

DHIRAAGU ANNUAL REPORT



2021

TAKE ON TOMORROW



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OUR BUSINESS

VISION

Enrich lives through digital services.

MISSION

To lead the market through excellence in customer experience.

OUR VALUES

COLLABORATE

We work together to offer our customers a seamless experience.

SERVE

We keep our customer at the heart of all we do, because we win when they do.

INSPIRE

We empower people, and never lose sight of the bigger picture of nation-building and growth.

INNOVATE

We constantly innovate to provide our customers with the latest and best in digital services.

#DIGITALRAAJJE



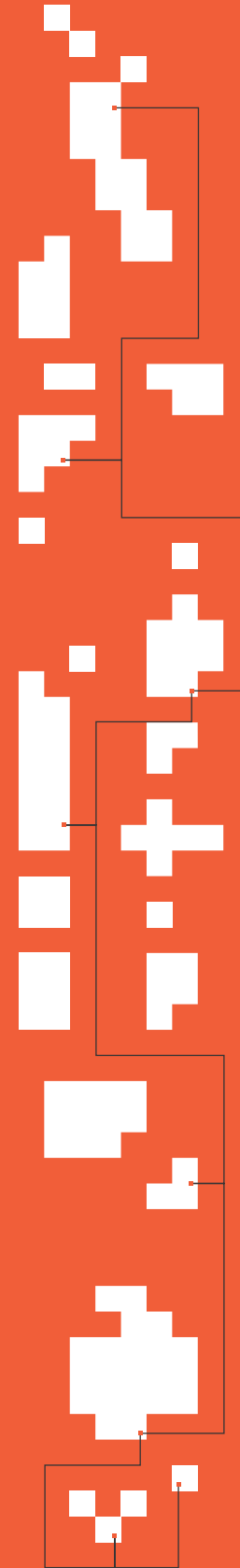
As the leading telecommunications and digital services company in the Maldives, our business is to inspire and empower our customers to 'take on tomorrow' and thrive in the digital future.

Our vision of a '#DigitalRaajje' complements our vision to use our services and capabilities to enrich people's lives by providing intelligent connectivity, which can make individual lives easier, healthier, smarter and for communities, bolster disaster response, revolutionise education, improve healthcare and extend financial services.

With over 500,000 customers and employing 99% qualified Maldivians present in 9 strategically located operating centres across the country, we remain the largest telecommunications provider in the Maldives.

Our core strengths are in our people and our leading network, which we continually harness to secure new opportunities and curate innovative technologies to deliver connectivity and content to a diverse range of customers across the country. Our customers range from consumers and households, communities, small businesses, government, and large enterprises.

Over three decades of excellence and a proven record of success, we are the pioneers that ushered the Maldives into the digital age. By creating value for our customers, communities, and ourselves we continue to lead by investing in resilient and adaptable infrastructure which is of strategic long-term benefit to the development of our economy, the progress of our country and the prosperity of our people.



PARTNERS

With 66 partners, 19 wholesalers, and over 3,300 retailers, we overcome geographic barriers and stay close to our customers.

4G COVERAGE

100% 4G coverage to all of the country's 187 inhabited islands, all resort islands and all major industrial islands.

1253KM

Linked the Maldives through a 1,253 km long fibre optic submarine cable network which supports the nation's largest 3G and 4G LTE and fibre broadband network.

FIRST 5G IN SA

First in the Maldives and the first in South Asia to launch 5G services. 5G is now available in selected areas of 3 population centres.

FTTH

As a result of our continued investments, high-speed Fibre to the Home (FTTH) service is now available to 82% of national households. With FTTH services available on 74 islands Dhiraagu's Fibre Broadband network is the largest high-speed data network in the country.

IPTV

DhiraaguTV, the first IPTV service in the Maldives extends digital IPTV service to 82% of national households. The service is now available on 73 islands and has also piloted collaboration with private networks to roll out services to islands that do not currently have fixed broadband services. •

ACHIEVEMENTS + AWARDS 2021

CARE SOCIETY

Received a token of appreciation for valuable work contributed to empowering people with disabilities by Care Society.

CORPORATE MALDIVES

Received GOLD 100 Award for the fifth consecutive year by Corporate Maldives.

OOKLA SPEEDTEST

Ookla® announced Dhiraagu as the Maldives' Fastest Mobile Network' winner in the Speedtest® awards for 2021*

* Based on analysis by Ookla® of Speedtest Intelligence® data for Q3–Q4 2021. Ookla trademarks used under license and reprinted with permission. •

CREATING VALUE FOR OUR CUSTOMERS

Our broad suite of products and services offering connectivity and content help communities stay connected. As the Maldives embarks on the journey to recovery, the essential services that we provide are more important than ever to support our customers to create value for themselves and others. Being the leading 4G provider and number one Fibre to the Home (FTTH) operator in the Maldives, this responsibility to create value for our customers is one that we take seriously.

Whilst offering our customers enhanced connectivity with faster speeds and new innovative services, we also aim to optimise, develop, and better exploit our infrastructure to strengthen our leadership. In support of the government's 'NetuHeyo' initiative to reduce internet prices, we revamped our portfolio creating significant value for our customers. Customers on Dhiraagu Fibre Broadband benefitted by enjoying up to 100% more data allowance on their packages and up to 50% reduction in overall data price. Additionally, we introduced all-new Amilla and Salhi plans to offer our customers simple and flexible postpaid and pre-paid mobile plans.

With purpose-built solutions for small and medium enterprises and customised fully integrated enterprise solutions for our corporate and government customers, our ICT infrastructure and managed solutions are designed to enable our customers to achieve ease of operation and improve performance when they access, communicate and store information securely to better serve the community.

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HIGHLIGHTS OF 2021

KEY COMMERCIAL HIGHLIGHTS OF 2021



Samsung Galaxy S21

The latest Samsung flagship phone was launched and free Samsung Fit2 and a Galaxy Smart Tag were offered with every pre-order.



Spotify now available

Stream your favourite artists and music on Spotify by activating one of our streaming Add-ons. Popular streaming apps such as Tiktok, Netflix, YouTube and Amazon Prime are also included offering you greater value.

Amilla Postpaid

All the value, and more customisation! Amilla Postpaid offers a hassle-free experience where you can personalise your own mobile plans in real-time.



DhiraaguTV Gold Packages

Gold package is an all-inclusive bundle for all your entertainment needs. It offers a diverse genre of channels curated for all audiences including the Disney channels, Sony Sports channels, STAR channels for all the masala entertainment.

Extra Allowances following COVID-19 restrictions

Free extra data to keep you connected while safely staying home	2 × MORE DATA on all Mobile Postpaid Boosters
30% EXTRA FREE DATA on all Home Fixed Broadband	30% MORE DATA on Data Sim Boosters
UP TO 200% EXTRA FREE DATA on Mobile Postpaid plans	50% MORE DATA on Prepaid Combo Plans
30% EXTRA FREE DATA on LTE and MBB packages	200% MORE DATA on Prepaid Mini Add-ons
2 × MORE DATA on all Home Fixed Broadband Boosters	100% MORE DATA on LTE & MBB roadband Boosters

Euro 2020 on DhiraaguTV and DhiraaguPlay

We made sure you did not miss a goal, the highly anticipated Euro 2020 was available in high quality on DhiraaguTV and on DhiraaguPlay.

FIRST ————— QUARTER

SECOND ————— QUARTER



Salhi Prepaid

With a simple activation through DhiraaguApp, you can choose between 3 plans with daily data allowances – Salhi Weekly, Salhi 2 Weeks and Salhi Monthly and enjoy unlimited calls to Dhiraagu numbers.

Cloud UTM

Secure your business networks with Dhiraagu Cloud Unified Threat Management (UTM) Solution. This solution is offered over Dhiraagu Biz Fibre Broadband service to provide guest-houses, hotels and medium to large enterprises with additional internet security and control and optimise existing internet bandwidth, restrict unwanted user access, and access a centralised, cloud-based platform to monitor internet usage in real-time.



‘NetuHeyo’ Home Fibre Broadband

In support of the government’s ‘NetuHeyo’ initiative to reduce internet prices, we revamped our Home Broadband portfolio enabling you to enjoy up to 100% more data and resulting in a 50% reduction in overall data price. This offers you greater value with higher throttle speeds and enhances your digital experience.

New Biz Fibre Broadband

As the digital enabler for small, medium, and large enterprises in the Maldives we revamped our Biz Fibre Broadband packages. With a 40% to 150% of extra data and up to 100% increase in speeds, we have created more value for businesses without any additional charges.



Samsung Z Fold 3

We launched Samsung Z Fold 3 handsets and offered a free Samsung Galaxy Bud 2 with pre-order.

Cloud VPN

Our Cloud VPN solution facilitates a secure environment for remote working and learning. The service is available on both Fibre Broadband and Mobile Broadband and comes with fully managed end-to-end service with real-time analytics and easy management of the VPN users secure connectivity with enterprise-grade firewall service to provide controlled access to resources and a centralised reporting portal to see the visibility of the access-granted VPN users.

THIRD ————— QUARTER



‘NetuHeyo’ Mobile Postpaid and Prepaid

As part of our commitment to support the government initiative to reduce internet prices, we made major changes to our Mobile Internet Plans. The changes offer a lower price per GB rates enabling you to do more. With the new revamp we offer:

AMILLA POSTPAID

up to 29% additional allowance, giving you up to 22% price reduction on data

PREPAID COMBO

up to 36% extra data allowance, giving you up to 33% price reduction on data

LTE BROADBAND ‘VAGUTHUN GEYAH INTERNET’

up to 30% more data allowance and increased speeds from 10 Mbps up to 25 Mbps.

Special Offers for Hulhumale’ Phase II Hiyaa Flats

We partnered with Housing Development Corporation LTD (HDC) and used their open-access network to further expand our Home Fibre Broadband, DhiraaguTV and LTE Broadband ‘Vaguthun Geyah Internet’ service to the new communities settling in Hulhumale’ Phase II. Customers who apply for internet connections receive a 20% discount on 3 months rental with a free connection and router. This offer is planned to run until 30 April 2022. Customers applying for DhiraaguTV receive a 50% discount on 6 months rental with free connection and JoyBox.

Hello – PrePaid

Specially curated for nationals from India, Sri Lanka, Philippines, Nepal, Thailand, and China. The plan offers country benefits and targeted promotions throughout the year.

Data Rollover on Home Fibre Broadband packages

You can now enjoy any unused data, which will be carried forward to the following month for free. Enabling you to do more without any additional cost.

Fibre to the Home (FTTH) Expansion

As a result of our continued investments, high-speed Fibre Broadband service is now available to 82% of national households in 74 islands across the country, making their lives easier, smarter, and more rewarding.

iPhone 13

The iPhone 13 series was launched with convenient payment plans and exclusive data offers.

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FOURTH ————— QUARTER

CSR HIGHLIGHTS 2021

Hour of Code

Main Partner of the event organised by local NGO 'Women in Tech Maldives' to mark the global Hour of Code™. The event is a one-hour coding challenge to give students a fun first introduction to computer science and this year it reached over 2000 students across 50 schools in the Maldives.

Girls to Code

- 17 young women successfully completed the Girls to Code Thinadhoo
- 18 young women completed the Girls to Code Kulhudhuffushi

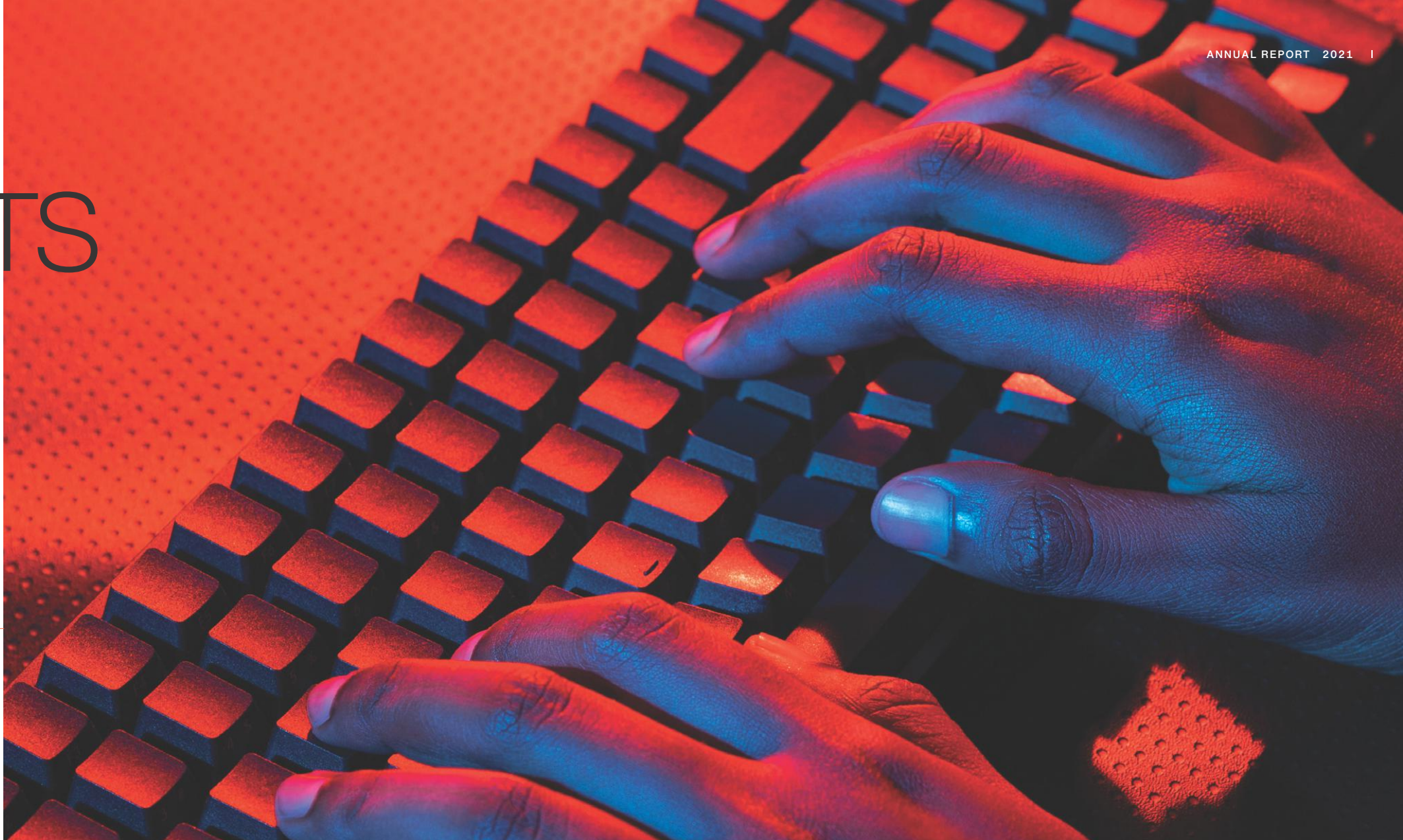
Girls to Code is a programme series held in partnership with local NGO 'Women in Tech Maldives' to encourage girls and women to learn coding and programming.

Ramadan donation to Maldivian Thalassaemia Society

10% of proceeds from Ramadan and Eid data boosters and bundles were donated to the Maldivian Thalassaemia Society. Thalassaemia is a key public health concern affecting children in Maldives.

Dhiraagu Apprenticeship Programme

14 new apprentices enrolled in and 17 apprentices successfully graduated.



Film for Change

In partnership with UNDP Maldives, young people were trained to explore and form narratives to produce short films on Climate Action.

SEED by BCC

Digital Partner of 'SEED' to support the first co-working space introduced in Male' targeted to local entrepreneurs. 'SEED' is an initiative of the the Ministry of Economic Development and the Business Centre Corporation (BCC).

Supporting our community during the pandemic

- During Eid Al-Fitr we partnered with local NGO 'ARC Maldives' to support the 'ARC Aid' food support programme for some of the most vulnerable children and their families affected by the pandemic.
- We extended the mobile data offer of 5 GB for teachers and students as requested by Ministry of Education and free 10 GB to provide an ease for the staff and people at the quarantine facilities.
- Together with Samsung, jointly donated Galaxy Tabs to Ministry of Health and Addu Equatorial Hospital to further enhance digitisation efforts.
- We contributed various in-kind services to support the government and all relevant authorities who are tirelessly working to help the nation. This included support to vaccination teams at Social Centre, National Art Gallery/ Islamic Centre, Hulhumale' Flu Clinic and Villimale' Youth Centre in Greater Male' Area, Dharubaaruge HEOC operations, Hulhumale' Hospital for COVID 19 patients, Fuvahmulah Contact Tracing work and Kulhudhuffushi Harbour Monitoring Desk. •

BRAND ENGAGEMENT



Ramadan Campaign

With the chance to win a special Ramadan gift pack, we carried out a digital engagement campaign, encouraging the public to share their family Ramadan traditions on social media with the hashtag #MigeygeTradition.

Additionally, Ramadan being a month where families look forward to prepare special food for Iftar, we carried out our annual #DhivehingeRaha episodes featuring authentic local recipes.

Celebrating Eid

To celebrate Eid, we hosted a very special #EidSallaa on Clubhouse with panelists Raufath Sadiq and Azam Maumoon. This was an informative session that highlighted interesting facts that revolved around Maldivian Eid culture.

We also ran our traditional #EidMoments on social media where we encouraged our customers to share their favorite Eid moments to stand a chance to win exciting prizes.



Special Children's Event

We hosted a Special Children's event at Hulhumale' Phase II, welcoming the new inhabitants settling in Hiyaal Flats. The children enjoyed the creative performance demonstrated by the magician and Roboman's special dance act.

Euro 2020

We collaborated with a local news media 'Mihaaru' to bring EURO 2020 Quiz. We opened the opportunity to put participants Euro knowledge to the test and to stand a chance to win some exciting prizes from our partners.

National Youth Day

We partnered with the Ministry of Youth, Sports and Community Empowerment for the Hulhumale' Youth Day activities as the Digital Partner.

We also joined the nationwide clean up event in Kulhudhufushi City organized by Ministry of Youth, Sports and Community Empowerment. •



Appointed Zoonaa Naseem as the Brand Ambassador

We celebrated World Oceans Day by highlighting our focus on reducing single-use plastic and raising awareness. We introduced Zoonaa Naseem, the nation's first female PADI Course Director as our new brand ambassador to accelerate our efforts to care for the oceans.

Dhiraagu 33rd Anniversary Campaign

We carried out a digital engagement initiative, where 33 lucky winners received a unique heart-shaped pizza pack.

Celebrating National Youth Day

To celebrate National Youth Day, we hosted an Instagram LIVE - 'Mindset of Champion.' Some of the best athletes in the country including our Brand Ambassador, Hassan Saaid - the fastest man in Maldives joined the session to share their journey and inspire future generations.



SAFF Championship

As the host country of the largest football tournament in Asia, we partnered with HDC to arrange screens in Hulhumale' allowing supporters to enjoy the matches with their friends and family on big screens.

We also kicked off a Digital Engagement campaign where we opened the opportunity to share match day experience at the stadium, or even at home with friends and family with the hashtag #MageySupport and stand a chance to win a Sports Voucher.

Celebrating Telecoms Day

To celebrate World Telecommunication & Information Society Day, we carried out a special Social Media Quiz for our customers with the opportunity to win an Amazon Echo Dot by answering questions on some of the key milestones of the industry.

KEY SPONSORED EVENTS

TITLE SPONSOR

Top Achievers Award 2021

In line with our CSR strategy to empower young people and build future leaders, we supported the Top Achievers Award recognising the achievement of the nation's top-performing higher secondary students.

TITLE SPONSOR

Gadha Raiy SAFF Championship

SAFF Championship is one of the biggest footballing events in South Asia. As this year's hosting country, we supported Public Service Media's LIVE coverage of this much anticipated sporting event.

CO-SPONSOR

Maldives Accountants Forum

We supported this annual forum which brings together accounting professionals working in the country, the regulators, and the business community, to enable the accountants and auditors to better attune their work to the needs of industry stakeholders. The theme for this year was "Readiness Mindset: Striving for Excellence".

DIGITAL PARTNER

Journalism Awards 2020

To honour and celebrate professional journalists who produced outstanding work for the public we supported Maldives Media Council by sponsoring five award categories.

DIGITAL PARTNER

International Conference on Social Research and Innovation

To address the many challenges and pathways to recovery from COVID-19 we partnered with the Institute for Research and Innovation, Villa College to support their annual research conference. The theme of the annual "Building back better: A resilient future for all".

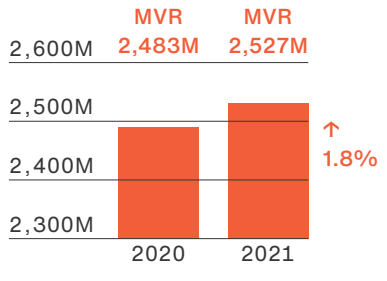
MAIN PARTNER

34th National Quran Competition

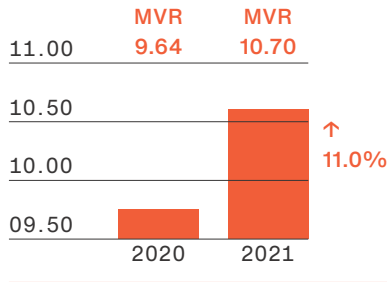
Over the years we have partnered with the Ministry of Islamic Affairs and the National Centre for the Holy Quran to play a key role in supporting the National Quran Competition. This year, over 1700 participants competed in 12 different categories from Atoll Councils, Schools, Quran Classes, Colleges, Universities, Club Associations, and locals living abroad.

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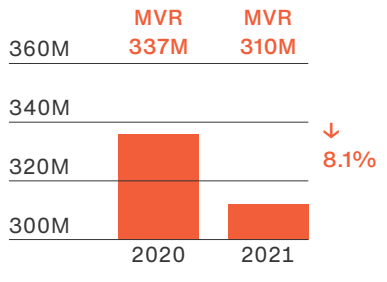
FINANCIAL HIGHLIGHTS 2021



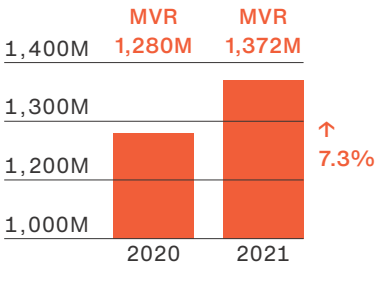
REVENUE



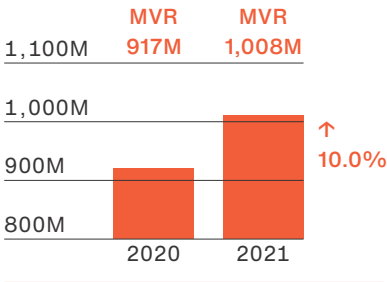
EARNINGS PER SHARE



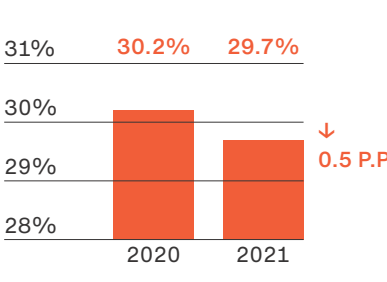
CAPITAL INVESTMENT



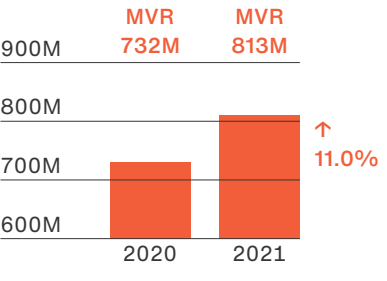
EBITDA



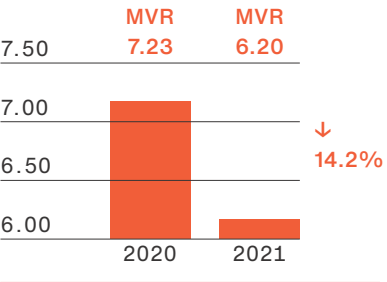
FREE CASH FLOW



RETURN ON CAPITAL EMPLOYED (ROCE)



PROFIT AFTER TAX



DIVIDEND PER SHARE



CHAIRPERSON'S OPENING REMARKS

Dear Shareholders,

As the Chairperson of Dhiraagu, I feel a sense of pride and gratitude when I reflect on the Company's performance last year. As a provider of essential services, I am pleased that we played a critical role in ensuring our customers continued to work, learn, entertain and, most importantly, keep in touch with their loved ones during the adverse period of COVID-19.

While significant uncertainty remains as the result of COVID-19, overall, the Maldives economy has fared better than expected. 2021 was a year of recovery and Dhiraagu's financial performance significantly improved. Revenue increased by 1.8% vs 2020 to MVR 2.5bn with a strong performance in fixed broadband and enterprise services due to the economic recovery and improvement in the tourism sector. We supported the Government's 'Netu Heyo' initiative to make internet more affordable and provide greater value for money across our fixed broadband and mobile broadband services. While the price changes had an impact on revenue, increased customer demand, especially on fixed broadband, helped mitigate part of the impact.

We continued to prioritise investments to extend and upgrade our services to provide the best possible experience for our customers. MVR 310m was invested in various capital investment projects during the year to improve customer experience, build resilience, and transform our business, out of which MVR 97m was spent towards the rollout of Fibre To The Homes networks (FTTH) and to improve mobile data coverage. As a result, 82% of homes across the country are now fibre-ready and have access to our Fibre To The Home services.

Profit after tax increased by 11.0% vs 2020 to MVR 813m due to revenue growth coupled with necessary cost optimisation measures. The Board of Directors has proposed a full year dividend of MVR 6.20 per share (amounting to MVR 471.2m), representing a 58% pay-out ratio of net profit. The full year dividend is made up of a final dividend of MVR 4.13 per share which the Board has recommended for shareholders' approval at the 33rd AGM and an interim dividend of MVR 2.07 per share which was declared earlier in 2021. The 2021 dividend is a reduction of MVR 1.03 per share (14.2%) vs the previous year, which the Board believes to be prudent when considering the ongoing challenges due to the pandemic and the need to balance the Company's future investment plans.

Having anticipated the rising demand for reliable, high speed and low latency connectivity, we have been exploring opportunities to invest in global submarine cable systems for the past few years. In 2021, the Board approved Dhiraagu to join the Southeast Asia-Middle East-Western-Europe 6 (SEA-ME-WE 6) consortium and invest in the SEA-ME-WE 6 submarine cable system which is expected to be completed by Q1 2025. The project is supported by a strong business case, moreover, this investment is of great importance for Dhiraagu as it would strengthen our leading position in the Maldivian markets and put a halt to dependency on a single geography for international connectivity. Once complete, the SEA-ME-WE 6 submarine cable system will be a 19,200km long global data superhighway which connects 11 countries from Singapore to France as it traverses Malaysia, Bangladesh, Sri Lanka, Maldives, India, Pakistan, Djibouti, Saudi Arabia, and Egypt. Designed using the latest submarine optical fibre technologies, SEA-ME-WE-6 will offer low latency and high speed, to meet the growing needs of our customers on this strategic route.

Communications today play a crucial role in stimulating economic growth, increasing the flow of trade and information, and enhancing quality of life. More abundant and higher quality international bandwidth leading to more affordable broadband services across the population is a key factor to support GDP growth, favour socio-economic development and trigger the development of new economic activities and businesses. We are excited for the long-term strategic benefits and opportunities that our plans hold for the development of our economy, progress of our country and prosperity of our people.

Our business has always focussed on being an enabler enriching lives across communities through digital services. We measure our success by the success of our customers and the value which we create for them. We succeed by helping our customers thrive in an increasingly digital future. I am very proud of what Dhiraagu has accomplished last year. This would not have been possible without the dedication and hard work of our people and the support of our customers, suppliers, and partners – and of course our shareholders. I am particularly grateful for the continued support we have received from the Government and its institutions while dealing with many of the challenges we faced during the year.



Ismail Waheed
Chairperson

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"Communications today play a crucial role in stimulating economic growth, increasing the flow of trade and information, and enhancing quality of life. More abundant and higher quality international bandwidth leading to more affordable broadband services across the population is a key factor to support GDP growth, favour socio-economic development and trigger the development of new economic activities and businesses. We are excited for the long-term strategic benefits and opportunities that our plans hold for the development of our economy, progress of our country and prosperity of our people. "

Ismail Waheed
Chairperson



CEO & MANAGING DIRECTOR'S MESSAGE

Dhiraagu provides a full range of innovative digital services that connect, protect and support the sustainable growth of communities and businesses across the Maldives. Since the start of the pandemic, our connectivity, networks, and digital services, helped keep the economy up and running by facilitating economic activity and government action.

During 2021:

- our networks were able to accommodate the surge in traffic, playing an essential role in ensuring people could continue to work, learn, entertain themselves and, most importantly, keep in touch with their loved ones,
- our teams spared no effort to serve our customers and provide the best experience connectivity has to offer; and
- despite the circumstances, we successfully rolled out our high-speed fibre broadband service to additional islands across the county, with 82% of homes now fibre-ready.

RETURN TO GROWTH WITH 11.0% IMPROVEMENT IN NET PROFIT

I am pleased to report a return to growth which has been enabled by the economic recovery and our commitment to invest and continue providing our customers with the best possible experience. Revenues for 2021 increased by 1.8% vs 2020 with the improvement driven by growth on fixed broadband and enterprise services. We continued to focus on cost optimisation measures which helped EBITDA to increase by 7.3% to MVR 1.4bn and Net Profit to increase by 11.0% to MVR 813m.

In consideration of the ongoing challenges and future investment plans of the Company, the Board of Directors has proposed a full year dividend of MVR 6.20 per share, representing a 58% pay-out ratio of net profit. This is a reduction of MVR 1.03 per share (14.2%) vs 2021.

END-TO-END CUSTOMER EXPERIENCE

The health crisis has provided us with the opportunity to engage with our customers in different ways. Against this backdrop, our teams demonstrated great agility in meeting customer expectations and scaling our digital channels. Making digital technology the backbone of our customer relations was an important change we made to the way our customers interact with us. Customers are today able to access most services online and conduct their business with Dhiraagu and get the help they need at their convenience. DhiraaguApp helps customers find immediate answers to queries, enabling them to track their usage and pay their bills. Our chatbot 'Sobi' was deployed in 2019 and has proved to be successful and bolstered our omni-channel customer experience during the pandemic.

HIGH-SPEED BROADBAND AT HOME AND WORK

With a growing demand for devices, screens, and applications that require an internet connection both at home and at work, we continue to roll-out powerful broadband networks for faster speeds and a smoother experience. Ookla® announced Dhiraagu as the Maldives' Fastest Mobile Network* winner in the Speedtest® awards for 2021*, which is a great reassurance for our customers and demonstrates the commitment of our teams to provide the best quality, speed and experience for our customers.

Despite the pandemic and the various lockdowns, we laid fibre-optic cables in 10 additional islands during the year. 82% of homes across the country are now fibre-ready and have access to our very high-speed fibre broadband networks. Rolling out Fibre To The Home services to 74 islands across the country is a tremendous achievement given the geographical barriers we have overcome and significant investments that we have made to serve communities in remote islands. We were also the first service provider to ensure uninterrupted service to our customers migrating to the newly developed settlements in Hulhumale' Phase II.

We are committed to our vision to enrich lives through digital services and believe in promoting digital equality and bridge the digital divide. To support government's 'Netu Heyo' initiative to reduce home internet prices together with mobile data prices, we significantly improved our broadband and mobile data portfolio resulting in substantial value with higher throttle speeds for our customers.

CREATING VALUE THROUGH OUR NETWORK & TECHNOLOGY

As the leading 4G provider in Maldives, we have a 4G LTE network that extends to 100% of the population. Our launch of 5G was a milestone in 2019 as we were the first to commercially launch 5G services in South Asia. 5G wireless broadband and mobile services are now available in three locations including Greater Male, Kulhudhufushi City and Addu City. We believe that 5G is a game changer and we are accelerating our collaboration with businesses to develop future uses of 5G.

Additionally, we introduced new mobile plans to offer our customers more personalisation and customisation. "Amilla Postpaid" is one of a kind customisable plan where customers have flexibility to build their base plan based on their own data and voice needs. "Salhi Prepaid" taps into a growing customer demand for data and offers daily refreshing data plans. "Hello Prepaid" was launched for expats living in the Maldives and extends special country benefits, free calls to friends and family and standard prepaid offers.

* Based on analysis by Ookla® of Speedtest Intelligence® data for Q3-Q4 2021. Ookla trademarks used under license and reprinted with permission.

CONTENT EVERYONE CAN ACCESS

Content distribution – IPTV, video on demand, music, games, and infotainment—form a key part of our strategy.

In 2021 we expanded DhiraaguTV to an additional 19 islands, extending our total reach to 73 islands nationwide making it the largest IPTV network in the country. As a rebroadcaster we aim to provide our customers with the best entertainment channels, and the Gold package was launched in Q2 to offer a diverse genre of channels including the Disney channels, Sony Sports channels and STAR channels curated for all audiences.

DhiraaguPlay enables people to access the latest content on the move. We enhanced the platform with additional channels and VOD content, this year our customers were able to watch UEFA EURO 2020 from any location with DhiraaguPlay.

EXPANSION OF OUR SUBMARINE CABLES NETWORK

Strategic investments were made to upgrade our critical submarine cable infrastructure. The Maldives-Sri Lanka Cable (MSC) system became operational in January 2021 and uses the latest technology to improve internet capacity, speed, and latency.

In 2021 our Board approved Dhiraagu to join a consortium of 13 global telecom and tech companies to connect Maldives to the global super high-way SEA-ME-WE 6 submarine cable system. This cable system is planned to connect South-East Asia, the Middle East, and Western Europe at eleven countries from Singapore to France and is expected to be completed by Q1 2025. With a minimum transmission speed of 100Tbps, this new state-of-the-art system will provide the much-needed diversity and resilience to our international connectivity and help us simultaneously reach multiple destinations improving quality and latency increasingly needed by customers for industrial, business, and personal applications. We are delighted to be a partner of SEA-ME-WE 6 consortium and achieve this important milestone in the development of our telecommunication services in the Maldives. This is a significant investment that will bring immense benefits to the nation, our customers and shareholders. The SEA-ME-WE 6 cable system will provide us direct connectivity to multiple key locations across the world, which will help reduce latency, improve quality, and reduce costs of Dhiraagu’s internet services.

SUSTAINABLE TOMORROW

With the ongoing pandemic, we continued to support the community and assist government and authorities in their emergency response efforts. We also continued to support the community to empower women and young people, care for children and the environment.

During the year, 14 new apprentices were enrolled in Dhiraagu Apprenticeship Programme; our key CSR programme to help develop employability skills in young people, and 17 apprentices successfully graduated from the programme.

Girls to Code, a programme series held in partnership with local NGO, Women in Tech Maldives, was conducted in two locations across the country to encourage girls and women to learn coding and programming.

In partnership with UNDP Maldives, we also kicked off “Film for Change – Climate Edition” as part of our initiatives to care for the environment. Along with encouraging young people to explore and form narratives on issues of climate change in Maldives, the initiative also focuses on teaching them the necessary technical and creative skills to make documentary-style short films with minimal equipment.

I would like to thank and recognise the entire Dhiraagu team for their efforts to help extend services and improve the experience for our customers. Their dedication and commitment to serve has been critical for Dhiraagu to achieve this year’s performance.

I thank our customers for their continued trust, the Board of Directors for their guidance and the Government for their steadfast actions to facilitate the economic recovery, which has enabled the country and Dhiraagu to return to growth in 2021.



Ismail Rasheed
CEO & Managing Director

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"We are delighted to be a partner of SEA-ME-WE 6 consortium and achieve this important milestone in the development of our telecommunication services in the Maldives. This is a significant investment that will bring immense benefits to the nation, our customers and shareholders. The SEA-ME-WE 6 cable system will provide us direct connectivity to multiple key locations across the world, which will help reduce latency, improve quality, and reduce costs of Dhiraagu’s internet services."

Ismail Rasheed
CEO & Managing Director



ISMAIL RASHEED
— CEO &
MANAGING DIRECTOR



ROBIN WALL
— CHIEF FINANCIAL OFFICER



ALI RIYAZ
— CHIEF COMMERCIAL
OFFICER



ATHIFA ALI
— DIRECTOR,
CORPORATE SERVICES



MUSTHAG AHMED DIDI
— DIRECTOR,
CUSTOMER SOLUTIONS



DR. ABDULLA FIRAG
— DIRECTOR,
NETWORKS



RAJAN SURESH
— DIRECTOR,
HUMAN RESOURCES



MOHAMED HAZMATH ABDULLA
— DIRECTOR, PROCUREMENT
& PROPERTY MANAGEMENT



MOHAMED ABDUL GADIR
— DIRECTOR,
INFORMATION SYSTEMS



MOHAMED MUSAD
— DIRECTOR,
DIGITAL TRANSFORMATION

LEADERSHIP
TEAM



Ismail Rasheed
CEO & MANAGING DIRECTOR

Ismail has held the position of the CEO & Managing Director since September 2015.

As the CEO & Managing Director, Ismail is responsible for ensuring that Dhiraagu has a sound strategy for the future and applies his leadership and management capability to deliver on that strategy and run an efficient business.

He led Dhiraagu’s re-branding which followed the transformation to a digital services company to “take-on-tomorrow”, strengthening Dhiraagu’s marketing position, whilst continuing to foster a culture of customer-centric innovation.

Ismail had served as the Chief Executive for 7 years. In that role, he led performance and strategy and was directly responsible for the Dhiraagu’s technical and commercial operations.

Ismail joined Dhiraagu in 1988 and has held leadership roles including Director of Networks and Manager Networks Planning and Projects when Dhiraagu was building the telecommunications microwave and submarine cable infrastructure across Maldives. Some of the key projects that he led and managed include major transformation projects such as the first submarine cable deployment between Maldives and Sri Lanka, installation of the domestic submarine cable network across the country and mobile broadband national

roll-out plan to connect all the inhabited islands.

Ismail is a Chartered Engineer with over 33 years of telecom industry experience and over 18 years of strategic management experience.

He holds an MBA from the University of Reading (UK); BEng (Hons) Telecommunications Systems Management & Design from Anglia Polytechnic University (UK) & is a Member of Institute of Engineering & Technology (UK).

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Robin Wall
CHIEF FINANCIAL OFFICER

Robin has held the position of the Chief Financial Officer since February 2015.

Robin joined Dhiraagu in 2011 and has held key positions in the Company including Acting CFO, Financial Controller and Assistant Financial Controller.

Robin draws on his extensive experience in finance to drive clear insights around what delivers more value to the Company and makes the business more competitive in this rapidly changing digital market.

Prior to joining Dhiraagu, Robin served as Financial Controller of Monaco & Islands region, CWC Group.

Robin is a Chartered Management Accountant with over 17 years of financial & operational expertise in the telecoms industry.

Robin holds a BSc Management Studies from University of Brunel (UK) and is an Associate Member, Chartered Institute of Management Accountants (CIMA).

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Ali Riyaz
CHIEF COMMERCIAL OFFICER

Ali was appointed as the Chief Commercial Officer in March 2021. Prior to that, Ali served the Company as the Director Customer Services & Sales.

Ali fully understands the dynamic, competitive market in which we operate in and focuses on developing clear insight into what customers value.

He joined Dhiraagu in 1999 and has held key positions in the company including Head of Administration and Human Resources.

Prior to joining Dhiraagu, he served as Group Sales & Marketing Manager at Universal Enterprises Pvt Ltd and Manager Human Resources at Maldives Inflight Catering Pte Ltd.

Ali has extensive knowledge and over 25 years experience in the industry and in the areas of business and management.

He holds an Advanced Diploma in Hospitality Management from SHATEC College (Singapore).

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Athifa Ali

DIRECTOR, CORPORATE SERVICES

Athifa has been the Director, Corporate Services since 2016. Prior to that she served the Company as the Director of International, Legal and Regulatory. Athifa leads the Company's legal and regulatory functions by providing strategic guidance and insight to ensure that the business acts lawfully and with the utmost integrity. She also oversees the Company's CSR activities.

Athifa joined Dhiraagu in 1988 and has held key positions in the Company including Financial Controller.

From the past 6 years, Athifa has been serving as the Chairperson of the Board of the Maldives Pension Administration Office. She was re-elected for a third term as the Chairperson of the Board in June 2019.

Athifa is a Chartered Management Accountant with over 22 years of telecom managerial experience in key areas of business including finance, operations, legal and regulatory.

She holds a Master of Business Administration from University of Bradford (UK) and is an Associate Member, Chartered Institute of Management Accountants (CIMA).

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Musthag Ahmed Didi

DIRECTOR, CUSTOMER SOLUTIONS

Musthag holds the position of Director of Customer Solutions. With his strong technology background, Musthag leads the Customer Solutions department of the Company and collaborates with cross-functional teams and the customers to deliver innovative solutions.

Musthag joined Dhiraagu in 1994 and has held key positions including Manager Data & IP Solutions and Manager Information Systems.

Musthag has over 26 years of experience in the field of Information Technology.

Musthag holds a BSc (Hons.) Microelectronics & Computing from Aberystwyth University (UK).

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Dr. Abdulla Firag

DIRECTOR, NETWORKS

Firag was appointed as the Director, Networks in 2016. He is responsible for building the best network experience. With his team, he leads the design, building, and maintenance of our core network and infrastructure.

Firag joined Dhiraagu in 2012 and has held key positions in Dhiraagu including Manager Access Engineering and Manager Network Quality Assurance.

Prior to joining Dhiraagu he has worked as a postdoctoral research fellow at the University of Canterbury (New Zealand). He also worked as a project coordinator at the Ministry of Communications, Science, and Technology (Maldives), and as an Engineer at the Maldives Airports Company.

Firag is a qualified engineer and researcher with over 19 years of experience in telecommunications, electrical and energy sectors.

He holds a Ph.D. and Masters in Electrical and Electronics Engineering from the University of Canterbury (New Zealand) and Bachelor of Engineering in Electrical and Electronics Engineering from the University of Adelaide (Australia). Firag has been an IEEE member since 2006.

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Rajan Suresh

DIRECTOR, HUMAN RESOURCES

Suresh has held the position of Director, Human Resources since April 2019. Suresh brings global experience in leading transformational HR initiatives to drive the way the Company operates and strengthen employee engagement.

Prior to joining Dhiraagu Suresh held key positions in the private and public sector including Head of HR (India, ME & Africa) at ISYX Technologies Pvt Ltd, Kochi, India, Senior Human Resource Director at Seddiqi Holdings, Dubai; Asst. General Manager of HR at Al Futtaim Group, Dubai; HR Operations Manager at Al Tayer Group, Dubai; HR Manager at Landmark Group, Dubai; and Senior HR Executive at Bharat Heavy Electricals Ltd, Bangalore, India.

Suresh holds Postgraduate in HR with 27 years of experience in IT, Electronics and Retail Industry verticals.

Holds a Master Degree in Social Work (Human Resource Management) from Loyola College of Social Sciences and a Bachelor's Degree in Psychology from FMNC, Kerala University.

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Mohamed Hazmath Abdulla

DIRECTOR, PROCUREMENT & PROPERTY MANAGEMENT

Hazmath was appointed as Director, Procurement and Property Management in 2007. Hazmath is responsible for managing our Admin, Property and Procurement function across the country, and leads the Company’s efforts to optimise costs. He also ensures that our procurement processes run in accordance with our policies to maintain accountability and fairness.

Prior to joining Dhiraagu in 2004, he held key positions in the Ministry of Finance and Treasury.

Hazmath has over 23 years of operational and managerial experience in both public and private sector.

He holds Master in Economics (Public Policy & Taxation) from Yokohama National University (Japan) and a Bachelor in Business Administration, Hawaii Pacific University.

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Mohamed Abdul Gadir

DIRECTOR, INFORMATION SYSTEMS

Gadir has held the position of Director, Information Systems since June 2017. He is responsible for ensuring that Dhiraagu’s Information Systems are built and maintained to optimise business needs.

Gadir joined Dhiraagu in 1988 and has held key positions such as Manager IT Projects, Manager Information Systems and managed significant projects impacting a broad spectrum of services at Dhiraagu. He has also assisted the Company in managing the networks of different departments including transmission and ISP function.

He has extensive knowledge and experience in overseeing multiple departments across the Company including providing transmission, switching, internet and IP solutions with over 32 years of experience in the industry.

Gadir holds an MBA in Information Management, TASMAC, India.

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Mohamed Musad

DIRECTOR, DIGITAL TRANSFORMATION

Musad has held the position of Director, Digital Transformation since November 2017. Musad is responsible for driving strategy and steers the major technology choices that the Company makes to ensure that our products and services are truly digital and that our customers’ needs remain at the heart of driving such efficiencies.

Musad Joined Dhiraagu in 1995 and has held key positions in Dhiraagu, including Director Networks, Manager Mobile Networks, Manager Core Networks, and Senior Engineer.

Musad is a Chartered Engineer with over 23 years of technical expertise in the telecom sector. He holds a Master of Commerce in Information Systems from the Victoria University of Wellington (New Zealand), MBA from the Australian Institute of Business (Australia), and Bachelor of Engineering in Mobile Telecommunications Technology from the University of Hull (UK).

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ISMAIL WAHEED
— CHAIRPERSON



MIKKEL VINTER
— DIRECTOR



FAISAL QAMHIYAH
— DIRECTOR



AHMED ABDULRAHMAN
— DEPUTY CHAIRPERSON



ISMAIL RASHEED
— CEO & MANAGING DIRECTOR



IMRAN ALI
— DIRECTOR



UZA. MARYAM MANAL SHIHAB
— DIRECTOR



FAISAL ALJALAHMA
— DIRECTOR

BOARD OF DIRECTORS



Ismail Waheed

CHAIRPERSON

- NON-EXECUTIVE & INDEPENDENT
- MALDIVIAN

— OTHER DIRECTORSHIP & APPOINTMENTS

None

Appointed by the Government of Maldives in November 2018 as the Chairperson of the Board of Directors. Mr. Ismail Waheed is also the Chairperson of the Remuneration Nomination and Governance (RNG) Committee.

Mr. Waheed was the CEO & Managing Director of Dhiraagu from 2004 till his retirement in September 2015. His career in the telecom industry started when he joined Cable and Wireless Maldives in 1977. He later continued to serve Dhiraagu upon its formation in October 1988. At Dhiraagu, he held various key positions including Head of Networks, Head of Marketing and Customer Services. Under his leadership the Company achieved major milestones including the Initial Public Offering in 2011 transforming the Company from a successful joint venture between the Government of Maldives and a foreign shareholder, to a publicly listed company with over 14,000 shareholders. Mr. Waheed also served as an Executive Director of the Indian Ocean Region of Cable & Wireless Plc from 2006 to 2008.

He holds a BEng (Hons) in Telecommunications Management and System Design from Anglia Polytech University, Chelmsford (UK). He also completed an Executive Leadership Programme at Darden Business School, University of Virginia, USA.

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Ahmed Abdulrahman

DEPUTY CHAIRPERSON

- NON-EXECUTIVE & INDEPENDENT
- BAHRAINI

— OTHER DIRECTORSHIP & APPOINTMENTS

Bahrain Telecommunications Company (BATELCO)
Board Director

BATELCO Board.
Member – Executive Committee

Esterad Investment Company B.S.C. (Esterad)
CEO

Native Land Investment
Independent Board Member

Beacon Capital Management (Beacon)
Director

Clan Partners Advisory
Director

Mr. Ahmed Abdulrahman was appointed to the Dhiraagu Board by Batelco in May 2020. He serves as the Deputy Chairperson of the Board and is also the Chairperson of Audit Committee.

Mr. Abdulrahman is a former investment banker, with 20 years of experience in investment banking, mergers & acquisitions, and private equity, gained from working with leading financial institutions in Bahrain & UK. He has served on the board of over 40 companies globally, including Bahrain Financing Company (“BFC”), and has held several board positions which include chairmanships to the board and chairmanships of investment committees.

He is currently the CEO of Esterad Investment Company B.S.C. (“Esterad”), a diversified investment company established in Bahrain in 1973, listed on Bahrain Bourse with activities in real-estate, private, listed equities and fixed income.

Prior to joining Esterad, Mr. Abdulrahman served as the Founder & Managing Partner of Clan Partners Advisory, a Bahrain based boutique advisory firm. He also served as the CEO and Managing Director of Beacon, a boutique Private Equity and Asset Management firm out of London. Prior to Beacon, he served as the Head of Private Equity for GCC, Levant and Turkey at Bank Al Khair (formerly known as Unicorn Investment Bank). Prior to joining Bank Al Khair, he was a Relationship Manager at Ahli United Bank – Offshore Unit and was also a Relationship Manager at Kuwait Finance House – Bahrain in the Corporate Finance and Venture Capital department. He started his career at BDO Jawad Habib as an analyst in the Financial Advisory Services unit.

Mr. Abdulrahman holds a Bachelor’s Degree (Hons) in Business Systems & Information Technology from University of Northumbria, Newcastle.

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Ismail Rasheed

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

- EXECUTIVE & NON-INDEPENDENT
- MALDIVIAN

— OTHER DIRECTORSHIP & APPOINTMENTS

None

Mr. Ismail Rasheed was appointed to the Dhiraagu Board as CEO and Managing Director by the Batelco in September 2015.

Mr. Rasheed served as the Chief Executive of Dhiraagu from 2007 till September 2015 and has held various key positions including Director of Networks from 2000 to 2007, Manager Networks from 1999 to 2000. His extensive experience in leadership, governance, and the telecom industry is an invaluable asset to the Company. He has played a pivotal role in transforming Dhiraagu into a leading digital solutions provider.

He holds an MBA from University of Reading (UK), BEng (Hons) in Telecommunications Systems Management & Design — Anglia Polytechnic University (UK).

Mr. Rasheed is a member of the Institute of Engineering and Technology (UK).

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Mikkel Vinter

DIRECTOR

- NON-EXECUTIVE & INDEPENDENT
- DANISH

— OTHER DIRECTORSHIP & APPOINTMENTS

Beyon Solutions W.L.L
Chairman of the Board

Umniah Mobile Company PLC
Board Director

Sure Limited
Board Director

Al Waha Fund of Funds
Member – Limited Partner Advisory Committee

Mr. Mikkel Vinter was appointed to the Dhiraagu Board by Batelco in May 2020. Mr. Vinter is a Member of the Remuneration, Nomination and Governance (RNG) Committee.

Mr. Vinter joined Batelco as its Chief Executive Officer in May 2019. With more than 20 years' experience in the telecom industry holding executive roles, he brings a proven track record with a wealth of knowledge and experience. Mr. Vinter has a broad international background with experience from telecom operators in the Middle East, Asia & Europe, including several greenfield mobile start-up operations.

Among his previous roles, he founded Virgin Mobile, Middle East and Africa in 2006 and served as its Chief Executive Officer until 2016. Prior to setting up Virgin Mobile Middle East & Africa, Mr. Vinter served as Chief Commercial Officer for Nawras in Oman leading all the commercial activities from before the launch until Nawras was successfully established with a 20% plus market share. His previous roles also include senior positions with TDC in Denmark and Singtel in Singapore.

Mr. Vinter holds a master's degree in Economics and Business Administration from Copenhagen Business School and has completed a marketing and management programmes with McGill University and INSEAD.

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Faisal Qamhiyah

DIRECTOR

- NON-EXECUTIVE & INDEPENDENT
- JORDANIAN

— OTHER DIRECTORSHIP & APPOINTMENTS

Umniah Mobile Company PLC
Board Member

Sabafon
Board Member

Beyon Solutions W.L.L
Board Member

Jordan Association of Management
Accountants (JAMA)
Co-founder and Board of Director

Mr. Faisal Qamhiyah was appointed to the Dhiraagu Board by Batelco in May 2020.

Mr. Qamhiyah, who joined Batelco in 2012, is the Company's Chief Financial Officer. He also represents Batelco as a Board Member for some of its international operations in addition to the responsibility of financial consolidation, treasury, M&A, Business Planning and strategic support for the international business. Prior to Batelco, Mr. Qamhiyah held the role of CFO at Umniah Batelco's sister operation in Jordan, Finance Director, Chief Operations Officer for Zain Jordan and investments Director for Ern Capital.

He holds a BA in Economics and Accounting from Yarmouk University Jordan and passed the AICPA exams from Delaware USA in 1999. He has completed the Executive Development Programme (EDP) at Kellogg School of Management, Chicago USA and various executive leadership programmes at prestigious institutes including the Stanford Graduate School of Business, Harvard Business School and London Business School.

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Imran Ali

DIRECTOR

- NON-EXECUTIVE & NON-INDEPENDENT
- MALDIVIAN

— OTHER DIRECTORSHIP & APPOINTMENTS

Dhonkeyo Group of Companies
Chairman

Reethi Rah Resort PVT LTD
Managing Director

Re-elected to the Dhiraagu Board by the public shareholders at the 31st AGM in June 2020, Mr. Imran Ali has served on the Dhiraagu Board since May 2014. Mr. Ali is a Member of the Audit Committee and serves as a Member of the Remuneration Nomination and Governance (RNG) Committee.

With over 20 years of experience in the tourism and real estate development, Mr. Ali serves as the Chief Executive Officer of Dhonkeyo Group of companies.

He holds an MBA from Manchester Metropolitan University, UK and Bachelor's Degree in Economics from the University College London, UK.

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Uza. Maryam Manal Shihab

DIRECTOR

- NON-EXECUTIVE & INDEPENDENT
- MALDIVIAN

— OTHER DIRECTORSHIP & APPOINTMENTS

Bageechaa R.E. PVT LTD
Managing Director

Uza. Maryam Manal Shihab was appointed to the Dhiraagu Board by the Government of Maldives in July 2020.

Uza. Manal is a partner at Salih, Shihab & Co., a law firm specialising in corporate and commercial practice. Prior to establishing her own practice in early 2018, she worked in the Ministry of Economic Development in 2010 as Legal Advisor to the Minister of Economic Development and concurrently served on the Privatisation Board of the President’s Office. She then joined Dhiraagu in the role of Company Secretary and Manager Investor Relations from July 2012 until she joined Suood & Anwar LLP in September 2013 until the end of 2017.

Uza. Manal is the author of the first comprehensive text on employment law in the Maldives, titled ‘*Maldives Employment Law—With Emphasis on Private Sector Employment*’ published in 2017.

Uza. Manal has been ranked by Chambers and Partners in ‘Chambers Global 2021’ and ‘Chambers Global 2022’, as an ‘Up and Coming’ lawyer under the practice area of general business law in the Maldives.

She holds LLB(Hons) from the University of Queensland, Australia and attained a postgraduate Diploma in Legal Practice from the Queensland University of Technology.

Uza. Manal is a registered solicitor at the Supreme Court of Queensland, Australia and a registered attorney in the Maldives.

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Faisal Aljalahma

DIRECTOR

- NON-EXECUTIVE & INDEPENDENT
- BAHRAINI

— OTHER DIRECTORSHIP & APPOINTMENTS

Sabafon Telecommunication Company
Board Member

Batelco International Company
Board Member

B Secure W.L.L
Board Member

Mr. Faisal Aljalahma was appointed to the Dhiraagu Board by Batelco in March 2022.

Mr. Faisal Al-Jalahma is part of Batelco management team with 17 years of experience in the Telecom space holding the position of Chief Human Resources Officer at Batelco. He began his career with Batelco in 2005 where he gained wide experience and knowledge of all aspects. Having worked at Batelco prior to and following the introduction of competition and being involved in major projects related to key operational changes, greatly broadened Mr. Faisal’s skills.

In 2012, Faisal moved to the Telecommunications Regulatory Authority (TRA) where he held various roles including Director of Finance, Information Technology and Human Resources. The role included transformational projects to digitalise and automate systems at the TRA. Faisal was also a key player and a member of the Steering Committee for the 4th National Telecommunications Plan (NTP4).

He holds an MBA from the University of Strathclyde, UK and several executive qualifications from Harvard Business School and Harvard University, John F. Kennedy School of Government.



STRATEGY + PERFORMANCE

STRATEGY AND PERFORMANCE IN 2021

As the global COVID-19 pandemic continues, digital connectivity and services have become a bigger part of people's lives. The significant investments we have made towards achieving our vision 'to enrich lives' by connecting and expanding our services to the entire country played an important role in enabling people to work, learn, entertain themselves and, most importantly, keep in touch with their loved ones.

The health crisis has provided us with the opportunity to engage with our customers in different ways. We scaled our digital channels, an important change to the way our customers interact with us. Customers are today able to access most of services online and conduct their business with Dhiraagu and get the help they need when it suits them.

We continued to deploy very high-speed fibre broadband networks, with 82% of homes now fibre-ready in the country. Despite the pandemic and the various lockdowns, we laid fibre-optic cables in 10 additional islands during the year. We believe that this technological revolution will empower communities to address the economic, health and geographic challenges that they face. We also expanded our DhiraaguTV reach to an additional 19 islands, extending our total reach to 73 islands nationwide making it the largest IPTV network in the country.

Whilst offering our customers enhanced connectivity with faster speeds and new innovative services, we also aim to optimise, develop, and better exploit our infrastructure to strengthen our leadership. To support government's 'Netu Heyo' initiative to reduce home internet prices and mobile data prices, major improvements were done on our broadband and mobile data portfolio resulting in significant value for our customers. Additionally, we introduced "Amilla" and "Salhi" plans to offer our customers more personalisation and customisation on their postpaid and pre-paid mobile plans.

Our commitment is to deliver truly inclusive digital societies in the communities that we serve. We were the first service provider to ensure uninterrupted service to our customers migrating and to the newly developed settlements in Hulhumale' Phase II. Focus was placed on new customers moving to Hulhumale' Phase II as well as those migrating their existing services from Male'.

In our efforts to improve the quality and speed of Internet and make the network more resilient, the Maldives-Sri Lanka Cable (MSC) system was commissioned earlier during the year, this will provide international diversity and make Maldives connectivity to the rest of the world more robust and facilitate innovation for future growth.

As the leading digital services provider in the Maldives, we worked to support and empower the enterprises with customised products and high-quality network capabilities. With the re-start of the economy following the challenging situation in 2020, enterprise businesses continued to deliver sustainable growth in 2021, and has reached pre-pandemic levels. The improvement is evidence of the strong economic bounce back from the tourism industry and continued trust in our services from our long-term enterprise customers.

While we continue to enhance our digital transformation journey, we remain committed to low emission carbon-resilient business practices and seek to reduce our carbon footprint through increasingly relying on renewable energy to power our various systems. We take great pride in our role as one the largest producers and users of renewable energy in the country. As part of our continuous efforts in increasing our solar footprint, we have installed 800kWp of grid-tied PV solar as of 2021.

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MOBILE

POSTPAID

INTRODUCING ALL-NEW 'AMILLA POSTPAID'

We revolutionised the mobile postpaid market by launching one of a kind customisable plan "Amilla Postpaid" where customers now have flexibility to curate their base plan on their own data and voice needs. The plan was further enhanced during the fourth quarter of the year by strengthening the value propositions with more data and unlimited voice.

RAMADAN AND EID AL-FITR OFFERS

During the holy month of Ramadan and Eid Al-Fitr, we introduced special data bundles for our postpaid customers where 10% of the proceeds from both promotions were donated to Maldivian Thalassemia Society.

SUPPORTING GOVERNMENT'S 'NETU HEYO' INITIATIVE

As part of our commitment to support government initiatives to reduce internet prices, we offered up to 29% more allowance for Dhiraagu Amilla Postpaid customers, giving them up to 22% price reduction on data.

DATA GIFTING FOR POSTPAID

We introduced a simple way of sending data add-ons to friends and family. Through Dhiraagu's 'Data Gifting', our postpaid mobile customers can conveniently gift data packs to their loved ones within our network.

POSTPAID PROMOTION

A 'Year End Bonus' promotion was launched in December for new postpaid customers who wanted to join our network, offering customers more data to experience the network.

PREPAID

'SALHI PREPAID' ALL-NEW DAILY REFRESHING PREPAID PLAN

We launched new data refreshing plans "Salhi Prepaid" tapping into a growing customer need observed in the market. Salhi Prepaid plans offering 1 GB per day for weekly and monthly plans allow customers to manage their daily data needs with unlimited calls on our network.

RAMADAN AND EID AL-FITR OFFERS

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

SUPPORTING GOVERNMENT'S 'NETU HEYO' INITIATIVE

Under this initiative, we offered 36% extra data allowance for Dhiraagu prepaid customers giving them up to 33% price reduction on data when they activate a 'Combo Plan'.

REVAMPED COMBO PLANS

Dhiraagu prepaid 'Combo Plans' were revamped allowing customers to enjoy up to 36% more data.

REVISED SALHI PREPAID PLANS

Salhi Prepaid's weekly and monthly plans were revised with better prices to offer further ease to customers.

DATA GIFTING FOR PREPAID

We have introduced a simple way of sending data add-ons to friends and family. Through Dhiraagu's 'Data Gifting', our prepaid mobile customers can conveniently gift data packs to their loved ones within our network.

PREPAID PROMOTIONS

- Our 'Year End Promo 20' was extended till the end of January 21' and customers continued to enjoy 100% extra allowance with every purchase of our data 75 mini bundle.
- Our prepaid customers received 200% extra data allowance with every purchase of the data 75 mini bundle.
- We ran a promotional where customers who purchased Salhi weekly plans during the promo period received 2GB daily data.

MAMEN
INTRODUCING NEW MAMEN DATA ADD-ONS

We enhanced ‘Mamen Data Add-ons’ portfolios with shorter validity periods while two of the add-ons introduced will allows customers to enjoy free data for popular chat apps such as WhatsApp, Viber, Telegram, Messenger, and WeChat.

MAMEN PROMOTIONS

- We reintroduced ‘Mamen Referral’ promotion allowing customers to enjoy extra data with each referral.
- We ran a promotion offering 15% discounts on all Mamen data add-ons
- To give customers even greater value, 50% discount was offered for all Mamen data add-ons.

EXPAT
INTRODUCED ‘HELLO PREPAID’

‘Hello Prepaid’ was launched for expats living in the Maldives. This dedicated prepaid plan is specially curated for nationals from India, Sri Lanka, Philippines, Nepal, Thailand, and China. Customers signing up for ‘Hello’ get to choose their country allowing them to enjoy special country benefits, free calls to friends and family and standard prepaid offers throughout the year.

REVAMPED SERA DATA OFFERS

Data offers provided for Sera customers were revamped to include more data, social media and IDD.

EXPAT PROMOTIONS

- We introduced mini bundles for customer to enjoy popular IMO chat app allowing them to keep in touch with their friends and family across the world.
- Free Friday offers was introduced allowing expat customer to enjoy exciting benefits every Friday. •

Home Internet

FIXED BROADBAND
HIGH-SPEED FIBRE NETWORK EXPANSION

To further enhance the digital experience of our customers across the nation, we extended our high-speed fibre broadband service to 10 additional islands. Our Fibre Broadband network is the largest high-speed data network in the nation, which provides unparalleled experience to communities in 74 islands expanding our reach to a total of 82% homes nationwide.

EXPANDING HIGH-SPEED FIBRE BROADBAND SERVICE TO HULHUMALE’ PHASE II

We partnered with Housing Development Corporation Ltd to further expand Dhiraagu Fibre Broadband service to the new settlements in Hulhumale’ Phase II.

SUPPORTING GOVERNMENT’S ‘NETU HEYO’ INITIATIVE
With these new changes, Dhiraagu Home Fibre Broadband customers will now get up to 100% more data allowance on their packages and up to 50% reduction in overall data price.

RAMADAN AND EID AL-FITR OFFERS

During Ramadan and Eid Al-Fitr we ran two special booster promotions for our Home Broadband customers. 10% of the proceeds gained from both promotions were donated to Maldivian Thalassemia Society.

LAUNCHING DATA ROLLOVER

With the launch of data rollover service, Dhiraagu Home Broadband customers can now enjoy all the unused data, which will be carried forward to the following month for free. This will allow customers to do more without having to spend extra.

ENHANCING CUSTOMER EXPERIENCE

To enhance our ADSL customers experience, we offered free upgrades to the fastest fibre network in the country.

FIXED BROADBAND PROMOTIONS

An exclusive offer was announced for Hulhumale Phase II Hiya customers allowing them to win exciting cash prizes by applying for Dhiraagu services including Home Broadband. Under this promotion, three lucky Hiya customer will stand a chance to win a total of MVR 50,000.

A ‘Year End Bonus’ promotion was launched offering customers joining our network the fastest and biggest allowance packages available in the country together with free connection and free ONT router.

LTE AND MOBILE BROADBAND
INTRODUCING NIGHT ALLOWANCE & DATA ROLLOVER

Our LTE Broadband plans were enhanced with extra allowances on core data, and we introduced a special extra night allowance allowing customers to do more. Additionally, with the introduction of data rollover service, customers are now able to enjoy more data with increased speeds.

MOBILE BROADBAND PROMO

We offered our Mobile Broadband promotion with increased allowances of up to 3 times more data.

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Entertainment

DHIRAAGUTV
IPTV NETWORK EXPANSION

We also expanded our DhiraaguTV reach to an additional 19 islands, expanding our total reach to 73 islands nationwide making it the largest IPTV network in the country.

EXPANDING DHIRAAGUTV SERVICE TO HULHUMALE’ PHASE II

To offer all the entertainment needs for the new communities settling in Hulhumale’ Phase II, we partnered with Housing Development Corporation Ltd to provide DhiraaguTV service. Hiya Flat customers applying for DhiraaguTV received free joybox and set up as well as 50% discount on 6 months rental.

INTRODUCED GOLD PACKAGES

The new Gold Package is a one stop shop for entertainment needs. With the newest movie channels included, it offers a diverse genre of channels curated for all audiences including the Disney channels, Sony Sports channels, and the STAR channels for all the masala entertainment.

RAMADAN AND EID AL-FITR OFFERS

For Ramadan, DhiraaguTV announced a special gift allowing existing residential customers to enjoy all additional channels without any extra charges on their current package. Additionally, all customers who were on the Gold Pack will receive a discount of MVR 150 from their bills in May.

DHIRAAGUTV PROMOTIONS

DhiraaguTV had ‘FEE FREE’ promotion where existing Dhiraagu Fixed Broadband customers could apply for DhiraaguTV before 31 May 2021 to enjoy free connection and free Joybox (set-top-box).

An exclusive offer was announced for Hulhumale’ Phase II Hiya customers allowing them to win exciting cash prizes by applying for Dhiraagu services. Under this promotion, three lucky Hiya customer will stand a chance to win a total of MVR 50,000.

DHIRAAGUTV PROMOTIONS (CONT.)

During the year, we ran a promotion where existing Dhiraagu Fixed Broadband customers can apply for DhiraaguTV to enjoy free connection and free Joybox (set-top-box). Under this promotional offer, one lucky winner from the new Gold Package subscribers received the latest Samsung smartphone, Z Fold 3. Additionally, 10 lucky new customers who subscribed to a Starter, Basic, or a Gold package stood a chance to enjoy their favourite channels free for six months.

DHIRAAGUPLAY

We continued to further enhance DhiraaguPlay experience for our customers, with additional content channels and VOD content. Our customers were also able to watch all matches of UEFA EURO 2020 from any location with our DhiraaguPlay app.

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DhiraaguPay

DhiraaguPay is a convenient, reliable, and secure e-wallet for customers digital lifestyle. During the year, we onboarded 59 new merchants, reaching over 400 merchants in total across the nation. Customers can now activate our e-wallet to enjoy numerous discounts and benefits right away.

DEVICE LAUNCHES

We continued our work in introducing exciting new technologies and enabling our customers and partners to connect to the world and have an unparalleled experience.

In partnership with global flagship brands, we launched the latest smartphones; including the Samsung Galaxy S21+ and S21 Ultra 5G, and the Samsung Z Fold 3.

We also launched the new iPhone13 series under convenient payment plans and exclusive data offers.

DIGITAL CHANNELS DHIRAAGU MYACCOUNT

As convenience is key to customers’ engagement with us, we introduced new enhancements to Dhiraagu MyAccount Portal. Dhiraagu prepaid customers can now conveniently apply for services through the Portal.

DHIRAAGU MOBILE APP

Dhiraagu Mobile App allows customers to manage all their services remotely and far more conveniently than before.

SPOTIFY

We were the first in Market to include Spotify in our streaming bundles which includes the most popular streaming channels like YouTube, Netflix and Tiktok to cater for the increasing demand for entertainment and information through streaming services.

RB QUEST

The first Maldivian Augmented Reality (AR) mobile game, “RB Quest” made a comeback with more exciting features. With the new upgrades in December 2020, we announced an exciting promotion where all Dhiraagu customers including Mamen customers stood a chance to win exciting prizes.

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Business Services

During the year increased focus was placed on supporting enterprises. We intended to leverage our core strength and capability in connectivity, to maximise the returns on our core asset, supported by a comprehensive value chain of enterprise solutions to maintain our growth trajectory.

ENTERPRISE

We focused our emphasis on developing key infrastructure to cater for increasing demands in connectivity within the private sector by extending support in development of our network infrastructure. We played a strategic role in timely delivery of services and solutions to the international airport and regional airports development projects.

Furthermore, we extended our support with Enterprise Managed Services to customers seeking solutions to streamline the management of networks. As a reliable Managed Services partner, we have maintained our promise of delivering excellence in managed connectivity, security and network infrastructure for our enterprise customers.

The increased demand for digital and connected services, we fortified our security and threat management product portfolio by introducing Cloud Based Unified Threat Management (UTM) services to secure key private network of our customers.

The recent lifestyle changes due to the pandemic, more offices are shifting to hybrid working models where employees are working both on-site and remotely. Our Cloud VPN solution facilitates a secure environment for these organisations to ensure smooth business operations.

Our aim is to continue to transform businesses from traditional on-prem to digital platform-based solutions, underpinned by a portfolio of solutions supported by market-leading security services. With our customized M2M connectivity solutions we have been helping business to connect devices with Private APN/VPN services. We offer customized solutions and packages when it comes to connecting and integrating devices with their existing infrastructure.

HOSPITALITY RESORTS AND GUEST HOUSES

With the resorts and hospitality industry slowly moving forward, we further facilitated bandwidth upgrades of Datacom services targeting mainly resorts and the hospitality industry, with our Managed Services solutions enabling to deliver managed connectivity, security, and network infrastructures. With the growing need for securing and protecting business-critical data and systems, we introduced Cloud UTM – a cloud-based Unified Threat Management solution dedicated to providing security and internet management services for guesthouses, hotels and medium to large enterprise customers to manage their Network & Internet Connectivity Infrastructure. This solution is offered over Dhiraagu Biz Fibre Broadband service to provide additional internet security.

GOVERNMENT

Emphasis was given to developing key infrastructure to cater for increasing demand for connectivity from both public and private sectors. In line with this strategy, we supported government initiatives seeking digitisation of public services whilst ensuring timely realisation of key government programs and pledges. We delivered customised solutions commissioned by the government partners.

Notable examples of these includes;

- Network support extended to the Health Protection Agency (HPA) to provide reliable and stable services during the COVID-19 pandemic emergency operations.
- The network expansion project delivered to the Department of Judiciary.
- Real-time notification and customer experience initiative provided to the National Health Scheme, Aasandha involving Bulk Messaging services.
- Strengthening the nation-wide school network for Ministry of Education ensuring capacity availability in times of remote education.
- To reflect the Government’s “Netu Heyo” initiative to residential households, we revamped Business Fibre (Biz Fibre) products with better value proposition to support the SME market. The product initiative gave businesses in central and regional hubs access to reliable and affordable fixed internet connectivity.
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Supporting our Community

As we navigate through this difficult time amid our key priority remains to ensure the health and safety of our employees, customers, and the wider community, as we respond to COVID – 19. With the lockdown announced for the Greater Male’ region in May 2021, we extended discounts and more value to enable remote working and learning, these included:

FREE DATA FOR DHIRAAGU FIXED BROADBAND AND MOBILE CUSTOMERS

- Dhiraagu Fixed Broadband packages were awarded with 30% free extra data.
- Dhiraagu Postpaid and Amilla Postpaid customers were awarded between 25% to 200% free extra data.
- Dhiraagu Postpaid ‘Vaguthun Geah Internet’ customers received 30% free extra data allowance
- We awarded 30% free extra allowance for Postpaid Data SIM.

FREE EXTRA DATA ON BOOSTERS AND BUNDLES ACTIVATED

- Fixed Broadband customers received double allowances on boosters activated.
- Mobile Postpaid customer enjoyed double the allowances on boosters activated.
- Dhiraagu Prepaid customers received 50% extra Allowance on Combo Plans and 200% extra allowance on Mini Data Add-Ons valid for 30 days from activation.
- 100% extra allowance on ‘Vaguthun Geah Internet’ boosters activated.
- 100% extra allowance on boosters on Data SIM activated.
- Dhiraagu Prepaid ‘Vaguthun Geah Internet’ customers received 30% free data allowance on packages activated between 1 June until 30 June 2021
- We awarded 30% FREE allowance for Data Add-ons activated on Prepaid Data SIM between 1 June until 30 June 2021
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FINANCIAL PERFORMANCE

OVERALL FINANCIAL PERFORMANCE

2021 was a year of recovery following the challenges in 2020 caused by the global COVID-19 pandemic. The financial performance significantly improved in line with the economic recovery and due to the successful investment program to extend and upgrade services, helping drive the digitalisation of the nation.

Dhiraagu’s total revenue for the financial year 2021 increased by 1.8% Year-on-Year (“YoY”) to MVR 2.5bn with the main increment coming from fixed broadband and enterprise services due to the economic recovery and improvement in the tourism sector. We supported the Government’s initiative to make internet more affordable and provide greater value for money across our fixed broadband and mobile broadband service offerings. While the price changes had an impact on revenue, increased customer demand, especially on fixed broadband, helped mitigate part of the impact.

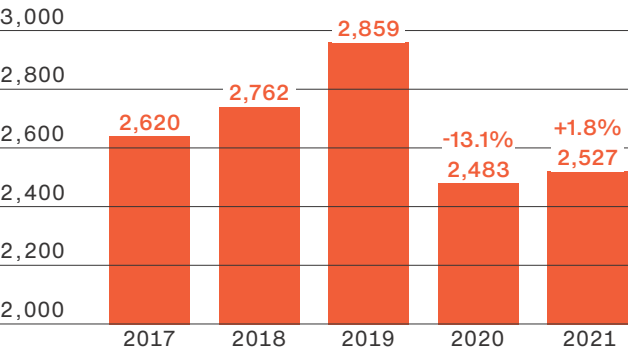
	2017	2018	2019	2020	2021
	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000
REVENUE	2,620	2,762	2,859	2,483	2,527
EBITDA	1,371	1,418	1,495	1,280	1,372
Profit After Tax	898	905	942	732	813
Basic Earnings per Share (MVR)	11.81	11.91	12.39	9.64	10.70
Free Cash Flow	644	617	965	917	1,008
Net Assets	2,315	2,330	2,505	2,483	2,746

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Despite the ongoing challenges, we continued to prioritise investments to extend and upgrade our services to provide the best possible experience for our customers. MVR 310m was invested in various capital investment projects during the year including MVR 97m towards the rollout of FTTH and mobile, focused on improving speed, coverage and customer experience.

The Company continued its focus on cost optimization measures considering the uncertainties due to the global pandemic and to ensure sustainable shareholder returns. These measures helped EBITDA to increase by 7.3% to MVR 1.4bn and Net Profit to increase by 11.0% to MVR 813m

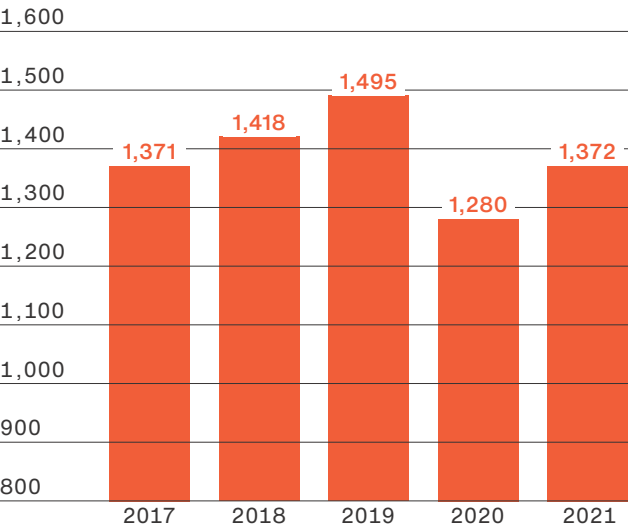
REVENUE



Total revenue increased by 1.8% YoY by MVR 44m to MVR 2.5bn with the recovery of the economy especially in terms of resort operations upgrading bandwidth and growth on Fixed Broadband.

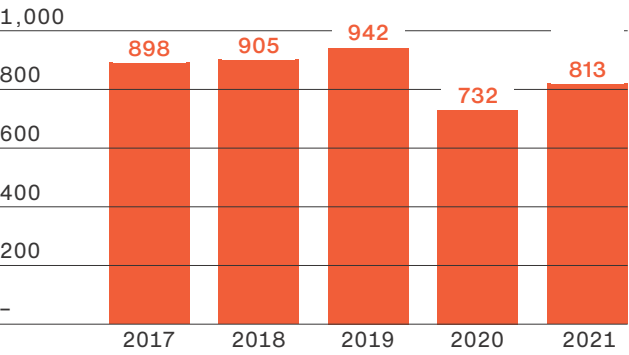
As the country was recovering, our priorities remained providing an uninterrupted service to our customers and supporting the local community. •

EBITDA



The growth in revenue and effort on cost optimization yield in EBITDA to increase by 7.3% to MVR 1.4bn. The cost optimization measures are continued considering the uncertainties due to the global pandemic and to ensure sustainable shareholder returns. •

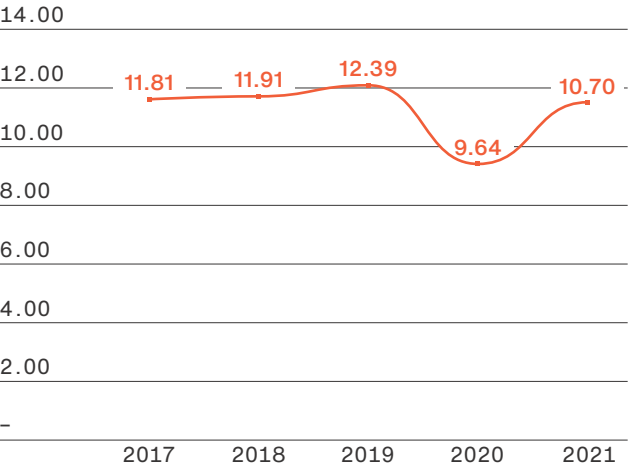
PROFIT AFTER TAX



Profit after tax increased by MVR 80.6m (11.0%) on a YoY basis due to revenue growth and the result of cost optimisation plans implemented across the Company.

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EARNING PER SHARE



Basic EPS was MVR 10.70, an increase of 11.0% YoY, due to the improvements in profit after tax.

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DIVIDENDS

For the financial year 2021, a total dividend of MVR 471.2m is proposed to the shareholders (MVR 157.3m already paid as interim dividend and MVR 313.9 m proposed as final dividend for 2021).

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ASSETS & ROCE

At 31 December 2021, Dhiraagu’s total asset base stood at MVR 4.8bn which represents an increase of 16.6%. Return on capital employed (ROCE) for 2021 reduced to 29.7% versus 30.2% in 2020 due to the continuation of investing in infrastructure and transformation despite the growth on PAT of 11%.

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CAPITAL INVESTMENT

Total capital expenditure for the year was MVR 310m, a YoY decrease of MVR 27m. Even with the challenges faced in both 2020 and 2021, we continued our focus on investing in strategically important projects to improve customer experience, enhance connectivity, build resilience and transform our business. One of our key investments in 2021 was to upgrade the internet capacity in the recently built Maldives Sri-Lanka Cable (MSC), to improve diversity on our critical submarine cable infrastructure and uses the latest technology to improve internet capacity, speed and latency.

Simultaneously, we continued to invest in enhancing and extending high-speed connectivity across the Maldives with Fibre to the Home (FTTH) broadband connectivity now reaching 82% of households and improved mobile data coverage, with a total of MVR 97m invested last year. As a result, even with the increased demand for bandwidth due to online schooling, work from home and social and entertainment needs, we were successful in providing an uninterrupted service to all of our customers.

We focused a good proportion of our investments in 2021 on enhancing the digital life of the community and continued investing in transformational projects such as TV, improving customer experience and enterprise services.

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FREE CASH FLOW AND CASH BALANCE

Free cash flow (cash flow from operating activities less purchase and construction of property and equipment and intangible assets) was MVR 1bn for 2021. This is a 9% increase from 2020 mainly due to the increase in revenue and improvement in collections.

Availability of foreign currencies has presented a major challenge since the start of the pandemic. Although the Company had a significant cash balance of MVR 1.8bn at 31st December 2021, the vast majority was in Maldivian Rufiyaa (MVR). The cash balance was also significantly higher than expected, due to pending dividend payments mainly due to the unavailability of foreign currency.

To ensure the Company had the means to continue investing in and enhancing services, Dhiraagu’s Board approved for the Company to obtain two loan facilities in 2021 of US\$ 12 million and US\$ 8 million respectively from the Hongkong and Shanghai Banking Corporation Limited for the Company’s capital expenditure requirements.

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INVESTOR RELATIONS & SUSTAINABLE RETURNS TO SHAREHOLDERS

OUR SHAREHOLDERS

Our Company is owned by 14,335 shareholders (as at 31 December 2021). Most of our shareholders are individual shareholders who have invested by themselves or on behalf of their children in the prosperity and growth of the Company.

Our two principal shareholders are BTC Islands Limited (Batelco) holding 52% and the Government of Maldives holding 41.8%. The remaining shares are held by members of the public.

As at 31 December 2021, there are no other individual or institutional shareholders holding more than 5% of our shares.

Bahrain telecommunications company (Batelco) has its headquarters in the Kingdom of Bahrain and is listed on the Bahrain Bourse. Batelco has evolved from being a regional middle eastern operation to becoming a major international communications entity operating under local brands in each market with direct and indirect investments across multiple countries, namely Bahrain, Jordan, Saudi Arabia, Yemen, Egypt, Guernsey, Jersey, Isle of Man, Maldives, Diego Garcia, St. Helena, Ascension Island and the Falkland Islands.

SHARES HELD	NUMBER OF PUBLIC SHAREHOLDERS
1 to 10	4,370
11 to 100	8,182
101 to 1,000	1,583
1,001 to 10,000	185
10,001 and over	13
•	

SHAREHOLDER RETURNS

Creating a sustainable shareholder value is important to us and this continues to be demonstrated by the healthy dividends we pay to our shareholders. Dividends are paid in accordance with our Dividend Policy which ensures a minimum dividend of 50% of profit after tax, are proposed by the Board of Directors based on cash availability after meeting capital expenditure and other business requirements for future growth.

TRADING HIGHLIGHTS	2021	2020	2019
Last Traded Price (MVR)	102.00	96.00	105.00
Highest Traded Price (MVR)	110.00	120.00	120.00
Lowest Traded Price (MVR)	95	84.00	80.00
Weighted average traded price (MVR)	100.91	99.13	98.10
No of shares traded	3300	4156	6102
No of trades	25	33	32
Market Capitalisation (MVR bn)	7.75	7.30	7.98

SHARE PERFORMANCE	2021	2020	2019
EPS (MVR)	10.70	9.64	12.39
P/E Ratio (times)	9.43	9.96	8.47
Dividend per Share (MVR)	6.20	7.23	12.00
Net Asset Per Share (MVR)	36.13	32.66	32.96
Dividend Pay-out Ratio	58%	75%	97%

SHAREHOLDER RETURNS

We believe in a two-way dialogue with our shareholders. We place utmost importance in providing accurate and timely information to our shareholders through various means as swiftly and efficiently as possible. Recognising the importance of meeting our continuous disclosure obligations and other legal regulatory obligations, financial reports and other material information are published on our website in a timely manner for the benefit of our shareholders and investors. Quarterly reports are published within a month of the end of each quarter and Annual Report is published within four months of the year-end.

All quarterly and annual reports published since being listed on the Maldives Stock Exchange are available at Dhiraagu/Investor_Relations.

ANNUAL GENERAL MEETING (AGM)

Our AGMs are the principal platform through which we interact with our shareholders by providing them with the opportunity to hear directly from the Chairperson and CEO about our business and growth of the Company during the year. For this reason, we encourage shareholders to participate at Annual General Meetings as it also provides an opportunity for shareholders to ask questions to the Board, Management and the Auditor on the management, performance and governance of our Company.

The safety of our shareholders, our people and broader community amidst this pandemic are key considerations of our Board. With strict restrictions on gatherings and movement, our 32nd AGM was held online on 20 May 2021 using the virtual platform ‘Fahivote’; an online General Meetings Management System developed by Maldives Security Depository Pvt Ltd. Seventy five shareholders (73 shareholders and 2 shareholders represented by proxy) representing 93.92% of share capital registered to attend the meeting. The minutes of the 32nd AGM were published on our website on 23 May 2021.

Our 33rd AGM is scheduled to be held in Q1 2022. Further information about the upcoming 33rd AGM will be made available at <https://www.dhiraagu.com.mv/investor-relations> including a guide on how to register for the event and how to use FahiVote.

Prior to an AGM, all information related to the meeting including the Notice, Agenda, Director’s Report and Financial Statements are made available on our website. The Board and Management attend the AGM to address any queries or concerns from shareholders. The External Auditor is present to help address any queries relating to the External Auditor’s Report. Resolutions passed at an AGM are published and made available on our website. Minutes of the preceding meetings are opened for public comments within five days of the closure of the meeting to ensure shareholder concerns raised at the meetings are captured accurately.

DHIRAAGU WEBSITE

Our website provides regular and timely updates on all key developments of the Company. Financial reports including the annual report, quarterly reports, public announcements, and communications related to AGMs are updated and maintained on our investor relations webpage allowing investors and other stakeholders to be kept informed of our performance and important developments.

INVESTOR RELATIONS TEAM

We have a committed team at Investor Relations team who responds to the queries from shareholders and stakeholders. Information regarding shareholding details and dividend payment history are promptly provided. Our customer service hotlines and regional offices also support the Investor Relations team by forwarding queries and requests from shareholders and investors. We advise and encourage all our shareholders to update their personal information including bank account details, contact number, email and change of address as necessary. We also advise shareholders to update their residency status by completing the “Shareholder Information Form” which is also available at <https://www.dhiraagu.com.mv/investor-relations>



SUSTAINABLE TOMORROW

We support the United Nations Sustainable Development Goals and have been a signatory to the United Nations Global Compact since December 2012.

“As the pandemic continues with new variants, the health and safety of our people, supporting our community, and keeping the nation connected are our top priorities.

We remain steadfast in our support to the United Nations Sustainable Development Goals and the 10 Principles of the UNGC in the core areas of Human Rights, Labour, Environment and Anti-Corruption”

Ismail Rasheed
CEO & MD – Dhiraagu

CORPORATE SOCIAL RESPONSIBILITY

Our work is motivated by a sense of community and the principles of good corporate citizenship. In our actions and business decisions, we seek to ensure responsibility and demonstrate integrity, sound ethics, transparency, and accountability. We actively reinforce our ties to the Maldivian community by recognising that we are engines for resilience and innovation when it comes to nation-building. Our CSR actions are informed by our CSR strategy and guided by Dhiraagu CSR Committee. The Committee is chaired by the Chief Executive Officer & Managing Director and is represented by senior management.

In addition to our focus on strong corporate governance, since becoming a signatory to the United Nations Global Compact (UNGC) in 2012, we have published our Corporate Social Responsibility: Communication on Progress (COP) Reports under the UNGC framework. We have included the COP for 2021 within the Sustainable Tomorrow section of this report.

THREE PILLARS IN OUR CSR STRATEGY



Our People



Our Community



Our Environment



OUR COMMUNITY

Our initiatives under the Community pillar support the United Nations Sustainable Development Goals on



RESPONSE TO THE COVID-19 PANDEMIC

Since the start of the Covid-19 pandemic, our focus has been on protecting the health, safety, and wellbeing of our employees, helping our customers and communities stay connected and contributing to the nation's emergency response efforts by supporting the Government, local authorities, and NGOs. Some of the key initiatives we implemented include:

- With authorities announcing strict restrictions on gatherings and movement for the Greater Male' region, we extended special offers to encourage work from home and enable online schooling. The support included offers for our Dhiraagu Postpaid, Prepaid, Fixed Broadband, LTE and MBB customers, giving them more data with no additional costs along with discounts on boosters.
- We also supported the Government's initiative on remote education and extended free allowances to students and teachers who were learning and teaching remotely using our fixed broadband or LTE broadband services. We also provided the staff and people at quarantine facilities with free 10GB mobile data.
- Free internet connectivity provided to Hulhumale' Hospital to so that Covid-19 patients admitted there could remain connected with their loved ones.
- Together with Samsung, we jointly donated Galaxy Tabs to the Ministry of Health and Addu Equatorial Hospital to further support the health sector and enhance digitisation efforts for pandemic management.
- We offered toll-free services to Maldivian Red Crescent for their Psychosocial Support Helpline 1425 and Migrant Support Helpline 1458, to offer psycho social support to the public and to reach the migrant community who were facing hardships following the pandemic.
- Also, as part of our support to authorities on their Covid-19 response, we provided free internet setup and connectivity to support vaccination teams at Social Centre, National Art Gallery/Islamic Centre, Hulhumale' Flu Clinic and Villimale' Youth Centre in Greater Male' Area.
- We supported Fuvahmulah Council with free Postpaid Mobile connectivity to assist their Covid-19 contact tracing work and provided Dhiraagu TV service to Dharubaaruge for HEOC Covid-19 operations.
- We supported the Kulhudhuffushi Council by providing connectivity to the Kulhudhuffushi Harbour Monitoring Desk established to monitor the traffic of people going in and out of Kulhudhuffushi.

EMPOWERING WOMEN

Empowering and encouraging more women to participate in the ICT field has been a focus of our CSR programme. Despite the disruptions following the COVID-19 pandemic, we were able to carry out key initiatives to empower women during the year.

- As such, the Girls to Code is a programme series held in partnership with Women in Tech Maldives to inspire and encourage young women to join technology fields by teaching them how to code. 17 young women completed the "Girls to Code Thinadhoo Programme" held earlier in the year for the region of G. Dh. Thinadhoo. We featured the girls from the programme and their inspirational stories during the month of March following International Women's Day to further advocate for the cause. 18 young women also completed the 'Girls to Code Kulhudhuffushi' Programme during the year and a special function was held in the region of H. Dh. Kulhudhuffushi to celebrate their achievements, to inspire and raise awareness.
- We celebrated International Women's Day with a special staff function held virtually. Shadiya Ibrahim, Head of Office at UNFPA joined our colleagues as a special guest speaker at the event to speak about women's empowerment.
- In line with the global 16 Days of Activism Against Gender-based Violence and "End Gender-Based Violence Against Women Now", a special session by UNFPA Maldives was arranged for our staff on Protection from Sexual Exploitation and Abuse.
- On the International Girls in ICT Day, we facilitated a NextGenGirls Virtual Innovation Tour for school students in collaboration with Women in Tech Maldives. Our female colleagues from Dhiraagu Information Systems, Marketing, HR, and CSR facilitated the session to share information about the IS function, their roles and how we work together as a team to bring products and innovations to market. Information about Dhiraagu Apprenticeship Programme and graduate apprenticeship opportunities in Information Technology were also shared with the students. Students from Rehendi School, Funadhoo School, Addu High School and Thoddoo School participated in the session.
- We partnered with the Business Centre Corporation to support their Market Stall event for home-based workers, which was held in line with the International Home-based workers Day. The event aimed to provide a platform for small home-based entrepreneurs to produce local products and services. 92% of the exhibitors in the event comprised of home-based women entrepreneurs.

CARE FOR CHILDREN

We supported key initiatives during the year with our focus to support children:

- Thalassemia being a key public health concern affecting children in the Maldives, we donated MVR 313,235 to Maldivian Thalassemia Society as part of our initiatives during Ramadan the contribution of 10% of Ramadan and Eid Data Boosters and Bundles.
- We partnered with ARC Maldives for Eid Al-Fitr to support the ARC Aid food support programme for some of the most vulnerable children and their families affected by the COVID-19 pandemic.
- We also supported the NGO – Care Society's Vocational Training Unit (VTU) Program for children with disabilities focusing on training students with basic computer skills.
- During the year, we supported Family and Children Service Centres under the Ministry of Gender, Family and Social Services by offering free Dhiraagu internet and DhiraaguTV services. The initiative was to support the Ministry's decentralisation initiative in relocating children from Kuda Kudhinge Hiyaa orphanages from Greater Male' Area to different regions.
- We supported the Himmahfushi Council to develop a children's park in Himmahfushi which would serve as a much-needed valuable space on the island for children to play and lead a healthy and active life.
- We partnered with the NGO Cancer Society of Maldives to support a childhood cancer awareness campaign focusing on childhood cancers in the Maldives, patient stories and how society could help children reintegrate back to school and community after treatment. We marked the beginning of September, by lighting up a gold ribbon in our head office building to draw attention to childhood cancers and to pledge our support to the childhood cancer awareness month.
- We supported the "Riveli Thari" initiative by the Ministry of Gender, Family and Social Services for children with disabilities by contributing prizes for giftpacks awarded to the eight Riveli Thari winners. The event was held in line with the International Day for Persons with Disabilities to encourage and celebrate talent in the field of education, arts, and craft, entertainment, and sports.
- We renewed our membership with the Internet Watch Foundation as part of the GSMA Mobile Alliance Against Child Sexual Abuse Content, to block child sexual abuse content on our network.

EMPOWERING YOUNG PEOPLE

Dhiraagu Apprenticeship Programme is our key CSR programme to empower young people, which is held every year since 2009. Through structured training on soft skills development and on the job learning across multiple disciplines, the programme aims to develop employability skills in young people.

During the year, 17 apprentices successfully graduated from Dhiraagu Apprenticeship Programme and 16 new apprentices were enrolled in the programme. Introductory sessions for the new apprentices were focused on Health and Safety, Ethics, Essentials in Telecom, Digital Transformation, Brand, and CSR which were held during the year. New graduate placements in Information Technology specialised training were also announced for Dhiraagu Apprenticeship Programme during the year.

We were the Main Partner of the Hour of Code@Women™ In Tech Maldives held in line with the Computer Science Education Week. The event reached over 2000 students across the Maldives to bring the spotlight on the importance of computer science and coding. Our colleagues from Dhiraagu Information Systems, Networks and Marketing teams joined as Mentors to conduct the Hour of Code classes to inspire the students.

We also facilitated special educational sessions during the year for school children:

- We hosted Computer Science students from Imaaduddin School for an informative session and study tour at Dhiraagu Head Office showcasing the roles and functions of our Information Systems department.
- We hosted students from Aminiya School and Muhyiddin School in line with Broadcasting Day 2021 and conducted interactive sessions on rebroadcasting and DhiraaguTV.
- Our Director, Digital Transformation, Mohamed Musad joined the special assembly at Imaaduddin School held to mark the International Internet Day to talk to young students about Internet and connectivity.

We committed to support the Corporate Scholarship Scheme by the Ministry of Higher Education to train students in special therapeutic courses. The initiative is part of the Government’s efforts in developing trained professionals for working with persons with disabilities.

We became the Digital Partner of “SEED” to support the initiative the Ministry of Economic Development and Business Centre Corporation, the first coworking space in Male’ targeted to local entrepreneurs. As the digital partner of the initiative, we provide our high-speed Business Fiber 1Gbps connection free of charge to SEED to support the initiative.

As part of our efforts to foster the local startup culture, the virtual edition of Startup Grind X Male’ was held in partnership with Sparkhub, featuring Nasrullah Adnan, Co-Founder and CTO of Lottifiles to share his startup journey with the public.

We supported the Maldives Accountants Forum 2021 by the Chartered Accountants of the Maldives (CA Maldives). Our CEO & MD, Ismail Rasheed spoke at the forum on the topic “Changing Dynamics in the Telecom Industry” and our CFO, Robin Wall joined the panel discussion on “Sustainability Reporting in the Maldives, Challenges and Opportunities”. The Maldives Accountants Forum 2021 was held to promote the much-needed development of accounting professionals in the country and to discuss matters of mutual interest with industry stakeholders.

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COMMUNITY EMPOWERMENT AND WELLBEING

In line with Maldivian Red Crescent Day and World Humanitarian Day, we renewed our corporate membership with the Maldivian Red Crescent to contribute to their humanitarian works across the Maldives.

We collaborated with Housing Development Corporation Ltd, Community Nurse Volunteers and Maldivian Red Crescent to mark the International Day of Older Persons in Hulhumale’ where we conducted a special session on digital safety and awareness for the elderly. We also took part in a special event by the Maldives Senior Citizens Association in K. Himmafushi and conducted an awareness session on digital inclusion for the elderly.

On World Heart Day, we lit up a beating heart on the Dhiraagu Head Office building to join the global illumination campaign to raise awareness on CVDs and featured some of our colleagues who advocated heart-healthy messages.

Though most of our colleagues were remote working in April, our colleagues volunteered to wear blue to unite and show solidarity virtually for World Autism Awareness Day. We also lit our head office building in blue to raise awareness and to take part in the global campaign.

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OUR PEOPLE

United Nations Global Compact–Human Rights Principles

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

Our people are a critical enabler to achieving our strategy and realising the benefits of our initiatives. We closed the year with 581 permanent full-time employees, 99% of whom are Maldivian.

As the pandemic continued, with new variants, digital connectivity became an even bigger part of people’s lives. As an essential service provider, our teams play a key role in delivering services and maintaining service continuity for customers and they remained committed to keep the nation connected. Our people and ensuring their safety continued to be a top priority especially considering the ongoing pandemic. Until September, most of our colleagues continued to work remotely and they continued to adapt well to the new ways of working.

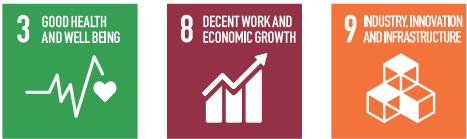
KEY HIGHLIGHTS DURING THE YEAR:

- Special arrangements for vaccination were enabled for all front-line staff and other priority arrangements and awareness were carried out to encourage the completion of COVID–19 vaccination for all staff.
- Special precautionary measures were implemented on return to workplace. SOPs on Social distancing, temperature screening at workplace, and returning to work were published.
- With the enactment of the Public Health Emergency Act, a special leave guideline was introduced to support staff who are unable to attend work due to the pandemic, to take precautionary steps to prevent spread, and other such related matters.
- Our dedicated COVID–19 Employee Helpdesk Hotline continued to remain in operation to support our colleagues.

PRINCIPLE 2
Make sure that they are not complicit in human rights abuses, Assessment, Policy and Goals.

- We continued to advise and remind all staff to follow guidelines issued by the Health Protection Agency. We continued to utilise digital channels such as our Intranet, E-Learning online platforms and TV screens to communicate awareness messages and guidelines.
- Continued facilitating items required for personal hygiene at all touchpoints in Dhiraagu Head Office and all Regional Operation Centres.
- Continued temperature screening at Dhiraagu Head Office and arranged availability of face masks and sanitisers for all staff.
- Continued facilitating COVID–19 PCR Tests and provisioning of PPE to frontline staff.
- Continued to utilize remote collaboration tools to facilitate remote working, minimise physical meetings and maintain social distancing.
- Frequent cleaning and disinfecting of all high contact areas at the workplace.
- To help familiarize our staff regarding our return to the workplace guidelines, a series of awareness sessions were conducted covering the Do’s and Don’ts at the workplace, health & safety procedures, and vaccination requirements.
- Implemented health and safety protocols focusing on minimising mass gatherings and general hygiene reminders for commencing work from office.
- All colleagues were advised to administer the COVID-19 vaccination doses.

Our initiatives for Our People support the United Nations Sustainable Development Goals on



The Maldives is a signatory to the Universal Declaration of Human Rights, and we remain committed to complying with all local laws and regulations pertaining to it.

PREVENTION OF HARASSMENT & BULLYING AT WORKPLACE

A Prevention of Harassment and Bullying at Workplace Policy was introduced in 2019 with the objective to promote a safe working environment free from harassment and bullying. The policy applies to all employees, apprentices, consultants, contractors, volunteers, interns, casual workers, agency workers and any other third parties at our premises.

GRIEVANCE POLICY AND PROCEDURE

A Grievance Policy and Procedure was implemented in 2015 setting out the mechanism for our people to raise any concerns regarding any work-related matters.

To support and further clarify the rights of our colleagues in the reporting mechanism, revisions were made to the Prevention of Harassment & Bullying at Workplace Policy and Grievance Policy and Procedure during the year.

DISCLOSURE OF FRAUD AND RISK MANAGEMENT POLICY

The Whistleblowing Policy was revised, and a Fraud Risk Management Policy was introduced in April 2019 to provide internal controls for the prevention and detection of fraud and misconduct within the Company as well as protocols for conducting internal investigations.

MEDICAL CARE

We have a comprehensive in-house medical benefits scheme that offers medical assistance to our staff, their spouses, and dependent children (under the age of 18).

RETIREMENT CARE

We continue to contribute 10% to the employee pension fund, which is beyond the 7% required by law. We have had a Retirement and Redundancy Policy, even before the establishment of the national pension scheme in 2009.

CODE OF ETHICS

Our Code of Ethics recognises that our success depends on the ability to establish and maintain positive relationships, both internally within our people and externally with our stakeholders.

HEALTH AND SAFETY

We are committed to ensuring the health and safety of our people. Apart from complying with local legislation, we work towards achieving international best practices in relevant areas relating to our industry and specific work environments.

Our Health and Safety targets:

- ensure that work activities are not harmful to the health of our people or the public and are as safe as is reasonably practicable
- to provide and maintain adequate measures to prevent accidents and cases of work – related ill health
- to provide our people with relevant information, instruction, training, and supervision
- to ensure that a conducive work environment is established for our people.
-

IMPLEMENTATION

EMPLOYEE INDUCTION PROGRAMME

The Code of Ethics together with other relevant policies are communicated with all new employees as part of the Employee Induction Programme and is shared on the online employee portal for further reference.

COMMITTEE TO PREVENT SEXUAL HARASSMENT AT WORKPLACE

Our Committee to Prevent Sexual Harassment at the Workplace is primarily responsible for increasing awareness to prevent sexual harassment, conducting investigations regarding any complaints, and recommending the necessary subsequent actions.

WHISTLEBLOWING AND FRAUD REPORTING POLICY

Our whistleblowing fraud reporting mechanism provides multiple channels establishing a confidential process for reporting and appropriate protections for our people to report their concerns, raising the confidence of our colleagues and other stakeholders in our systems and processes.

HEALTH AND SAFETY IMPLEMENTATION

Our Health and Safety Policy applies to our people and contractors.

Through the Health and Safety Policy we:

- ensure that safe systems are implemented and reviewed.
- ensure that all personnel are given information, instruction, training, and supervision as appropriate to carry out their work safely.
- carry out assessments of risk to the health and safety of persons involved in or affected by the operations of their departments.
- arrange induction safety training for all new employees; and
- ensure that all fire-fighting equipment is regularly inspected and serviced.
-

MEASUREMENT OF OUTCOMES

- Induction Programmes were conducted for all new employees and the Code of Ethics and safety procedures were briefed.
- Refresher sessions on fire awareness and basic first aid were organised for all staff which was conducted by the Maldives National Defense Force – Fire and Rescue Services.
- Basic first aid training and fire awareness were conducted for the 16 newly enrolled Dhiraagu Apprentices through the Induction Programme.
- The following sessions for our colleagues were completed during the year;
 - Awareness session on the importance of COVID-19 vaccination by Maldivian Red Crescent
 - Special session on protection from sexual exploitation and abuse by UNFPA Maldives
- A total of 24 sessions were conducted during the year as part of a monthly series under the WE’ALTHY-VIBES campaign and Health and Safety Programme covering the following key areas:
 - Emotional Wellness
 - Managing stress in difficult times
 - Confined Spaces
 - Prolonged Sitting
 - Emergency Evacuation
 - Fiber & Laser Safety
 - Electrical Safety
 - Work at Height Safety
 - Occupational Safety and Health
 - Staff Health Benefit/Occupational Health
-

United Nations Global Compact – Labour Principles

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

PRINCIPLE 5
The effective abolition of child labour.

We ensure compliance with local employment laws in the Maldives. We do not engage or employ child and forced labour in any of our operations. We also ensure we eliminate any form of discrimination with respect to employment in all our operations.

IMPLEMENTATION

We believe in an open, transparent dialogue about labour-related issues within the organisation. We adhere to the Maldives Employment Act to ensure the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination concerning employment and occupation.

EMPLOYEE DEVELOPMENT
We equip our people with the tools and trainings required to foster a digital mindset and deliver increasingly responsive and customised services. We also give importance to ensuring that our people have the right skills and competencies to further their professional development. Our HR department actively creates learning and development opportunities for our people.

During the year, high level leadership and management development trainings were initiated, and blended learning sessions on soft skills and technical skills were carried out. This, along with increased internal knowledge sharing sessions and online opportunities to attend trainings and workshops at various technical forums in areas such as Broadband and IoT were also provided to technical teams.

DHIRAAGU E-LEARNING PLATFORM
Dhiraagu e-learning platform helped facilitate digital learning and knowledge sharing. The platform provides learning content regarding policies, procedures, safety, and awareness, best practices, and links to facilitate and enhance work skills. The platform was also pivotal in enabling remote induction for new employees who joined us during the year.

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

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

STAFF ENGAGEMENT
We seek to foster the engagement and a healthy work life balance for our people and their families. During the year, our HR department together with the E-Club organised the following activities:

- A virtual celebration for all employees to mark our 33rd Anniversary on 1st October 2021.
- Islamic Knowledge Quiz competition during Ramadan
- Virtual photo competition
- Learn to Swim programme
- Dhiraagu Staff Badminton Championship 2021
- Staff FIFA 22 Tournament
- Participation in Club Maldives Cup, the National Inter-Office Futsal Competition
- “Staff Euro Challenge” – staff engagement campaign

HRD BOARD
We have a Human Resources Board (HRD Board) established to periodically review human resource development plans, policies and procedures and recommend strategic directions.

LEGAL REVIEWS.
We have a separate legal department to fulfil our legal and regulatory obligation with a dedicated team of internal and external lawyers appointed to ensure that we continue to work within the bounds of the employment law and company procedures. •

MEASUREMENT OF OUTCOMES

- Along with standard induction processes, 16 new Dhiraagu Apprentices enrolled in 2021, received online training and soft skills development which were facilitated by experienced Dhiraagu managers.
- We recorded over 4,000 learning hours across the company during the year. •

OUR ENVIRONMENT

United Nations Global Compact – Environment Principles

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

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

Advocating for the protection and preservation of our natural environment and ensuring environmental sustainability in our corporate practices is an important aspect of Dhiraagu’s CSR programme.

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

Our initiatives under Our Environment pillar support the United Nations Sustainable Development Goals on



IMPLEMENTATION

CARE FOR THE OCEANS
We celebrated World Oceans Day by highlighting our focus on reducing single-use plastic and raising awareness through a special virtual staff function. We introduced Zoonaseem, the nation’s first female PADI Course Director as our new brand ambassador to accelerate our efforts.

To mark the International Coastal Clean-up Awareness month of September, we launched a “21DaysOfNoPlastic” social media contest to encourage ocean friendly choices and alternatives to single-use plastic.

We contributed reusable bags to students and teachers to support A. Dh. Dhangethi School’s initiative to join the Parley AIR Challenge and make the school plastic-free.

We joined a special assembly at Ghiyasuddin International School and contributed reusable bags to their Community Service Programme. The programme encourages students to bring used plastic in reusable bags for recycling through Parley Maldives.

EMPOWERING COMMUNITIES
We supported the A. Dh. Dhangethi Council to reclaim and construct revetments to protect the land area where waste is collected and managed on the island.

ADVOCATING CLIMATE ACTION

We launched “Film for Change – Climate Edition” in partnership with UNDP Maldives. The objective of the programme was to provide training and post-production support by industry experts to empower young people to form narratives and produce short films on Climate Action.

We joined the Pre-COP26 buzz event, ‘Our Climate, Our Present, Our Future’ A Small Island Developing States (SIDS) Perspective”, by the Ministry of Environment, Climate Change and Technology and UN in the Maldives. Our Director Networks, Dr Abdulla Firag joined the panel discussion on “Mobilising the private sector in the Maldives to advance Climate Action”. He spoke about renewable energy and climate action initiatives within Dhiraagu, opportunities for youth and partnership projects with UNDP Maldives on the climate agenda.

RENEWABLE ENERGY

We remain committed to low emission carbon-resilient business practices and seek to reduce our carbon footprint through increasingly relying on renewable energy to power our various systems.

As part of our continuous efforts in increasing the solar footprint, we have installed 800kWp of grid-tied PV solar as of 2021. We plan to install an additional 777 kWp of solar by end of 2022.

ENERGY EFFICIENCY

Our Head Office was designed with sustainable green features and provides significant energy efficiencies. All the lights used in the building, including emergency lights are 99% LED lights. We have motion sensors to switch off the lights in common areas to ensure lights are switched off when not in use. High heat reflective glass is used in the building facade to minimise heat entering the building. The office adopts central AC control, where air-conditioning is centrally turned off at pre-set times and is limited to official working hours.

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MEASUREMENT OF OUTCOMES

- Through the additional solar panel installations, we produced > 900 MWh of renewable energy during the year, which resulted in an approximated reduction of 474 metric tons of CO2 emitted.
- The energy-saving features incorporated in Dhiraagu Head Office resulted in an annual reduction of approximately 390,228 kWh of electricity, which is also equivalent to 276 metric tons of CO2 or 636 barrels of oil.

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United Nations Global Compact – Labour Principles

PRINCIPLE 10

Business should work against corruption in all its forms, including extortion and bribery

GOVERNANCE POLICIES AND GOALS

ACCEPTABLE SUPPLIERS CONDUCT POLICY

The purpose of this policy is to set out the Company’s expectations from the suppliers with whom it transacts, to help the Company, protect its integrity and successfully resist bribery / corruption. In addition, this policy is to ensure that all the local and international suppliers know the Company’s commitment to being a responsible corporate citizen.

ANTI – CORRUPTION AND ANTI-BRIBERY POLICY

This policy aims to ensure that the highest standards of integrity are maintained and that no improper motive can be suggested behind the action of a Company personnel while laying down the expectations from other persons to refrain from causing Company personnel to breach this policy.

CONFIDENTIALITY OF BUSINESS INFORMATION POLICY

This policy advises all our people on their responsibility of preserving the confidentiality of Company’s data and information during and after their service with the Company according to employment agreement, confidentiality agreement and laws.

DISCLOSURE OF CONFLICTS OF INTEREST POLICY

The policy is designed to help all those who are under the scope of this Policy to:

- identify situations, that present potential conflicts of interest and
- know a procedure that, if observed, will allow a Transaction to remain valid and binding, even though the relevant Persons may have a conflict of interest concerning the transaction.

GIFT, HOSPITALITY AND ENTERTAINMENT POLICY

The policy aims to ensure that the highest standards of integrity are maintained and that no improper motive can be suggested behind the offer or acceptance of the gift, hospitality or entertainment.

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IMPLEMENTATION

SUPPLIER CODE OF CONDUCT

From 2013 onwards, our suppliers and vendors sign on to our Supplier Code of Conduct when contracting with us and are expected to meet the standards detailed in it. Our Acceptable Suppliers Conduct Policy was revised in April 2019 and is modelled to set out our minimum standards in the areas of labour and human rights, health and safety, environment, and ethical dealings.

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MEASUREMENT OF OUTCOMES

- All supplier agreements contain the Acceptable Suppliers Conduct Policy.
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CORPORATE GOVERNANCE

We believe that to achieve our purpose, Dhiraagu must successfully execute our business strategy while maintaining the highest standards of operational performance and corporate governance. The Board regularly reviews and assesses our governance structures and processes to ensure that they are consistent with international best practice, in both form and substance. Our governance framework plays an integral role in supporting our business and helping us deliver on our strategy. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed.

Throughout the financial year ended 31 December 2021 and up to the date of publication of this Annual Report, we have complied with the principles and guidelines set by the Maldives Code of Corporate Governance, issued by Capital Market Development Authority (CMDA). Every effort was expended to ensure that we adhere with the compulsory provisions of the CMDA's CG Code. In the event of any variations, explanations are provided. Additionally, our internal Corporate Governance Code lays the foundation for our sound corporate governance principles and can be downloaded from our website.

In addition to our focus on strong corporate governance, since becoming a signatory to the United Nations Global Compact (UNGC) in 2012, we have made yearly assessments of our environmental and social performance and published separate Corporate Social Responsibility Reports to present the Communication on Progress (COP) to the UNGC. This Communication on Progress has been included within the Sustainable Tomorrow section of this report.

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Governance plays an integral role in supporting our business and helping us deliver on our strategy.

STRATEGIC ROLE OF THE BOARD

BOARD

Dhiraagu’s Board plays a critical role in helping to guide and test the company strategy. The Board also engages with the Leadership Team to drive key decisions in relation to long-term strategic planning and direction of the business, including non-financial performance and our ability to create value for communities we serve, our employees and shareholders.

In addition to the matters the Board is required by law to approve, and as a body accountable to shareholders to protect and enhance the value of Dhiraagu’s assets, the Board has oversight over the company’s financials and annual planning processes. It is also responsible for establishing our policies and strategy, overseeing matters ranging from long-term strategic planning and direction of the business, performance against our annual plan, the status of our material business risks and matters requiring Board approval, matters relating to our people, culture, and governance framework. The Board’s role and responsibilities are detailed in the Board Charter which was amended in 2017.

CHAIRPERSON

The Chairperson has an overarching responsibility is provide leadership and effective guidance to the Board and to ensure the company fulfils all its obligations as stipulated in the Articles of Association and relevant laws and regulations. The Chairperson’s role is to take an active lead in promoting mutual trust, open discussion, constructive dissent, and support for decisions after they have been made by the Board. The position of Chairperson and the CEO & Manging Director cannot be exercised by the same individual.

CEO & MANAGING DIRECTOR

Our CEO & Manging Director is responsible to the Board for the overall day-to-day management and performance of Dhiraagu and the development and implementation of our strategy. Together with the Leadership Team, the CEO & Managing Director must provide the Board with accurate, timely and clear information on Dhiraagu’s operations to enable the Board to perform its responsibilities and is responsible for ensuring that an appropriate framework exists for relevant information to be reported by Management to the Board. Our ‘Authority Matrix’ which is approved by the Board, is a formal delegation of authority and sets out the powers delegated to the CEO & Manging Director and those specifically retained by the Board. The CEO & Manging Director is accountable to the Board for the exercise of the delegated authority, and reports to the Board on the exercise of such powers through regular reports, briefings, and presentations throughout the year.

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RESPONSIBILITIES OF THE BOARD OF DIRECTORS

AS PART OF ITS OVERALL RESPONSIBILITIES TO SERVE THE LONG-TERM INTERESTS OF THE SHAREHOLDERS, THE BOARD:

- reviews and approves, our strategic plans, management structure and responsibilities, and systems and controls framework;
- adopts the strategic guidelines for as proposed by management or, where appropriate, on its own initiative;
- reviews our performance in light of our strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken; and
- assess major risks facing the business by reviewing and approving strategies for addressing such risks, and ensures maintenance of a sound system of internal control and risk management.

THE BOARD ALSO ENSURES THAT PROCESSES ARE IN PLACE FOR MAINTAINING OUR INTEGRITY AND REPUTATION INCLUDING:

- the integrity of the financial statements;
- compliance with applicable legislation accounting and auditing principles, and corporate policies governing our business;
- the integrity of our relationship with our shareholders; and
- overseeing the process of disclosure and ensuring that the communications are fair, transparent, comprehensive, and timely.

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BOARD COMPOSITION & MEMBERSHIP

The Board of Directors consists of 9 members, to ensure that our Board has representation from all our shareholders; 5 Directors are appointed by our major shareholder Batelco, 3 Directors are appointed by the Government of Maldives and one Director is elected by the public shareholders at the Annual General Meeting (AGM).

At the date of the approval of this report, there are 8 sitting Directors (7 non-executive Directors and the CEO & Manging Director): Chairperson Ismail Waheed, CEO & Manging Director Ismail Rasheed and non-executive Directors, Ahmed AbdulRahman, Imran Ali, Mikkel Vinter, Faisal Qamhiyah, Maryam Manal Shihab and Faisal AlJalahma.

Mr. Isa AlSabea was appointed by Batelco as a non-executive Director effective 4 January 2021, replacing Mr. Ihab Hinnawi. There were no other changes to the Directors of Dhiraagu during the financial year. On 1 March 2022, Batelco appointed Mr. Faisal AlJalahma in replacement of Mr. Isa Alsabea. The names of our current Directors and details of their qualifications, experience (where applicable), and directorships of other companies are set out in the Board of Directors section of this Annual Report.

Appointments from Batelco and Government of Maldives are received in writing from the respective shareholder, and they hold office until a written notice of their removal is provided.

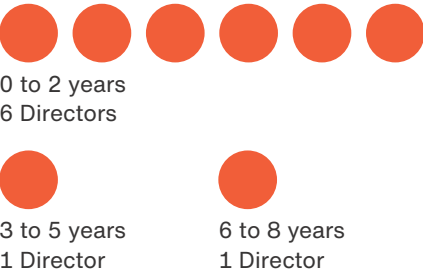
The Public Director is elected by the public shareholders at the AGM. He/she holds office for a term of two years from the meeting he/she is elected to the second AGM following his/her election unless he/she resigns or is removed from office during the intervening period.

More than half the Board comprises of non-executive directors (all Directors except the CEO & Manging Director) and the majority of such non-executive directors are independent directors* as defined by CMDA’s Corporate Governance Code. Whether independent or not, all Directors are required to act in the best interests of Dhiraagu and to exercise unfettered and independent judgment.

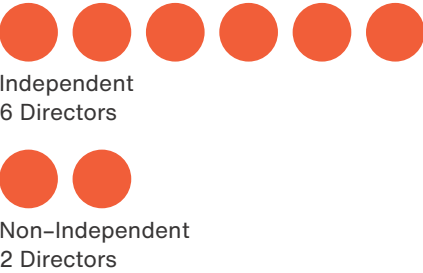
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* With the amendments to CMDA’s CG Code in September 2021, Mr. Imran Ali no longer qualifies as an independent director as he has served more than six consecutive years on Dhiraagu’s Board.

TENURE OF NON-EXECUTIVE DIRECTORS



INDEPENDENT AND NON-INDEPENDENT DIRECTORS



BOARD MEETINGS

The Board meets at least once every quarter. On specific matters that require the Board’s urgent attention special meetings are held in between regular sessions. A total of 7 Board meetings were held in 2021.

At Board meetings, Directors engage in discussions with Management on the strategic direction of the business to ensure that investment is directed towards the things that will lead to the best outcomes for Dhiraagu, its shareholders and the communities we serve. During the year, regular updates were also shared by Management to assess the impacts of the COVID-19, pandemic and discuss Dhiraagu’s response including employee health and safety, customer relief packages, impacts on services and effects on the network and infrastructure.

Agendas for the meetings are set in advance after consulting with the Chairperson and Batelco. Board papers are shared prior to the meeting, providing an opportunity for Directors to review and prepare for the meetings. All Board meeting agendas have a permanent provision for any other business where Directors can voice matters of pressing concern to the shareholders they represent.

Directors have access to the Leadership Team through the CEO & Managing Director or Company Secretary. In addition to regular presentations at Board meetings, Directors may seek briefings from senior management on specific matters. The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and could retain, at Dhiraagu’s expense, such legal, accounting, or other advisers, consultants, or experts as it considers necessary in the performance of its duties. All Board Committees also have access to independent professional advice on this basis.

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DIRECTORS ATTENDANCE

	MR. ISMAIL WAHEED CHAIRPERSON Non-Executive & Independent Government of Maldives	••••••• 7/7
	MR. AHMED ABDULRAHMAN DEPUTY CHAIRPERSON, Non-Executive & Independent Batelco	••••••• 7/7
	MR. MIKKEL VINTER DIRECTOR Non-Executive & Independent Batelco	••••••• 7/7
	MR. FAISAL QAMHIYAH DIRECTOR Non-Executive & Independent Batelco	••••••• 7/7
	MR. IMRAN ALI DIRECTOR Non-Executive & Non-Independent Public Shareholders	••••••• 6/7
	UZA. MARYAM MANAL SHIHAB DIRECTOR Non-Executive & Independent Government of Maldives	••••••• 6/7
	MR. ISA ALSABEA DIRECTOR Non-Executive & Independent Batelco	••••••• 7/7
	MR. ISMAIL RASHEED CEO & MANAGING DIRECTOR Executive & Non-Independent Batelco	••••••• 6/7

KEY BOARD DECISIONS IN 2021

Certain material matters are reserved to the Board and therefore need approval by the Board. Key decisions made by the board in 2021 include:

- Appointment of Mr. Mikkel Vinter as a Member of the RNG Committee.
- Approval of Audited Financial Statements for the year ended 31 December 2020.
- Approval the Annual Report for the year ended 31 December 2020.
- Proposed full-year dividend of MVR 7.23 per share (total MVR 549m) to be declared as Full Year Dividend for 2020, comprising of MVR 2.07 per share for Interim Dividend and MVR 5.16 per share as Final Dividend for 2020.
- Review and revision of the Leave Policy.
- Review and revision of the Prevention of Harassment and Bullying at the Workplace Policy.
- Review and revision of Grievance Policy
- Review and revision of Authority Matrix
- Appointment of Mr. Ali Riyaz to the position of the Chief Commercial Officer.
- Approval of 2021 Performance Bonus Payout.
- Approval of the Bonus KPIs and Performance Bonus Payout Plan for 2021.
- Resolved to submit for shareholder’s consideration and approval the re-appointment of KPMG as the External Auditor for 2021.
- Resolved to submit for shareholder’s consideration and approval a Standing Resolution to declare Interim Dividend in 2021.
- Approval to reduce internet prices in accordance with the Government’s ‘NetuHeyo’ initiative.
- Approval to obtain an \$8m term loan from Hongkong and Shanghai Banking Corporation Limited (HSBC) for the Company’s capital expenditure.
- Approval to obtain a \$12m import loan facility from Hongkong and Shanghai Banking Corporation Limited (HSBC) for the Company’s capital expenditure.

- Declare MVR 2.07 per share (total MVR 157.3m) as Interim Dividend for the year 2021.
- Approval of general salary increment.
- Review and revision of the Dividend Policy.
- Approval of the Strategy and Business Plan for 2022.
- Review and revision of the Induction Policy.
- Review and revision of the Board Performance Evaluation Policy.
- Approval to increase investment in T-Bills.
- Approval to participate and invest in the SEA-ME-WE 6 (Southeast Asia-Middle East-Western Europe 6) consortium, for the construction of a new international subsea cable system.

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BOARD COMMITTEES

The Board has two standing committees; the Audit Committee and the Remuneration Nomination and Governance Committee, which operate in accordance with approved Terms of References. The Board appoints members to the chairperson of each committee. Following each committee meeting, the Board receives a memorandum of the key deliberations, conclusions, and recommendations. An overview of the roles and responsibilities, composition, and membership as at 31 December 2021, are provided in the respective committee reports.

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COMPANY SECRETARY

The Company Secretary is appointed by the Board and is accountable to the Board through the Chairperson, on all matters relating to his/her duties as an officer of the Company. The Company Secretary reports to the CEO & Managing Director on all executive or administrative matters. All Directors have access to the Company Secretary. The Company Secretary’s role in respect of matters relating to the proper functioning of the Board includes record keeping of all decision, advising the Board and its Committees on governance matters, monitoring that Board and Committee policies and procedures are followed, coordinating all Board business, and providing a point of reference for dealings between the Board and Management.

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DIRECTORS’ SHAREHOLDING

Details of Director’s shareholdings as at 31 December 2021 are disclosed below.

DIRECTOR
Imran Ali
Ismail Rasheed
Ismail Waheed
Maryam Manal Shihab

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CONFLICTS OF INTEREST

Directors are required to take all necessary steps to avoid actual, potential, or perceived conflicts of interest and to be sensitive to situations in which these may arise. In accordance with the Company’s Act (Law no 10/96) and our Articles of Association, Directors must declare any conflict of interest they may have, and follow the procedures set out in our Board Charter including, in certain circumstances, to abstain from participating in any discussion or voting on matters in which they have a material personal interest. As a practice, all Board and Committee meeting agendas have a permanent provision for declaring a conflict of interest of any agenda item to be discussed at that meeting. In all instances where a conflict of interest arose or had the potential to arise, the respective Director excused himself/herself from the meeting of the Board and/or its subcommittee.

All material related to transactions of the majority shareholders and Directors are reviewed during the quarterly Board meetings. There were no substantial or material third party transactions made by the Directors or the Management during the year.

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NO. OF SHARES HELD
15,000
13,994
1,510
625

INTERNAL CONTROL, RISK OVERSIGHT, & RISK MANAGEMENT

Our risk management approach centres on continuous assessment, monitoring, and reporting of risks which may impact the progress of delivering our strategic priorities. Risks together with their controls and treatment are regularly reported to the Audit Committee which assists the Board in its oversight function.

- A risk and compliance function were established in 2016 and a full time Risk and Compliance Officer oversees all matters related to compliance and risk.
- The ‘Authority Matrix’ approved by the Board is in place and delegates approval limits for all business transactions and expenditures.
- A ‘Risks Register’ is maintained and reviewed by the Audit Committee every quarter.
- The Internal Audit function carries out annual audits, based on an Internal Audit Plan that is approved and reviewed closely by the Audit Committee.

We remain committed to continuous improvement in our approach to managing risks and ensure that we maintain a strong, integrated risk and compliance culture.

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GOVERNANCE POLICY FRAMEWORK

To meet all the legal and regulatory obligations and compliance and to ensure that strong good governance is implemented, we have adopted various internal policies, procedures, and guidelines to promote ethical and responsible conduct and provide guidance to our Directors, and our people.

Our Code of Ethics contains our code of conduct and recognises that our success depends on the ability to establish and maintain positive relationships, both internally within employees and externally with all stakeholders.

Our Disciplinary Policy and Procedure, establishes a transparent, fair, and consistent mechanism to deal with the consequence of failing to meet the required standards of behaviour and job performance. We also have a separate Committee to Prevent Sexual Harassment at the Workplace set up in accordance with the Anti-Sexual Harassment Act (Law No. 16/2014) and our Prevention of Harassment and Bullying at the Workplace Policy to safeguard our people and provide a safe working environment free from harassment and bullying, ensuring everyone is treated with dignity and respect.

Our Grievance Policy and Procedure has been established to document and formalise a mechanism for employees to raise grievances regarding any work-related matters, so that such matters can be resolved timely and amicably. The policy further enhances transparency and consistency in dealing with grievances across our Company.

Our ‘Authority Matrix’ delegates authority and sets approval limits for all business transactions and expenditures within our Company.

Due to the nature of our business and the environment within which we operate, we may be exposed to risks. Risks that we may face are monitored, reported, and addressed regularly throughout the year. A ‘Risks Register’ is also maintained and reviewed by the Audit Committee and the Board every quarter.

Our suppliers and vendors sign on to our Supplier Code of Conduct when contracting with us and are expected to meet the standards detailed in it. Our Acceptable Suppliers Conduct Policy is modelled to set out our minimum standards in the areas of labour and human rights, health and safety, environment, and ethical dealings.

Our Gifts and Hospitality Policy ensures that the highest standards of integrity and conduct are maintained and ensure that Gifts and Hospitality are provided in an open and transparent manner. We refrain from making any political contributions either directly or indirectly to political parties, causes or individuals. Furthermore, our Donations and Sponsorships Framework is in place and establishes clear and transparent guidelines for all our donations and sponsorships.

We have zero-tolerance for corruption and bribery. Our Anti-Corruption Anti-Bribery Policy is designed to educate our people on the many forms bribes can take and how to avoid inappropriate circumstances, including where acceptance may or may be perceived to compromise independence or be construed as a bribe. Our Confidentiality of Business Information Policy and Disclosure of Conflicts of Interest Policy also contribute to addressing our commitment to comply with applicable laws and regulations concerning bribery, corruption, fraud, and any other prohibited business practices.

In addition to this, the Whistleblowing Policy coupled with a Fraud Risk Management Policy provide a confidential process with appropriate protections for our people to report their concerns. It has also strengthened our governance structures, raising the confidence of our colleagues and other stakeholders in our systems and processes.

We adopted a Policy on Insider Trading to comply with CMDA's Policy on Prohibition of Insider Trading. The policy imposes and provides guidelines, instructions, and the codes of conduct in trading our shares. It applies to our Directors, our people, and certain third-party agents and advisers. The policy is a cohesive guide to ensure that we follow the Maldives Securities Act (Law No: 2/2006) and its related regulations.

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LEGAL & REGULATORY COMPLIANCE

Dhiraagu has a separate legal department to fulfil our legal and regulatory obligation with a dedicated team of internal and external lawyers appointed to ensure that we continue to comply with relevant laws and regulations. Dhiraagu has not been given notice of, or prosecuted for, or convicted of, any significant breaches of any relevant laws or regulation during the financial year 2021.

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ANNUAL GENERAL MEETINGS

Dhiraagu held its 2020 AGM on 20 May 2021 using the virtual platform ‘Fahivote’.

The registered attendance of Shareholders at the AGM was as follows:

Shareholders registered in person	73 shareholders
Shareholders registered by proxy	2 proxy holders
Total number of shareholders registered (in person & by proxy)	75 shareholders
Total number of shares represented	75,380,987 shares

The meeting was attended by shareholders (in person and by proxy) representing more than 93.88% of the share capital which meets the quorum of the AGM as required by the Articles of Association.

The shareholders approved the following matters at the AGM:

- Approved the minutes of the 31 AGM held virtually using Fahivote on 11 June 2020.

- Approved the Director’s Report and Annual Audited Accounts for the year ended 31 December 2020.

- Approved the full year dividend of MVR 7.23 per share; made up of MVR 2.07 per share which was paid as interim dividend in 2020, and the final dividend for 2020 of MVR 5.16 per share.

- Approved the appointment and remuneration of the Auditors to carry out the year-end statutory audit for the financial year 2021.

- Approved a Standing Resolution granting authority to the Board of Directors to declare an Interim Dividend in accordance with the Company’s Dividend Policy during the Financial Year 2021.

The 33rd AGM is scheduled to be held on in the first quarter of 2022. The Notice and Agenda of the Annual General Meeting will be communicated and published in accordance with our legal and regulatory obligations.

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AUDITORS

A tendering process was conducted in 2020 to recommend an External Auditor. The tender covers three years, and is subject to shareholder approval at the Annual General Meetings. The Board ensures that regulatory requirements and CMDA Corporate Governance Code on audit partner rotation are strictly adhered to. The Audit Partner was last rotated in 2019. Our External Auditor Partner attends our Annual General Meetings and will be available to answer any shareholder questions about the conduct of our audit and the content of the auditor’s report for the year ending 31 December 2021.

In accordance with the Audit Committee’s recommendation the Board is proposing shareholders to recommend and re-appoint KPMG to carry out the statutory audit for the financial year 2022. The proposed remuneration is a maximum fee of US\$ 49,500, excluding GST and out of pocket expenses.

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DIVIDENDS

The Board recommends a full-year dividend of MVR 6.20 per share, amounting to MVR 471,200,000 for the year 2021, to be declared as full-year dividend for 2021. The full year dividend comprises of:

- MVR 2.07 per share (total MVR 157,300,000) was paid as interim dividend in 2021, and

- MVR 4.13 per share (total MVR 313,880,000) as the final dividend for 2021 which will be proposed for shareholder approval at the 33rd Annual General Meeting.

The final dividend for 2021 will be payable to all shareholders listed on the Company’s Shareholder register as at 4pm on 15 February 2022 (book closure date).

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DECLARATION BY THE BOARD OF DIRECTORS

In compliance with the requirements of the Securities (Continuing Disclosure Obligations of Issuers) Regulation 2019, the Board of Directors of Dhivehi Raajjeyge Gulhun PLC affirm that as at 8 March 2022:

- This Annual Report 2021 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), CMDA’s CG Code and the Listing Rules of the Maldives Stock Exchange.

- The Annual Report 2021 has been approved by us and to the best of our knowledge and belief, we collectively confirm that the information presented in this Annual Report is a true and accurate representation and no that there are no other facts, the omission of which would make any statement herein misleading or inaccurate.

- Having been reviewed by the Audit Committee and approved by the Board of Directors, the accompanying financial statements give a true and fair view of the financial position of the Company and of its financial performance and its cash flows for the year ended 31 December 2021 in accordance with International Financial Reporting Standards (“IFRSs”). The Financial Statements have been certified by the CEO & Managing Director, the Chief Financial Officer, and the Chairperson of the Audit Committee in compliance to applicable laws and regulations.

- Having reviewed our strategy and business plan for 2022, and the audited financial statements for 2021, the Board affirms Dhiraagu’s ability to continue as a going concern, and that we have adequate resources to continue in operation for the foreseeable future. We will continue to disclose, as applicable, matters related to going concern and use the going concern basis of accounting.

- We have conducted our business in compliance with the legal and regulatory obligations under the Maldives Company’s Act (Law No. 10/96), the Maldives Telecommunications Law (Law No. 43/2015), the Securities Act (Law No. 2/2006), obligations under our operational licenses, the Maldives Stock Exchange Listing Rules and the CMDA’s CG Code. With appropriate controls and governance procedures in place, Dhiraagu continues to comply with relevant laws, regulations, and industry codes.

- The Board of Directors places great emphasis to adopt the highest standards of professionalism and diligence to ensure that their roles and responsibilities are performed in an ethical, sustainable, and accountable manner with the utmost priority to create the best value for our shareholders while driving the long-term performance and sustainability of our Company.

- The Board of Directors of Dhiraagu and/or any of their associates did not have any significant interest in the equity or debt securities of the Company, or had any right to subscribe for equity or debt security of the Company; and

- There were no contract(s) of significant substance during or at the end of the accounting period in which a Board Director of the Company has a direct or indirect interest. Details of material contracts for the provision of services entered between Dhiraagu and Batelco Group and Government of Maldives are provided in Note 26 “Related Parties Transactions” of the Audited Financial Statements as at 31 December 2021.

Mr. Ismail Waheed
Chairperson

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Mr. Ismail Rasheed
CEO & Managing Director

AUDIT COMMITTEE REPORT

COMPOSITION & MEMBERSHIP

The Board's Audit Committee was represented by the following non-executive and independent Directors during year ended 31 December 2021. The Committee members were all non-executive directors, and the Chairperson of the Audit Committee is an independent director. All members possessed sufficient accounting and financial knowledge which allowed them to discharge their duties, ensuring compliance with CMDA Corporate Governance Code and Dhiraagu Corporate Governance Code.

MR. AHMED ABDULRAHMAN
CHAIRPERSON OF
THE AUDIT COMMITTEE
TENURE: May 20 to date
ATTENDANCE: 5/5

MR. IMRAN ALI
MEMBER
TENURE: Jul 14 to date
ATTENDANCE: 5/5

TERMS OF REFERENCE

The Audit Committee is scheduled to meet once every quarter and provides a forum for communication between the Board, management and both the internal and external auditors. The Committee is responsible for monitoring and advising the Board on matters relating to financial reporting, risk management, compliance, external audit, internal control, internal audit and matters that may significantly impact the financial condition or affairs of the business.

MEETINGS

The Audit Committee met 5 times during the fiscal year ended 31 December 2021. Other members of the Board may attend Audit Committee meetings and the Committee may invite management, the external auditor, and others to attend meetings as it considers necessary or appropriate. All meetings during 2021, were attended by the CEO & Managing Director, the Chief Financial Officer, and the Internal Auditor. The meetings were also attended by the Head of Internal Audit at Batelco. The Company Secretary of the Board acted as the secretary of all the meetings.

KEY DECISIONS

- Review and recommendation of Audited Financial Statements for the year ended 31 December 2021.
- Review and recommendation of quarterly financial reports for the financial year 2021.
- Recommendation on the appointment of KPMG as the Company's External Auditor for the financial year 2021.
- Review and recommendation of revisions to the Authority Matrix.
- Review of Internal Audit Charter.
- Review and monitoring of all Internal Audit activities every quarter.

All action points from the Committee's meetings were completed on a timely basis.

EXTERNAL AUDIT

A tendering process was conducted in early 2020 to recommend an External Auditor. This tender covered three years and is subject to shareholder approval at the Annual General Meetings. The Board's recommendation to appoint KPMG as the External Auditor for 2021 was approved by shareholders at the 32nd Annual General Meeting. The Audit Partner was last rotated in 2019. Tendering for appointment of External Auditors will be carried out at least once in every three years.

The Audit Committee reviewed the non-audit services provided by KPMG and the explanation of how the provision of those non-audit services was compatible with auditor independence. The Committee is satisfied that appropriate measures are put in place by both KPMG and Dhiraagu to ensure the independence and objectivity of the External Auditor. The External Auditor has confirmed their compliance with the practice note of CMDA's CG Code.

All the Audited Committee meetings held during the year were attended by the External Auditor to provide independent assurance and present their opinion on the financial reports. The Audit Committee also met the External Auditor in a private session without the presence of Management when reviewing the Audited Financial Statements for the year ended 31 December 2021. This practice gives the External Auditor's the opportunity to share an independent view of their audit experience and opinion.

In accordance with the Audit Committee's recommendation, the Board will propose an External Auditor to carry out the statutory audit for the fiscal year 2022. Details including the proposed remuneration will be published along with the Notice of the 33rd Annual General Meeting.

INTERNAL AUDIT

During the year, the Audit Committee reviewed the effectiveness of internal audit controls undertaken by the Internal Audit Department. The Internal Auditor directly reports to the Audit Committee to ensure that the Board is provided with independent and objective assurance on the effectiveness of the governance, risk management, and internal control processes. The Internal Auditor has a parallel administrative reporting line to the CEO & Managing Director for day-to-day matters.

A total of 12 Internal Audits were carried out and presented during the year and the Audit Committee reviewed the effectiveness of the Company's internal controls including financial, strategic, operational, technical, IT and compliance controls and procedures for identifying and managing risks. The outcomes and follow up actions of these audits were

regularly reviewed at the committee's meetings, and the Committee is satisfied with the progress and implementation of the action points.

Furthermore, the Audit Committee is satisfied with the progress of the Internal Audit function during the year 2021 and the adequacy of the internal control measures and procedures in place for identifying and managing risks.

RISK MANAGEMENT

Dhiraagu's 'Risk Register' is prepared by a full-time Risk and Compliance Officer who maintains processes identifying new and emerging risks for the business.

Identified risks together with their controls and treatment were closely monitored by the Audit Committee every quarter and reported to the Board during the year. The Risk Register was considered when finalising the Internal Audit Plan. The requirement for disclosures and provisions on any material claims and litigations against the Company was monitored closely with support from both external lawyers and external auditors when required.

The Audit Committee is satisfied with the progress of the Internal Audit function during the year ending 31 December 2021 and the adequacy of the internal control measures in place for risk management.

The Audit Committee is satisfied that a sound system for risk management is in place and internal controls are operating effectively during the year ended 31 December 2021.



Ahmed Abdulrahman
Chairperson, Audit Committee

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REMUNERATION, NOMINATION AND GOVERNANCE COMMITTEE REPORT

COMPOSITION & MEMBERSHIP

The Board’s Remuneration, Nomination and Governance (RNG) Committee was represented by the following non-executive and independent Directors during year ending 31 December 2021.

 **MR. ISMAIL WAHEED**
CHAIRPERSON
TENURE: Dec 18 to date
ATTENDANCE: 3/3 ●●●

 **MR. IMRAN ALI**
MEMBER
TENURE: Jul 14 to date
ATTENDANCE: 3/3 ●●●

 **MR. MIKKEL VINTER**
MEMBER
TENURE: Jan 21 to date
ATTENDANCE: 3/3 ●●●

ROLES & RESPONSIBILITIES

The RNG Committee was reconstituted in August 2013 to combine the three functions of remuneration, nomination, and governance. The consolidation was to facilitate effective and efficient discharge of the duties. The RNG Committee assists the Board in formulating remuneration policies, framework for nominating the Public Director, and monitoring the performance of our corporate governance framework and compliance with relevant regulations.

MEETINGS

The RNG Committee met 3 times during 2021 and regularly assess the impacts of COVID-19 on our employees and the business. Utmost priority was given to ensure the safety and well-being of our employees and regular updates were provided regarding steps taken to protect employees and keep running the business as an essential service provider.

Other members of the Board may attend the RNG Committee meetings, and the Committee may invite management, and others to attend meetings as it considers necessary or appropriate. The CEO & Managing Director attended all the meetings and other members from the management team were invited as and when required. The Company Secretary acted as the secretary of all the meetings.

KEY DECISIONS

- Review and recommendation of 2021 Performance Bonus Plan and 2020 Performance Bonus Payout.
- Recommendation to appoint Mr. Ali Riyaz to the position of the Chief Commercial Officer.
- Review and recommendation of revisions to the Leave Policy.
- Review and recommendation of revisions to the Grievance Policy.
- Review and recommendation of revisions to the Prevention of Harassment and Bullying Policy.
- Review and recommendation of revisions to the Authority Matrix.
- Review and recommendation of revisions to the Induction Policy.
- Review and recommendation of revisions to the Board Performance Evaluation Policy.
- Review and recommendation of a general salary increment.

REMUNERATION PACKAGE OF DIRECTORS & EXECUTIVES

Board Directors are rewarded as per the Board Director’s Remuneration Policy, which is regularly reviewed to ensure Director remuneration is competitive and compensates for the responsibilities assigned to each Director. The latest review of the Board Director’s Remuneration Policy was conducted in February 2020 and during deliberations on whether there was a need to increase the Director’s Fees it was decided to maintain the current rates and review the fees later (last review of Director’s fees was in 2014).

The RNG Committee reviews and makes recommendations to the Board on Dhiraagu’s overall remuneration strategy, policies, and practices, and monitors the effectiveness of Dhiraagu’s overall remuneration framework. The remuneration for key executives is determined in consultation with Batelco based on individual scope of work, performance against agreed measures, market rates for comparable roles and other relevant factors. The Company’s remuneration packages include fixed components and performance linked incentives which are designed to be competitive with the market, encourage sustainable performance and provide a retention element to retain key and critical talent. No stock options are included in the remuneration package of Board Directors or key executives.

Disclosure of remuneration of Directors and key executives as required by CMDA’s CG Code, which includes details on level and mix of remuneration package, and individual remunerations paid to Board Directors and key executive, are withheld due to the competitive environment that Dhiraagu operates in. However, the total remuneration (including short term benefits) paid to Directors and key executives in 2021 are MVR 1.09m and MVR 19.14m respectively. Payments for service contracts, notice period, severance fees and stock options did not form any part of the remuneration paid to Directors or key executives in 2021.

BOARD APPOINTMENTS

Our Articles of Association provide that the Board of Directors shall comprise of five Directors appointed by Batelco, three Directors appointed by the Government of Maldives and one Director elected by the public shareholders.

Board Directors representing the major shareholders are appointed through a letter of appointment.

The nomination process of the Director elected by the public shareholders is managed by the Board, through the RNG Committee in accordance with our Articles of Association. As a part of the process, the RNG Committee establishes a criterion with respect to the qualifications, experience, skills, and expertise that candidates should possess which is published and shareholders invited to apply for the post of Public Director. The Committee then, undertakes appropriate checks of potential candidates before it makes a recommendation for potential candidates to be nominated by the Board of Directors to put forward to the public shareholders for election at the AGM. Application details and evaluation criteria can be viewed from our website. Names and profiles of candidates recommended for election are released along with the Notice of the AGM. Mr. Imran was re-elected at the 31st AGM held on 11 June 2020 for a term of two years (from the 31st AGM to the 33rd AGM).

The committee confirms that all Directors possess the required expertise to discharge their responsibilities effectively.

BOARD DIVERSITY

Our Board represents a highly qualified and diverse set of experts with members from different professional and academic backgrounds.

Dhiraagu is committed to promoting gender diversity at the Boardroom and encourages female representation on the Board in accordance with the Corporate Governance Code issued by CMDA. At the time of issuing this report, there is one female member on the Board of Dhiraagu.

EFFECTIVENESS

Our Board Directors Performance Evaluation Policy requires Directors to carry out a self-evaluation of Board and the Committees performance. A Board evaluation was carried out in January 2022. The results of the evaluation were reviewed by the RNG Committee in February 2022.

The RNG Committee confirms that Dhiraagu Board and its committees discharged their responsibilities satisfactorily during 2021.



Ismail Waheed
Chairperson, Remuneration, Nomination and Governance Committee

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AUDITED



FINANCIAL STATEMENT

AUDITED FINANCIAL STATEMENT CONTENT

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Independent Auditor’s Report

TO THE SHAREHOLDERS OF DHIVEHI RAAJJEYGE GULHUN PLC



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T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
S.R.I. Perera FCMA (UK)
M.N.M. Shameel ACA
H.S. Goonewardene ACA
M. Mihad ACMA (UK)

P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C abeyrathne FCA
G.A.U. Karunaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan FCA
C.P. Jayatilake FCA

Ms. S. Joseph FCA
S.T.D.L. Perera FCA
R.M.D.B. Rajapakse FCA
R.W.M.O.W.D.B. Rathnadiwakara ACA
Ms. C.K.T.N. Perera ACA

OPINION

We have audited the accompanying financial statements of Dhivehi Raajjeyge Gulhun PLC (the “Company”), which comprise the statement of financial position as at 31st December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information set out in pages 114 to 169. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Maldives and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

REVENUE RECOGNITION – ACCURACY OF REVENUE RECORDED

(Refer to the accounting policies and critical accounting estimates, assumptions and judgments in notes 3.12 and 4(c) of the financial statements)

RISK DESCRIPTION

Revenue recognition is one of the most judgmental and complex area of accounting especially with the added complexity of the vast array of rapidly changing offers, complexity of billing systems, complexity of products and services and due to high volume of low value transactions captured by the billing systems.

— OUR RESPONSE

Our audit procedures in this area included:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management’s key internal controls.

KEY AUDIT MATTERS (CONT.)

REVENUE RECOGNITION – ACCURACY OF REVENUE RECORDED (CONT.)

— RISK DESCRIPTION

The majority of the Company’s revenue is generated through the billing systems. Determining when and how much revenue is recognized from customer contracts has a significant impact especially on multiple arrangements and customer offers.

We identified revenue recognition as a key audit matter because of how much revenue is recognised from customers depend on the individual customer contract. Therefore, there is a potential risk that revenue is subject to overstate to meet the expectation of the management.

— OUR RESPONSE

- Assisted by our IT specialists including, among others, those over the input of terms and pricing of different services; accuracy of the data captured by different systems and interface between the systems;
- Performing detailed analysis of revenue testing the timing of revenue through substantive audit procedures. These audit procedures were performed based on our industry knowledge which include, among others, testing on a sample basis of the;
 - Adjustments which are outside of the normal billing process,
 - Revenue recognition on the bundled services offered,
 - Deferred revenue and cost on installation which is considered as a part of the overall performance obligation of the respective service and;
- Evaluating the appropriateness of the allocation of the transaction price, including variable consideration to performance obligations and obtaining an understanding and the operating effectiveness of related controls.
- Assessing the appropriateness of the Company’s accounting policies set out in notes 3.12 and 4(c), and adequacy of the disclosures for compliance with the revenue recognition requirements of the International Financial Reporting Standards.

CAPITALIZATION OF ASSETS INCLUDING USEFUL LIVES, DEPRECIATION AND IMPAIRMENT

(Refer to the accounting policies and critical accounting estimates, assumptions and judgments in notes 3.3, 4 (b) and 4(g) of the financial statements)

— RISK DESCRIPTION

The Company continues to incur a significant level of capital expenditure in connection with the expansion of its network coverage and improvements to network quality. The carrying value of Property and Equipment as at 31st December 2021 was MVR 1,750 million.

There are number of areas where management judgment impacts the carrying value of Property and Equipment, and the related depreciation profiles.

The complex nature of the assets may result in inappropriate capitalization of the costs and inappropriate determination of the date and the values transferred from construction in progress to property and equipment.

Telecommunication industry is evolving continually due to changes in the technology. Further, the Company has significant number of physical assets related to telecommunication subject to the technological update. Therefore, technology changes would create obsolescence of Property and Equipment, which might require an impairment provision. We consider this area as key audit matter because determination of recoverable amount of Property and Equipment involves significant judgments and estimates. Therefore, an error in such estimates could result in material misstatements in the financial statements.

— OUR RESPONSE

Our audit procedures in this area included:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management’s key internal controls over the capitalization of property and equipment, including the key internal controls over the estimation of useful economic lives of assets;
- Evaluating the appropriateness of capitalization policy and testing on a sample basis whether the cost capitalized meets the relevant criteria for capitalization and the depreciation is correctly calculated;
- Challenging the date of transferring construction-in-progress to Property and Equipment by examining the inspection reports and/or project progress reports, on a sample basis;
- Evaluating management’s estimation of useful economic lives by considering our knowledge of the business;
- Inquiring the networks and the other relevant teams in order to assess on technological updates and actual replacements of assets, if any, with latest technology to identify any potential impairment indicators for the existing assets;
- Assessing whether there were impairment triggers giving rise to a need to perform a comprehensive impairment review of Property and Equipment based on the internal and external information assessed;
- Challenging the management’s positions of the impairment assessment as to whether or not a reasonable possible change to key operating assumptions could result in impairment;
- Assessing the adequacy of the financial statement disclosures included in notes 3.3, 4 (b) and 4 (g).

OTHER INFORMATION

The Board of Directors (the “Board”) is responsible for the other information. The other information comprises the information included in the annual report, but does not include in the financial statements and our auditors’ report thereon. The annual report 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 will 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 the Board.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board is responsible for the preparation and the fair presentation of financial statements in accordance with IFRSs, and for such internal control as the Board 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, the Board is responsible for assessing the Company’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 the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company’s financial reporting processes.

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 auditors’ 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 skepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of Board of Directors’ 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements 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 auditors’ report. However, future events or conditions may cause the Company 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.

We communicate with the Board 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 the Board with a statement that we have complied with relevant ethical requirements 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, action taken to eliminate threats or safeguards applied.

From the matters communicated with the Board, 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 auditors’ 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

- R.W.M.O.W. Duminda B. Rathnadiwakara.



Chartered Accountants
For and on behalf of KPMG Maldives

2nd February 2022,
Male’ •

DHIVEHI RAAJJEYGE GULHUN PLC

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31ST DECEMBER	NOTE	2021 MVR '000	2020 MVR '000
Revenue	7	2,527,171	2,483,159
Operating costs	8	(1,131,948)	(1,159,845)
Depreciation, amortization and impairment	13, 14 & 15	(396,391)	(386,654)
Impairment loss on trade receivables and contract assets	17.1	(22,842)	(43,951)
Other income	9	3,374	1,022
Results from operating activities		979,364	893,731
Finance income		14,656	8,732
Finance costs		(37,314)	(41,100)
Net finance costs	10	(22,658)	(32,368)
Profit before tax		956,706	861,363
Tax expense	11	(143,646)	(128,911)
Profit and other comprehensive income for the year		813,060	732,452
Earnings per share			
Basic and diluted earnings per share (MVR)	12	10.70	9.64

Figures in brackets indicate deductions.

These financial statements are to be read in conjunction with the related notes which form an integral part of these financial statements of the Company set out on pages 114 to 169. The Report of the Independent Auditors is given on pages 108 to 113.

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DHIVEHI RAAJJEYGE GULHUN PLC

Statement of Financial Position

AS AT 31ST DECEMBER	NOTE	2021 MVR '000	2020 MVR '000
ASSETS			
Non-current assets			
Property and equipment	13	1,749,828	1,811,154
Right-of-use assets	14	287,645	245,206
Intangible assets	15	325,485	306,550
Deferred tax assets	11.2	3,709	7,943
Total non-current assets		2,366,667	2,370,853
Current assets			
Inventories	16	37,607	49,643
Trade and other receivables	17	625,675	709,323
Cash and cash equivalents	18	1,756,726	975,477
Total current assets		2,420,008	1,734,443
Total assets		4,786,675	4,105,296
EQUITY AND LIABILITIES			
Equity			
Share capital	19	190,000	190,000
Retained earnings		2,556,114	2,292,534
Total equity		2,746,114	2,482,534
Non-current liabilities			
Provisions	20	139,791	136,925
Loans and Borrowings	21.1	69,050	-
Lease liabilities	22.2	270,189	231,780
Total non-current liabilities		479,030	368,705
Current liabilities			
Trade and other payables	23	759,726	850,049
Loans and Borrowings	21.1	152,775	-
Lease liabilities	22.2	32,928	30,403
Amounts due to a related party	24	538,405	307,443
Current tax payable		77,697	66,162
Total current liabilities		1,561,531	1,254,057
Total liabilities		2,040,561	1,622,762
Total equity and liabilities		4,786,675	4,105,296

These financial statements are to be read in conjunction with the related notes which form an integral part of these financial statements of the Company set out on pages 114 to 169. The Report of the Independent Auditors is given on pages 108 to 113.

These financial statements were approved by the board of directors and signed on its behalf by:



Mr. Ahmed Abdulrahman
Chairperson of Audit Committee
and Deputy Chairperson of Board



Mr. Ismail Rasheed
Chief Executive Officer
and Managing Director



Mr. Robin Wall
Chief Financial Officer

2nd February 2022

DHIVEHI RAAJJEYGE GULHUN PLC

Statement of changes in equity

FOR THE YEAR ENDED 31ST DECEMBER 2021	NOTE	SHARE CAPITAL MVR '000	RETAINED EARNINGS MVR '000	TOTAL MVR '000
As at 1st January 2020		190,000	2,314,762	2,504,762
Profit and Other Comprehensive Income for the year		-	732,452	732,452
TRANSACTIONS WITH OWNERS OF THE COMPANY DISTRIBUTIONS				
Dividends declared	19.2	-	(754,680)	(754,680)
As at 31st December 2020		190,000	2,292,534	2,482,534
As at 1st January 2021		190,000	2,292,534	2,482,534
Profit and Other Comprehensive Income for the year		-	813,060	813,060
TRANSACTIONS WITH OWNERS OF THE COMPANY DISTRIBUTIONS				
Dividends declared	19.2	-	(549,480)	(549,480)
As at 31st December 2021		190,000	2,556,114	2,746,114

Figures in brackets indicate deductions.

These financial statements are to be read in conjunction with the related notes which form an integral part of these financial statements of the Company set out on pages 114 to 169. The Report of the Independent Auditors is given on pages 108 to 113.

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DHIVEHI RAAJJEYGE GULHUN PLC

Statement of cash flows

These financial statements are to be read in conjunction with the related notes which form an integral part of these financial statements of the Company set out on pages 114 to 169. The Report of the Independent Auditors is given on pages 108 to 113.

FOR THE YEAR ENDED 31ST DECEMBER	NOTE	2021 MVR '000	2020 MVR '000
Cash flows from operating activities			
Profit before Tax		956,706	861,363
Adjustments for:			
Net gain on disposal of property and equipment	9	(2,680)	(484)
Interest on loans	10	4,613	-
Facility fee amortization	10	1,767	-
Interest on lease liabilities	10	25,471	23,479
Interest income	10	(14,656)	(8,732)
Depreciation	13	288,175	287,009
Impairment losses on property and equipment	13	193	557
Depreciation of right-of-use assets	14	43,573	39,530
Amortization of intangible assets	15	64,451	58,878
Written off of Intangible Assets	15		589
Impairment losses on intangible assets	15	-	90
Provision for slow-moving / obsolete inventories	16	786	1,311
Provision for impairment loss on trade and other receivables	17	22,842	43,951
Net change on network and asset retirement obligation	20	4,673	4,765
Operating profit before working capital changes		1,395,914	1,312,305
Changes in:			
Inventories		11,250	7,282
Trade and other receivables		73,795	(72,680)
Trade and other payables		(4,931)	33,324
Amounts due to a related party		43,667	21,563
Cash generated from operations		1,519,695	1,301,794
Tax paid		(127,877)	(137,939)
Interest paid		(4,080)	-
Net cash generated from operating activities		1,387,738	1,163,855
Cash flows from investing activities			
Purchase and construction of property and equipment	13	(299,332)	(216,986)
Purchase of intangible assets	15	(83,386)	(30,301)
Net proceeds from disposal of property and equipment	13	(1,137)	500
Interest received		14,067	8,513
Net changed in short term Investments	18.2	8,296	(1,204)
Net cash used in investing activities		(361,492)	(239,478)
Cash flows from financing activities			
Borrowings during the year	21	224,150	-
Loan facility fee paid	21	(4,626)	-
Payment of lease liabilities	22	(70,549)	(55,285)
Dividend paid during the year		(385,677)	(380,504)
Net cash used in financing activities		(236,702)	(435,789)
Net increase in cash and cash equivalents		789,545	488,588
Cash and cash equivalents at beginning of the year		959,888	471,300
Cash and cash equivalents at end of the year	18	1,749,433	959,888

Figures in brackets indicate deductions. •

DHIVEHI RAAJJEYGE GULHUN PLC

Notes to the financial statements for the year ended 31st December 2021

1. REPORTING ENTITY

Dhivehi Raajjeyge Gulhun PLC (the “Company”) was originally incorporated under the Limited Liability Companies Decree No. 1988/123 and presently governed under the Companies’ Act No. 10 of 1996 as a limited liability Company in the Republic of Maldives. The Company provides telecommu- nication services in the Maldives. The registered office of the Company is situated at Dhiraagu Head Office, Ameen- ee Magu, P.O. Box 2082, Male’ 20403, Republic of Maldives.

The Company is a listed Company in the Maldives Stock Exchange, in the Republic of Maldives with effect from 29th September 2011.

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2. BASIS OF PREPARATION

(A) **STATEMENT OF COMPLIANCE**
The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

(B) **BASIS OF MEASUREMENT**
The financial statements have been prepared based on the historical costs basis.

(C) **FUNCTIONAL AND PRESENTATION CURRENCY**
These financial statements are presented in Maldivian Rufiyaa, which is also the Company’s functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest thousand except where otherwise indicated.

(D) **GOING CONCERN BASIS OF ACCOUNTING**
The financial statements have been prepared on a going concern basis.

(E) **USE OF ESTIMATES AND JUDGEMENTS**
The preparation of 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 significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed in Note 4 to the financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company. A number of new standards are effective from 1st January 2021, but they do not have a material effect on the Company’s financial statements.

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3.1 TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are translated to Maldivian Rufiyaa (functional currency) at the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies as at the reporting date are recognized in profit or loss.

Non-monetary assets and liabilities, which are stated at historical cost, denominated in foreign currencies are translated to Maldivian Rufiyaa at the exchange rates ruling at the date of transaction. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to Maldivian Rufiyaa at the foreign exchange rates ruling at the dates that the fair value was determined.

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3.2 FINANCIAL INSTRUMENTS

(I) FINANCIAL ASSETS (NON-DERIVATIVE)

— RECOGNITION AND INITIAL MEASUREMENT

The Company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the 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.

— CLASSIFICATION AND SUBSEQUENT MEASUREMENT

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 amortised 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.

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 Company 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.

— BUSINESS MODEL ASSESSMENT

The Company 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;
- 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;

— 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 Company 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 Company 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 Company’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 reasonable additional compensation for early termination of the contract.

— SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

— 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. Financial assets at amortized cost comprise trade and other receivables, Bank deposits and Investment in fixed deposits.

3.2
FINANCIAL INSTRUMENTS (CONT.)

(II)
FINANCIAL LIABILITIES (NON-DERIVATIVE)

— CLASSIFICATION, SUBSEQUENT MEASUREMENT
AND GAIN AND LOSSES

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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.

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.

The Company has the non-derivative financial liabilities such as trade and other payables and Amounts due to related party.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

— DE-RECOGNITION
— FINANCIAL ASSETS

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

— FINANCIAL LIABILITIES
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

— OFFSETTING
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(III)
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.

— DIVIDENDS
Interim dividends to ordinary shareholders are recognised as a liability in the period in which they are declared and final dividends are recognised as a liability in the period which they are approved by the shareholders.

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3.3
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. 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 labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalized borrowing costs.

The estimated costs of dismantling and removing an asset and restoring the site on which it is located are also included in the cost of property, plant and equipment. The corresponding obligation is recognised as a provision. 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 Company, 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)
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.

The estimated useful lives are as follows:

Buildings	5 to 40 years
Plant and equipment	
— Civil works, cables and ducting	5 to 40 years
— Network and electronic equipment	5 to 40 years
Vehicle and launches	4 to 7 years
Furniture and fittings	4 to 10 years

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

— CAPITAL WORK IN PROGRESS
Assets under construction 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.

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3.4
INTANGIBLE ASSETS

(I)
RECOGNITION AND MEASUREMENT

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

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Company are recognized as intangible assets. Expenditures that enhance and extend the benefits of computer software programmes beyond their original specifications and lives are recognized as a capital improvement and added to the original cost of the software.

(II)
SUBSEQUENT EXPENDITURE

Subsequent expenditure is only capitalized if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Company has sufficient resources to complete development and to use the asset.

(III)
AMORTIZATION

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Software
3 to 10 Years
Licences
10 Years or licence term whichever is lower

Indefeasible right to use cable capacity
15 Years or cable life whichever is lower

— CAPITAL WORK IN PROGRESS

Capital work in progress as at the year-end represents the costs incurred or accrued for the projects which have not commenced commercial operations as at the year end.

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3.5
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, conversion costs 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.

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3.6
CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand, bank demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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3.7
CONTRACT ASSETS RELATED TO THE ENTERPRISE SALES PROJECTS

Contract assets related to the sales project represents the gross unbilled amount expected to be collected from customers for performance obligations satisfied to date. It is measured at the consideration allocated to the performance obligations completed as at the reporting date recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred.

If progress billings exceed costs incurred plus recognised profits, then the difference is presented as deferred income in the statement of financial position.

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3.8
IMPAIRMENT

(I)
NON-DERIVATIVE FINANCIAL ASSETS FINANCIAL INSTRUMENTS AND CONTRACT ASSETS

The Company recognises loss allowances for ECLs on:

- Financial assets measured at amortised cost; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs for trade and other receivables.

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

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

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due for the residential segment.
- The financial asset is more than 150 days past due for the Government segment.
- The financial asset is more than 120 days past due for the corporate segment.

The Company has rebutted the presumption of 90 days past due for the Government and corporate segment as the Company has assessed the previous years' collections and the historic collections at a considerable levels after 3 months period.

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 Company 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 Company expects to receive).

— CREDIT-IMPAIRED FINANCIAL ASSETS

At each reporting date, the Company assesses whether financial assets carried at amortised cost 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:

- A breach of contract such as a default or being more than 180 days past due of the significant government customers who exceed MVR 100,000/-;
- A breach of contract such as a default or being more than 180 days past due of the significant corporate customers who exceed MVR 100,000/-;
- A breach of contract such as a default or being more than 365 days past due of the wholesale customers;
- It is probable that the contractual party will enter bankruptcy or other financial reorganisation;

— PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION

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

— WRITE-OFF

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off based on historical experience of recoveries of similar assets and based on the assessment carried out by the Company. For wholesale segment customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. •

3.9
EMPLOYEE BENEFITS

(A)
DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company contributes 10% of members’ salary into the scheme with an additional, minimum, 4% of salary being contributed by the members.

(B)
SHORT-TERM BENEFITS

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

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company 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 estimate reliably.

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3.10
PROVISIONS

A provision is recognized if, as a result of a past event, the Company 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 recognised as finance cost.

Network and asset retirement obligation provision has been 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.

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3.11
LEASES

At inception of a contract, the Company 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.

(I)
AS A LESSEE

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand – alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company 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, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate

The Company 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.

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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company 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.

The Company presents right-of-use assets that do not meet the definition of investment property in “Right-of-use assets” and lease liabilities in “Lease liabilities” in the statement of financial position.

— SHORT-TERM LEASES AND LEASES OF
LOW-VALUE ASSETS

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with contract term less than one year considered as low-value assets or short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. •

3.12
EVENTS OCCURRING AFTER THE
REPORTING DATE

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

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3.13
REVENUE FROM CONTRACTS WITH
CUSTOMERS

Revenue is measured based on the consideration specified in the contract with a customer. The Company recognise revenue when it transfers control over a good or service to a customer.

(A)
SALE OF EQUIPMENT

Revenue from handset and other equipment sales is recognised when the product is delivered to the customer. In revenue arrangements from bundled contracts include more than one Performance Obligation (PO), the arrangement consideration is allocated to each performance obligation based on their relative standalone selling price (SSP).

(B)
PROVISION OF SERVICES

Revenue for access charges, airtime usage and messaging by contract customers is recognised as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred.

Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires. Deferred revenue related to unused airtime is recognised when utilised by the customer. Upon termination of the customer contract, all deferred revenue for unused airtime is recognised in the profit or loss.

Revenue from interconnect fees is recognised at the time the services are performed. Revenue from data services is recognised when the Company has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Company as commission for facilitating the service.

3.13
REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT.)

(C)
INSTALLATION REVENUE
Installation services are specific services and does not have a standalone value without the data/ internet services, it has not been considered as separate performance obligation.

The installation revenue is considered as part of the overall transaction price and is amortized over the expected tenure of the contracts with the customers.

(D)
SALES PROJECTS
Installation, device sale and service provision are considered to be separate Performance Obligation as those are distinct goods/ services. The customer can obtain each of the said good/ service on a standalone basis from different vendors and each has a standalone value to the customer.

Standalone selling prices (“SSP”) is determined for installation service, sale of device and provision of service. Accordingly, transaction price collected from the customers are allocated to each Performance Obligation based on relative SSP allocation and recognize revenue accordingly.

(E)
CONTRACT COSTS
Contract costs that are incremental in obtaining a contract with a customer are capitalized and amortised over the period of related revenues. Applying the practical expedient per IFRS 15, the Company recognises incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Company otherwise would have recognised is one year or less.

(F)
LOYALTY PROGRAMME
Revenue is allocated between the loyalty programme and other components of the Income. The amount allocated to the loyalty programme is deferred and is recognized as revenue when the Company has fulfilled its obligations to supply the services under terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

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3.14
EXPENDITURE

(A)
FINANCE INCOME AND EXPENSE
Finance income comprise interest income on funds invested. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable. Finance costs comprise, unwinding of discounts on provisions, unwinding of discount on lease liabilities and foreign exchange losses that are recognised in profit or loss. Foreign exchange gains and losses are reported on net basis.

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 amortised 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 amortised 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 amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(B)
OPERATING EXPENSES
All expenses incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the profit or loss for the year.

Expenses incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenses.

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3.15
TAX EXPENSES

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

(A)
CURRENT TAX
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date.

(B)
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 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.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it no longer probable that the related tax benefits will be provided.

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3.16
DETERMINATION OF FAIR VALUES

A number of the Company’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

(A)
TRADE AND OTHER RECEIVABLES
The fair value of trade and other receivables, excluding construction contracts, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However, the Company has got short term receivables as at the reporting date.

(B)
FINANCIAL LIABILITIES (NON-DERIVATIVE)
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the risk adjusted discount rate.

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4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the preparation of these financial statements, a number of estimates and assumptions have been made relating to the performance and the financial position of the Company. Results may differ significantly from those estimates under different assumptions and conditions. The Directors consider that the following discussion addresses the Company’s most critical accounting policies, which are those that are most important to the presentation of its financial performance and position. These particular policies require subjective and complex judgements, often as a result of the need to make estimates about the effect of matters that are uncertain.

(A) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
The Company assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets. Changes in circumstances such as technological advances, prospective economic utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Where the Company determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net carrying amount in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in an asset’s life or residual value is reflected in the Company’s financial statements when the change in estimate is determined.

(B) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS
The Company assesses the impairment of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards. Factors that are considered important and which could trigger an impairment review include the following;

- Obsolescence or physical damage;
- Significant changes in technology and regulatory environments;
- Significant underperformance relative to expected historical or projected future operating results;

- Significant changes in the use of its assets or the strategy for its overall business;
 - Significant negative industry or economic trends;
- The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units require significant judgement.

(C) REVENUE RECOGNITION
Judgement is required in assessing the application of the principles of revenue recognition in respect of revenues. This includes presentation of revenue as principal or as agent in respect of income received from transmission of content provided by third parties. As per the requirements of IFRS 15 Identification of the performance obligations, allocation of the consideration over the performance obligations, determination of the key assumption such as customer expected retention period.

(D) VALUATION OF RECEIVABLES
Note 3.7 – measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted average loss rate.

The provision for impairment losses for trade and other receivables reflects the Company’s estimates of losses arising from the failure or inability of customers to make required payments. The provision is based on the individual assessment of the customers, lifetime expected credit loss of the trade and other receivables, customer credit-worthiness and the Company’s historical write-off experience etc.

Changes to the provision may be required if the financial condition of its customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs.

(E) INTERCONNECTION WITH OTHER OPERATORS
As part of the normal course of business, the Company interconnects with other telecommunications operators. In certain instances it uses estimates to determine the amount of revenue receivable from or expense payable to these other operators. The prices at which these services are charged are sometimes regulated and may be subject to retrospective adjustment. Estimates are used in assessing the likely impact of these adjustments. Adjustments to interconnect estimates are taken to operating profit in the period in which the adjustments are made.

(F) PROVISIONS
A provision is recognised when there is a present (legal or constructive) obligation in respect of a past event as explained in the accounting policy in Note 3.9 to the financial statements. Judgement is required to quantify such amounts.

(G) CAPITALIZATION OF PROPERTY, PLANT AND EQUIPMENT AND PROJECTS UNDER CONSTRUCTION
Assets are transferred to Property, Plant and equipment from assets under construction when they are ready for its intended use. The complex nature of the assets is such that judgment is required as to when that point is reached. Also, judgment is required to determine whether the costs incurred on those assets can be capitalized or can be recognized as an expense in profit or loss.

(H) LEASE TERM
Some leases related to Land and buildings and Network assets contain extension options exercisable by the Company before the end of the contract period. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within control.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual period beginning after 1st January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretation are not expected to have a significant impact on the Company’s financial statements.

- Annual Improvements to IFRS standards 2018-2020
- Cost of Fulfilling a Contract – Onerous Contracts (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statement 2)
- Definition of Accounting Estimates (IAS 8)
- Deferred tax related to assets and Liabilities arising from a single Transaction. (Amendments to IAS 12)
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6
SEGMENT INFORMATION

REPORTABLE SEGMENTS

The Company's operation is segregated into two reportable segments, which the Company operates and manages as strategic business units and organize by products and services. The Company measures and evaluates the reportable segments based on segment operating income, consistent with the Chief Operating Decision Maker's ("CODM") assessment of segment performance.

The Company makes capital allocation decisions based on the strategic needs of the business, needs of the network (mobile or fixed and broadband) providing services and to provide emerging services to the customers. The Company excludes from segment results the effects of certain items that management does not consider in assessing segment performance, primarily because of their non-operational nature.

The Following summery describes the operations of each reportable segment.

(1)
MOBILE

Mobile operation primarily includes prepaid mobile, postpaid mobile, roaming, mobile equipment and mobile broadband which are provided to individuals, business and government customers.

(2)
FIXED, BROADBAND AND ENTERPRISE

Fixed, Broadband and Enterprise primarily include fixed telephony, fixed and fiber broadband, lease circuits, datacoms, IP TV services, mobile money and enterprise infrastructure project. The Company provides these products and services to the individuals, businesses and government customers.

— INFORMATION ABOUT REPORTABLE SEGMENTS

Segment information disclosed for the year ended 31st December 2021 and 2020 are as follows.

FOR THE YEAR ENDED 31ST DECEMBER 2021

External Revenue	1,400,795	1,465,392	1,061,885	958,346	64,491	59,421	2,527,171	2,483,159
Total Revenue	1,400,795	1,465,392	1,061,885	958,346	64,491	59,421	2,527,171	2,483,159
Operating Costs	(554,959)	(594,493)	(546,039)	(539,471)	(30,950)	(25,881)	(1,131,948)	(1,159,845)
Depreciation and amortization	(226,029)	(223,809)	(122,280)	(116,456)	(48,083)	(46,389)	(396,392)	(386,654)
Impairment losses on trade and other Receivables	(12,659)	(25,933)	(9,599)	(16,966)	(584)	(1,052)	(22,842)	(43,951)
Net finance costs	(12,614)	(19,252)	(9,449)	(12,302)	(596)	(814)	(22,659)	(32,368)
Non-operating income	2,024	608	1,407	388	89	26	3,520	1,022
Reportable segment profit before tax	596,558	602,513	375,925	273,539	(15,633)	(14,689)	956,850	861,363
Segment assets and liabilities								
Non-current assets	1,074,857	1,087,809	877,012	888,852	411,089	386,249	2,362,958	2,362,910
Current assets	396,307	475,223	255,207	272,066	11,914	11,677	663,428	758,966
Total assets	1,471,164	1,563,032	1,132,219	1,160,918	423,003	397,926	3,026,386	3,121,876
Non-current liabilities	460,229	345,793	-	-	18,801	22,912	479,030	368,705
Current liabilities	812,389	686,788	604,180	441,830	144,962	125,439	1,561,531	1,254,057
Total liabilities	1,272,618	1,032,581	604,180	441,830	163,763	148,351	2,040,561	1,622,762

	MOBILE		FIXED, BROADBAND AND ENTERPRISE		OTHER		TOTAL	
	2021 MVR '000	2020 MVR '000	2021 MVR '000	2020 MVR '000	2021 MVR '000	2020 MVR '000	2021 MVR '000	2020 MVR '000
External Revenue	1,400,795	1,465,392	1,061,885	958,346	64,491	59,421	2,527,171	2,483,159
Total Revenue	1,400,795	1,465,392	1,061,885	958,346	64,491	59,421	2,527,171	2,483,159
Operating Costs	(554,959)	(594,493)	(546,039)	(539,471)	(30,950)	(25,881)	(1,131,948)	(1,159,845)
Depreciation and amortization	(226,029)	(223,809)	(122,280)	(116,456)	(48,083)	(46,389)	(396,392)	(386,654)
Impairment losses on trade and other Receivables	(12,659)	(25,933)	(9,599)	(16,966)	(584)	(1,052)	(22,842)	(43,951)
Net finance costs	(12,614)	(19,252)	(9,449)	(12,302)	(596)	(814)	(22,659)	(32,368)
Non-operating income	2,024	608	1,407	388	89	26	3,520	1,022
Reportable segment profit before tax	596,558	602,513	375,925	273,539	(15,633)	(14,689)	956,850	861,363
Segment assets and liabilities								
Non-current assets	1,074,857	1,087,809	877,012	888,852	411,089	386,249	2,362,958	2,362,910
Current assets	396,307	475,223	255,207	272,066	11,914	11,677	663,428	758,966
Total assets	1,471,164	1,563,032	1,132,219	1,160,918	423,003	397,926	3,026,386	3,121,876
Non-current liabilities	460,229	345,793	-	-	18,801	22,912	479,030	368,705
Current liabilities	812,389	686,788	604,180	441,830	144,962	125,439	1,561,531	1,254,057
Total liabilities	1,272,618	1,032,581	604,180	441,830	163,763	148,351	2,040,561	1,622,762

Other operations include the customer equipment maintenance services, bulk SMS services, domain and web hosting and other adjacent services. None of these segments met the quantitative threshold for reportable segments in 2021 or 2020.

Revenue is shown on gross basis and before out-payments to other telecommunication companies and license payments.

Reconciliation of total assets information on reportable segments to the total assets reported in the Statement of Financial Position.

	2021		2020	
	NON-CURRENT MVR '000	CURRENT MVR '000	NON-CURRENT MVR '000	CURRENT MVR '000
FOR THE YEAR ENDED 31ST DECEMBER 2021				
Total assets for reportable segments	1,951,869	651,514	1,976,661	747,289
Total assets for other segments	411,089	11,914	386,249	11,677
Total assets for segments	2,362,958	663,428	2,362,910	758,966
Other unallocated amounts	3,709	1,756,726	7,943	975,477
Total assets as per the statement of financial position	2,366,667	2,420,154	2,370,853	1,734,443

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7
REVENUE

(A)
REVENUE STREAMS

The Company generates revenue primarily from mobile and fixed, broadband and enterprise revenue. Other sources of revenue include customer equipment maintenance services and other adjacent services.

	2021 MVR '000	2020 MVR '000
REVENUE FROM CONTRACTS WITH CUSTOMERS	2,527,171	2,483,159

(B)
DISAGGREGATION OF REVENUE FROM CONTRACTS
WITH CUSTOMERS

Disaggregation of revenue by major products and service lines has been disclosed in the segment information under mobile, fixed, broadband and enterprise and other revenue. In the following table, revenue is disaggregated by timing of recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments. Revenue by major products and service lines are disclosed under segment information (See Note 6).

	MOBILE		FIXED, BROADBAND AND ENTERPRISE		OTHER		TOTAL	
REVENUE BY TIMING OF RECOGNITION	2021 MVR '000	2020 MVR '000	2021 MVR '000	2020 MVR '000	2021 MVR '000	2020 MVR '000	2021 MVR '000	2020 MVR '000
Products transferred at a point in time	39,630	63,885	50,292	68,047	4,427	2,578	94,349	134,510
Products and services transferred over time	1,361,165	1,401,507	1,011,593	890,299	60,064	56,843	2,432,822	2,348,649
Revenue with contracts with customers	1,400,795	1,465,392	1,061,885	958,346	64,491	59,421	2,527,171	2,483,159
External Revenue as reported in Note 6	1,400,795	1,465,392	1,061,885	958,346	64,491	59,421	2,527,171	2,483,159

(C)
CONTRACT BALANCES

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31/12/2021 MVR '000	31/12/2020 MVR '000
Receivables (included in trade and other receivables)	327,490	333,295
Contract assets (included in trade and other receivables)	303,120	365,611
Contract liabilities (included in trade and other payables)	(106,361)	(98,107)

The contract assets primarily relate to the Company's right to consideration for services performed and work completed, but not billed at the reporting date on customer contracts and costs that were deferred on installations and infra-structure projects. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer and over the period of customer tenure expected in respect of the deferred cost.

The contract liabilities primarily relate to the advance con- sideration received from customers for contracts, for which revenue is recognized over time as the related performance obligations are fulfilled and to the unredeemed customer loyalty points. •

8. OPERATING COSTS

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
Direct cost of services	410,842	470,300
Personnel costs (Note 8.1)	227,395	207,198
License fees	113,394	106,644
Operating lease rentals	36	-
Support services	48,050	48,050
External publicity	23,353	20,877
Network costs	116,811	113,715
Property and utility costs	93,780	105,033
Professional fees	11,424	10,930
Other administrative expenses	86,899	77,098
•	1,131,948	1,159,845

8.1 PERSONNEL COSTS

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
Wages, salaries and performance reward scheme	189,665	170,201
Defined contribution expense	13,631	12,972
Other personnel costs	24,099	24,025
•	227,395	207,198

9. OTHER INCOME

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
	2,680	484
Net Gain on disposal of Property, Plant and Equipment	694	538
Miscellaneous income	3,374	1,022
•		

10. NET FINANCE COSTS

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
Finance Income		
Interest income on Bank Deposits	9,368	3,471
Interest income on Short Term Investments	5,288	5,261
	14,656	8,732
Finance Costs		
Interest expenses on loans	(4,613)	-
Facility fee amortization	(1,767)	-
Unwinding of discount on provisions	(4,673)	(4,765)
Interest on lease liabilities	(25,471)	(23,479)
Foreign exchange loss	(790)	(12,856)
	(37,314)	(41,100)
Net Finance Costs	(22,658)	(32,368)
•		

11. TAX EXPENSE

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
Income tax expense (Note 11.1)	141,744	130,482
Adjustment in respect of previous year	(2,332)	227
Deferred tax asset reversed / (recognized) during the year (Note 11.2)	4,234	(1,798)
•	143,646	128,911

11.1 RECONCILIATION BETWEEN ACCOUNTING PROFIT AND TAXABLE INCOME:

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
Accounting profit before tax	956,706	861,363
Disallowable expenses	398,695	477,233
Allowable expenses	(409,940)	(468,214)
Tax free allowance	(500)	(500)
Total taxable income	944,961	869,882
Income tax @ 15%	141,744	130,482

In accordance with the provisions of the Income Tax Act No. 25 of 2019 and subsequent amendments, the Company is liable for Business Profit Tax at the rate of 15% on its taxable profits. •

11.2 DEFERRED TAX ASSET

FOR THE YEAR ENDED 31ST DECEMBER	2021 MVR '000	2020 MVR '000
Opening balance	7,943	6,144
Deferred tax asset (reversed) / recognized on temporary differences	(4,234)	1,798
Closing balance	3,709	7,943
•		

11.3 DEFERRED TAX ASSET IS ATTRIBUTABLE FOR FOLLOWING:

	2021		2020	
FOR THE YEAR ENDED 31ST DECEMBER	TEMPORARY DIFFERENCE MVR '000	TAX EFFECT MVR '000	TEMPORARY DIFFERENCE MVR '000	TAX EFFECT MVR '000
Property and equipment	(87,960)	(13,194)	(93,027)	(13,954)
Intangible assets	(120,477)	(18,072)	(78,454)	(11,768)
Leases	-	-	16,977	2,547
Net provisions	233,165	34,975	207,454	31,118
	24,728	3,709	52,950	7,943

Deferred tax Assets and liabilities are calculated on all taxable and deductible temporary differences arising from the differences between accounting bases and tax bases of assets and liabilities. Deferred tax is provided at the rate of 15% (2020: 15%). •

11.4 MOVEMENT IN DEFERRED TAX BALANCES

FOR THE YEAR ENDED 31ST DECEMBER	BALANCE AS AT 1ST JANUARY 2021	RECOGNIZED IN PROFIT OR LOSS	DEFERRED TAX ASSET/ (LIABILITY) AS AT 31ST DECEMBER 2021
Property and equipment	(13,954)	760	(13,194)
Intangible assets	(11,768)	(6,304)	(18,072)
Leases	2,547	(2,547)	-
Provisions	31,118	3,857	34,975
•	7,943	(4,234)	3,709

12. EARNINGS PER SHARE

BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per ordinary share is based on the profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares out-standing during the year.

FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED	
	2021	2020
Profit for the year attributable to the ordinary shareholders (MVR '000)	813,060	732,452
Weighted average number of ordinary shares outstanding ("000")	76,000	76,000
Basic and diluted earnings per share (MVR)	10.70	9.64

13. PROPERTY AND EQUIPMENT

31ST DECEMBER 2021	BUILDINGS MVR '000	EQUIPMENT MVR '000	VEHICLES & LAUNCHES MVR '000	FURNITURE & FITTINGS MVR '000	CAPITAL WORK-IN PROGRESS MVR '000	TOTAL MVR '000
Cost						
As at 1st January 2021	428,877	3,918,667	10,588	19,732	245,807	4,623,671
Additions during the year	-	-	-	-	227,273	227,273
Provision for Impairment loss	-	-	-	-	(193)	(193)
Capitalizations during the year	4,491	280,000	-	847	(285,338)	-
Disposals during the year	-	(8,691)	-	-	-	(8,691)
As at 31st December 2021	433,368	4,189,976	10,588	20,579	187,549	4,842,060
Accumulated Depreciation						
As at 1st January 2020	204,630	2,584,343	9,038	14,506	-	2,812,517
Charge for the year	17,926	267,174	895	2,180	-	288,175
Disposals during the year	-	(8,460)	-	-	-	(8,460)
As at 31st December 2021	222,556	2,843,057	9,934	16,685	-	3,092,232
"Carrying amount as at 31st December 2021"	210,812	1,346,919	654	3,894	187,549	1,749,828

13.1

Capital work in progress represents the costs incurred mainly on the projects such as Network expansion to new islands and resort which were in progress as at 31st December 2021.

31ST DECEMBER 2020	BUILDINGS MVR '000	EQUIPMENT MVR '000	VEHICLES & LAUNCHES MVR '000	FURNITURE & FITTINGS MVR '000	CAPITAL WORK-IN PROGRESS MVR '000	TOTAL MVR '000
Cost						
As at 1st January 2020	426,914	3,725,465	11,498	18,866	178,519	4,361,262
Additions during the year	-	-	-	-	280,983	280,983
Transferred from intangible assets (Note 15.2)	-	-	-	-	26,615	26,615
Provision for Impairment loss	-	-	-	-	(557)	(557)
Capitalizations during the year	2,140	236,746	-	866	(239,753)	-
Disposals during the year	(177)	(43,544)	(910)	-	-	(44,631)
As at 31st December 2020	428,877	3,918,667	10,588	19,732	245,807	4,623,671
Accumulated Depreciation						
As at 1st January 2020	186,450	2,362,615	9,052	12,006	-	2,570,123
Charge for the year	18,347	265,266	896	2,500	-	287,009
Disposals during the year	(167)	(43,538)	(910)	-	-	(44,615)
As at 31st December 2020	204,630	2,584,343	9,038	14,506	-	2,812,517
"Carrying amount as at 31st December 2020"	224,247	1,334,324	1,550	5,226	245,807	1,811,154

13.2

Capital work in progress represents the costs incurred mainly on the projects such as Submarine Cable, network expansion which were in progress as at 31st December 2020.

14. RIGHT-OF-USE ASSETS

Right-of-Use assets related to leased properties that do not meet the definition of investment property are presented as Right-of-Use asset (See note 3.10).

31ST DECEMBER	2021 MVR '000	2020 MVR '000
As at 1st January	322,836	287,099
Additions during the year	86,012	35,737
As at 31st December	408,848	322,836
Accumulated depreciation		
As at 1st January	77,630	38,100
Charge for the year	43,573	39,530
As at 31st December	121,203	77,630
Carrying amount as at 31st December	287,645	245,206

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14.1

Right-of-use assets will be depreciated over 1 year to 35 years based on their lease period. •

15. INTANGIBLE ASSETS

31ST DECEMBER 2021	INDEFEASIBLE RIGHTS OF USE MVR '000	LICENSES MVR '000	SOFTWARES MVR '000	WORK-IN- PROGRESS MVR '000	TOTAL MVR '000
Cost					
As at 1st January 2021	77,425	103,865	363,584	37,704	582,578
Additions during the year	-	-	-	83,386	83,386
Capitalizations during the year	30,640	32,923	11,750	(75,313)	-
Written-off during the year	-	-	(50)	-	(50)
As at 31st December 2021	108,065	136,787	375,286	45,776	665,914
Accumulated Amortization and impairment loss					
As at 1st January 2021	21,684	44,445	209,899	-	276,028
Amortization for the year	6,040	18,814	39,597	-	64,451
Write-off during the year	-	-	(50)	-	(50)
As at 31st December 2021	27,724	63,258	249,447	-	340,429
Carrying amount as at 31st December 2021	80,341	73,529	125,839	45,776	325,485

•

15.1

Capital work in progress represents mainly the costs incurred IP Capacity BBG and and implementation of new CRM platform which were in progress of development as at 31st December 2021.

31ST DECEMBER 2020	INDEFEASIBLE RIGHTS OF USE MVR '000	LICENSES MVR '000	SOFTWARES MVR '000	WORK-IN- PROGRESS MVR '000	TOTAL MVR '000
Cost					
As at 1st January 2020	79,078	96,406	297,755	91,875	565,114
Additions during the year	-	-	-	56,916	56,916
Transferred to property and equipment (Note 15.2)	-	-	-	(26,615)	(26,615)
Reclassification	(1,653)	-	-	1,653	-
Capitalizations during the year	-	7,459	77,987	(85,446)	-
Written-off during the year	-	-	-	(589)	(589)
Provision for Impairment	-	-	-	(90)	(90)
Disposals during the year	-	-	(12,158)	-	(12,158)
As at 31st December 2020	77,425	103,865	363,584	37,704	582,578
Accumulated Amortization and impairment loss					
As at 1st January 2020	16,881	32,177	180,250	-	229,308
Amortization for the year	4,803	12,268	41,807	-	58,878
Disposals during the year	-	-	(12,158)	-	(12,158)
As at 31st December 2020	21,684	44,445	209,899	-	276,028
Carrying amount as at 31st December 2020	55,741	59,420	153,685	37,704	306,550

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15.2

Capital work in progress represents mainly the costs incurred Network licenses, billing system enhancements and implementation of new FBB PCRF solution which were in progress of development as at 31st December 2020. •

15.3

The Company has reclassified intangible assets amounting to MVR 26,614,616/ – to property and equipment During the year. •

16.
INVENTORIES

	2021	2020
	MVR '000	MVR '000
Cost of inventories	52,364	64,185
Provision for slow moving / obsolete inventories (Note 16.1)	(14,757)	(14,542)
	37,607	49,643

16.1
PROVISION FOR SLOW-MOVING / OBSOLETE INVENTORIES

Opening Balance	14,542	13,239
Inventory written-off during the year	(571)	(8)
Provision made during the year	786	1,311
Closing Balance	14,757	14,542

17.
TRADE AND OTHER RECEIVABLES INVENTORIES

	2021	2020
	MVR '000	MVR '000
Trade receivables	327,490	333,295
Contract Assets	303,120	365,611
	630,610	698,906
Provision for impairment loss on trade receivables (Note 17.1)	(100,183)	(77,341)
	530,427	621,565
Prepayments	73,134	58,444
Other receivables	22,748	29,948
	95,882	88,392
Allowance for impairment loss on other receivables (Note 17.1)	(634)	(634)
	95,248	87,758
	625,675	709,323

The receivables are considered to be held within held to collect business model consistent with the Company's continuing recognition of receivables.

17.1
ALLOWANCE FOR IMPAIRMENT LOSS ON
TRADE AND OTHER RECEIVABLES

MOVEMENTS IN THE ALLOWANCE FOR
IMPAIRMENT IN RESPECT OF TRADE RECEIVABLES
AND CONTRACT ASSETS

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year and movement of the impairment of other receivables are as follows.

	TRADE RECEIVABLES AND CONTRACT ASSETS		OTHER RECEIVABLES	
	2021	2020	2021	2020
	MVR '000	MVR '000	MVR '000	MVR '000
Opening Balance	77,341	57,645	634	879
Change in measurement of loss allowance for the year	22,842	44,196	-	(245)
Bad debt written-off during the year	-	(24,500)	-	-
Closing Balance	100,183	77,341	634	634

18.
CASH AND CASH EQUIVALENTS

	2021 MVR '000	2020 MVR '000
Cash in hand	3,845	1,224
Balances with banks	732,000	619,164
Short term Investments (Note 18.1)	1,020,881	355,089
Cash and bank balance in the statement of financial position	1,756,726	975,477
Short-term Investments with maturities exceeding three months (Note 18.2)	(7,293)	(15,589)
Cash and cash equivalents in the statement of cash flows	1,749,433	959,888

•

18.1
SHORT TERM INVESTMENTS

	INVESTED CURRENCY	MATURITY	INDICATIVE RATE	31/12/2021 MVR '000	31/12/2020 MVR '000
Investment in Treasury Bills	MVR	3-6 MONTHS	3.50%	153,588	153,588
Investment in Fixed Deposits	MVR	3-6 MONTHS	1.5%-2.8%	862,500	157,572
•	USD	3-6 MONTHS	1.50%-3.75%	4,793	43,929
				1,020,881	355,089

18.2
SHORT-TERM INVESTMENTS MATURITIES
NOT EXCEEDING THREE MONTHS

Short term deposits – amortized cost	7,293	15,589
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Short term deposits are classified as amortized cost at the interest rates of 1.5% to 2.5% and mature within 6 months to 7 months.

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19.
SHARE CAPITAL

	2021 MVR '000	2020 MVR '000
19.1 SHARE CAPITAL		
Authorized share capital 80,000,000 ordinary shares of MVR 2.5 each	200,000	200,000
Issued and fully paid share capital 76,000,000 ordinary shares of MVR 2.5 each	190,000	190,000
•		

19.2
DIVIDENDS

The holders of ordinary shares are entitled to dividend, as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company. The board of directors has declared dividends for the year as follows.

	2021		2020	
	PER SHARE MVR '000	DIVIDEND MVR '000	PER SHARE MVR '000	DIVIDEND MVR '000
Dividend declared – 1st tranche	5.16	392,160	7.86	597,360
Dividend declared – 2nd tranche	2.07	157,320	2.07	157,320
•		549,480		754,680

20.
PROVISIONS

	2021 MVR '000	2020 MVR '000
Network and asset retirement obligation (Note 20.1)	139,791	136,925
Movement during the year		
Opening Balance	136,925	130,157
Provision made during the year	2,241	2,003
Unwinding of discounts on provisions	4,673	4,765
Disposals made during the year	(4,048)	-
Impact due to the changes in assumptions	-	-
Closing Balance	139,791	136,925
•		

20.1
NETWORK AND ASSETS
RETIREMENT OBLIGATION

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 and equipment and restoring the sites on which they are located. The following assumptions have been used to calculate the network and asset retirement obligation as at reporting date.

	2021	2020
Useful life (years)	15.00	15.00
Expected rate of increase of the dismantling cost	3.50%	3.50%
Discount rate	10.00%	10.00%

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	DECREASE
Expected rate of increase of the dismantle cost (Change 1%)	(4,644,999)	(4,644,999)
Discount rate (Change by 1%)	4,006,546	4,006,546

21.
LOANS AND BORROWINGS

	2021 MVR '000	2020 MVR '000
Opening balance	-	-
Obtained during the year	224,150	-
Interest for the period	4,613	-
Interest paid during the year	(4,080)	-
Unamortized facility fee (Note 21.2)	(2,859)	-
Closing balance	221,825	-

21.1
MATURITY ANALYSIS

	2021 MVR '000	2020 MVR '000
NON CURRENT LIABILITY		
Term loan	69,904	
Unamortized facility fees	(854)	
	69,050	-
CURRENT LIABILITY		
Term loan	54,603	
Import loan	99,644	
Interest Payable	533	
Unamortized facility fees	(2,005)	
	152,775	-

21.2
FACILITY FEE AMORTIZATION

	2021 MVR '000	2020 MVR '000
Opening balance	-	-
Facility fees paid during the year	4,626	-
Amortization during the year	(1,767)	-
Closing balance	2,859	-

21.3

As per the term loan facility letter dated 9th April 2021,the Company has obtained a loan of US\$ 8,000,000/ – from HSBC Bank at rate of 3 months Libor plus 4.75% per annum. The loan is repayable in 30 equal monthly installment of US\$.266,666.67/ – (exluding interest) with 6 months grace period.

21.4

As per the letter dated 3rd June 2021,the Company has obtained a import loan facility of US\$ 12,000,000/ – from HSBC Bank at rate of 3 months Libor plus 4.75% per annum.

22. LEASE LIABILITIES

LEASES AS LESSEE

The Company leases 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 non-cancellable period. Information about leases for which the Company a lessee is presented below.

	2021	2020
	MVR '000	MVR '000
Opening Balance	262,183	258,252
Additions during the year	86,012	35,737
Interest on lease liabilities	25,471	23,479
Payments of lease liabilities	(70,549)	(55,285)
Closing balance	303,117	262,183

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22.1 MATURITY ANALYSIS-CONTRACTUAL UNDISCOUNTED CASH FLOWS

	2021	2020
	MVR '000	MVR '000
Less than one year	49,663	48,354
One to five years	175,731	160,712
More than five years	215,480	172,582
Total undiscounted lease liabilities	440,874	381,648

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22.2 LEASE LIABILITIES INCLUDED IN THE STATEMENT OF FINANCIAL POSITION

	2021	2020
	MVR '000	MVR '000
Current	32,928	30,403
Non-current	270,189	231,780
	303,117	262,183

EXTENSION OPTIONS

Some land and buildings and network assets related to Land and buildings and Network assets contain extension options exercisable by the Company before the end of the contract period. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within control.

	2021	2020
	MVR '000	MVR '000
AMOUNTS RECOGNIZED IN PROFIT OR LOSS IN RELATION TO LEASES		
Interest on lease liabilities	25,471	23,479
Depreciation of ROU assets	43,573	39,530
	69,044	63,009
AMOUNTS RECOGNIZED IN CASH FLOW		
Total cash outflow for leases	70,549	55,285

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23. TRADE AND OTHER PAYABLES

	2021	2020
	MVR '000	MVR '000
Trade payables	86,110	150,911
Contract Liabilities	106,361	98,107
Accruals and payables	442,897	455,867
Dividend payable	67,825	91,318
Refundable deposits from customers	26,114	25,241
Customer loyalty points	1,601	1,601
Other Payables	28,818	27,004
	759,726	850,049

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24. AMOUNTS DUE TO A RELATED PARTY

	2021	2020
	MVR '000	MVR '000
BTC Islands Limited – Immediate Parent	538,405	307,443

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25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OVERVIEW

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

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

— RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Board is also responsible for developing and monitoring the Company’s risk management policies.

Risk management systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company’s Audit Committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company’s Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

— TREASURY POLICY

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company’s overall risk management programme seeks to minimize potential adverse effects on the Company’s financial performance. Day to day management of treasury activities is delegated to the Company’s treasury function ("Treasury"), within specified financial limits for each type of transaction and counterparty.

To the extent that the Company undertakes treasury transactions, these are governed by Company policies and delegated authorities.

The key responsibilities of Treasury include funding, investment of surplus cash and the management of interest rate and foreign currency risk. The majority of the Company’s cash resources (including facilities) and borrowings are managed centrally by Treasury.

(I) CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investments.

The carrying amount of financial assets of the Company represents the maximum credit exposure. In relation to deposits held, the management seeks to reduce the credit risk by ensuring the counterparties to all but a small proportion of the Company’s financial instruments are the core relationship banks. The counterparties are selected in compliance with Company Treasury Policy. The types of instrument used for investment of funds are prescribed by the Board. These policies contain limits on exposure for the Company as a whole to any one counterparty.

Impairment Losses on financial assets and contract assets recognized in profit or loss were as follows;

Impairment loss on trade receivables and contract assets arising from contracts with customers

2021	2020
MVR '000	MVR '000
22,842	43,951

— TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company’s customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. However, geographically there is no concentration of credit risk.

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

The maximum exposure to credit risk of trade receivable at the reporting date for each segment was:

Consumer Segment
Corporate Segment
Government Segment
Wholesale Segment

CARRYING AMOUNT	
2021	2020
MVR '000	MVR '000
87,091	113,959
174,050	193,406
76,114	93,532
206,384	235,545
543,639	636,442

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.)

(I) CREDIT RISK (CONT.)

— TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONT.)

The maximum exposure to credit risk of the financial assets at the reporting date was:

Trade receivables and contract assets
Other receivables
Cash at banks
Short term Investments

— EXPECTED CREDIT LOSS ASSESSMENT FOR THE CUSTOMERS AS AT 31ST DECEMBER 2021 AND 31ST DECEMBER 2020

Exposures within each credit risk grades are segmented by the type of the customers.

The Company uses an allowance Matrix to measure the ECLs of trade receivables from individual customers, which com-prise a very large number of small customers except for its wholesale segment.

Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through suc-cessive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the type of the customer.

— CONSUMER SEGMENT

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for consumer customers segment as at 31st Decemer 2021 and 31st December 2020.

31ST DECEMBER 2021

0 – 30 days past due
31 – 60 days past due
61 – 90 days past due
More than 90 days past due

31ST DECEMBER 2020

0 – 30 days past due
31 – 60 days past due
61 – 90 days past due
More than 90 days past due

* Gross carrying amount exclude of GST

	CARRYING AMOUNT	
	2021	2020
	MVR '000	MVR '000
Trade receivables and contract assets	530,427	621,565
Other receivables	22,114	29,314
Cash at banks	732,000	619,164
Short term Investments	1,020,881	355,089
	2,305,422	1,625,132

	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR '000	LOSS ALLOWANCE MVR '000
31ST DECEMBER 2021			
0 – 30 days past due			
31 – 60 days past due	2%	44,162	1,016
61 – 90 days past due	48%	2,061	992
More than 90 days past due	69%	1,583	1,085
	99%	39,285	38,892
		87,091	41,985
31ST DECEMBER 2020			
0 – 30 days past due			
31 – 60 days past due	1%	70,228	777
61 – 90 days past due	7%	4,584	305
More than 90 days past due	15%	3,492	513
	90%	35,655	32,032
		113,959	33,627

Loss rates are based on actual credit loss experience over past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

The Company has assessed individual consumer customers and recognized a specific provision of MVR 300,291/- as at 31st December 2021 (31st December 2020 : NIL).

— CORPORATE SEGMENT

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for corporate customers segment as at 31st December 2021 and 31st December 2020.

31ST DECEMBER 2021

1 – 30 days past due
31 – 60 days past due
61 – 90 days past due
91 – 120 days past due
More than 120 days past due

31ST DECEMBER 2020

1 – 30 days past due
31 – 60 days past due
61 – 90 days past due
91 – 120 days past due
More than 120 days past due

* Gross carrying amount exclude of GST

Loss rates are based on actual credit loss experience over past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

— EXPECTED CREDIT LOSS ASSESSMENT FOR INDIVIDUAL SPECIFIC CORPORATE CUSTOMERS AS AT 31ST DECEMBER 2021

All customers’ receivables more than MVR 100,000/- which are aged for a period of more than 6 months are assessed for specific impairment based on the assessment, specific impairment is made for those customers.

The Company has assessed individual corporate customers amounting to MVR 67,508,530/- and recognized a specific provision of MVR 5,693,221/- as at 31st December 2021 (31st December 2020:MVR 4,493,078/-)

WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR '000	LOSS ALLOWANCE MVR '000
2%	40,370	855
16%	6,513	1,058
21%	6,002	1,247
39%	5,757	2,227
70%	47,899	33,529
	106,541	38,615
2%	39,980	799
11%	3,737	409
20%	3,934	771
37%	4,194	1,531
66%	34,807	22,986
	86,652	26,496

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.)

(I) CREDIT RISK (CONT.)

— GOVERNMENT SEGMENT

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for government customers segment as at 31st December 2021 and 31st December 2020.

	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR '000	LOSS ALLOWANCE MVR '000
31ST DECEMBER 2021			
1 – 30 days past due	3%	10,413	348
31 – 60 days past due	7%	3,844	281
61 – 90 days past due	13%	3,290	439
91 – 120 days past due	26%	3,135	808
121 – 150 days past due	33%	3,036	992
More than 150 days past due	45%	18,444	8,300
		42,161	11,167
31ST DECEMBER 2020			
1 – 30 days past due	3%	43,143	1,403
31 – 60 days past due	8%	110	9
61 – 90 days past due	16%	32	5
91 – 120 days past due	24%	494	120
121 – 150 days past due	36%	2,259	811
More than 150 days past due	42%	15,759	6,690
		61,797	9,038

* Gross carrying amount exclude of GST

Loss rates are based on actual credit loss experience over past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

EXPECTED CREDIT LOSS ASSESSMENT FOR INDIVIDUAL SPECIFIC GOVERNMENT CUSTOMERS AS AT 31ST DECEMBER 2021

All customers' receivable more than MVR 100,000/ – which are aged for a period of more than 6 months are assessed for specific impairment based on the assessment, specific impairment is made for those customers.

The Company has assessed individual government customers amounting to MVR 33,953,271/ – and recognized a specific provision of MVR 1,010,457/ – as at 31st December 2021 (31st December 2020: MVR 873,929/-).

— WHOLESALE SEGMENT

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for wholesale customers segment as at 31st December 2021 and 31st December 2020.

	EXTERNAL CREDIT RATING	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT MVR '000	IMPAIRMENT LOSS ALLOWANCE MVR '000
31ST DECEMBER 2021				
Grades 1 – 6: Low risk	BBB – TO AAA	0.04%	143,673	54
Grades 7 – 9: Fair risk	BB – TO BB+	0.00%	5,622	-
Unrated customers			57,089	1,359
			206,384	1,413
31ST DECEMBER 2020				
Grades 1 – 6: Low risk	BBB – TO AAA	0.01%	178,567	16
Grades 7 – 9: Fair risk	BB – TO BB+	0.01%	9,403	1
Unrated customers			47,575	-
			235,545	17

— EXPECTED CREDIT LOSS ASSESSMENT FOR INDIVIDUAL SPECIFIC WHOLESALE CUSTOMERS AS AT 31ST DECEMBER 2021

Specific provision would be made for any of the following indicators;

- If the customer (roaming or carrier partners) declare bankruptcy, the full amount receivable should be provided, unless there is a high probability of recovering the debt.
- If the customer is having known financial problems, it would considered for specific provision.
- If there are on-going disputes for the receivable amounts from a customer, the amount receivable shall be assessed for the possible risk and management would decide on the provision required on case-by case basis.
- If the debt from any roaming partner is aged more than 12 months, the amount which is aged more than 12 months, after netting off any payables from respective operator will be assessed for impairment.

The Company has recognized a specific impairment of MVR 1,359,408/ – as at 31st December 2021 (31st December 2020: incremental impairment of MVR 2,795,017/-).

— SHORT TERM INVESTMENTS

The Company limits its exposure to credit risk by investing in short term deposits with selected banks and investing in treasury bills. In respect of the short term investments, the Company has not recognized any allowance for impairment based on the materiality ground.

— CASH AND CASH EQUIVALENTS

The Company held cash and cash equivalents of MVR.1,756,726/ – as at 31st December 2021 (as at 31st December 2020: MVR. 975,477/-). The Company limits its exposure to credit risk by maintaining its cash balances in selected banks.

The Company has not recognized any allowance for impairment for the bank balance based on the materiality ground.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.)

(II) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. 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 Company’s reputation.

The Company's exposure to liquidity risk as at the reporting date is against the following liabilities.→

The Company manages its own liquidity to meet its financial obligations of servicing and repaying external debt, dividends, Company costs and strategic initiatives. The principal source of liquidity for the Company is its operating cash inflows from the business, supported by bank finance.

The Management produces liquidity forecasts on a regular basis to ensure the utilization of current facilities is optimized that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements. The Directors also regularly assess the balance of capital and debt funding of the Company.

(III) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

— (A) INTEREST RATE RISK

Treasury may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of pre-vailing market conditions as appropriate.

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	WITHIN ONE YEAR	1 TO 2 YEARS	2 TO 3 YEARS	3 TO 4 YEARS	OVER 4 YEARS
	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000
31ST DECEMBER 2021							
Financial Liabilities							
Trade and other payables	651,764	651,764	651,764	-	-	-	-
Amounts due to a related party	538,405	538,405	538,405	-	-	-	-
Lease liabilities	303,117	440,874	49,663	52,789	43,142	41,365	253,915
Loan and Borrowings*	221,825	238,891	165,481	52,321	21,088	-	-
Total	1,715,111	1,869,934	1,405,313	105,110	64,230	41,365	253,915
31ST DECEMBER 2020							
Financial Liabilities							
Trade and other payables	750,341	750,341	750,341	-	-	-	-
Amounts due to a related party	307,443	307,443	307,443	-	-	-	-
Lease liabilities	262,183	381,648	48,354	46,121	43,421	36,572	207,180
Total	1,319,967	1,439,432	1,106,138	46,121	43,421	36,572	207,180

* Loans and borrowings excludes unamortized facility fees & future interests.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.)

(III) MARKET RISK (CONT.)

— (A) INTEREST RATE RISK (CONT.)

— EXPOSURE TO INTEREST RATE RISK
At the reporting date, the interest rate profile of the Company’s interest-bearing financial instruments was:

	CARRYING AMOUNT	
	2021 MVR '000	2020 MVR '000
FIXED RATE INSTRUMENTS		
Financial Assets – Short term investments	1,020,881	355,089
VARIABLE RATE INSTRUMENTS		
Financial Liabilities – Loans	224,150	–
SENSITIVITY ANALYSIS	100BP INCREASE	100BP DECREASE
Variable Rate Instruments	2,242	(2,242)

— FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED-RATE INSTRUMENTS

The Company does not account for any fixed-rate financial assets at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

— (B) CURRENCY RISK

— EXPOSURE TO CURRENCY RISK
The Company is exposed to the risk of available foreign currency for capital and operational purposes and also to the risk of movements in exchange rates in relation to foreign currency transactions (US Dollars, Euro, Sterling Pounds and Singapore Dollars). The Company receives certain collections such as roaming and interconnect in terms of foreign currency and on the other hand, the Company makes certain payments such as capex payments, dividends, out payments, roaming settlements, payments relating to group management in terms of foreign currencies.

Currency risk is managed by the Company’s treasury function that monitors foreign currency cash inflows and outflows and its closing position on a daily basis. The Company also monitors its exposure to movements in exchange rates on a net basis. The Company currently does not use forward foreign exchange contracts and other derivative and financial instruments to reduce the exposures created where currencies do not naturally offset in the short term.

— EXPOSURE TO CURRENCY RISK (CONT.)
The Company’s exposure to foreign currency risk was as follows (based on notional amounts) :

	31/12/2021			
	USD '000	EURO '000	SGD '000	GBP '000
Cash and bank balances	4,775	1	25	154
Trade and other receivables	12,442	838	–	37
Amount due to related party	(34,916)	–	–	–
Trade and other payables	(18,101)	(181)	(441)	(13)
Net statement of financial position exposure	(35,800)	658	(416)	178

	31/12/2020			
	USD '000	EURO '000	SGD '000	GBP '000
Cash and bank balances	5,664	99	25	1
Trade and other receivables	15,738	39	–	–
Amount due to related party	(19,938)	–	–	–
Trade and other payables	(24,141)	(62)	(562)	(40)
Net statement of financial position exposure	(22,677)	76	(537)	(39)

The following significant exchange rates were applied during the year:

	AVERAGE RATE		SPOT RATE	
	2021	2020	2021	2020
USD 1 : MVR	15.42	15.42	15.42	15.42
EURO 1 : MVR	18.49	18.12	17.43	19.51
SGD 1 : MVR	11.62	11.52	11.38	11.98
GBP 1 : MVR	21.48	20.39	20.71	21.49

— SENSITIVITY ANALYSIS
A strengthening/ (weakening) of the MVR, as indicated below, against the foreign currencies as at the end of each period would have increased / (decreased) profit or loss by the amounts shown below.

	YEAR ENDED 2021		YEAR ENDED 2020	
	STRENGTHENING MVR '000	WEAKENING MVR '000	STRENGTHENING MVR '000	WEAKENING MVR '000
US\$ (10% Movement)	55,204	55,204	34,968	34,968
Euro (10% Movement)	(1,147)	(1,147)	(148)	(148)
SGD (10% Movement)	473	473	643	643
GBP (10% Movement)	(369)	(369)	84	84

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.)

(IV)

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of stated capital and reserves. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(V)

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value since the carrying amount is a reasonable approximation of fair value.

31ST DECEMBER 2021

	CARRYING AMOUNT		
	FINANCIAL ASSETS AT AMORTIZED COST MVR '000	OTHER FINANCIAL LIABILITIES MVR '000	TOTAL MVR '000
Financial assets not measured at fair value			
Balance with banks	732,000	-	732,000
Short term investments	1,020,881	-	1,020,881
Trade and other receivables and contract assets	486,112	-	486,112
	2,238,993	-	2,238,993
Financial liabilities not measured at fair value			
Trade and other payables	-	651,764	651,764
Loans and Borrowings		221,825	221,825
Amounts due to related party	-	538,405	538,405
Lease liability	-	303,117	303,117
	-	1,715,111	1,715,111

31ST DECEMBER 2020

Financial assets not measured at fair value			
Balance with banks	619,164	-	619,164
Short term investments	355,089	-	355,089
Trade and other receivables	587,816	-	587,816
	1,562,069	-	1,562,069
Financial liabilities not measured at fair value			
Trade and other payables	-	750,341	750,341
Amounts due to a related party	-	307,443	307,443
Lease liability	-	262,183	262,183
	-	1,319,967	1,319,967

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26. RELATED PARTY TRANSACTIONS

26.1 PARENT AND ULTIMATE HOLDING COMPANY

Parent of the Company is Batelco Islands Limited, a Company incorporated in the United Kingdom and the ultimate parent is Bahrain Telecommunications Company BSC (Batelco), a Company incorporated in Bahrain. •

26.2 TRANSACTIONS WITH BTC ISLANDS LIMITED

Batelco Islands Limited had a 52% shareholding in the Company as at 31st December 2021 (31st December 2020: 52%). Transactions with BTC Islands Limited included support fees for technical services, and payments for outsourcing services for certain supplier invoices. Transactions with BTC Islands Limited during the years, and outstanding balances as at the year ends, are as follows:

	YEAR ENDED 2021 MVR '000	YEAR ENDED 2020 MVR '000
TRANSACTIONS		
Dividends	285,730	392,434
Management fee	43,245	43,245
	328,975	435,679
	2021 MVR '000	2020 MVR '000
BALANCES OUTSTANDING		
Amounts payable in respect of expenses incurred	66,615	22,949
Amount payable in respect of Dividend	471,790	284,494
	538,405	307,443

26.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management includes Directors and Executive committee members that have regular access to inside information and have the power to make managerial decisions affecting the future development and business prospects of the Company. Employee costs include key management remuneration as follows:

	YEAR ENDED 2021 MVR '000	YEAR ENDED 2020 MVR '000
Directors Fees	1,094	1,021
Salaries to Executives	15,664	16,441
Short term Benefits to Executives	3,477	4,933
	20,235	22,395

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26.4
TRANSACTIONS WITH
THE GOVERNMENT OF MALDIVES

The Government of Maldives has a 41.8% shareholding in the Company as at 31st December 2021 (31st December 2020: 41.8%). Transactions with the Government of Maldives included license fees (on gross revenue less out-payment charges to other telecommunications operators) and the rentals of assets owned by the Government of Maldives. Transactions with the Government of Maldives during the year, and outstanding balance as at the year end are as follows:

	YEAR ENDED 2021 MVR '000	YEAR ENDED 2020 MVR '000
INDIVIDUALLY SIGNIFICANT TRANSACTIONS		
TRANSACTIONS		
License fees	113,398	106,644
Rentals on land space	9,590	10,011
Dividends	229,698	315,478
	352,686	432,133
BALANCES OUTSTANDING	2021 MVR '000	2020 MVR '000
Amounts payable in respect of rentals on land space	5,454	5,454
Amounts payable in respect of license payments	9,924	9,562
Amounts payable in respect of Dividends	65,764	89,002
	81,142	104,018

COLLECTIVELY, BUT NOT INDIVIDUALLY,
SIGNIFICANT TRANSACTIONS

Dhivehi Raajjeyge Gulhun PLC has transactions with entities directly or indirectly controlled by the Government of Maldives through its authorities, agencies, affiliations and other organizations, collectively referred to as government entities. The Company has transactions with other government related entities including but not limited to sales, purchases, rendering of services, lease of assets and use of public utilities. •

27.
BOARD OF DIRECTORS' RESPONSIBILITY

The Board of Directors of the Company is responsible for the preparation and presentation of these financial statements. •

28.
SIGNIFICANT EVENT – COVID 19

During year, there has been an outbreak of the novel Coronavirus (“COVID-19”), which has rapidly evolved across the country and globally. The Government of Maldives has taken some actions such as travel restrictions, lockdown and quarantine measures which have had a direct impact on the Maldives’ economy and the Company’s operating results. These measures and policies have caused significant disruption in the operation of many companies in the Republic of Maldives and around the globe.

The Board of Directors has considered the potential impacts of the current economic downturn and challenges and uncertainty involved in the determination of the reported amounts of the Company’s financial and non-financial assets and liabilities in the financial statements.

The impact of COVID-19 on the country’s economy and how governments, businesses and consumers respond are uncertain. This uncertainty is reflected in the Company’s assessment of expected credit losses which is subject to a number of management judgements and estimates. The judgements and associated assumptions have been made within the context of the impact of COVID-19 and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. Accordingly, the Company’s ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates. Further, the management has not noticed any triggering event of impairment of property and equipment, intangible assets and right-of-use assets and accordingly no material impairment losses were recognized in the financial statements. Carrying value of inventories has been recorded at the lower of cost and net realizable value.

The management and the Board of Directors (“BOD”) have been closely monitoring the potential impact of the COVID 19 developments on the Company’s operations and financial position including possible loss of revenue and impairment of property and equipment, intangible assets and right-of-use assets etc. The Company has also put in place contingency measures, which include, but are not limited to enhancing and testing of business continuity plans including its liquidity requirements. Based on their assessment, the BOD is of the view that the Company will continue as a going concern entity for the next 12 months from the date of these financial statements. •

29.
COMPARATIVE FIGURES

Comparative figures of the financial statements have been reclassified to confirm with current year classifications. •

30.
COMMITMENTS AND CONTINGENCIES

CAPITAL COMMITMENTS

The Company had capital commitments at the end of the financial period relating to the purchase of property and equipment and acquisition and development of intangible assets of MVR 70,155,147/ – (31st December 2020: MVR 50,571,966/-).

CONTINGENCIES

No contingencies as of reporting date which require adjustments to/ or disclosure in these financial statements. •

31.
EVENTS OCCORING AFTER
THE REPORTING DATE

No circumstances have arisen since the reporting date which require adjustments to/ or disclosure in these financial statements. •

31.1

Subsequent to the communication received from the Maldives Inland Revenue Authority (MIRA) on 18th January 2022 of its intention to refund the excess Withholding Tax (WHT) expense paid by the Company, on 26th January 2022 the Company received an amount of MVR 51,415,098/ – from MIRA. The amount refunded relates to the excess WHT, related penalties and interest, paid by the Company for disputed transactions primarily on interconnection for the period from 2012 to 2015. The refund was as a result of the legal case ruled in favor of the Company by the Tax Appeal Tribunal (TAT) which was subsequently appealed to the high Court by MIRA and got rejected. The financial effects of the refund have not been recognized in the financial statements as at 31st December 2021. •

31.2

On 2nd February 2022, the Board of Directors of the Company has proposed a final dividend of MVR 4.13 per share (total:MVR 313,880,000/-) which is to be put forward for approval at the next Annual General Meeting of the shareholders. •

Corporate Information

COMPANY REGISTRATION NUMBER
C-0024/1988

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COMPANY SECRETARY
Hazrath Rasheed Hussain

MANAGER INTERNAL AUDIT
Hussain Rameez

EXTERNAL AUDITORS
KPMG

EXTERNAL COUNSEL
Mohamed Shahdy Anwar
Partner, S&A LLP

TAX ADVISORS
CTL Strategies LLP

Laila Manik
Attorney at Law

Our Annual Report has been prepared in accordance Companies Act of the Republic of Maldives (10/96), listing rules of Maldives Stock Exchange, the Securities Act of the Republic of Maldives (2/2006), the Continuing Disclosure Obligations of Issuers regulation (2019/R-1050) and the Corporate Governance Code of Capital Market Development Authority requirements.

Unless otherwise stated, the terms ‘we’, ‘us’, ‘our’ and ‘Dhiraagu’ refers to Dhivehi Raajjeyge Gulhun Plc. Our financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and reference to a year, unless otherwise indicated, refers to the financial year ending 31 December 2021.

Any forward-looking statements are based on current expectations or beliefs, as well as assumptions about future events. These can generally be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘shall’, ‘will’, ‘will continue’, ‘may’ or any other words or phrases of similar import. Similarly, statements that describe objectives, plans or goals are also to be considered as forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, among others the economic and business conditions in the Maldives and the World, technological changes, factors affecting competitive market and regulatory forces, the effect of the availability of foreign exchange and its fluctuations, future interest rates and changes in the tax regime. All forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. By their nature, forward-looking statements are only estimates and as such we cannot guarantee future results, levels of performance or achievement.



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