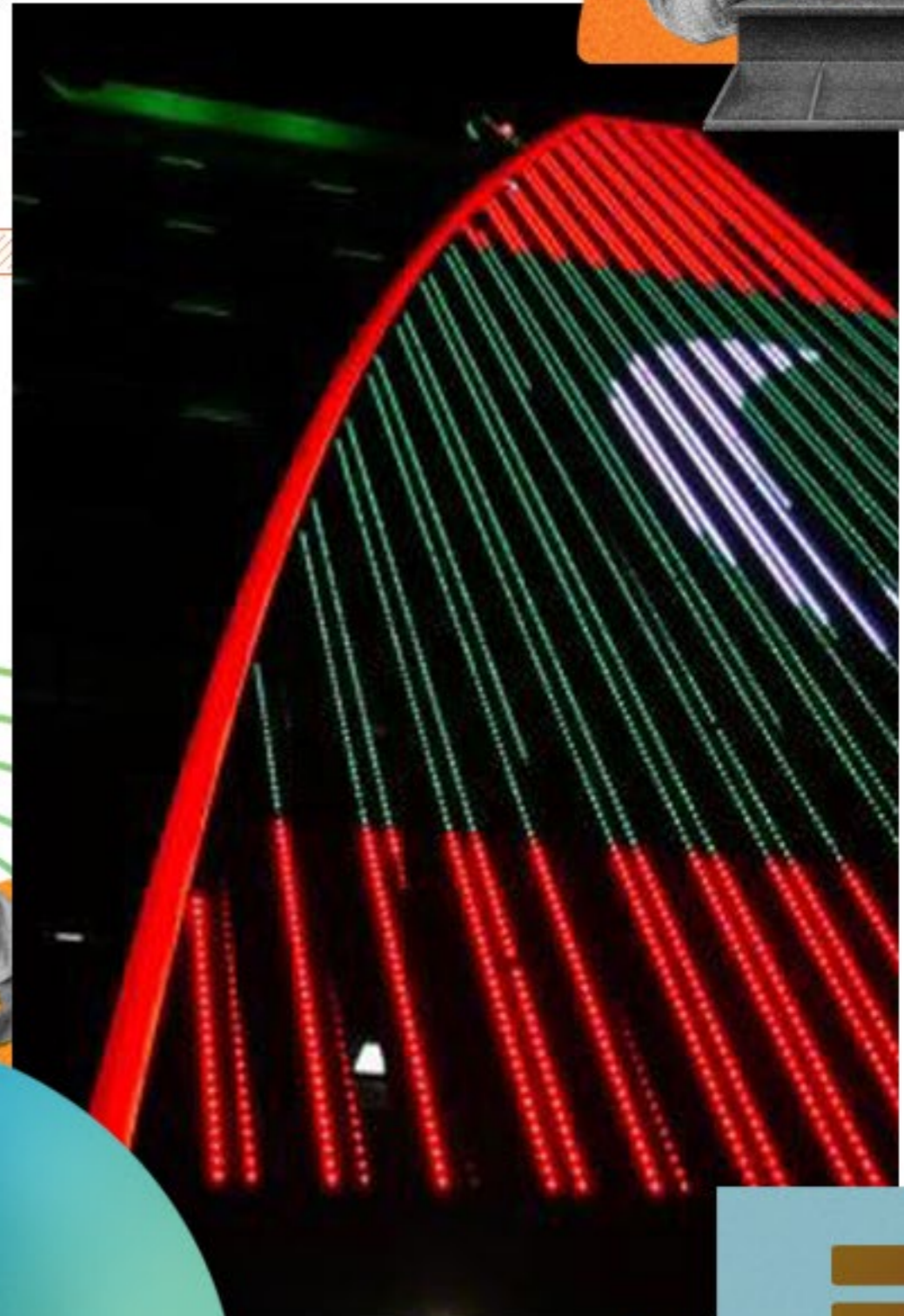




# Third Quarter Report

July – September 2020

Dhivehi Raajjeyge Gulhun PLC  
[www.dhiraagu.com.mv](http://www.dhiraagu.com.mv)





Dhiraagu is the leading digital and telecommunications service provider in the Maldives. Our business is to provide future-proof digital and telecommunications connectivity that enables our customers to get ahead in the digital future. We are the pioneers that ushered the Maldives into the digital age, and we continue to lead the field by placing premium value on customer experience and consistent innovation.

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

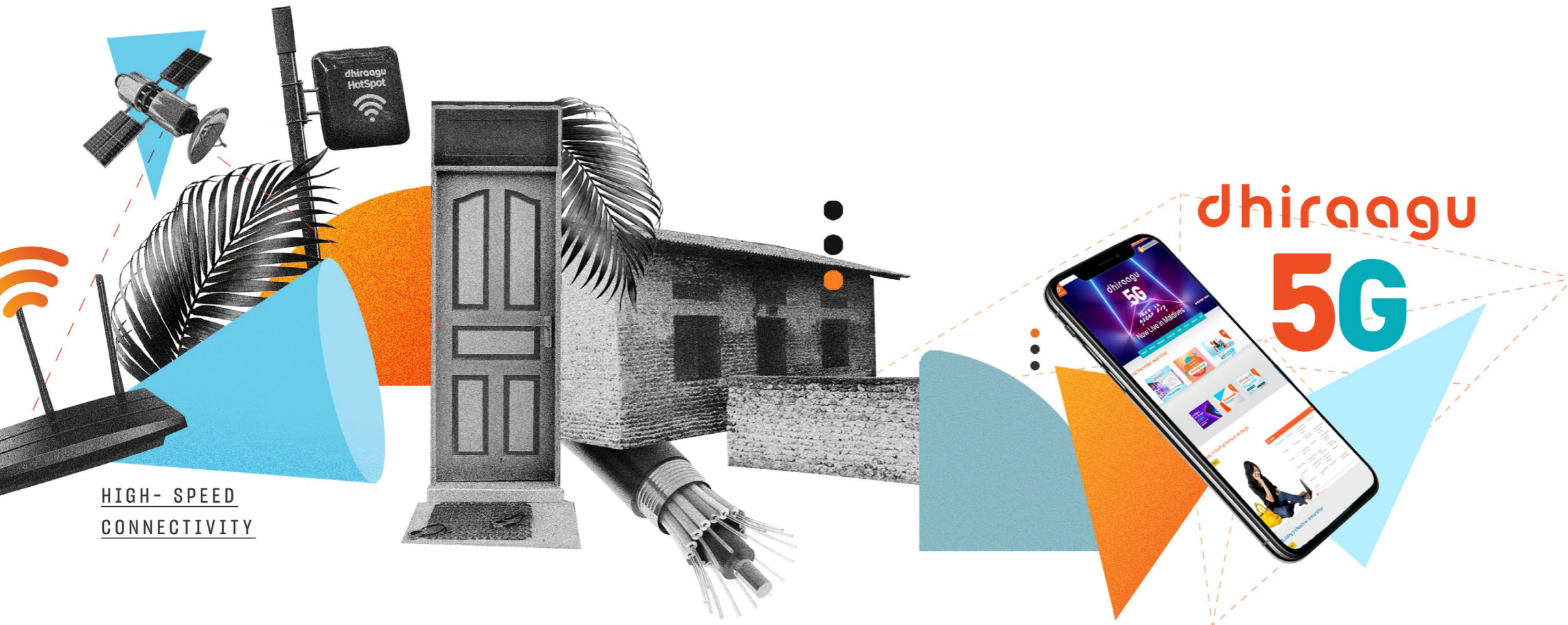
customers' lives through digital services. Dhiraagu brings the latest innovations and technology to help all our customers succeed in an increasingly connected world.

We offer a comprehensive range of services spanning from mobile, internet, data, TV, mobile money and fixed services. We also ensure reliable international connectivity and coverage within the Maldives. We consider ourselves a partner for business growth and provide leading enterprise solutions and offer our customers peace of mind.

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# 01

## Developments During the Quarter



HIGH- SPEED  
CONNECTIVITY

# 1.1 Summary

Dhiraagu reported a 7% increase in revenue vs the previous quarter, primarily due to the increase in economic activities within the economy post lockdown. The increase in revenue came from all key areas of the business, but primarily driven by broadband and enterprise projects which had been delayed due to working restrictions during Q2.

Cost optimisation measures continued during the quarter, with operating costs 11% lower than Q3 2019, to partly mitigate the revenue impact due to the economic downturn. Net profit increased by 22% vs Q2 due to the increase in overall performance within the quarter, however, compared to Q3 2019, net profit was 22% lower. Net cash flow decreased during the quarter mainly due to dividend payments during Q3.

During the quarter we improved the value proposition for Fibre Broadband and Prepaid customers by increasing data and speed on fixed broadband packages and introducing the all-inclusive combo concept for Prepaid.

We continued to support the community to make the most of digital avenues in the post lockdown new normal. Highlights during the quarter include our support to the Fiyavathi orphanage to help facilitate online classes, our support to the Maldives

Autism Association to facilitate online therapy classes, our renewed support to the Blind and Visually Impaired Society of Maldives to facilitate connectivity among their members and the National Centre for Holy Quran to help facilitate digital Quran classes.

As part of empowering young people, we partnered with Sparkhub to bring the Online Seedstars World Competition to Maldives and encourage tech-based startups to compete globally and open up online mentoring opportunities and benefits.

Although the country's borders opened in July, the rate of daily arrivals has remained very low and we continue to face challenges due to the loss of tourism and related knock on impact on the wider economy. We understand the challenges faced by our customers due to the economic downturn and the reliance they place on us to stay connected during this time.

Therefore, our efforts have focused on business continuity, serving our customers and doing the key things to meet their needs. We have also implemented various initiatives to support the government and local communities.



## 1.2 Key Commercial Highlights



### Fibre Broadband

Dhiraagu announced a major revamp for both Home Fibre Broadband and Business Fibre Broadband packages. Home Fibre Broadband customers can now enjoy an additional 20% to 65% extra data and faster broadband speed for same price. Our FBB service is now available to 80% of national households across 64 islands.

The offer for Business Fibre Broadband customers was also revamped during Q3 providing an additional 40% to 100% of extra data and better speed. Business customers have been offered one-year Free Virtual Meeting Room service as a cloud-hosted collaboration tool, providing audio and video conferencing with local dialling service.



Business customers can also purchase Microsoft Office 365 add-ons.

A special FBB acquisition promo was run during Q3 with Free connection and a Free router offered to new customers.



### Prepaid

We introduced a major revamp on Mobile Prepaid by offering customers Combo Plans and Free Perks that offer data allowance for streaming, chat and social media with a simple activation.



### Independence Day Promo

Dhiraagu announced a special promotion to celebrate Maldives' 55th Independence Day by offering 55% EXTRA allowance on mobile boosters.



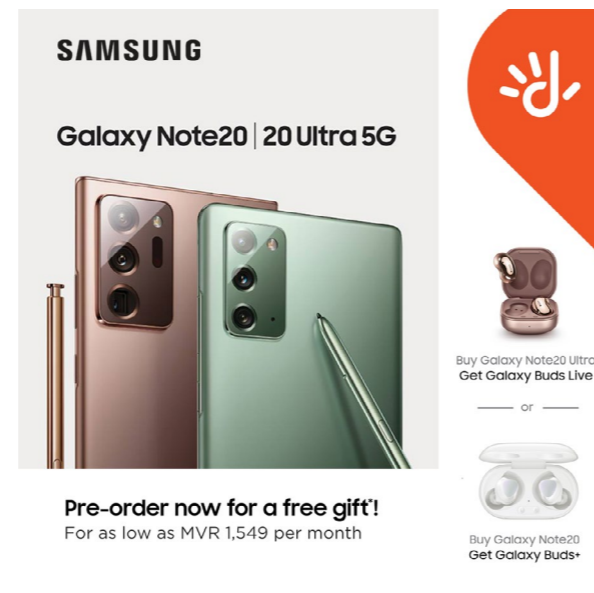
## 1.2 Key Commercial Highlights



### DhiraaguTV and Dhiraagu Play

We launched Star channels on Dhiraagu TV adding a wide array of Hindi entertainment content to our customers. We also introduced Sony channel for our mobile steaming service "DhiraaguPlay".

We additionally limited time offer for existing Dhiraagu FBB customers through which they could receive a Free connection, Free Joybox and 2 months TV bill Free.



### Samsung Galaxy Note20 and Ultra20 5G

Dhiraagu launched Samsung's latest flagship, Galaxy Note 20 and Ultra 5G mobile phones for pre-order. Customers who pre-ordered were able to enjoy 10GB Free Bonus Data and a Free pair of Galaxy Buds+ with every Note20 or a pair of Galaxy Buds Live with 20 Ultra 5G.

Our virtual event for the Maldives Official Launch for Samsung Note 20 and Galaxy Note 20 Ultra 5G was live streamed on Dhiraagu social medial channels.



### Thermal Mass Screening Solution

In partnership with TM Research & Development (TM R&D), an innovative arm of Telekom Malaysia Berhad (TM), we introduced an AI powered contactless thermal screening solution to give businesses the confidence to continue to operate safely during this pandemic.

The two solutions Early Warning, Alert & Response (EWAR) is capable of screening 10-15 individuals per second and EWAR compact which is the one-on-one contactless thermal screening are available as a cloud-based software and mobile applications and have been installed at Dhiraagu Head Office.



### WooHoo

We announced our collaboration with Smartbeings Inc. and Leia Inc. to introduce WooHoo, a contactless AI powered voice assistant for the Hospitality Industry to serve the guests safely.

With WooHoo technologies integrated together with Dhiraagu smart hospitality solutions, hotel guests can now order food & beverages, toiletries, play music, get instant answers to their queries, call reception and control room temperature, lighting, or curtains, among other many interactions through a simple voice command.

## 1.2 Key Commercial Highlights



### Dhiraagu GameHub

We officially launched Dhiraagu GameHub, a mobile gaming subscription portal enabled by Gameloft with access to over 700+ HD Games with no in-app purchases.

The platform is available for Dhiraagu mobile customers for monthly or weekly subscriptions. Android users are able to download the app and play games instantly and IOS users can play via the dedicated portal.



### Mamen

Mamen customers were awarded 25% discount for Data Add-on purchases from 21 July to 30 September.

The 'Mamen Referral' feature was also introduced so our existing Mamen customers can invite family and friends using a unique referral code to activate Mamen plans and receive Free Data.



### Bongo Offers

We introduced a daily subscription offer valid on Bongo, a streaming video-on-demand service with original content from some of the biggest Labels and TV Channels in Bangladesh.

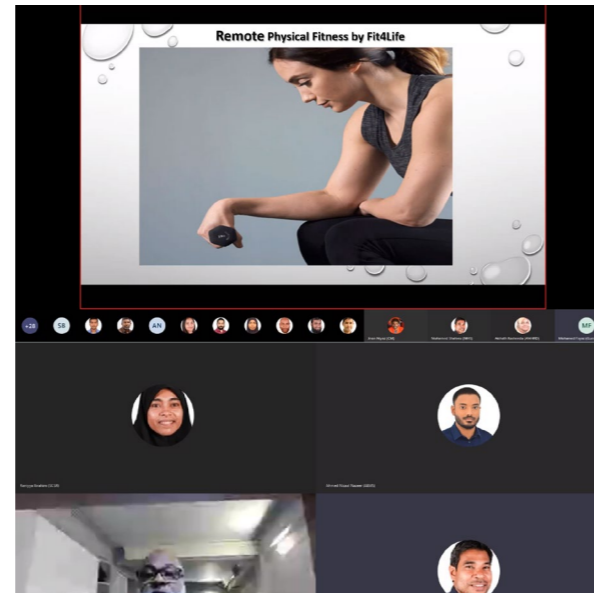
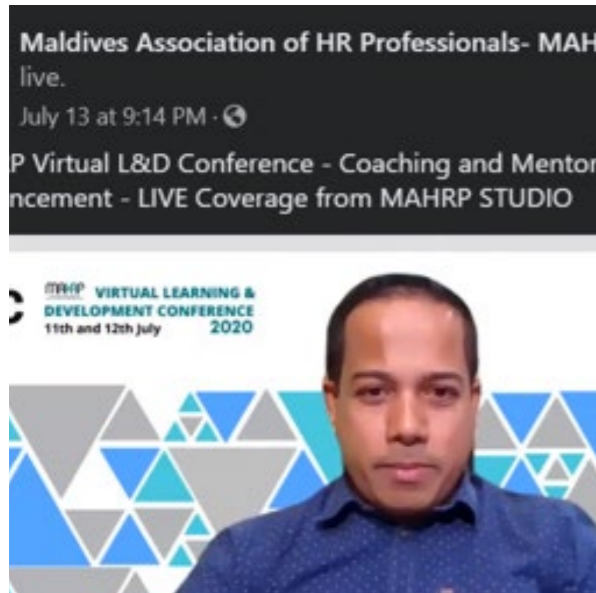


### Magey Memo

Dhiraagu launched Magey Memo, a cloud-based fully functional doctor and outpatient management system equipped with real-time reporting, booking and monitoring dashboard.

It was launched at a webinar titled 'Paradigm Shift in Digital Healthcare' with keynote speaker Dr Adam Chi – the Chief of Smart Health Leadership Centre at the National University of Singapore. The webinar was attended by industry experts for healthcare including representatives from the Ministry of Health, hospitals and clinics.

# 1.2 Key Commercial Highlights 1.3 Organizational Highlights



## Sponsorships

We offered digital sponsorship support as the Telecom Partner for Maldives Association of HR Professionals – MAHRP Virtual L&D Conference in July.

## Employee Training and Engagement

We strive to maintain our focus on our employee’s professional development, health, safety, and engagement. During Q3, we carried out a number of trainings that culminated in over 1171 learning hours:

- New Normal Blitz, a special learning campaign which focused on developing personal management skills.
- Awareness sessions on individual development planning.

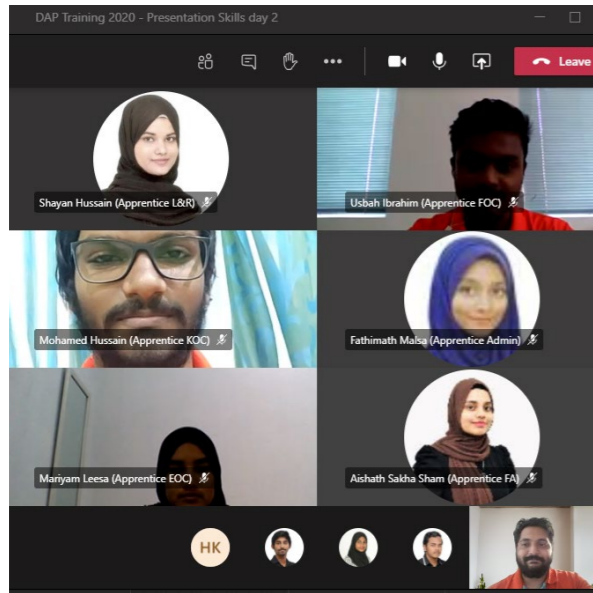
## Employee Wellbeing and Health & Safety

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

- Series of weekly virtual sessions under “WE’ALTHY-VIBE Campaign” for colleagues Wellbeing and Health.
- Emotional Wellbeing 3 sessions by Thiba Psychology.
- Remote Physical Fitness 2 sessions by Fit4Life.
- WE’ALTHY-VIBES monthly newsletter, July, August & September issues released.
- Return to Workplace in New Normal, COVID-19 Phase 3, communications released.



# 1.4 Corporate Social Responsibility



## Empowering Young People

- As local partners together with Sparkhub, we brought the Online Seedstars World Competition for the first time in Maldives to encourage tech-based startups to compete globally and open up mentoring opportunities and benefits.
- A skills development training phase for Dhiraagu Apprenticeship Programme was conducted virtually covering presentation skills, project management, planning, personal management skills and remote working skills for apprentices.

## Care for Children

- We established four classroom setups for providing Free Wifi to Fiyavathi orphanage in Hulhumale' to help better facilitate the online classes by schools and programmes run by the orphanage.
- We supported Maldives Autism Association to provide Free data for their teachers to facilitate online therapy classes.

## Empowering Communities

- We renewed our CSR support for the Blind and Visually Impaired Society of Maldives with Free 130 Phone Meeting service to connect all their members across the country and to facilitate the NGO to conduct educational courses and trainings . The NGO has also been utilizing the support to promote mental health and awareness programmes on key messages from Health Protection Agency for its members.
- We renewed our CSR support to the National Centre for Holy Quran to connect their main branch in Male' with their remote branch in Fuvahmulah to help facilitate the Centre to conduct digital Quran courses.
- We supported the Home for People with Special Needs in Guraidhoo by providing a Free mobile connection to the Centre to help enhance connectivity and accessibility.



# 1.4 Corporate Social Responsibility



## Care for Environment and Wellbeing

- During the International Coastal Cleanup Awareness month of September, we raised awareness about the surge of plastic pollution with COVID 19 and the importance of steps that the public can take to responsibly discard items like single-use gloves and masks.
- On World Heart Day, we lit up our customary red heart on Dhiraagu Head Office building to join the global illumination and Use Heart campaign by the World Heart Federation and featured some of our colleagues who advocated heart healthy messages.



## Covid -19

- We provided the staff and people at quarantine facilities, with 10GB Free mobile data.
- Free 5GB mobile internet data for July, August and September to students and teachers in collaboration with Ministry of Education.
- We continued our commitment to support the tourism sector, with Guesthouses offered discounts on bills.

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



SUSTAINABLE  
TOMORROW

# 02

## Key Financial Highlights



## 2.1 Balance Sheet (unaudited)

### Q3 vs Q2

AS AT	Sep (Q3 2020) MVR "000"	Jun (Q2 2020) MVR "000"	Jun (Q2 2020) MVR "000"	Mar (Q1 2020) MVR "000"
<b>ASSETS AND LIABILITIES</b>				
<b>Non-Current Assets</b>				
Intangible Assets	299,667	303,602		
Property, Plant and Equipment	1,750,770	1,724,249		
Right of Use Asset	247,596	242,266		
Deferred Tax Asset	11,408	10,077		
<b>Total Non-Current Assets</b>	<b>2,309,441</b>	<b>2,280,194</b>		
<b>Current Assets</b>				
Inventories	59,130	68,970		
Trade and Other Receivables	776,120	761,980		
Cash and Bank Balances	735,174	779,393		
<b>Total Current Assets</b>	<b>1,570,424</b>	<b>1,610,343</b>		
<b>Total Assets</b>	<b>3,879,865</b>	<b>3,890,537</b>		
<b>Current Liabilities</b>				
Trade and Other Payables	(856,066)	(825,794)		
Amounts Due to Related Party	(296,360)	(322,764)		
Right of Use Liability – Current	(29,204)	(24,029)		
Current Tax Liabilities	(36,464)	(61,140)		
<b>Total Current Liabilities</b>	<b>(1,218,094)</b>	<b>(1,233,727)</b>		
<b>Non-Current Liabilities</b>				
Provisions			(133,730)	(132,539)
Right of Use Liability – Non-Current			(233,890)	(231,440)
<b>Total Non-current Liabilities</b>			<b>(367,620)</b>	<b>(363,979)</b>
<b>Total Liabilities</b>			<b>(1,585,714)</b>	<b>(1,597,706)</b>
<b>Net Assets</b>			<b>2,294,151</b>	<b>2,292,831</b>
<b>Equity</b>				
Share Capital			190,000	190,000
Retained Earnings			2,104,151	2,102,831
<b>Total Equity</b>			<b>2,294,151</b>	<b>2,292,831</b>

## 2.2 Income Statement (unaudited)

FOR THE QUARTER ENDED	Q3 vs Q2	
	Sep (Q3 2020) MVR "000"	Jun (Q2 2020) MVR "000"
Mobile Revenue	329,754	318,381
Fixed, Broadband & Enterprise	242,329	213,815
Others	14,691	14,576
<b>Revenue</b>	<b>586,774</b>	<b>546,772</b>
Operating Costs	(298,055)	(292,072)
Depreciation and Amortization	(96,449)	(97,053)
Other Income	143	154
Other Expenses	(169)	
<b>Results from Operating Activities</b>	<b>192,244</b>	<b>157,801</b>
Net Financing Expense	(5,775)	(5,380)
<b>Profit Before Tax</b>	<b>186,469</b>	<b>152,421</b>
Tax Expense	(27,829)	(22,845)
<b>Profit for the period</b>	<b>158,640</b>	<b>129,576</b>
<b>Share Performance Ratios</b>		
Basic Earnings Per Share (Annualized MVR)	8.36	6.80
Basic Earnings Per Share (Quarter MVR)	2.09	1.70

## 2.3 Statement of changes in equity (unaudited)

	Share Capital MVR "000"	Retained Earnings MVR "000"	Total MVR "000"
Balance at 31 Mar 2020	190,000	2,570,615	2,760,615
Profit for the period		129,576	129,576
Dividends		(597,360)	(597,360)
Balance at 30 Jun 2020	190,000	2,102,831	2,292,831
Profit for the period		158,640	158,640
Dividends		(157,320)	(157,320)
Balance at 30 Sep 2020	190,000	2,104,151	2,294,151



## 2.4 Cash Flow Statement (unaudited)

FOR THE QUARTER ENDED	Q3 vs Q2	
	Sep (Q3 2020) MVR "000"	Jun (Q2 2020) MVR "000"
Net Cash Inflow from Operating Activities	197,896	341,341
Net Cash Outflow from Investing Activities	(29,736)	(32,430)
Net Cash Outflow from Financing Activities	(212,389)	(133,155)
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>	<b>(44,229)</b>	<b>175,756</b>
Cash and Cash Equivalents at beginning of the Period	763,917	588,161
<b>Cash and Cash Equivalents at end of the Period</b>	<b>719,688</b>	<b>763,917</b>



**Ismail Rasheed**  
CEO & Managing Director



**Robin Wall**  
Chief Financial Officer



**Ahmed Abdulrahman**  
Chairperson, Audit Committee



# 03

## Governance





# 3.1 Board Composition

On 13 July 2020 the Government of Maldives appointed Uz. Maryam Manal Shihab as a non-executive director to the Board of Directors of Dhiraagu.

With this change, the Board comprised of the following 8 members at 30 September 2020.

**Mr. Ismail Waheed**  
Chairperson, Director

Non-Executive & Independent  
Chairperson, RNG Committee

**Mr. Mikkel Vinter**  
Director

Non-Executive & Independent

**Mr. Ahmed Abdulrahman**  
Deputy Chairperson

Non-Executive & Independent  
Chairperson, Audit Committee

**Mr. Faisal Qamhiyah**  
Director

Non-Executive & Independent

**Mr. Ihab Hinnawi**  
Director

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

**Uza. Maryam Manal Shihab**  
Director

Non-Executive & Independent

**Mr. Imran Ali**  
Director

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

**Mr. Ismail Rasheed**  
Chief Executive Officer & MD

Executive & Non- Independent





## 3.2 Board Activity

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

## 3.3 Board Decisions

Important Board decisions made during the quarter included:

- Approval of Interim Condensed Financial Statements for the quarter ending 30 June 2020.
- Appointing Member to the RNG Committee.
- Appointing Mr. Ahmed Abdulwahed Abdulrahman as the Deputy Chairperson of the Board.
- Approval of of MVR 2.07 per ordinary share (total MVR 157.3m) as Interim Dividend for the year 2020 (in accordance with the Shareholder's Standing Resolution to declare Interim Dividend in 2020).
- Approval of the proposed write off of fixed assets with GBV MVR 72.8m (NBV MVR 293K).
- Approval of the proposed write-off and disposal of MVR 493k of absolute and damaged inventory.

## 3.4 Legal & Regulatory Compliance

The Company complied with the CMDA's Corporate Governance Code and Dhiraagu Corporate Governance Code during the quarter.

Highlights include ensuring regular, timely and effective disclosures as required by the Code. The company's Corporate Governance Code can be viewed in the investor relations section of the Dhiraagu website.

## 3.5 Reporting Compliance

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



# 04

## Investor Relations



## 4.1 Shareholding

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

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

## 4.2 Trading Highlights

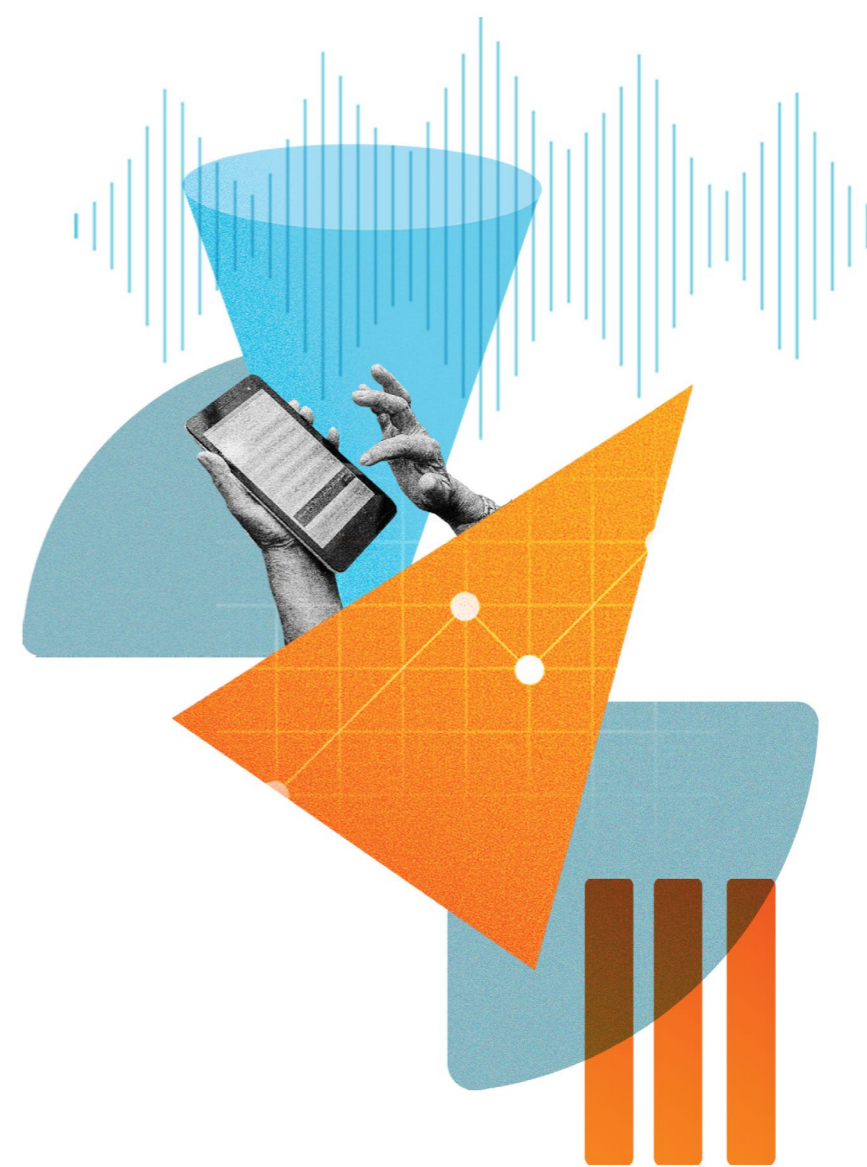
	Q3 2020	Q2 2020
Highest Traded Price (MVR)	120	-
Lowest Traded Price (MVR)	85	-
Last Traded Price (MVR)	100	-
Number of Shares Traded	1760	-
Number of Trades	15	-
Weighted Average Traded Price (MVR)	101.08	-
Market Capitalization as at quarter end (MVR)	7.68bn	-

Note: During Q2 there were no trades, therefore all figures are zero.

Market Capitalization = Weighted Average Traded Price x Outstanding Shares

## 4.3 Share Performance

	Q3 2020	Q2 2020
EPS (Annualized MVR)	8.36	6.80
P/E Ratio (Annualized)	12.09	13.94
Net Asset Per Share (MVR)	30.19	30.17
Dividend Yield	11.9%	12.7%
Cash flow per share (MVR)	9.47	10.05





dhiraagu  
**5G**