2.76</u> | <u>3.98</u> |

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2020

12 Property plant and equipment

| 12.1 Group | Leasehold improvements MVR "000" | Network equipment MVR "000" | Office and computer equipment MVR "000" | Furniture and fixtures MVR "000" | Tool and equipment MVR "000" | Vessels and motor vehicles MVR "000" | Capital work in progress MVR "000" | Total | |
|--|----------------------------------|-----------------------------|---|----------------------------------|------------------------------|--------------------------------------|------------------------------------|------------------|------------------|
| | | | | | | | | 31/12/2020 | 31/12/2019 |
| Cost | | | | | | | | | |
| As at 1 January | 67,307 | 2,296,714 | 66,886 | 19,807 | 208,951 | 15,580 | 279,780 | 2,955,025 | 2,720,662 |
| Additions during the year | - | - | - | - | - | - | 383,807 | 383,807 | 178,284 |
| Transferred from capital work in progress | 43 | 307,645 | 3,258 | 277 | 53,857 | 1,278 | (366,358) | - | - |
| Transferred from intangible assets | - | - | - | - | - | - | 2,154 | 2,154 | 25,617 |
| Transferred from prepaid lease rent | - | - | - | - | - | - | - | - | 33,435 |
| Changes to the asset retirement obligation | - | (7,648) | - | - | - | - | - | (7,648) | (2,973) |
| Written off during the year | - | - | - | - | - | - | - | - | - |
| Disposals during the year | - | (286) | (784) | - | - | - | - | (1,070) | - |
| As at 31 December | <u>67,350</u> | <u>2,596,425</u> | <u>69,360</u> | <u>20,084</u> | <u>262,808</u> | <u>16,858</u> | <u>299,383</u> | <u>3,332,268</u> | <u>2,955,025</u> |
| Accumulated depreciation | | | | | | | | | |
| As at 1 January | 31,546 | 1,611,668 | 63,631 | 16,337 | 176,517 | 13,791 | - | 1,913,490 | 1,718,518 |
| Charge for the year | 902 | 159,452 | 2,728 | 1,451 | 31,911 | 877 | - | 197,322 | 194,972 |
| Written off during the year | - | - | - | - | - | - | - | - | - |
| Disposals during the year | - | (213) | (784) | - | - | - | - | (997) | - |
| As at 31 December | <u>32,448</u> | <u>1,770,907</u> | <u>65,575</u> | <u>17,788</u> | <u>208,428</u> | <u>14,668</u> | <u>-</u> | <u>2,109,815</u> | <u>1,913,490</u> |
| As at 31 December 2020 | <u>34,902</u> | <u>825,518</u> | <u>3,785</u> | <u>2,296</u> | <u>54,380</u> | <u>2,190</u> | <u>299,383</u> | <u>1,222,453</u> | <u>1,041,535</u> |
| As at 31 December 2019 | <u>35,761</u> | <u>685,046</u> | <u>3,255</u> | <u>3,470</u> | <u>32,434</u> | <u>1,789</u> | <u>279,780</u> | <u>1,041,535</u> | <u>1,041,535</u> |

12.2 The capital work in progress mainly includes the amount incurred in respect of the subsea cable, data centre, 5G projects and buildings. The total cost amount to MVR 145,527,123/-, MVR 57,713,366/-, MVR 30,096,875/- and MVR 54,248,261 respectively, as at 31 December 2020.

12.3 The Group has not capitalized any borrowing costs related to the acquisition and construction of network equipment and network infrastructure equipment during the year ended 31 December 2020 (2019: MVR 771,419/- capitalized using a capitalization rate of 1 month LIBOR +3% rate).

12 Property plant and equipment

| 12.1 Company | Leasehold improvements | Network equipment | Office and computer equipment | Furniture and fixtures | Tool and equipment | Vessels and motor vehicles | Capital work in progress | Total | Total |
|--|------------------------|-------------------|-------------------------------|------------------------|--------------------|----------------------------|--------------------------|------------|------------|
| | MVR "000" | MVR "000" | MVR "000" | MVR "000" | MVR "000" | MVR "000" | MVR "000" | 31/12/2020 | 31/12/2019 |
| Cost | | | | | | | | | |
| As at 1 January | 67,307 | 2,279,208 | 66,886 | 19,807 | 203,462 | 15,580 | 279,780 | 2,932,030 | 2,697,667 |
| Additions during the year | - | - | - | - | - | - | 383,807 | 383,807 | 178,284 |
| Transferred from capital work in progress | 43 | 307,646 | 3,258 | 277 | 53,856 | 1,278 | (366,358) | - | - |
| Transferred from intangible assets | - | - | - | - | - | - | 2,154 | 2,154 | 25,617 |
| Transferred from prepaid lease rent | - | - | - | - | - | - | - | - | 33,435 |
| Changes to the asset retirement obligation | - | (7,648) | - | - | - | - | - | (7,648) | (2,973) |
| Written off during the year | - | - | - | - | - | - | - | - | - |
| Disposals during the year | - | (286) | (784) | - | - | - | - | (1,070) | - |
| As at 31 December | 67,350 | 2,578,920 | 69,360 | 20,084 | 257,318 | 16,858 | 299,383 | 3,309,273 | 2,932,030 |
| Accumulated depreciation | | | | | | | | | |
| As at 1 January | 31,546 | 1,604,045 | 63,631 | 16,337 | 171,126 | 13,791 | - | 1,900,476 | 1,706,792 |
| Charge for the year | 902 | 158,277 | 2,728 | 1,451 | 31,834 | 877 | - | 196,070 | 193,684 |
| Written off during the year | - | - | - | - | - | - | - | - | - |
| Disposals during the year | - | (213) | (784) | - | - | - | - | (997) | - |
| As at 31 December | 32,448 | 1,762,109 | 65,575 | 17,788 | 202,960 | 14,668 | - | 2,095,549 | 1,900,476 |
| As at 31 December 2020 | 34,902 | 816,811 | 3,785 | 2,296 | 54,358 | 2,190 | 299,383 | 1,213,724 | |
| As at 31 December 2019 | 35,761 | 675,163 | 3,255 | 3,470 | 32,336 | 1,789 | 279,780 | | 1,031,554 |

12.2 The capital work in progress mainly includes the amount incurred in respect of the subsea cable, data centre, 5G projects and buildings. The total cost amount to MVR 145,527,123/-, MVR 57,713,366/-, MVR 30,096,875/- and MVR 54,248,261 respectively, as at 31 December 2020.

12.3 The Company has not capitalized any borrowing costs related to the acquisition and construction of network equipment and network infrastructure equipment during the year ended 31 December 2020 (2019: MVR 771,419/- capitalized using a capitalization rate of 1 month LIBOR +3% rate).

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2020

| 13 Intangible assets | License fee | IT software | Capacity Right | Capital work in progress | Total | Total |
|--|-------------|-------------|----------------|--------------------------|-----------|-----------|
| 13.1 Group | MVR "000" | MVR "000" | MVR "000" | MVR "000" | MVR "000" | MVR "000" |
| Cost | | | | | | |
| As at 1 January | 15,420 | 285,788 | 385,500 | 8,826 | 695,534 | 689,461 |
| Additions during the year | - | - | - | 8,143 | 8,143 | 31,690 |
| Transferred from capital work in progress | - | 10,126 | - | (10,126) | - | - |
| Transferred to capital work in progress under property plant and equipment | - | - | - | (2,154) | (2,154) | (25,617) |
| As at 31 December | 15,420 | 295,914 | 385,500 | 4,689 | 701,523 | 695,534 |
| Accumulated amortization and impairment | | | | | | |
| As at 1 January | 15,331 | 235,645 | 344,422 | - | 595,398 | 553,344 |
| Amortization for the year | 89 | 24,456 | 20,539 | - | 45,084 | 42,054 |
| As at 31 December | 15,420 | 260,101 | 364,961 | - | 640,482 | 595,398 |
| Net carrying values | | | | | | |
| As at 31 December 2020 | - | 35,813 | 20,539 | 4,689 | 61,042 | |
| As at 31 December 2019 | 89 | 50,143 | 41,078 | 8,826 | | 100,136 |
| 13.2 The Group has entered into an agreement with the Government of the Republic of Maldives during the year ended 31 December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Group to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition. The telecom license have been renewed for another 15 years with effect from 01 February 2020 with no additional cost except the recurring regulations fees. | | | | | | |
| 13.3 The purchase and upgrade cost of IT software has been recognized as an intangible assets and amortized over a period of 3 to 8 years. | | | | | | |
| 13.4 The Group has entered into an agreement with Reliance Globalcom Limited (Flag Telecom Group Limited) during the year ended 31 December 2005 for use of capacity right of a fibre optic cable for a period of fifteen years. The amount paid by the Group to acquire the capacity right has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of ready for service on 01 January 2007. | | | | | | |
| 13.5 The capital work in progress mainly includes amounts incurred in respect of developing the procurement sourcing platform and Data Analysis tool (IDEA) platform. | | | | | | |

| 13 Intangible assets (Continued) | License fee | IT software | Capital work in progress | Total 31/12/2020 | Total 31/12/2019 |
|--|-------------|-------------|--------------------------|------------------|------------------|
| | MVR "000" | MVR "000" | MVR "000" | MVR "000" | MVR "000" |
| 13.1 Company | | | | | |
| Cost | | | | | |
| As at 1 January | 15,420 | 285,788 | 8,826 | 310,034 | 303,961 |
| Additions during the year | - | - | 8,143 | 8,143 | 31,690 |
| Transferred to capital work in progress under property plant and equipment | - | 10,126 | (10,126) | - | (25,617) |
| Transferred to property plant and equipment | - | - | (2,154) | (2,154) | - |
| As at 31 December | 15,420 | 295,914 | 4,690 | 316,023 | 310,034 |
| Accumulated amortization | | | | | |
| As at 1 January | 15,331 | 235,645 | - | 250,976 | 229,461 |
| Amortization for the year | 89 | 24,456 | - | 24,544 | 21,515 |
| As at 31 December | 15,420 | 260,101 | - | 275,520 | 250,976 |
| Net carrying values | | | | | |
| As at 31 December 2020 | - | 35,813 | 4,690 | 40,503 | |
| As at 31 December 2019 | 89 | 50,143 | 8,826 | | 59,058 |

13.2 The Company has entered into an agreement with the Government of the Republic of Maldives during the year ended 31st December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Company to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition. The telecom license have been renewed for another 15 years with effect from 01 February 2020 with no additional cost except the recurring regulations fees.

13.3 The purchase and upgrade cost of IT software has been recognized as an intangible assets and amortized over a period of 3 to 8 years.

13.4 The capital work in progress mainly includes amounts incurred in respect of developing the procurement sourcing platform and Data Analysis tool (IDEA) platform.

| 14 Prepaid lease rent | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | - | 33,435 | - | 33,435 |
| Transferred to property plant and equipment | - | (33,435) | - | (33,435) |
| As at 31 December | - | - | - | - |
| Accumulated amortization | | | | |
| As at 1 January | - | 619 | - | 619 |
| Transferred to statement of comprehensive income | - | (619) | - | (619) |
| As at 31 December | - | - | - | - |
| Net carrying values | - | - | - | - |

The Company has paid an amount of MVR 33,435,480/- to the Housing Development Corporation Limited as payment for the Land in Hulhumale' acquired for commercial use period for 99 years commencing as per the lease agreement dated 23 March 2017, entered into between the Company and Housing Development Corporation Limited.

| 15 Right of use assets | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| Cost | | | | |
| Opening balance | 199,257 | - | 199,257 | - |
| Adjustment due to initial application of IFRS 16 | - | 168,968 | - | 168,968 |
| Lease modification (Note 15.3) | 22,832 | - | 22,832 | - |
| Increase due to additions | 42,389 | 30,289 | 42,389 | 30,289 |
| Closing balance | 264,478 | 199,257 | 264,478 | 199,257 |
| Accumulated amortization | | | | |
| Opening balance | 30,471 | - | 30,471 | - |
| Charge for the period | 44,318 | 30,471 | 44,318 | 30,471 |
| Closing balance | 74,789 | 30,471 | 74,789 | 30,471 |
| Net carrying value | 189,689 | 168,122 | 189,689 | 168,122 |

Right of use assets will be amortized over the lease period.

The total cash outflow for leases in 2020 was MVR 45 Mn (2019 : MVR 35 Mn) for the Company and the Group.

15.1 Analysis of right of use asset

| | | | | |
|--------------------------------------|---------|---------|---------|---------|
| Mobile telecommunication tower sites | 156,533 | 136,181 | 156,533 | 136,181 |
| Buildings | 33,156 | 31,941 | 33,156 | 31,941 |
| | 189,689 | 168,122 | 189,689 | 168,122 |

15.2 Amounts recognized in profit or loss

31 December 2020- Leases under IFRS 16

| | Group MVR "000" | Company MVR "000" |
|--|--------------------|----------------------|
| Interest on lease liabilities | 21,454 | 21,454 |
| Expenses relating to short-term leases | 1,254 | 698 |
| Amortization of right of use assets | 44,318 | 44,318 |

15.3 Lease modification

Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services have been renewed for another 15 years with effect from 01 February 2020. Therefore management has extended estimated lease terms of all lease agreements up to 2035.

The Company does not face a significant liquidity risk with regard to its lease liabilities.

Maturity analysis of non-current lease liabilities is as follows:

| | 31/12/2020 | | 31/12/2019 | |
|--|------------|---------|------------|---------|
| | Group | Company | Group | Company |
| Later than 1 year and not later than 2 years | 49,592 | 49,592 | 39,458 | 39,458 |
| Later than 2 year and not later than 5 years | 124,405 | 124,405 | 94,977 | 94,977 |
| Later than 5 years | 156,213 | 156,213 | 96,983 | 96,983 |
| | 330,210 | 330,210 | 231,418 | 231,418 |

15 Right of use assets (continued)

15.2 31 December 2019- Leases under IFRS 16

| | 31/12/2019 | |
|--|--------------------|----------------------|
| | Group MVR "000" | Company MVR "000" |
| Interest on lease liabilities | 15,934 | 15,934 |
| Expenses relating to short-term leases | 1,512 | 957 |
| Amortisation of right of use assets | 30,471 | 30,471 |

16 Investment in subsidiary

| | Company | |
|--|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| WARF Telecom International Private Limited | 255,587 | 255,587 |
| Less: Impairment provision of investment (Note 16.1) | (67,099) | (67,099) |
| | 188,488 | 188,488 |

16.1 Provision for impairment of the investment in subsidiary

| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
|-------------------|-------------------------|-------------------------|
| As at 1 January | 67,099 | 67,099 |
| As at 31 December | 67,099 | 67,099 |

16.2 Shareholding of investment in subsidiary

| | No. of Shares | | Shareholding | |
|--|---------------|-------------|--------------|------------|
| | 31/12/2020 | 31/12/2019 | 31/12/2020 | 31/12/2019 |
| WARF Telecom International Private Limited (Incorporated in the Republic of Maldives) | 211,331,250 | 211,331,250 | 65% | 65% |

17 Inventories

| | Group | | Company | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| Hand sets and devices | 27,710 | 41,886 | 27,710 | 41,886 |
| Write down of inventories to net realisable value (Note 17.1) | (15,035) | (13,340) | (15,035) | (13,340) |
| | 12,675 | 28,546 | 12,675 | 28,546 |

17.1 Write down of inventories to net realisable value

| | 31/12/2020 | 31/12/2019 | 31/12/2020 | 31/12/2019 |
|--|------------|------------|------------|------------|
| As at 1 January | 13,340 | 13,825 | 13,340 | 13,825 |
| Write down / (write back) made during the year | 1,695 | (485) | 1,695 | (485) |
| As at 31 December | 15,035 | 13,340 | 15,035 | 13,340 |

18 Trade and other receivables

| | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| Trade and billing receivables | 310,681 | 340,070 | 310,681 | 340,070 |
| Advances and prepayments | 61,628 | 89,330 | 61,628 | 89,190 |
| Contract assets | 40,701 | 44,464 | 40,701 | 44,464 |
| Other receivables | 92,206 | 140,091 | 91,959 | 142,746 |
| | 505,216 | 613,955 | 504,969 | 616,470 |
| Less: Loss allowance for expected credit loss of trade and other receivables (Note 18.1) | (148,796) | (119,685) | (149,222) | (119,545) |
| | 356,420 | 494,271 | 355,747 | 496,926 |

18 Trade and other receivables (continued)

(i) Contract assets recognised in relation to mobile hand set and devices sold on installments revenue amounting to MVR 24,782,010 /- (2019 : MVR 35,249,416/-) and enterprise solution project sales amounting to MVR 15,919,297/- (2019 : MVR 9,215,423/-).

(ii) Other receivables of the company and group mainly includes roaming commitment amounting to MVR 83.5 Mn (2019- MVR 81.2 Mn) and recoverable from MIRA amounting to MVR 35 Mn (2019 - MVR 29.5 Mn).

(iii) The Maldives Inland Revenue Authority ("MIRA") in their notice of assessment dated 28 June 2018 has instructed the Company to pay an additional business profit tax of MVR 16,775,603/- and accrued interest thereon amounting to MVR 12,699,989/- based on the business profit tax audits carried out for the years of 2013, 2014 and 2015. The Company paid the additional tax and interest demand amounting to MVR 29,475,592 and filed an objection against the same on 9 September 2018 which was rejected by MIRA. Further, the Company filed an appeal against the decision of MIRA to the Tax Appeal Tribunal of Maldives on 21 March 2019. The additional tax amount of MVR 29,475,592 paid has been accounted under prepayment.

The Company has also paid fine and interest on withholding tax due for the period January 2017 to January 2019 amounting to MVR 5,089,261, under protest, which has been accounted under prepayment. The Company has filed an appeal in tax appeal tribunal and has obtained a decision in favour of it, which has been further appealed in the Highcourt by the Maldives Inland Revenue Authority. The additional tax amount of MVR 5,089,261 paid has been accounted under prepayment.

18.1 Loss allowance for expected credit loss of trade and other receivables

| | Group | | Company | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | 119,685 | 103,382 | 119,545 | 103,242 |
| Loss allowance made during the year | 29,111 | 16,303 | 29,677 | 16,303 |
| As at 31 December | 148,796 | 119,685 | 149,222 | 119,545 |

19 Amount due from a related party

| | Group | | Company | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| Focus Infocom Private Limited | 36,120 | 36,120 | - | - |
| Loss allowance for expected credit loss (Note 19.1) | (2,929) | (4,571) | - | - |
| | 33,191 | 31,549 | - | - |

19.1 Loss allowance for expected credit loss

| | Group | | Company | |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | 4,571 | 6,345 | - | - |
| Reversal for the year | (1,642) | (1,774) | - | - |
| As at 31 December | 2,929 | 4,571 | - | - |

20 Financial assets at amortised cost

| | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| Investments in fixed deposits more than one year | 48,467 | 56,214 | - | 10,000 |
| Investments in fixed deposits less than one year | 420,150 | 533,042 | 252,874 | 357,815 |
| | 468,617 | 589,256 | 252,874 | 367,815 |
| Loss allowance for expected credit losses of investments (Note 20.1) | (995) | (293) | (916) | (165) |
| | 467,622 | 588,963 | 251,958 | 367,650 |

20.1 Loss allowance for expected credit losses of financial assets at amortised cost

| | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | 293 | 374 | 165 | 194 |
| Charge / (reversal) of loss allowance during the year | 702 | (81) | 751 | (29) |
| As at 31 December | 995 | 293 | 916 | 165 |
| Investments in fixed deposits less than one year (net) | 419,155 | 532,749 | 251,958 | 357,650 |
| Investments (net) | 467,622 | 588,963 | 251,958 | 367,650 |

20 Financial assets at amortised cost (continued)

- (i) Investments in fixed deposits are classified under amortized cost. The interest rate of the deposits are ranging from 0.20% to 4.5% per annum and maturity periods are ranging from more than three months to two years. Deposits amounting MVR 23.5 Mn (2019: 23.3 Mn) are denominated in USD.
- (ii) Ooredoo Maldives PLC has pledged fixed deposits amounting to MVR 139.5 Mn as at 31 December 2020 (31 December 2019 : MVR 366.95 Mn) as collateral against loans. Refer to note 25 for further information on collateral pledged as security against borrowings.

21 Cash and cash equivalents

| | Group | | Company | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Cash in hand | 2,184 | 6,227 | 2,184 | 6,227 |
| Balances with banks | 990,290 | 612,754 | 963,262 | 588,076 |
| | 992,474 | 618,981 | 965,446 | 594,303 |
| Loss allowances for expected credit losses of bank balances (Note 21.1) | (1,196) | (709) | (1,186) | (695) |
| Cash and cash equivalents for the purpose of cash flow | 991,278 | 618,272 | 964,260 | 593,608 |

21.1 Loss allowances for expected credit losses of bank balances

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Opening balance | 709 | 884 | 695 | 816 |
| Loss allowance charged /(reversal) during the year | 487 | (175) | 491 | (121) |
| As at 31 December | 1,196 | 709 | 1,186 | 695 |

22 Share capital

22.1 Authorized

Authorized share capital comprises of 155,202,000 (2019: 155,202,000) ordinary shares. All shares are at par value of MVR. 10/- (2019 : MVR 10/-) each.

22.2 Issued share capital

Issued and paid up share capital comprises of 147,800,401 (2019: 147,800,401) ordinary shares. All shares are at par value of MVR 10/- (2019: MVR 10/-).

22.3 Fully paid share capital

| | Group | | Company | |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" | 31/12/2020 MVR "000" | 31/12/2019 MVR "000" |
| As at 1 January | 1,478,004 | 1,478,004 | 1,478,004 | 1,478,004 |
| As at 31 December | 1,478,004 | 1,478,004 | 1,478,004 | 1,478,004 |

22 Share capital (continued)

22.4 Dividends and voting rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company.

The Company has declared final dividend of MVR. 3.30 per share amounting to MVR. 487,741,323 for the financial year 2019 (2018 - MVR. 3.22 per share amounting to MVR. 475,917,291).

23 Reserve on translation of share capital

Consequent to the decision taken by the Board of Directors of the Group/ Company, the functional currency of the Group/ Company was changed from United States Dollar (US\$) to Maldivian Rufiyaa (MVR) with effect from 1st January 2014. The exchange difference arose from the translation of issued share capital as at 1st January 2014 was recognized in this reserve. This is an un-distributable reserve.

24 Non-controlling interest

| | Group | |
|---|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| As at 1st January | 112,634 | 109,026 |
| (Loss) / profit allocated to non-controlling interest | (49) | 3,608 |
| As at 31st December | 112,585 | 112,634 |

The following table summarizes the information relating to WARF Telecom International Private Limited which is the subsidiary of the Company that has material non-controlling interest (NCI), before any intra group eliminations,

| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
|--------------------------------|------------------------|------------------------|
| Non-controlling interest % | 35% | 35% |
| Non-current assets | 30,918 | 52,578 |
| Current assets | 301,622 | 275,766 |
| Non-current liabilities | 395 | (393) |
| Current liabilities | (11,264) | (6,139) |
| Net assets | 321,671 | 321,812 |
| Net assets attributable to NCI | 112,585 | 112,634 |

| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
|--|------------------------|------------------------|
| 24 Non-controlling interest (continued) | | |
| Non-controlling interest % | 35% | 35% |
| Revenue | 34,057 | 56,817 |
| (Loss) / profit after tax | (140) | 10,308 |
| Total comprehensive income | (140) | 10,308 |
| (Loss) / profit allocated to non-controlling interest | (49) | 3,608 |
| Net cash (used in) / generated from operating activities | (5,224) | 35,594 |
| Net cash generated from / (used in) investing activities | 7,575 | (68,130) |
| Net decrease in cash and cash equivalents | 2,351 | (32,536) |

| | Group | | Company | |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| 25 Loans and borrowings | | | | |
| As at 1 January | 759,477 | 657,609 | 759,477 | 657,609 |
| Borrowings during the year | 448,722 | 246,719 | 448,722 | 246,719 |
| Transferred from related party | - | 173,656 | - | 173,656 |
| Repayments during the year | (666,186) | (318,507) | (666,186) | (318,507) |
| As at 31 December | <u>542,013</u> | <u>759,477</u> | <u>542,013</u> | <u>759,477</u> |

25.1 Sources of finance

| | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Wataniya International Fz-LLC | - | 450,008 | - | 450,008 |
| Term loan i | - | 36,072 | - | 36,072 |
| Term loan ii (Note 25.4) | 118,220 | 241,580 | 118,220 | 241,580 |
| Term loan iii | - | 22,822 | - | 22,822 |
| Term loan iv | - | 8,995 | - | 8,995 |
| Term loan v (Note 25.5) | 423,793 | - | 423,793 | - |
| | <u>542,013</u> | <u>759,477</u> | <u>542,013</u> | <u>759,477</u> |

25.2 Non - current liabilities

Repayment of non-current liabilities schedule is as follows:

| | | | | |
|---|----------------|----------------|----------------|----------------|
| More than one year, less than two years | 125,416 | 164,721 | 125,416 | 164,721 |
| More than two years | 224,361 | 331,307 | 224,361 | 331,307 |
| | <u>349,777</u> | <u>496,028</u> | <u>349,777</u> | <u>496,028</u> |

25.3 Current liabilities

| | | | | |
|--|----------------|----------------|----------------|----------------|
| | <u>192,236</u> | <u>263,449</u> | <u>192,236</u> | <u>263,449</u> |
|--|----------------|----------------|----------------|----------------|

25 Loans and borrowings (continued)

25.4 Term loan ii

The Company entered into a loan agreement dated 27 April 2018, and obtained a term loan facility amounting to US\$ 10,000,000/- at an interest rate of 1 month LIBOR + 6.25% for the purpose of capital expenditure requirements. The loan is repayable within 30 equal monthly instalments of US\$ 333,333/- (1 US\$ = MVR 15.42) each. The facility is secured by a MVR deposit equivalent to 100% of outstanding loan amount at the year end.

The Company entered into a loan agreement dated 30 June 2019, and obtained a term loan facility amounting to US\$ 10,000,000/- at an interest rate of 1 month LIBOR + 5.50% for the purpose of capital expenditure requirements. The loan is repayable within 30 equal monthly instalments of US\$ 333,333/ (1 US\$ = MVR 15.42). The facility is secured by a USD deposit equivalent to 100% of outstanding loan amount at the year end.

25.5 Term loan v

The Company obtained the term loan facility by entering into a loan agreement dated 13 January 2020, amounting to US\$ 29,100,000/- at an interest rate of 3 months LIBOR + 4.125% per annum for the purpose of restructuring the loan facility. The loan is repayable within 54 equal monthly instalments of USD 538,888.88/- each (1 US\$ = MVR 15.42). The loan is unsecured.

| | Group | | Company | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| 26 Provisions | | | | |
| Network and asset retirement obligation (Note 26.1) | 13,351 | 17,690 | 13,351 | 17,690 |
| | <u>13,351</u> | <u>17,690</u> | <u>13,351</u> | <u>17,690</u> |

26.1 Network and assets retirement obligation

| | Group | | Company | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| As at 1 January | 17,690 | 18,785 | 17,690 | 18,785 |
| Increase due to additions | 1,382 | - | 1,382 | - |
| Unwinding of discount | 1,927 | 1,878 | 1,927 | 1,878 |
| Provision/(reversal) during the year | (7,648) | (2,973) | (7,648) | (2,973) |
| As at 31 December | <u>13,351</u> | <u>17,690</u> | <u>13,351</u> | <u>17,690</u> |

The provisions of network and asset retirement obligations represent the provisions made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property, plant and equipment and restoring the sites on which they are located. The following key assumptions have been used to calculate the network and asset retirement obligation.

| | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|
| Lease period | 14 Years | 15 Years | 14 Years | 15 Years |
| Discount rate | 10.50% | 10.00% | 10.50% | 10.00% |
| Expected future cost of escalation | <u>2.70%</u> | <u>3.00%</u> | <u>2.70%</u> | <u>3.00%</u> |

Sensitivity analysis

An increase/decrease of 1% of the below variables would have increased or (decreased) the profit or loss by following amounts. This analysis assumes that the other variables remain constant.

| | Effect to profit or loss | |
|------------------------------------|--------------------------|-----------------|
| | Increase MVR | Decrease MVR |
| Profit | (173,592) | 172,963 |
| Expected future cost of escalation | <u>11,297</u> | <u>(10,784)</u> |

26.2 Share based payment arrangements (Cash settled)

On 1 August 2017, the Company introduced a shadow share scheme as one time IPO incentive to all of its permanent staff members. The amount of cash payment is determined based on the average trading price of the Company's shares on the Maldives Stock Exchange for the 30 days preceding the vesting date of 31 July 2019. This was settled on 30 July 2019.

27 Lease liabilities

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Opening balance | 176,485 | - | 176,485 | - |
| Adjustment due to initial application of IFRS 16 | - | 165,995 | - | 165,995 |
| Additions during the year | 41,671 | 29,625 | 41,671 | 29,625 |
| Lease modification (Note 15.3) | 22,832 | - | 22,832 | - |
| Interest expense for the year | 21,454 | 15,934 | 21,454 | 15,934 |
| Repayment during the year | (45,118) | (35,069) | (45,118) | (35,069) |
| Closing balance | 217,324 | 176,485 | 217,324 | 176,485 |
| Non - current liabilities | 167,386 | 150,013 | 167,386 | 150,013 |
| Current liabilities | 49,938 | 26,472 | 49,938 | 26,472 |

The total cash outflow for leases in 2020 was MVR 45 Mn (2019 : MVR 35 Mn) for the Company and the Group.

27.1 Analysis of lease liabilities

| | Group | | Company | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Mobile telecommunication tower sites | 169,571 | 143,670 | 169,571 | 143,670 |
| Buildings | 47,753 | 32,815 | 47,753 | 32,815 |
| | 217,324 | 176,485 | 217,324 | 176,485 |

Leases as lessee (IFRS 16)

The Group takes on lease land and buildings and network assets. The leases typically run for a period of 1 to 35 years, with an option to renew the lease after the non-cancellable period.

Extension options

Some property lease contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options and if the Group is reasonably certain not to terminate.

28 Amounts due to related parties

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Ooredoo Kuwait | 148,220 | 148,219 | 148,220 | 148,219 |
| Wataniya International Fz-LLC | 105,174 | 57,709 | 105,174 | 57,709 |
| Ooredoo Group LLC | 26,722 | 11,747 | 26,722 | 11,747 |
| Ooredoo IP LLC | 37,022 | 13,863 | 37,022 | 13,863 |
| WARF Telecom International Private Limited | - | - | 23,256 | 332 |
| | 317,138 | 231,538 | 340,394 | 231,870 |

29 Trade and other payables

| | Group | | Company | |
|-------------------------|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Trade payables | 160,272 | 77,446 | 152,734 | 72,692 |
| Deferred revenue | 42,197 | 87,313 | 42,197 | 87,313 |
| Accruals and provisions | 241,852 | 233,720 | 239,182 | 232,768 |
| Dividend payable | 448,991 | 5,051 | 448,991 | 5,051 |
| Other payables | 86,528 | 92,467 | 85,710 | 92,040 |
| | 979,840 | 495,997 | 968,814 | 489,865 |

Other payables of the company and group mainly includes deposits received from customers amounting to MVR 24.3 Mn (2019- MVR 22.1Mn), bonus payable MVR 25.8 Mn (2019- MVR 26.4Mn), WHT payable MVR 5.6 Mn (2019- MVR 6.6 Mn) and GST payable MVR 2.4 Mn (2019 - MVR 6.5 Mn).

30 Current tax payable

| | Group | | Company | |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| As at 1 January | 60,097 | 50,894 | 60,690 | 50,186 |
| Tax expense for the year | 78,789 | 113,800 | 78,789 | 113,109 |
| Payments made during the year | (99,033) | (104,597) | (97,194) | (102,605) |
| As at 31 December | 39,853 | 60,097 | 42,285 | 60,690 |

31 Financial instruments and risk management

Financial risk management

Overview

The Group/ Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's/ Company's exposure to each of the above risks, the Group's/ Company's objectives, policies and processes for measuring and managing risk, and the Group's/ Company's management of capital. Further, quantitative disclosures are included throughout these group's/ Company's financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's/ the Company's risk management framework.

(i) Credit risk

Credit risk is the risk of financial loss to the Group/ the Company if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Trade and other receivables | 294,792 | 404,940 | 294,119 | 407,735 |
| Amount due from related parties | 33,191 | 31,549 | - | - |
| Balances with banks | 989,094 | 612,045 | 962,076 | 587,381 |
| Investments in fixed deposits - financial assets at amortised cost | 467,622 | 588,963 | 251,958 | 367,650 |
| | 1,784,699 | 1,637,497 | 1,508,153 | 1,362,766 |

Measurement of expected credit loss (ECL)

Trade and other receivables

The Group's/ Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's/ Company's standard payment and delivery terms and conditions are offered. The Group/ Company establishes a provision for impairment that represents its estimate of expected credit losses in respect of trade and other receivables. The provision for impairment represents the specific loss component that relates to individually significant exposures.

31 Financial instruments and risk management (continued)

(i) Credit risk (continued)

| Group | 31/12/2020 | | | 31/12/2019 | | |
|---|-------------------|----------------|------------------------|-------------------|----------------|------------------------|
| | Gross MVR"000" | Loss rate % | Impairment MVR"000" | Gross MVR"000" | Loss rate % | Impairment MVR"000" |
| The aging of trade and other receivables at the reporting date was: | | | | | | |
| Not past due | 168,487 | 2.90% | 4,889 | 295,976 | 0.88% | 2,601 |
| Past due 0-30 days | 34,507 | 2.71% | 936 | 48,269 | 2.97% | 1,435 |
| Past due 31-120 days | 27,773 | 9.19% | 2,552 | 100,590 | 47.38% | 47,657 |
| Past due 121-180 days | 36,159 | 36.24% | 13,104 | 20,814 | 65.33% | 13,598 |
| Past due more than 181 days | 176,662 | 72.07% | 127,315 | 58,976 | 92.23% | 54,394 |
| | <u>443,588</u> | | <u>148,796</u> | <u>524,625</u> | | <u>119,685</u> |

| Company | 31/12/2020 | | | 31/12/2019 | | |
|---|-------------------|----------------|------------------------|-------------------|----------------|------------------------|
| | Gross MVR"000" | Loss rate % | Impairment MVR"000" | Gross MVR"000" | Loss rate % | Impairment MVR"000" |
| The aging of trade and other receivables at the reporting date was: | | | | | | |
| Not past due | 168,487 | 2.90% | 4,889 | 295,758 | 0.83% | 2,461 |
| Past due 0-30 days | 34,507 | 2.71% | 936 | 48,876 | 2.94% | 1,435 |
| Past due 31-120 days | 27,773 | 9.19% | 2,552 | 102,031 | 46.71% | 47,657 |
| Past due 121-180 days | 36,159 | 36.24% | 13,104 | 21,075 | 64.52% | 13,598 |
| Past due more than 181 days | 176,415 | 72.41% | 127,742 | 59,540 | 91.36% | 54,394 |
| | <u>443,341</u> | | <u>149,222</u> | <u>527,280</u> | | <u>119,545</u> |

Forward looking information incorporated in ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. Ooredoo Maldives PLC has performed historical analysis and identified the key economic variables; Gross domestic product (GDP) of Maldives impacting credit risk and expected credit losses for the trade receivables.

Forecasts of the economic variables (the "base economic scenario") are obtained by Ooredoo Maldives PLC from the report available in the IMF website "World Economic Outlook Database, October 2020". Government of Maldives has established economic support programmes for impacted businesses and industries to mitigate the impact of COVID 19.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

| Trade receivables | Group | | Company | |
|-------------------|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Not past due | 168,487 | 295,976 | 168,487 | 295,758 |

Economic variable assumptions

Forecasted GDP growth rates

The forecasted GDP growth rates considered to determine the weightages along with weightages for each case are as follows:

| 2021 | |
|------------|------------|
| Cases | Weightages |
| Best case | 25% |
| Base case | 50% |
| Worst case | 25% |

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Corporation considers these forecasts to represent its best estimate of the possible outcomes.

Other forward-looking considerations not otherwise incorporated, such as the impact of any regulatory or legislative, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on an annual basis.

31 Financial instruments and risk management (continued)

(i) Credit risk (continued)

Set out below are the changes to the ECL as at 31 December 2020 that would result from reasonably possible changes in the parameter from the actual assumption used in Corporation's economic variable assumption.

| Loss allowance as at 31 December 2020 | GDP | | |
|---------------------------------------|----------------|------------------|----------------|
| | -1% MVR | No change MVR | +1% MVR |
| | <u>149,934</u> | <u>148,294</u> | <u>146,648</u> |

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a member to engage in a repayment plan with the Corporation, and failure to make contractual payments.

Amount due from related parties

The Company assesses the credit quality of its receivables from related parties, taking into account their financial position, past experience and other factors. The Company is dealing with related parties and has not experienced historical credit losses during the past years. Therefore, expected credit loss allowance for receivables from related parties were determined by considering the time value of money. The Company management calculated the expected credit losses on these assets by discounting the future cash flows using the Company's weighted average cost of capital.

Investments in fixed deposits and balances with banks

The deposits and bank balances have been measured at amortised cost using effective interest methodology. The total amount has been subject to impairment based on the credit ratings obtained from Moodys or Fitch.

There are some deposits pledged against loans where the Company's exposure will be the net amount after setting off the loan against the deposit. Therefore, the amount subjected to impairment will be the net amount between the company's deposit and the loan.

The Group/ Company believes that the unimpaired amounts outstanding are still collectible, based on historic payment behaviour. Based on historic default rates, the group believes that, apart from the above, no provision for impairment is necessary.

The movement in provision for impairment in respect of trade and other receivables is given in (Note 18.1), balances with banks (Note 21.1), amounts due from related parties (Note 19.1) and investments in fixed deposits (Note 20.1) to consolidated and separate financial statements.

(ii) Liquidity risk

Liquidity risk is the risk that the Group/ the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's/ the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's/ the Company's reputation.

The followings are the contractual maturities of financial liabilities as at the year end.

| 31 December 2020 | Carrying amount MVR"000" | 0-12 | 1-2 | 2-5 | >5 |
|--|--------------------------------|--------------------|-------------------|-------------------|-------------------|
| | | Months MVR"000" | Years MVR"000" | Years MVR"000" | Years MVR"000" |
| Group | | | | | |
| Financial liabilities (non- derivative) | | | | | |
| Trade and other payables | 937,643 | 937,643 | - | - | - |
| Loans and borrowings* | 612,053 | 206,802 | 149,524 | 255,727 | - |
| Amounts due to related parties | 317,138 | 317,138 | - | - | - |
| Lease liabilities | 380,004 | 49,794 | 49,592 | 124,405 | 156,213 |
| | <u>2,246,838</u> | <u>1,511,378</u> | <u>199,116</u> | <u>380,132</u> | <u>156,213</u> |

31 Financial instruments and risk management (continued)

(ii) Liquidity risk (continued)

| 31 December 2019 | Carrying Amount MVR"000" | 0-12 Months MVR"000" | 1-2 Years MVR"000" | 2-5 Years MVR"000" | >5 Years MVR"000" |
|--|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|
| Group | | | | | |
| Financial liabilities (non- derivative) | | | | | |
| Trade and other payables | 408,684 | 408,684 | - | - | - |
| Loans and borrowings* | 955,721 | 305,193 | 333,927 | 287,907 | 28,695 |
| Amounts due to related parties | 231,538 | 231,538 | - | - | - |
| Lease liabilities | 271,741 | 40,323 | 39,458 | 94,977 | 96,983 |
| | <u>1,867,684</u> | <u>985,738</u> | <u>373,385</u> | <u>382,884</u> | <u>125,678</u> |

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

| 31 December 2020 | Carrying amount MVR"000" | 0-12 Months MVR"000" | 1-2 Years MVR"000" | 2-5 Years MVR"000" | >5 Years MVR"000" |
|---|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|
| Company | | | | | |
| Financial liabilities (non - derivative) | | | | | |
| Trade and other payables | 926,617 | 926,617 | - | - | - |
| Loans and borrowings* | 612,053 | 206,802 | 149,524 | 255,727 | - |
| Amounts due to related parties | 340,394 | 340,394 | - | - | - |
| Lease liabilities | 380,004 | 49,794 | 49,592 | 124,405 | 156,213 |
| | <u>2,259,067</u> | <u>1,523,607</u> | <u>199,116</u> | <u>380,132</u> | <u>156,213</u> |

| 31 December 2019 | Carrying amount MVR"000" | 0-12 Months MVR"000" | 1-2 Years MVR"000" | 2-5 Years MVR"000" | >5 Years MVR"000" |
|---|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|
| Company | | | | | |
| Financial liabilities (non - derivative) | | | | | |
| Trade and other payables | 402,551 | 402,551 | - | - | - |
| Loans and borrowings* | 955,721 | 305,193 | 333,927 | 287,907 | 28,695 |
| Amounts due to related parties | 231,870 | 231,870 | - | - | - |
| Lease liabilities | 271,741 | 40,323 | 39,458 | 94,977 | 96,983 |
| | <u>1,861,883</u> | <u>979,937</u> | <u>373,385</u> | <u>382,884</u> | <u>125,678</u> |

* Excluding interest payables

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's/ the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

31 Financial instruments and risk management (continued)

(iii) Market risk (Continued)

(a) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's/ the Company's interest-bearing financial instruments was:

| | Group | | Company | |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Carrying amount | | Carrying amount | |
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Variable rate instruments | | | | |
| Wataniya International Fz-LLC | - | 450,008 | - | 450,008 |
| Term loan i | - | 36,072 | - | 36,072 |
| Term loan ii (Note 25.4) | 118,220 | 241,580 | 118,220 | 241,580 |
| Term loan iii | - | 22,822 | - | 22,822 |
| Term loan iv | - | 8,995 | - | 8,995 |
| Term loan v (Note 25.5) | 423,793 | - | 423,793 | - |
| | <u>542,013</u> | <u>759,477</u> | <u>542,013</u> | <u>759,477</u> |

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) the profit of the Group and Company by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| 100 Basis points increase in interest rate | <u>7,595</u> | <u>6,576</u> | <u>7,595</u> | <u>6,576</u> |
| 100 Basis points decrease in interest rate | <u>(7,595)</u> | <u>(6,576)</u> | <u>(7,595)</u> | <u>(6,576)</u> |

(b) Exposure to currency risk

The Group's exposure to foreign currency risk is as follows based on the year end outstanding balance :

| Group | 31/12/2020 | | 31/12/2019 | |
|--|---------------|---------------|---------------|---------------|
| | US\$ "000" | Euro "000" | US\$ "000" | Euro "000" |
| Cash and cash equivalents | 38,404 | 4,421 | 27,631 | 158 |
| Trade and other receivables | 8,230 | - | 3,333 | - |
| Trade and other payables | (5,132) | (2,255) | (1,995) | - |
| Gross statement of financial position exposure | <u>41,502</u> | <u>2,166</u> | <u>28,969</u> | <u>158</u> |

The following significant exchange rates were applied during the year:

| | Average Rate | | Reporting Date Spot Rate | |
|---------------|--------------|--------------|--------------------------|--------------|
| | 31/12/2020 | 31/12/2019 | 31/12/2020 | 31/12/2019 |
| 1 MVR. : US\$ | 0.065 | 0.065 | 0.065 | 0.065 |
| 1 MVR. : Euro | 0.055 | <u>0.056</u> | 0.053 | <u>0.057</u> |

31 Financial instruments and risk management (continued)

(iii) Market risk (continued)

(b) Exposure to currency risk (continued)

In respect of the monetary assets and liabilities denominated in US Dollar, the Company has a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within ± 20% of the mid-point of exchange rate.

(iv) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

| Group | Carrying amount | | | Fair value | | |
|---|------------------------------------|---|------------------|------------|----------|----------|
| | Financial assets at amortized cost | Financial liabilities at amortized cost | Total | Level 1 | Level 2 | Level 3 |
| As at 31st December 2020 | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" |
| Financial assets not measured at fair value | | | | | | |
| Trade and other receivables | 254,091 | - | 254,091 | - | - | - |
| Amounts due from related parties | 33,191 | - | 33,191 | - | - | - |
| Investments in fixed deposits at amortised cost | 467,622 | - | 467,622 | - | - | - |
| Cash and cash equivalents | 991,278 | - | 991,278 | - | - | - |
| | <u>1,746,181</u> | <u>-</u> | <u>1,746,181</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial liabilities not measured at fair value | | | | | | |
| Loans and borrowings | - | 612,053 | 612,053 | - | - | - |
| Amounts due to related parties | - | 317,138 | 317,138 | - | - | - |
| Trade and other payables | - | 937,643 | 937,643 | - | - | - |
| Lease liabilities | - | 380,004 | 380,004 | - | - | - |
| | <u>-</u> | <u>2,246,838</u> | <u>2,246,838</u> | <u>-</u> | <u>-</u> | <u>-</u> |

31 Financial instruments and risk management (continued)

(iv) Accounting classifications and fair values (continued)

| Group | Carrying amount | | | Fair value | | |
|---|------------------------------------|---|------------------|------------|----------|----------|
| | Financial assets at amortized cost | Financial liabilities at amortized cost | Total | Level 1 | Level 2 | Level 3 |
| As at 31 December 2019 | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" |
| Financial assets not measured at fair value | | | | | | |
| Trade and other receivable | 360,476 | - | 360,476 | - | - | - |
| Amounts due from related parties | 31,549 | - | 31,549 | - | - | - |
| Investments in fixed deposits at amortised cost | 588,963 | - | 588,963 | - | - | - |
| Cash and cash equivalents | 618,272 | - | 618,272 | - | - | - |
| | <u>1,599,260</u> | <u>-</u> | <u>1,599,260</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial liabilities not measured at fair value | | | | | | |
| Loans and borrowings | - | 955,721 | 955,721 | - | - | - |
| Amounts due to related parties | - | 231,538 | 231,538 | - | - | - |
| Trade and other payables | - | 408,684 | 408,684 | - | - | - |
| Lease liabilities | - | 271,741 | 271,741 | - | - | - |
| | <u>-</u> | <u>1,867,684</u> | <u>1,867,684</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The Group has not disclosed the fair values for financial instruments when their carrying amounts are a reasonable approximation of fair value.

31 Financial instruments and risk management (continued)

(iv) Accounting classifications and fair values (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

| Company | Carrying amount | | | Fair value | | |
|---|------------------------------------|---|-----------|------------|----------|----------|
| | Financial assets at amortized cost | Financial liabilities at amortized cost | Total | Level 1 | Level 2 | Level 3 |
| As at 31st December 2020 | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" |
| Financial assets not measured at fair value | | | | | | |
| Trade and other receivables | 253,418 | - | 253,418 | - | - | - |
| Investments in fixed deposits at amortised cost | 251,958 | - | 251,958 | - | - | - |
| Cash and cash equivalents | 964,260 | - | 964,260 | - | - | - |
| | 1,469,636 | - | 1,469,636 | - | - | - |
| Financial liabilities not measured at fair value | | | | | | |
| Loans and borrowings | - | 612,053 | 612,053 | - | - | - |
| Amounts due to related parties | - | 340,394 | 340,394 | - | - | - |
| Trade and other payables | - | 926,617 | 926,617 | - | - | - |
| Lease liabilities | - | 380,004 | 380,004 | - | - | - |
| | - | 2,259,068 | 2,259,068 | - | - | - |

31 Financial instruments and risk management (continued)

(iv) Accounting classifications and fair values (continued)

| Company | Carrying amount | | | Fair value | | |
|---|------------------------------------|---|-----------|------------|----------|----------|
| | Financial assets at amortized cost | Financial liabilities at amortized cost | Total | Level 1 | Level 2 | Level 3 |
| As at 31 December 2019 | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" | MVR"000" |
| Financial assets not measured at fair value | | | | | | |
| Trade and other receivable | 363,271 | - | 363,271 | - | - | - |
| Investments in fixed deposits at amortised cost | 367,650 | - | 367,650 | - | - | - |
| Cash and cash equivalents | 593,608 | - | 593,608 | - | - | - |
| | 1,324,529 | - | 1,324,529 | - | - | - |
| Financial liabilities not measured at fair value | | | | | | |
| Loans and borrowings | - | 955,721 | 955,721 | - | - | - |
| Amounts due to related parties | - | 231,870 | 231,870 | - | - | - |
| Trade and other payables | - | 402,551 | 402,551 | - | - | - |
| Lease liabilities | - | 271,741 | 271,741 | - | - | - |
| | - | 1,861,883 | 1,861,883 | - | - | - |

The Group has not disclosed the fair values for financial instruments when their carrying amounts are a reasonable approximation of fair value.

(v) Capital management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position.

31 Financial instruments and risk management (continued)

(v) Capital management (continued)

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Net debt | | | | |
| Borrowings | 542,013 | 759,477 | 542,013 | 759,477 |
| Lease liabilities | 217,324 | 176,485 | 217,324 | 176,485 |
| Cash and cash equivalents | (991,278) | (618,272) | (964,260) | (593,608) |
| Financial assets at amortised cost (investments in fixed deposits) | (467,622) | (588,963) | (251,958) | (367,650) |
| Net debt | (699,563) | (271,273) | (456,881) | (25,296) |
| Total equity | 1,276,108 | 1,356,587 | 1,142,865 | 1,223,204 |
| Gearing | 0% | 0% | 0% | 0% |

During 2020, the group's strategy, which was unchanged from 2019, was to maintain sufficient cash and bank balances to cover borrowing balances.

32 Events after the reporting date

No circumstances have arisen since reporting date which require adjustments to/or disclosure in the consolidated and separate financial statements.

33 Contingent liabilities

33.1 The Maldives Inland Revenue Authority ("MIRA") in their notice of assessment dated 28 June 2018 has instructed the Company to pay an additional business profit tax of MVR 16,775,603/- and accrued interest thereon amounting to MVR 12,699,989/- based on the business profit tax audits carried out for the years of 2013, 2014 and 2015. The Company paid the additional tax and interest demand amounting to MVR 29,475,592 and filed an objection against the same on 9 September 2018 which was rejected by MIRA. Further, the Company filed an appeal against the decision of MIRA to the Tax Appeal Tribunal of Maldives on 21 March 2019. As per assessment by the management if MIRA take the same position for the years of 2016, 2017, 2018 and 2019 the Company will have to pay an additional business profit tax amounting to MVR 18,145,737. The additional tax amount of MVR 29,475,592 paid has been accounted under prepayment (Note 18).

The Company has also paid fine and interest on withholding tax due for the period January 2017 to January 2019 amounting to MVR 5,089,261, under protest, which has been accounted under prepayment. The Company has filed an appeal in tax appeal tribunal and has obtained a decision in favour of it, which has been further appealed in the High Court by the Maldives Inland Revenue Authority.

33.2 A related entity of the Group has filled a case in the Civil Court of Maldives against the Company alleging a breach of contract and claiming damages. The first instance the Civil Court has issued a judgment in favour of the related entity, that the Company pays the sum of MVR 67 Million as damages within 4 months from the date of the judgment i.e. 25 December 2018. The Company has appealed against the judgement given by the Civil Court in the High Court of Maldives on 9 January 2019 and the second hearing of the case was held on 16 July 2019, where the Company has submitted part of its appeal pursuant to the constitutional right of appeal in Article 56 of the constitution.

33 Contingent liabilities (continued)

33.2 The Board of Directors of the Company is confident that the High Court's judgments in respect of the appeal will be favourable to the Company on the grounds that there are numerous issues relating to jurisdiction of the Civil Court to hear the case, incorrect application of the law (Law of Contracts, Arbitration Act), applicable precedents of higher courts not being followed, incorrect interpretation of the agreement, reliance on incorrect facts as well as procedural issues. Further, the Civil Court's judgment is subject to appeal at the High Court and finally at the Supreme Court, with the latter having determined in 2011/SC-SJ/04 that stay of enforcement of the judgment being appealed is an expected principle of civil procedure for exercise of the constitutional right of appeal to the fullest extent, the Group expects that a stay order will be issued in due course on the judgment of the Civil Court and thus no provision has been made in the financial statements with respect to the Civil Court's judgment.

33.3 Bank guarantees and letter of credits as at 31 December 2020 are MVR 13,455,461 (as at 31 December 2019 : MVR 20,838,962).

33.4 There are no other contingent liabilities outstanding as at the reporting date, which require disclosure in the consolidated and separate financial statement other than above.

34 Comparative figures

Comparative figures have been reclassified wherever appropriate to confirm with the current year presentation.

35 Commitments

35.1 Capital commitments

The Group/ the Company have entered into contract to purchase / construct property, plant and equipment and intangible assets of MVR. 67,572,997/- as at 31 December 2020 (31 December 2019: MVR. 104,334,725/-).

36 Related party transactions

(a) Wataniya International FZ-LLC holding owns 90.5% of the total number of shares in issue of the Company. The remaining 9.5% of the shares are widely held. The ultimate parent of the Company is Ooredoo IP LLC, a Company incorporated and domiciled in Qatar.

All related party transactions were entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS 24: "Related Party Disclosure".

The Group provides telecommunication services as part of its ordinary operations. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

36 Related party transactions (continued)

(b) Details of transactions carried out with related parties in the ordinary course of business are set out below:

| Name of the related party | Relationship | Nature of the transaction | Amount | | Balance outstanding due from/ (to) | |
|--|--------------------------|--|------------------------|------------------------|------------------------------------|------------------------|
| | | | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" | 31/12/2020 MVR"000" | 31/12/2019 MVR"000" |
| Ooredoo Group LLC | Affiliate company | Expenses incurred on behalf of Ooredoo Maldives PLC | (17,288) | (18,800) | (26,722) | (11,747) |
| | | Expenses incurred on behalf of Ooredoo Group LLC | 2,313 | 23,825 | | |
| | | Roaming charges | (12,542) | 719 | (11,172) | 1,370 |
| Ooredoo IP LLC | Ultimate parent | Brand license fee | (25,731) | (30,204) | (37,022) | (13,863) |
| | | Withholding tax paid | 2,572 | 3,017 | | |
| | | Repayment of brand license fee | - | 19,674 | | |
| Ooredoo Kuwait | Intermediate parent | No transactions | - | - | (148,219) | (148,219) |
| Wataniya International Fz-LLC | Immediate parent company | Management fee | (47,465) | (56,696) | (105,174) | (57,709) |
| | | Withholding tax paid | - | 5,663 | | |
| | | Interest accrual | - | - | | |
| | | IPO Proceeds | - | - | | |
| | | Conversion to loan and borrowings | - | 173,656 | | |
| | | Loan repayment | - | 92,696 | | |
| Focus Infocom Private Limited | Affiliate company | Lease line charges | - | - | 36,120 | 36,120 |
| | | Repayments of lease line charges | - | (8,810) | | |
| WARF Telecom International Private Limited | Subsidiary | Management fee | 2,583 | 2,583 | (23,256) | (332) |
| | | Expenses on behalf of WARF | 6,872 | 9,459 | | |
| | | Expenses on behalf of OMPLC | - | (35,119) | | |
| | | Repayments of expenses incurred by WARF on behalf of OMPLC | (32,379) | 22,746 | | |

37 Transactions with key management personnel

The Board of Directors of the Company are the members of the key management personnel. The Company has paid MVR 1,852,000/- as emoluments to the key management personnel during the year ended 31 December 2020 (for the year ended 31 December 2019: MVR 1,724,000/-).

38 Operating segments

The Group's operations are solely providing telecommunication services in the Maldives. The operations of the Group looked at as a single operating segment.

The Chief Operating Decision Maker (CODM) of the Group is the Chief Executive Officer (CEO) and the Managing Director of the Group/ the Company. The CEO and Managing Director considers the performance of the Group/ the Company as a whole considering the total operations of the Group/ the Company as one segment in assessing the performance of the Group/ the Company and making decisions about the resource allocation within the Organization.

39 Director's responsibility

The Board of Director's of the Company is responsible for the preparation and presentation of these consolidated and separate financial statements.

ACKNOWLEDGEMENTS

The Board of Directors and the Management extends warm congratulations and appreciation to all our shareholders for their continuous support and for their confidence in us during 2020, helping us achieve many milestones despite the challenges faced due to the global Covid-19 pandemic.

The Board also extends their gratitude to our partners, customers, the Management and the incredible team at Ooredoo Maldives working diligently to take the Company to greater heights and connecting our customers to new and innovative solutions and enriching the lives of our communities.

Ooredoo Maldives highlights and extends appreciation for the continued support and assistance by the Ministry of Communication, Science and Technology, the Ministry of Economic Development, the Communications Authority of the Maldives, the Maldives Monetary Authority, the Capital Market Development Authority, the Maldives Stock Exchange, the Maldives Securities Depository and all Government institutions for their kind support to Ooredoo Maldives in 2020 and throughout its time in the Maldives.



Corporate Information



Name of the Company

Ooredoo Maldives Public Limited Company

Company Registration Number

C-0633/2004

Legal Form of the Company

Ooredoo Maldives is a public limited company. It was initially incorporated in the Republic of Maldives as Wataniya Telecom Maldives Private Limited on 7th December 2004, and re-branded as Ooredoo Maldives Private Limited on 22nd December 2013, followed by its conversion to a public limited company on 6th October 2016.

| NAME OF THE SHAREHOLDER | Number of Shares | % of Shareholding |
|--|---------------------------|-------------------|
| Wataniya International FZ-LLC | 133,755,130 Shares | 90.5% |
| Maldives Pension Administration Office | 8,333,330 Shares | 5.64% |
| Other Shareholders | 5,711,941 Shares | 3.86% |
| Total Shareholding of the Company | 147,800,401 Shares | 100% |

Company Secretary

Ms. Dheena Hussain
M. Maalimeege, Fiyaathoshi Magu
Male', Republic of Maldives

External Legal Counsel

SHC Lawyers LLP
6th Floor, Aage
12 Boduthakurufaanu Magu, Henveiru
Malé 20094
Maldives Islands
Tel.: +960 333 3644
Fax: +960 331 5453
Responsible Lawyers:
Uza. Dheena Hussain,
Uza. Aishath Haifa, Uz. Moosa Alim, &
Uza. Fathimath Yania

Internal Legal Counsel

Uza. Yudhra Abdul Latheef
Head of Legal
Ooredoo Maldives Plc

Auditors

PricewaterhouseCoopers
3rd Floor, H. Thandiraimage, Roshanee Magu
Male', Republic of Maldives
Tel: +960 331 8342
Fax: +960 331 4601

Bankers

Bank of Maldives Plc

BML Head Office
11, Boduthakurufaanu Magu
Malé
Republic of Maldives
Tel: (+960) 332 2948
Fax: (+960) 332 8233
Email: info@bml.com.mv
www.bankofmaldives.com.mv

State Bank of India

H. Sunleet, Gadhage Mohamed Fulhu
Building
Boduthakurufaanu Magu
Malé
Republic of Maldives
Tel: (+960) 331 2111
Fax: (+960) 332 3053
Email: sbimale@statebank.com
www.sbimaldives.com

Hongkong and Shanghai Banking Corporation Limited

MTCC Tower
4, Boduthakurufaanu Magu
Malé
Republic of Maldives
Tel: (+960) 333 0770
Fax: (+960) 331 2072
Email: hsbcmaldives@hsbc.com.lk
www.hsbc.com.hk

Maldives Islamic Bank Public Limited

H. Medhuziyaaraidhoshuge
Medhuziyaarai Magu
Malé
Republic of Maldives
Tel: (+960) 332 5555
Fax: (+960) 300 7885
Email: info@mib.com.mv
www.mib.com.mv

The Mauritius Commercial Bank (Maldives) Private Limited

H. Sifa Building
Boduthakurufaanu Magu
Malé
Republic of Maldives
Tel: (+960) 330 5656
Fax: (+960) 330 5757
Email: contact@mcbmaldives.com
www.mcbmaldives.com

Commercial Bank of Maldives Private Limited

H. Filigadshoshuge
Ameeru Ahmed Magu
Male'
Republic of Maldives
Tel: (+960) 333 2668
Fax: (+960) 330 2668
Email: info@cbmmv.com
www.cbmmv.com

Habib Bank Limited

H. Thuniya, Ground and 1st Floor
Boduthakurufaanu Magu
Malé
Republic of Maldives
Tel: (+960) 332 2052
Fax: (+960) 332 6791
Email: habibmle@dhinet.net.mv
www.hbl.com

Bank of Ceylon

12, Aage
Boduthakurufaanu Magu
Malé
Republic of Maldives
Tel: (+960) 332 3045
Fax: (+960) 332 0575
Email: bcmale@dhivehinet.net.mv
www.boc.lk

Contact Information

Head Office
Ooredoo Maldives PLC
PO Box 2196
5th Floor, H. Sunleet,
Gadhage Mohamed Fulhu Building
Boduthakurufaanu Magu
Male', Republic of Maldives

T: +960 961 1000
F: +960 961 1001
E: 929@ooredoo.mv
W: www.ooredoo.mv

Shareholder Contact Information

T: +960 961 1657
E: investor.relations@ooredoo.mv

