

# ANNUAL REPORT

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# CORPORATE INFORMATION

**COMPANY REGISTRATION NUMBER**  
C-0024/1988

**PLACE OF INCORPORATION**  
Male', Republic of Maldives

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**CEO & MANAGING DIRECTOR**  
Ismail Rasheed

**CHIEF FINANCIAL OFFICER**  
Robin Wall

**HEAD, INTERNAL AUDIT**  
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**DIRECTOR LEGAL & COMPANY SECRETARY**  
Hazrath Rasheed Hussain

**EXTERNAL AUDITORS**  
KPMG

**EXTERNAL COUNSEL**  
Mohamed Shahdy Anwar Partner,  
S&A LLP

**TAX ADVISORS**  
CTL Strategies LLP

# ABOUT THIS REPORT

Our Annual Report has been prepared in accordance Companies Act of the Republic of Maldives (07/23), 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 2023.

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.

In addition to the published financial statements, Dhiraagu's Annual Report provides information on Dhiraagu's performance on a number of non-financial matters, including environmental, social and governance (ESG) commitments and related matrices. Our reporting on ESG factors has been developed in alignment with the CMDA Corporate Governance Code recommendations on ESG reporting and, for the first time, in reference to the Global Reporting Initiative (GRI) Standards; the most widely used global sustainability reporting standard, and our commitments towards the United Nations Sustainable Development Goals (UN SDGs). This requires us to apply a materiality lens to identify and report against sustainability issues most important to our business and our stakeholders. We have dedicated a sustainability report that includes our materiality matrix and our GRI index directs to where we have covered specific topics elsewhere in the report. We have not sought external assurance for the non-financial information in this report.

This report covers the activities of Dhivehi Raajjeyge Gulhun Plc (Dhiraagu) and its subsidiaries for the period 1 January 2023 to 31 December 2023. It is dated 18 April 2024 and approved by the Board of Directors of Dhivehi Raajjeyge Gulhun Plc.

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# OUR BUSINESS





# WHO WE ARE

Dhiraagu stands as the leading telecommunications and digital service provider in the Maldives, with commitment to fostering community empowerment and facilitating prosperity in the digital era. Established in 1988 as the sole telecommunications provider, Dhiraagu is now majority owned by BTC Islands Limited (Beyon) holding 52% of shares, while the Government of the Maldives maintains a 41.8% stake. The remaining 6.2% of shares are held by the public.

Over the past year, the continued dedication and passion of our expert team, consisting of 99% Maldivians, has been the driving force behind our broadened customer base across different segments including mobile, enterprise, and fixed broadband.

The unwavering commitment to leading the Maldives' digital transformation ensured sustained growth and created value for shareholders. Reflecting on its integral role in the Maldives' digital transformation over the past three decades, Dhiraagu takes pride in our commitment to ongoing innovation, enhancements to our product portfolio and commitment to customer experience. The progress achieved is only possible with the continued support of valued customers and partners.

# VISION

Enrich lives through digital services.

# MISSION

To lead the market through excellence in customer experience.

# STRATEGY

Dhiraagu's strategic focus centre on achieving sustainable growth by expanding into digital businesses. Our commitment involves continued investments to build a resilient and efficient ecosystem, providing a superior customer experience. The core of our success lies in agile teams fostering innovation and adaptability, with sustainability ingrained in our ethos, actively contributing to achieving 2030 goals. We remain committed to our vision of enriching lives and aspire to elevate Maldives as a hyperconnected 'Digital Raajje'.

# VALUES

## SERVE

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

## INNOVATE

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

## COLLABORATE

We work together to offer our customers a seamless experience.

## INSPIRE

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



# PRESENCE

## 5G FOOTPRINT

As pioneers in 5G technology, Dhiraagu was the first in South Asia to launch 5G commercial services, swiftly extending 5G coverage to encompass key population centres across the country.

## SUBMARINE CABLES

Over 1,400 km long subsea cable network supports the country's most extensive 3G, 4G LTE, and fibre broadband network. In addition to two international subsea cables to Sri Lanka, the recent initiative to connect to the global super high-way SMW6 (SEA-ME-WE-6) Submarine Cable System will further enhance resilience and diversify global connectivity.

## WIDEST COVERAGE

Dhiraagu's coverage extends across the Maldives, encompassing all 187 inhabited islands, resort islands, and major industrial islands.

## RETAIL AND DISTRIBUTION


The robust network of 63 partners, 20 wholesalers, 81 agents and over 2700 retailers, places Dhiraagu closer customers by overcoming geographical barriers.

## HIGH SPEED FIBRE-TO-THE-HOME

With continued investments, high-speed fibre broadband service is now available to 94% of national households, making the Dhiraagu Fibre Broadband network the largest high-speed data network in the country.


# KEY INVESTMENT AND MILESTONES OVER THE LAST 35 YEARS

1988




Dhiraagu incorporated and began operations

1991




Paging Service Introduced

1994




Started National Telephone Network Rollout Program

1995




Satellite Earth Station in Seenu Atoll

2001




Prepaid and SMS service introduced

1999




Completed National Telephone Network Rollout Program linking all inhabited islands with telephone access

1997




Mobile Services introduced

1996




Launched internet services

2002




Broadband ADSL Internet service introduced

2006




Dhiraagu-SLT Submarine Cable completed establishing subsea link with Sri Lanka

2007




Domestic submarine cable across the one-and-half degree channel

2008




100% mobile coverage to all inhabited islands and resorts

2014




4G LTE service introduced to improve mobile internet service quality

2012




Completed Dhiraagu Domestic Submarine Cable Network across the country

2011




Commenced Domestic subsea cable network

2009




Introduced 3G service

2015




Introduced 4G+ (LTE-A) in Greater Male, which is also the first 4G+ service in South Asia

2018




First 5G demo in Maldives

2019




Launched 5G first in the Maldives and South Asia, covering 7 different islands including greater Male'

2020




Completion of the second Maldives-Sri Lanka submarine Cable

2023



Established 4 new segments on Domestic Submarine Cable Network

2022



Member of SEA-ME-WE-6 consortium to connect Maldives to the global super high-way

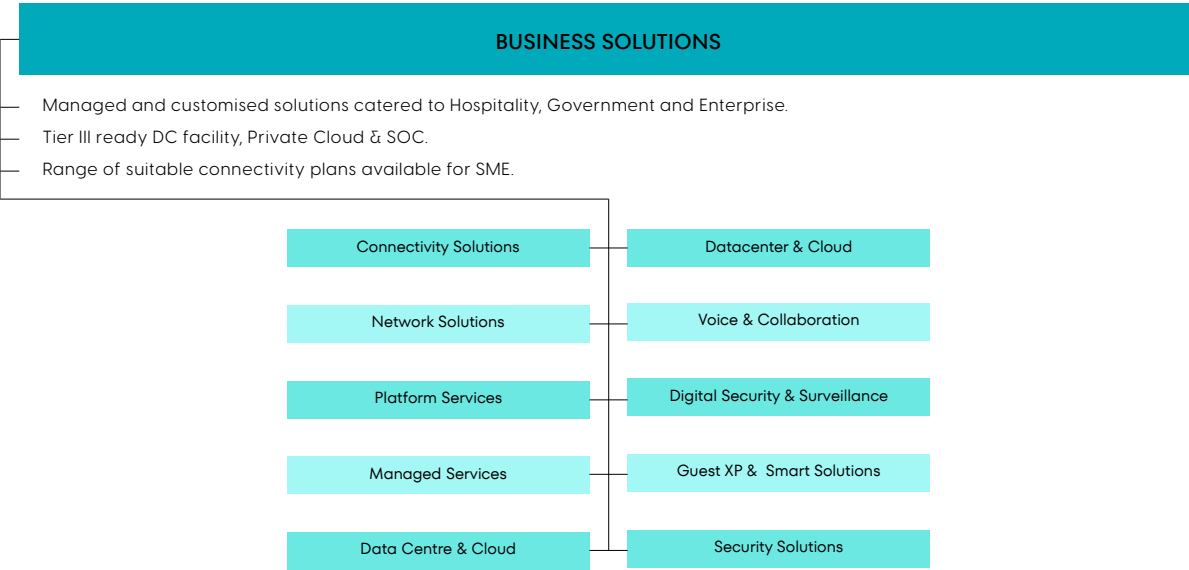
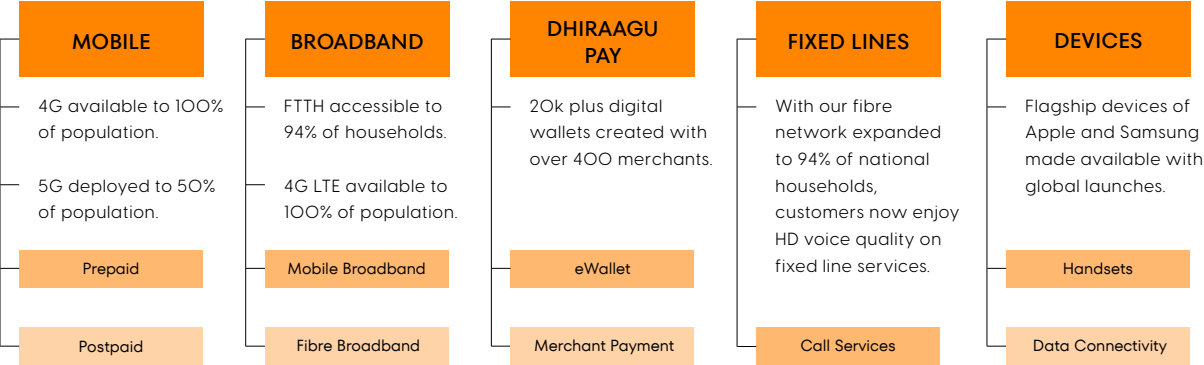


# OUR PRODUCTS AND SERVICES

Dhiraagu takes pride in delivering an extensive array of products and services that foster connectivity within communities. Substantial investments in network infrastructure and international connectivity empower Dhiraagu to ensure reliable service coverage throughout the entire country, guaranteeing customers seamless access to essential resources. The diverse portfolio includes mobile, internet, data, mobile money, and fixed services, tailored to meet the unique needs of customers.

For small and medium enterprises, purpose-built solutions are provided, while corporate and government customers benefit from fully integrated enterprise solutions, facilitating enhanced performance. The ICT infrastructure and managed solutions are designed to provide secure access, communication, and storage for customers, aiding them in better serving their communities. Dhiraagu's commitment lies in continually enhancing offerings to meet and exceed the evolving needs of valued customers.

## PRODUCT PORTFOLIO



# ACHIEVEMENTS AND AWARDS



### GOLD 100 AWARD

Corporate Maldives honoured Dhiraagu with the prestigious GOLD 100 award for the seventh consecutive year, Corporate, recognising outstanding position amongst the leading 100 businesses in the Maldives.

### OUTSTANDING PARTNER AWARD

EGUARDIAN™

Recognised as the ‘Outstanding Partner of the Year’ from the Maldives by EGUARDIAN, the Maldives and Sri Lanka distributor of security solutions.



### OOKLA® AWARD

Dhiraagu received the ‘Maldives’ Fastest Mobile Network’ award in the Speedtest® Awards for Q1-Q4 2023 for the third consecutive year.

## COMMUNITY APPRECIATION



- Received a token of appreciation from Maldives Stock Exchange recognising contributions to ‘FahiVote’.
- Received a token of appreciation from local NGO Care Society for support to their Vocational Training Unit (VTU) programme.



- Received a token of appreciation from the Rotary Club of Male’ support to the organisation in their community empowerment initiatives.



# CHAIRPERSON'S OPENING REMARKS



## DEAR SHAREHOLDERS,

It is with great pleasure that I present to you Dhiraagu's performance for the year 2023. As we celebrate our 35<sup>th</sup> year of service to the nation, I am proud to announce that Dhiraagu's financial position continues to strengthen, supported by significant investments in our network infrastructure, technology, and services.

In 2023, Dhiraagu's financial performance witnessed significant improvement, driven by these strategic investments. Total revenue for the year amounted to MVR 2.6 billion, marking a notable increase of 1.8% compared to the previous year due to a robust performance in fixed broadband, mobile, and enterprise services, highlighting the effectiveness of our strategic initiatives.

During the year, we intensified our efforts to enhance our network, technology, and cybersecurity infrastructure to deliver high-quality and reliable digital services to our customers. Our capital investment surged by 31.7% to MVR 627 million, demonstrating our strong commitment to investing in our network and providing the best services for our customers. We completed the upgrade of our domestic submarine cable system, extended our Fibre-To-The-Home (FTTH) service, and enhanced our 5G presence in the Greater Male' Area. Furthermore, we established a new Security Operations Centre (SOC) and upgraded our Network Operations Centre (NOC) to strengthen our operational resilience.

The ongoing challenge of accessing foreign currencies persists. In response, Dhiraagu has entered into agreements with the International Finance Corporation (IFC), a member of the World Bank Group, and the Asian Development Bank (ADB). These agreements provide Dhiraagu access to \$55 million through two separate facilities. The funds obtained from these facilities will be utilised to bolster Dhiraagu's working capital and support its capital investment initiatives, including the SMW6 (SEA-ME-WE-6) Submarine Cable System project.

We have remained committed to optimising our costs and improving operational efficiency. Despite challenges with cost inflation and an expanded network and a larger service footprint, we were able to reduce operating costs by 4.9% in 2023, resulting in a commendable EBITDA growth of 7.1% to MVR 1.5 billion. Furthermore, our net profit grew by 6.5% to MVR 896 million, reflecting the strength and resilience of our business model.

Earnings per share rose by 6.5% to MVR 11.80, reflecting the company's strong performance. I am pleased to announce that the Board has recommended a full-year dividend per share for 2023 of MVR 7.50, representing a growth of MVR 0.17 (2.3%) compared to the previous year.

There were no changes to the Board in the financial year ending 2023. However, proactive efforts were made to enhance gender representation on the Board through discussions with major shareholders, resulting in the appointment of two female members in 2024. The Dhiraagu Board is characterised by a balanced blend of expertise, tenure, and experience, ensuring effective governance and oversight.

Dhiraagu also focused on fostering gender diversity within the company and enhancing governance practices to ensure effective oversight and accountability. Strategic decisions were also made to establish a new subsidiary company, Dhiraagu Fintech Pvt Ltd. Furthermore, strategic partnerships and collaborations were forged to deliver innovative solutions and support national initiatives. These decisions reflect our commitment to delivering exceptional service, driving sustainable growth, and maximising value for all stakeholders.

The Board maintains its unwavering focus on guiding Dhiraagu in the right direction, adapting strategies as necessary, managing risks, and ensuring alignment of objectives throughout the organisation. I extend my sincere appreciation to the Board members for their diligent oversight during another challenging year.

Looking ahead, we are poised for even greater success. Our strategic roadmap is ambitious yet achievable, with clear objectives and milestones that will drive long-term value creation for our shareholders and stakeholders alike. We remain committed to delivering innovative solutions, exceeding customer expectations, and driving sustainable growth that benefits both our company and society.

None of this would have been possible without the dedication and hard work of our employees. I am deeply grateful for their tireless efforts and unwavering commitment to our shared vision. Together, we have achieved remarkable things. Our majority shareholders work closely to support Dhiraagu's strategic endeavours, and I extend heartfelt thanks to both the Government of the Maldives and Beyon for their integral role in our continued success.

To our shareholders, thank you for your continued support and confidence in our company. We are committed to delivering value and returns that meets your expectations.

To our customers, thank you for your loyalty and partnership. Your feedback and support inspire us to continually raise the bar and strive for excellence in everything we do.

To our stakeholders, thank you for your collaboration and engagement. Your insights and perspectives are invaluable as we navigate through the opportunities and challenges that lie ahead. Our annual performance is a testament to the strength of our team, the resilience of our business model, and the enduring values that define us as a company. Thank you for your continued support and partnership.



**ISMAIL WAHEED**  
Chairperson

# CEO & MANAGING DIRECTOR'S MESSAGE



**As we celebrate 35 years of service, contributing to the development of the nation, our vision of a 'Digital Raajje' continues to evolve and expand. With a steadfast focus on delivering innovative solutions and empowering digital communities, we are poised for greater heights.**

Our performance in 2023, showcase continuous growth, increased resilience, and commitment to excellence. Despite the challenges posed by a rapidly changing landscape, Dhiraagu continues to emerge stronger and more resilient. Planned investment during 2023 in modernising the network infrastructure, enhancing service platforms, and reinforcing cybersecurity have significantly improved the digital experience for customer and contributed to the growth of revenue.

Our total revenue reached MVR 2.6 billion in 2023. The growth over the prior year was driven by strong performances across our fixed broadband, mobile, and enterprise services, emphasising the effectiveness of our customer focussed strategy. A key part of this strategy is to strengthen and expand the reach of our broadband network.

By the end of 2023, we have expanded our FTTH network to enable Fibre Broadband service to reach 94% of households in the country. This is a tremendous achievement, enabling customers across the country to enjoy our superior broadband experience. With 3G and 4G already provided for 100% of the population, enhancing coverage and quality on these services continue to ensure the best coverage, quality and to keep up with advances in technology. We have overlayed our 5G network in the Greater Male' Area, resulting in 50% of the population now having access to enhanced mobile broadband with the cutting-edge 5G technology, as we continue to expand 5G into other parts of the country.

Last year a total of MVR627 million were invested in multiple capital projects. Whilst major focus of these projects was designed to meet the growing demand from customers for high-speed internet, and high-quality mobile services, a significant portion was dedicated to deliver other key parts of the strategy, which include accelerating digital transformation, enhancing cybersecurity, and improving network resilience, designed to deliver future growth and innovation for our customers.

For the third consecutive year, Dhiraagu achieved the award for 'Maldives Fastest Mobile Network' from Ookla. In addition, we received the award for 'Maldives Broadband Telecom company of the year award at the Asian Telecom Awards 2024. We are excited to share these achievements with the shareholders and customers, as these awards are a validation of our team's relentless pursuit for excellence, and their passion to deliver an outstanding service experience to customers.

To further enhance our operational resilience, we have invested in state-of-the-art facilities, including a brand-new Security Operations Centre (SOC) and an upgraded Network Operations Centre (NOC). Additionally, our Tier III certification-ready data centre in Dhiraagu Head Office ensures increased security and reliability for our customers' data.

We have made significant improvements to our Dhiraagu Mobile App and Dhiraagu MyAccount platform, enabling customers to apply for and manage services remotely with ease. These enhancements reflect our commitment to meeting the evolving needs and expectations of our customers in an increasingly digital landscape.

As we look ahead to the future, we remain committed to our core values of integrity, excellence, and collaboration. We will continue to invest in our people, technology, and infrastructure to drive sustainable growth and deliver exceptional value to our customers and shareholders.

Beyond business, we remain committed to serving and enriching the communities and environment we operate in. Through impactful sponsorships, community initiatives, and efforts to reduce our environmental footprint, we strive to create a more sustainable and inclusive digital landscape.

At Dhiraagu, sustainability is a core pillar of our business strategy and operations. Over the past year, We have integrated sustainability into every aspect of our organisation, ensuring that our Environmental, Social, and Governance (ESG) performance aligns with our long-term goals and values. By embedding sustainability into our DNA, we are laying the groundwork for a more inclusive and environmentally responsible digital landscape.

Our greatest asset is our people. With 99% of our workforce being Maldivian, we nurture an environment where engagement thrives. Investing in learning and development, our employees underwent an average of 25 hours of training last year, empowering them to serve our customers with excellence and agility. I extend my sincere appreciation to all the members of the Dhiraagu team, for their hard work, dedication, and unwavering commitment to excellence.

To our shareholders, customers, and stakeholders, I extend my heartfelt thanks for your continued support and confidence over the last 35 years. Your trust in us inspires us to push the boundaries of what is possible and drive positive change in our industry and beyond. Together, we have achieved remarkable success, and I am excited about the journey ahead.

**ISMAIL RASHEED**  
CEO & Managing Director

# BOARD OF DIRECTORS



**ISMAIL WAHEED**  
 CHAIRPERSON  
 Non-executive & independent



**AHMED ABDULRAHMAN**  
 DEPUTY CHAIRPERSON  
 Non-executive & independent



**ISMAIL RASHEED**  
 CEO & MANAGING DIRECTOR  
 Executive & non-independent



**MIKKEL VINTER**  
 DIRECTOR  
 Non-executive & independent



**FAISAL AL-JALAHMA**  
 DIRECTOR  
 Non-executive & independent



**AHMED MOHAMED DIDI**  
 DIRECTOR  
 Non-executive & independent



**ABDUL MUNNIM MOHAMED MANIK**  
 DIRECTOR  
 Non-executive & independent



**UZA. FATHIMATH FAZEELA**  
 DIRECTOR  
 Non-executive & independent



**REEM ALTAJER**  
 DIRECTOR  
 Non-executive & independent



**ISMAIL WAHEED**  
 CHAIRPERSON  
 Non-executive & independent

Ismail Waheed brings 38 years of telecommunications experience to his role as Chairperson of the Board of Directors at Dhiraagu, appointed by the Government of Maldives in November 2018.

In addition to leading the Remuneration Nomination and Governance (RNG) Committee, Ismail has had a profound impact on Dhiraagu's trajectory, having previously served as the company's CEO & Managing Director from 2004 to 2015, driving significant initiatives and contributing to its growth. His journey began at Cable & Wireless Maldives in 1977, and he has remained dedicated to Dhiraagu since its inception in October 1988. Ismail was also an Executive Director of Cable & Wireless Plc's Indian Ocean Region from 2006 to 2008, providing invaluable insights into the global telecommunications landscape.

Holding a BEng (Hons) in Telecommunications Management and System Design from Anglia Polytech University, Chelmsford, UK, and completing an Executive Leadership Program at Darden Business School, University of Virginia, USA, Ismail's educational background complements his industry expertise. His association with the CWC Group further enhances his industry knowledge, contributing to Dhiraagu's innovations and reforms. Ismail Waheed's leadership, experience, and commitment to excellence continue to drive Dhiraagu's success and contribute significantly to the telecommunications sector in the Maldives and beyond.

- TENURE SINCE NOVEMBER 2018  
 MALDIVIAN  
 BOARD COMMITTEES  
 ■ Chairperson of the Remuneration Nomination and Governance Committee  
 OTHER DIRECTORSHIP AND APPOINTMENTS  
 ■ None





## AHMED ABDULRAHMAN

### DEPUTY CHAIRPERSON

Non-executive & independent

In 2020, Ahmed Abdulrahman joined the Dhiraagu Board of Directors as a Non-executive and independent director, appointed by Beyon. Currently serving as the Deputy Chairperson of the Board of Directors and Chairperson of the Audit Committee, Ahmed brings more than 21 years of expertise in Investment Banking, Mergers & Acquisitions, and Private Equity, acquired from his tenure at prestigious financial institutions in Bahrain and the United Kingdom.

His focus on transparency and robust financial reporting plays a pivotal role in bolstering investor confidence within Dhiraagu. Ahmed's governance experience is extensive, having contributed to the boards of over 40 firms globally, including the Bahrain Financing Company ("BFC"). He has held various leadership roles, including chairmanships of boards and investment committees. Presently, Ahmed Abdulrahman serves as the CEO of Esterad Investment Company B.S.C ("Esterad"), an established Bahrain-based investment firm listed on the Bahrain Bourse since 1973. Before his tenure at Esterad, he founded and operated as the Managing Partner of Clan Partners, a boutique advisory firm based in Bahrain. Additionally, Ahmed served as the Managing Director & CEO at Beacon, a boutique private equity and asset management firm headquartered in London. His professional journey commenced as a Relationship Manager at Ahli United Bank's Offshore Unit, followed by roles in Kuwait Finance House's Corporate Finance and Venture Capital department in Bahrain. He initiated his career at BDO Jawad Habib as an analyst in the Financial Advisory Services Unit.

Ahmed Abdulrahman holds a Bachelor's Degree (Hons) in Business Systems & Information Technology from the University of Northumbria, Newcastle, United Kingdom.

#### TENURE SINCE MAY 2020

##### BAHRAINI

##### BOARD COMMITTEES

- Chairperson of Audit Committee.

##### OTHER DIRECTORSHIP AND APPOINTMENTS

- Independent Board Member - Bahrain Telecommunication Company BSc (Batelco) and a member of the Executive Committee.
- Vice Chairman and Acting Chief Executive Office - Esterad Bank B.S.C
- Board Member - Goknur (GÖKNUR GIDA MADDELERİ ENERJİ İMALAT İTHALAT İHRACAT TİCARET VE SANAYİ ANONİM ŞİRKETİ)
- Board member - Saudi Venture Capital Investment Company



## ISMAIL RASHEED

### EXECUTIVE DIRECTOR

CEO & Managing Director

In September 2015, Beyon appointed Ismail to the Dhiraagu Board as CEO & Managing Director, bringing with him extensive expertise in overseeing complex and competitive projects and a strong engineering background. Having served as the Chief Executive of Dhiraagu from 2007 until September 2015, he held various high-level positions, including Director of Networks from 2000 to 2007 and Manager of Networks Planning and Projects from 1999 to 2000.

Ismail's leadership as CEO & Managing Director of Dhiraagu is crucial in shaping the company's strategic direction and overall management. Under his guidance, Dhiraagu underwent a successful transformation from an infrastructure-focused business to a competitive digital service provider. With over 30 years of technical and managerial experience, Ismail is dedicated to enhancing the company's innovation and providing customers with reliable and trusted digital experiences. He has played a pivotal role in Dhiraagu's success by modifying strategies, minimizing risks, nurturing talent, and ensuring alignment across the organisation.

Ismail holds an MBA from the University of Reading (UK) and a BEng (Hons) in Telecommunications Systems Management & Design from Anglia Polytechnic University (UK). He is also a member of the Institute of Engineering & Technology (UK).

#### TENURE SINCE SEPTEMBER 2015

##### MALDIVIAN

##### BOARD COMMITTEES

- None

##### OTHER DIRECTORSHIP AND APPOINTMENTS

- None



**MIKKEL VINTER**  
**NON-EXECUTIVE AND INDEPENDENT DIRECTOR**

Beyon appointed Mikkel Vinter to the Dhiraagu Board in May 2020, where he currently serves as a member of the Remuneration Nomination and Governance (RNG) Committee.

With over 20 years of executive experience in telecom and digital, Mikkel brings a proven track record and a wealth of knowledge with a global perspective on telecommunications and digital services. Prior to joining the Dhiraagu Board, Mikkel assumed the role of Chief Executive Officer at Beyon in May 2019. His extensive international background includes working with telecom and technology companies across the Middle East, Asia, and Europe, where he was involved in establishing greenfield mobile start-up operations and contributing significantly to their success. Notably, Mikkel played a key role in establishing Virgin Mobile Middle East & Africa. His previous roles include serving as the Chief Commercial Officer for Nawras in Oman, where he led all commercial activities. Mikkel's career also includes senior positions with TDC in Denmark and Singtel in Singapore.

He holds a Master's Degree in Economics and Business Administration from Copenhagen Business School in Denmark and has completed Marketing and Management Programmes at McGill University and INSEAD.

- TENURE SINCE MAY 2020**  
**DANISH**  
**APPOINTED BY**  
 Beyon  
**BOARD COMMITTEES**
- Member of Remuneration, Nomination and Governance Committee
- OTHER DIRECTORSHIP AND APPOINTMENTS**
- Umniah Mobile Company PLC
  - BTC Sure Group Limited
  - Batelco Remittance Service (BRI)
  - Beyon Money Financial Services (UAE)
  - Beyon Money Investments
  - Beyon Connect
  - Digital City Company
  - Batelco Financial Services Ltd (UAE)
  - Batelco Financial Services Ltd
  - BMIC Ltd



**FAISAL AL-JALAHMA**  
**NON-EXECUTIVE DIRECTOR**

In March 2022, Faisal joined the Dhiraagu Board of Directors appointed by Beyon.

With 17 years of telecom expertise, he serves as Beyon's Chief Human Resources Officer and is a key member of their executive team. Faisal's tenure at Beyon, coupled with his involvement in operational change projects, has honed his talents significantly. Prior to his role at Beyon, he led transformation efforts at Bahrain's Telecommunications Regulatory Authority (TRA) as the Director of Finance, Information Technology, and Human Resources. Faisal played a pivotal role in digitizing and automating TRA systems and contributed to the 4th National Telecommunications Plan (NTP4) as part of the Steering Committee.

He holds an MBA from the University of Strathclyde, UK, and executive certificates from Harvard Business School and Harvard University's John F. Kennedy School of Government. Faisal's diverse experience and strategic acumen make him a valuable addition to the Dhiraagu Board, enhancing governance and human capital management.

- TENURE SINCE 1 MARCH 2022**  
**BAHRAINI**  
**APPOINTED BY**  
 Beyon  
**BOARD COMMITTEES**
- None
- OTHER DIRECTORSHIP AND APPOINTMENTS**
- Sabafon Telecommunication Company (Yemen)
  - Batelco International Company (Bahrain)
  - Batelco Middle East Holding Company (Bahrain)
  - Digital City Company (Bahrain)
  - Beyon Cyber W.L.L (Bahrain)
  - Total CX W.L.L. (Bahrain)



## AHMED MOHAMED DIDI

### NON-EXECUTIVE AND INDEPENDENT DIRECTOR

In March 2022, Ahmed was appointed to the Dhiraagu Board of Directors by public shareholders at the 33<sup>rd</sup> Annual General Meeting. He serves on both the Audit Committee, Remuneration, Nomination and Governance Committee as Public Director.

Given his 20 years of experience in leadership, he has led and managed in both corporate and governmental sectors. Ahmed has a rich history with Dhiraagu. He has years of expertise in the industry, having previously served as Director of Human Resources at Dhiraagu from 2010 to 2016 and as a non-executive director nominated by the government from November 2016 to August 2017. He is the CEO and Director of Prime Care Investment Pvt Ltd, and the managing director of Metropolitan Properties Pvt Ltd. He also serves on the Advisory Board of the Maldives Association of HR Professionals and is a Chartered Member of the Chartered Institute of Personnel & Development in the UK.

He holds an MBA from Macquarie Graduate School of Management (MGSM), Sydney, (Australia), and a Bachelor of Business and Commerce (Accounting & Finance), Monash University, (Australia).

**TENURE SINCE 24 MARCH 2022**

**MALDIVIAN**

**APPOINTED BY**

Public Shareholders - Non-executive & Independent

**BOARD COMMITTEES**

- Member of the Audit Committee, and the Remuneration, Nomination and Governance Committee

**OTHER DIRECTORSHIP AND APPOINTMENTS**

- Director & CEO - Prime Care Investment Pvt Ltd.
- Managing Director - Metropolitan Properties Pvt Ltd.
- Advisory Board Member - Maldives Association of HR Professionals.
- Managing Director – Bold Point Pvt Ltd



## ABDUL MUNNIM MOHAMED MANIK

### NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Abdul Munnim Mohamed Manik was appointed to the Dhiraagu Board of Directors on 7th January 2024 by the Government of Maldives. He has a broad background in business and finance, spanning over 17 years.

Munnim is taking part in several other boards such as Villa Educational Services Private Limited, Villa Educational Services Lanka Private Limited, and Bristol Institute of Business Management Private Limited, Sri Lanka. He has also been filling the position of Deputy Vice Rector Admin & Finance and Chief Financial Officer, Villa college since 2007 to present. Moreover, since 2019 he has been the Chief Financial Officer of Bristol institute of Business Management, Sri Lanka. He is also an associate member of the Chartered Institute of Management Accountants. Munnim was formerly a Non-Executive Director and Chairman Audit and Risk Committee of Urbanco (HDC) from 2020 to 2023.

He specialized in Business Administration (Finance) and gained his MBA from Open University of Malaysia.

**TENURE SINCE 7 JANUARY 2024**

**MALDIVIAN**

**APPOINTED BY**

The Government Of Maldives

**BOARD COMMITTEES**

- Member, Audit Committee

**OTHER DIRECTORSHIP AND APPOINTMENTS**

- Board Member and Director - Villa Educational Services Private Limited
- Board Member - Villa Educational Services Lanka Private Limited.
- Board Director - Bristol Institute of Business Management Private Limited, Sri Lanka.





**UZA. FATHIMATH FAZEELA**  
NON-EXECUTIVE & INDEPENDENT DIRECTOR

Uza. Fathimath Fazeela was appointed to the Dhiraagu Board of Directors as a Non-Executive Director by the Government of Maldives on 8 February 2024.

With a career spanning 17 years, she began as a Social Service Officer at the Ministry of Gender and Family from 2007 to 2012, showcasing her extensive experience and commitment to public service. Currently, Fazeela serves as the Senior Legal Officer at the Department of Juvenile Justice, Ministry of Homeland Security and Technology since August 2022.

She brings valuable expertise in the legal field, holding a Masters of Shariah and Law with a specialization in Criminal Law from Villa College.

**TENURE SINCE 8 FEBRUARY 2024**  
**MALDIVIAN**  
**APPOINTED BY**  
The Government of Maldives  
**BOARD COMMITTEES**  
■ None  
**OTHER DIRECTORSHIP AND APPOINTMENTS**  
■ None



**REEM ALTAJER**  
NON-EXECUTIVE DIRECTOR & INDEPENDENT DIRECTOR

Reem Altajer was appointed to the Dhiraagu Board of Directors by Beyon as a Non-Executive, Independent Director on February 27, 2024. With over 25 years of experience, her career began as an External Auditor at Ernst & Young from 1999 to 2004. She then transitioned to roles such as Internal Audit Manager from 2004 to 2006 and Subsidiaries Finance Manager until 2008. Furthermore, she served as the Director of Treasury, Planning, and Assurance (Director of Treasury and Investor Relations) from 2008 until December 2022. Following this, she assumed the role of General Manager Finance at Batelco from December 2022 to May 2023. Currently, Reem holds the position of Chief Financial Officer at Beyon, starting from May 2023 to the present date.

Reem's professional qualifications include a Fellowship of the Institute of Chartered Accountants in England & Wales, along with certifications as a Certified Internal Auditor and a Certified Investor Relations Officer. Her diverse experience in financial management, auditing, and strategic planning makes her a valuable addition to the Dhiraagu Board, contributing to the company's governance and financial oversight.

**TENURE SINCE 27 FEBRUARY 2024**  
**BAHRAINI**  
**APPOINTED BY**  
Beyon  
**BOARD COMMITTEES**  
■ None  
**OTHER DIRECTORSHIP AND APPOINTMENTS**  
■ BTC Sure Group Limited (UK)  
■ Beyon Solutions Company W.L.L. (Bahrain)  
■ Digital City Company W.L.L. (Bahrain)  
■ Batelco Financial Services LTD ADGM (UAE)  
■ Umniah Mobile Company PLC(Jordan)  
■ Batelco International Infrastructure Company W.L.L. (Bahrain)

# LEADERSHIP TEAM





**ISMAIL RASHEED**  
CEO & MANAGING DIRECTOR



Ismail Rasheed has been the CEO & Managing Director of Dhiraagu since September 2015, where he has played a crucial role in shaping the company’s strategic direction and fostering innovation. With a strong technical background and extensive experience in business transformation and telecommunications, Ismail focuses on delivering quality service, excellent value, and innovative digital offerings to customers.

During his tenure, Ismail oversaw significant projects, including the establishment of Dhiraagu’s domestic and international submarine cable infrastructure, enhancing connectivity within the Maldives and globally. He has led initiatives to streamline operations, adapt to market changes, and accelerate innovation, ensuring Dhiraagu remains competitive in the telecommunications sector.

Ismail’s academic qualifications include an MBA from the University of Reading (UK) and a BEng (Hons) in Telecommunications Systems Management & Design from Anglia Polytechnic University (UK). His leadership, technical expertise, and commitment to excellence have been instrumental in Dhiraagu’s success and growth under his leadership.

**ALI RIYAZ**  
CHIEF COMMERCIAL OFFICER



Ali assumed the role of Chief Commercial Officer at Dhiraagu in March 2021, following his tenure as Director of Customer Services and Sales. With a career spanning over 26 years, Ali brings extensive experience in business, management, and customer service to his leadership role.

As Chief Commercial Officer, Ali is instrumental in driving strategic initiatives, leading marketing efforts, and overseeing customer-facing teams to gain a comprehensive understanding of the competitive telecom market. He focuses on designing and delivering customer-centric products and services that prioritize customer demands across all Dhiraagu operations. Ali’s diverse background includes critical positions such as Head of Administration and Human Resources before taking on leadership roles at Dhiraagu. His prior experience as Group Sales & Marketing Manager at Universal Enterprises Pvt Ltd and Manager Human Resources at Maldives Inflight Catering Pte Ltd has enriched his knowledge in business strategy and management.

Ali holds an Advanced Diploma in Hospitality Management from SHATEC College, Singapore, further enhancing his skills in customer service and operational excellence. His extensive industry knowledge, coupled with his strategic leadership, contributes significantly to Dhiraagu’s success in meeting customer needs and staying competitive in the telecom sector.

**ROBIN WALL**  
CHIEF FINANCIAL OFFICER



In 2015, Robin assumed the role of Chief Financial Officer at Dhiraagu, building on his extensive experience in finance and operations within the telecom industry. Having joined Dhiraagu in 2011, he held various crucial finance positions before taking on the leadership mantle.

As the Chief Financial Officer, Robin plays a pivotal role in shaping Dhiraagu’s financial strategy and priorities to align with the company’s strategic and financial objectives. His responsibilities encompass making strategic decisions regarding capital investments, supporting commercial strategies, and enhancing operational efficiency across the organization.

Robin’s career trajectory includes notable positions such as Financial Controller for the Monaco & Islands region at CWC Group, where he gained valuable insights into financial management in a multinational telecom environment. With over 18 years of expertise in financial and operational aspects of the telecoms industry, Robin brings a wealth of knowledge and strategic acumen to his role.

He is a Chartered Management Accountant with qualifications including a BSc in Management Studies from the University of Brunel (UK) and a Fellow Membership of the Chartered Institute of Management Accountants (CIMA). Robin’s leadership in financial management and operational excellence has been instrumental in Dhiraagu’s success and financial stability.

**MOHAMED MUSAD**  
CHIEF TECHNOLOGY & INFORMATION OFFICER



In May 2022, Musad assumed the position of Chief Technology Officer at Dhiraagu, leveraging his extensive telecommunications background and previous leadership roles. With over 24 years of experience at Dhiraagu, he has held various leadership positions, including Director Digital Transformation, Director of Networks, Manager of Mobile Networks and Manager of Core Networks

In his current role, Musad oversees the planning, design, build, and operations of Dhiraagu’s network & IT infrastructure. His primary focus is on enhancing the network experience for customers with innovative solutions and maximizing investments in resilience to drive the Maldives forward in the digital age.

Musad actively contributes to strategic initiatives by developing new operating models with emerging technologies and streamlining operations through digitalization and automation. His leadership has been instrumental in driving Dhiraagu’s digital transformation and technological advancements.

Musad’s status as a Chartered Engineer (UK) serves as evidence of his professional competence and unwavering dedication to excellence. He has recently completed the Oxford Advanced Leadership and Management Program, offered by the renowned Said Business School at the University of Oxford in the UK, enhancing his leadership capabilities further. He holds a Master of Commerce in Information Systems from Victoria University of Wellington (New Zealand), an MBA from the Australian Institute of Business (Australia), and a Bachelor of Engineering in Mobile Telecommunications Technology from the University of Hull (UK).



RAJAN SURESH
DIRECTOR, HUMAN RESOURCES



Since April 2019, Suresh has been serving as the Director of Human Resources at Dhiraagu, where he plays a crucial role in shaping the company's organizational culture and enhancing employee engagement. With a strong focus on digital transformation, Suresh has led initiatives to automate and streamline HR operations, ensuring efficiency and effectiveness.

Bringing in over 28 years of extensive experience in the IT, Electronics, and Retail sectors, Suresh has held key positions in HR across various industries. His previous roles include Head of HR at ISYX Technologies Pvt Ltd (India, ME & Africa), Senior Human Resource Director at Seddiqi Holdings (Dubai), Assistant 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 a Postgraduate degree in HR from Loyola College of Social Sciences (India) and a Bachelor's Degree in Psychology from FMNC, Kerela University (India). His academic background, coupled with his vast industry experience, equips him with the expertise to develop, evaluate, and implement HR strategies, policies, and processes that align with Dhiraagu's strategic goals and business transformation objectives.

HAZRATH RASHEED HUSSAIN
DIRECTOR LEGAL & COMPANY SECRETARY



In August 2022, Hazrath was appointed as the Director of Legal & Company Secretary, marking a significant milestone in her journey with the company. Having joined Dhiraagu in 2010 as the General Counsel, Hazrath's dedication and expertise led her to the additional role as Company Secretary in February 2019.

Hazrath's primary responsibilities includes overseeing Dhiraagu's legal and regulatory affairs, providing strategic legal and commercial counsel to ensure the company operates in compliance with laws and maintains integrity in its operations. She plays a vital role in managing corporate communication with shareholders and regulators, ensuring transparency and adherence to governance standards. Additionally, Hazrath leads the Company's sustainability initiatives, focusing on environmental, social, and governance (ESG) goals to contribute positively to the community and environment. Throughout her tenure, Hazrath has played a crucial role in the success of key projects such as subsea cable initiatives and ensuring local legal and regulatory compliance during share transfers, notably during Bahrain Telecommunication Company's majority shareholding acquisition in 2013. She also spearheaded Dhiraagu's Initial Public Offering (IPO) in 2011, showcasing her leadership and legal acumen in complex corporate transactions.

Hazrath holds a LLB degree from the University of Tasmania (Australia) and is a registered Attorney in the Maldives, bringing over 13 years of expertise in corporate governance and the telecom industry.

MOHAMED HAZMATH ABDULLA
DIRECTOR, PROCUREMENT & PROPERTY MANAGMENT



In 2007, Hazmath assumed the role of Director of Procurement and Property Management at Dhiraagu, showcasing his extensive expertise in managerial and leadership roles across both public and private sectors. As the Director, Hazmath is responsible for overseeing all administrative, property, and procurement operations nationwide.

One of Hazmath's key responsibilities is to optimize costs and ensure the best value for money in all projects and initiatives by leveraging supply chain and management methodologies. He meticulously ensures that Dhiraagu's procurement processes align with policies for accountability and fairness, maintaining high standards of integrity and transparency.

Hazmath's professional journey spans over 25 years, during which he has honed his skills in strategic procurement, property management, and administrative operations. He holds a Masters Degree in Economics with a focus on Public Policy & Taxation from Yokohama National University (Japan), complemented by a Bachelors Degree in Business Administration from Hawaii Pacific University (USA).

His academic background and extensive experience equip Hazmath with the knowledge and expertise to effectively manage Dhiraagu's procurement and property operations, contributing significantly to the company's success and operational efficiency.

MOHAMED MIRSHAN HASSAN
DIRECTOR, BRAND & MARKETING COMMUNICATIONS



Mirshan joined Dhiraagu in 2002, where he now serves as the company's Director of Brand & Marketing Communications. He has been instrumental in leading and overseeing Dhiraagu's overall brand and marketing communications strategy. His leadership extends across various teams including; Digital Marketing, Public Relations, and Corporate Social Responsibility (CSR).

One of Mirshan's notable achievements includes leading Dhiraagu's successful rebranding project in 2017. Additionally, he serves as the Race Director of the Dhiraagu Maldives Road Race, a significant event that has played a pivotal role in shaping the local running culture in the Maldives.

With over two decades of experience, Mirshan brings expertise in strategic brand management, marketing, public relations, CSR, and corporate communications. His career journey includes diverse roles in the airline sector prior to joining Dhiraagu. He has also held various key positions throughout his tenure at Dhiraagu, including Acting Manager in Human Resources, Manager of Training & Development, and Senior Manager of Marketing Communications & Public Relations.

Mirshan holds a Bachelor of Business degree with a double major in Management and Marketing from Edith Cowan University (Australia).



# EXTENDED LEADERSHIP TEAM



From left to right – Front Row: Mohamed Mirshan Hassan – Director Brand & Marketing Communications, Mohamed Hazmath Abdulla – Director Procurement & Property Management, Hazrath Rasheed Hussain – Director Legal & Company Secretary, Mohamed Musad – Chief Technology & Information Officer,  
From left to right – Second Row: Adam Athif – Financial Controller, Mohamed Shafeeu – Head, Health & Safety and Engagement, Parijat Saurabh – Head, Mobile & Fixed Broadband, Hussain Rameez – Head, Internal Audit, Hussain Eman – Head, Enterprise Sales, Ibrahim Nazim – Head, Wholesale & Interconnect, Fareeda Ismail – Head of Financial Planning & Analysis

From left to right – Second Row: Masood Ali – Director Customer Services & Regional Operations, Hassan Mohamed – Head of Network Operations, Nizmeen Latheef – Head, Analytics & BI, Ibrahim Rizvee – Head of IT & Core Systems, Ali Saleem – Head, HR Operations, Musthag Ahmed Didi – Director Customer Solutions, Ali Hisam – Head of Growth Innovation  
Left to right - Front row: Ismail Rasheed – CEO & Managing Director, Robin Wall – Chief Financial Officer, Ali Riyaz – Chief Commercial Officer, Rajan Suresh – Director Human Resources

# STRATEGY & PERFORMANCE





# STRATEGY & PERFORMANCE

In its 35<sup>th</sup> year of service, Dhiraagu remains committed to pioneering innovative solutions and fostering digital empowerment nationwide. As the premier digital service provider in the Maldives, Dhiraagu's vision of a 'Digital Raajje' is ever-expanding, bolstered by investments in core network and international connectivity, ensuring even remote areas have access to superior connectivity and digital infrastructure.

## FASTEST MOBILE NETWORK IN THE MALDIVES

Dhiraagu's relentless investments resulted in Ookla® recognising it as the 'Maldives' Fastest Mobile Network' for the third consecutive year. This accolade, a testament to its consistent efforts over three decades, reflects the company's commitment to enabling customers to confidently embrace the digital future.

## ENHANCING DIGITAL NETWORK

With high-speed fibre broadband now available to 94% of national households and strengthened 5G reaching 50% of the population, Dhiraagu's commitment to connectivity remains unwavering. The enhancement of the domestic submarine cable system further solidifies its network reliability, ensuring efficient data connectivity.

## IMPROVING OPERATIONAL RESILIENCY

Dhiraagu's attainment of ISO/IEC 27001:2013 certification underscores its dedication to information security management. The establishment of a state-of-the-art Security Operations Centre (SOC) and upgraded Network Operations Centre (NOC) further fortifies its operational resilience, ensuring the highest standards of security and reliability.

## STRENGTHENING DIGITAL TOUCHPOINTS

A strategic focus on digital transformation is evident in Dhiraagu's enhancements to its mobile app and customer service platforms. These improvements, such as those made to the Dhiraagu Mobile App and Dhiraagu MyAccount, signify its commitment to meeting evolving customer needs in the digital era seamlessly.

## COMMERCIAL HIGHLIGHTS

**Mobile:** Dhiraagu introduced various promotions and enhancements, including Postpaid Limitless Plans, the 'Win a Tesla' campaign, and special offers during Ramadan, aimed at enhancing customer experience and engagement.

**Home Internet:** The expansion of high-speed fibre broadband services, coupled with promotions like the 'Win a Tesla' campaign and Bodu Chuttee lucky draw, further solidify Dhiraagu's commitment to providing superior connectivity and customer satisfaction.

**Entertainment:** Dhiraagu eZone, a one-stop platform for gaming and entertainment, and Dhiraagu Pay initiatives during Ramadan offer customers additional value and convenience.

**Devices:** Launches of the latest iPhone and Samsung models, coupled with promotions and discounts on MiFi devices, highlight Dhiraagu's commitment to offering cutting-edge technology and value to its customers.

**Digital Channels:** Dhiraagu's enhancements to MyAccount and the Mobile App, along with expanded capabilities such as DhiraaguPay integration, reflect its dedication to enhancing digital customer experiences.

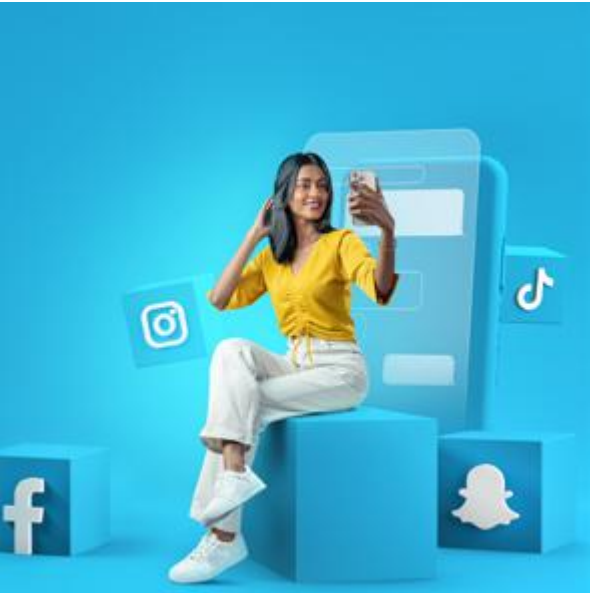
## ENTERPRISE SOLUTIONS

Dhiraagu's strategic partnerships and initiatives, including collaborations with Beyon Cyber, underscore its commitment to providing top-notch services, including Microsoft products, network solutions, and cybersecurity services, tailored to meet the evolving needs of enterprise clients. Furthermore, its support to the government sector, such as aiding the Elections Commission, Ministry of Education, and Ministry of Islamic Affairs, highlights Dhiraagu's integral role in advancing national initiatives and fostering connectivity across various sectors.

WHAT WE RELY ON	HOW WE CREATE VALUE	OUTCOMES 2023
OUR CUSTOMERS	MISSION	Over 400,000 customers.  Winner of 'Maldives' Fastest Mobile Network', Ookla® Speedtest Awards™ for third consecutive year.  Expanded availability of high-speed fibre broadband to 36 new islands.  Continuous expansion and revamp of service portfolio to cater to customer segments.  Continuous improvement of digital touchpoints – all key services transactions are capable of being conducted digitally.  99% of issues raised through the complaint channels resolved.
OUR NETWORK & TECHNOLOGY		High-speed fibre broadband connectivity available to 94% of national households.  Strengthened 5G coverage in Greater Male', 5G service is now live and accessible to 50% of the country's population.  Investments into mobile core to build resilience and capacity.  175.2km of subsea cable deployed to 4 new sites.  ISO/IEC 27001:2013 certification for information security management.  Establishment of a state-of-the-art Security Operations Centre (SOC) and upgrade of Network Operations Centre (NOC).  Investment in a Tier III certification-ready data centre for increased security and reliability.
FINANCIAL CAPITAL	STRATEGY	Revenue generated MVR 2.6bn  EBITDA MVR 1.5bn  Profit after tax MVR 896m  Earnings per share MVR 11.80  Return on investment 24.4%  Cost discipline 41% of revenue (total operating costs)  Dividends MVR 7.50 per share (full year 2023*)  Total returns to shareholders MVR 570m (full year 2023*)  *Including proposed final dividend
OUR PEOPLE		99% employees are Maldivian.  Employee engagement score of 73%.  Investment in learning and development with an average of 25 hrs training per year per employee
OUR COMMUNITIES	GOVERNANCE	174 impactful sponsorships and brand engagement activities across various sectors.  40 commitment to diverse community initiatives.
OUR ENVIRONMENT		722 tCO2e/year scope 1 and 2771 tO2e/year scope 2 emissions.  The renewable energy consumption for 2023 is 14%, which is 2% increase from 2022.

# COMMERCIAL HIGHLIGHTS

## FIRST QUARTER



- POSTPAID LIMITLESS PLANS**  
Enhanced postpaid plans limitless social media data, SMS and calls.
- SAMSUNG GALAXY S23 SERIES LAUNCH**  
Opened pre-orders for the new Samsung Galaxy 23+ and S23 Ultra with affordable and convenient installment plans.
- NEW IDD PACKS**  
Introduced new IDD packs for the expatriate community, offering better rates for calls to Bangladesh and India.

## SECOND QUARTER



- 100GB DATA PACKS**  
Launched new prepaid data packs offering 100GB plans.
- RAMADAN SPECIALS**  
Launched a 'Roadha Hadhiya Shop' offering bonus gifts and daily gifts for mobile customers.
- BODU CHUTTEE PROMOTION**  
Introduced the Bodu Chuttee lucky draw promotion for mobile and fibre broadband customers, offering a chance to win fantastic prizes.

## THIRD QUARTER



- 5G TURBO**  
Launched '5G Turbo Wifi' plans to complement 5G services and support 5G devices.
- IPHONE 15 PRO AND 15 PRO MAX LAUNCH**  
Made the latest iPhone 15 Pro and Pro Max models available for preorder and immediate purchase.
- SAMSUNG GALAXY Z FOLD & Z FLIP LAUNCH**  
Introduced the new Samsung Galaxy Z Fold5 and Z Flip5 with enticing plans and prices.

## FOURTH QUARTER



- WIN A TESLA**  
Launched an exciting promotion giving customers the opportunity to win a Telsa car.
- DHIRAAGU EZONE**  
Introduced a new entertainment platform with several interactive mobile games and fun offers.
- HIGH-SPEED FIBRE NETWORK EXPANSION**  
Extended high-speed fibre broadband services to additional islands, expanding coverage to 94% nationwide households.

# KEY SPONSORSHIPS

In 2023, Dhiraagu showcased its commitment to community development through impactful sponsorships across various sectors.



TITLE PARTNER

## TOP ACHIEVERS' AWARD 2021-2022

Dhiraagu collaborated with the Ministry of Education as the Title Partner of the Top Achievers' Award 2021-2022, emphasising its dedication to celebrating brilliant young minds and empowering them to 'take on tomorrow'.



AWARD SPONSOR

## MALE' CITY COUNCIL QURAN AND MADHAHA MUBAARAIY 1444

Reinforcing its dedication to support cultural and Islamic events, Dhiraagu sponsored the Male' City Council Quran and Madhaha Mubaaraiy 1444, and awarded prizes to the winners.

DIGITAL PARTNER

## SABA FIVE NATION CHAMPIONSHIP 2023

Dhiraagu demonstrated its commitment to sports by supporting the SABA Five Nation Championship 2023, the first tournament of its kind to be held in the Maldives, organised by the South Asia Basketball Association (SABA).



MAIN SPONSOR

## MALDIVES FOOD CARNIVAL

Proudly serving as the Main Sponsor, Dhiraagu contributed to the vibrant Maldives Food Carnival, a 5-day celebration of food and entertainment featuring local and international vendors, artists, and entertainment activities.



TITLE PARTNER

## DHIRAAGU INVITATIONAL TENNIS CHAMPIONSHIP 2023

Teaming up with the Tennis Association of Maldives, Dhiraagu proudly served as the Title Partner contributing to the success of the tournament and supporting the growth of tennis in the Maldives by providing a platform for local talent to shine internationally.

TITLE SPONSOR

## DHIRAAGU LAAMU INTER-SCHOOL ATHLETICS CHAMPIONSHIP

Dhiraagu partnered with the Athletics Association of Maldives to host the Dhiraagu Laamu Inter-School Athletics Championship, engaging over 400 athletes from 13 schools.



DEVELOPMENT PARTNER

## DHIRAAGU 3<sup>RD</sup> INLINE SPEED SKATING CHAMPIONSHIP 2023

Showing dedication to fostering diverse sports, supported the Dhiraagu 3<sup>rd</sup> Inline Speed Skating Championship as the Development Partner of Skate Maldives.

DIGITAL PARTNER

## 43<sup>RD</sup> CATA ANNUAL TECHNICAL CONFERENCE

As the Digital Partner of the 43<sup>rd</sup> CATA Annual Technical Conference hosted by Maldives Inland Revenue Authority (MIRA), Dhiraagu facilitated networking, collaboration, and idea exchange among tax administrators from 29 countries.

TITLE PARTNER

## THE MALDIVES FINANCE FORUM 2023

In collaboration with the Maldives Pension Administration Office, Dhiraagu partnered as the Digital Partner of the Maldives Finance Forum 2023, facilitating a longstanding annual platform for stakeholders and experts to discuss key issues relevant to the Maldives financial sector.

DIGITAL PARTNER

## CLUB MALDIVES 2023

Dhiraagu served as the exclusive Digital Partner of Club Maldives, supporting four tournaments – Club Maldives Cup, Club Maldives Cup Classic, Eighteen Thirty and Eighteen Thirty Classic, including introduction of the first women's futsal competitions in the circuit.



DIGITAL PARTNER

## ASIAN SURFING CHAMPIONSHIP 2023

Dhiraagu provided vital support for the Asian Surfing Championship 2023, ensuring high-speed connectivity and digital support for a seamless viewing experience for global audiences.

DIGITAL PARTNER

## VISIT MALDIVES PRO 2023

Resuming its role as the Digital Partner for Visit Maldives PRO 2023 – IBC Bodyboarding World Tour. As the largest body boarding competition in the Asia, this event positioned the Maldives as a premier bodyboarding destination.



# BRAND ENGAGEMENT

Dhiraagu's brand engagement activities in 2023 showcased its commitment to customer appreciation and community enrichment.

## WELCOMING THE FIRST TOURIST OF 2023

As the digital transformation partner of the Maldives hospitality industry, Dhiraagu extended a warm welcome to the first tourist of the year, presenting a thoughtful gift hamper featuring local artisan crafts and the 2023 Dhiraagu calendar.

## CELEBRATING INTERNATIONAL WOMEN'S DAY 2023

Dhiraagu marked International Women's Day 2023 by organising a panel discussion on 'Gender Inclusivity in a Digital Era'. Leaders from diverse industries discussed the gender gap in the digital space and challenges faced by women. The event drew a distinguished audience, including high-level government and private sector invitees, as well students from higher secondary institutions and universities who are poised to shape the next generation.



## DHIRAAGU MALDIVES ROAD RACE 2023

Successfully hosted the 14<sup>th</sup> edition of the Dhiraagu Maldives Road Race (DMRR), the largest and only international run in the Maldives. With over 4,000 registered participants, the run aimed to help protect children and raise funds for nominated NGOs dedicated to children's rights. The DMRR 2023 introduced new elements, including the DMRR Half Marathon, a new route and increased prize money. We also hosted the DMRR 2023 After Party music show and Food Street featuring SMEs.

## DHIRAAGU GAME FEST & MOBILE LEGENDS CONQUEST 2023

Hosting the largest e-sports competition in the Maldives, Dhiraagu brought together gaming enthusiasts from across the country for an exhilarating series of matches. The Grand Finale, held at Dhiraagu Head Office, featuring a one-day FIFA tournament and immersive VR games was open to the public.



## THASHIBARI MOVEMENT

Aligning with the Ramadan campaign's focus on celebrating mothers, the Thashibari Movement, labelled #MammageVedhun, emphasised the art of sharing kindness. The initiative involved passing along the signature dishes of your mother to neighbours, family, friends, or those in need. Hundreds of Thashibari were distributed nationally and internationally.



## DHIRAAGU EID BOAKIBAA AND EID BONDIBAIY

To nurture the sense of communal spirit during the joyous occasion of Eid, Dhiraagu distributed thousands of packs Eid Boakibaa on Eid-ul-Fitr and Dhiraagu Eid Bondibaiy on Eid-ul-Adha across the Maldives.

## MINIVAN UFAA DRONE SHOW & CARNIVAL

In honour of the Maldives' 58<sup>th</sup> Independence Day, Dhiraagu partnered with the Ministry of Home Affairs for the Minivan Ufaa carnival. The highlight of the event was the debut of the first-ever drone show in Maldives, featuring 300 drones.

## DHIRAAGU CALENDAR 2024 - #INTOTHEFUTURE

As part of the 35<sup>th</sup> anniversary celebration and commitment to enriching lives, Dhiraagu unveiled its 2024 calendar – #IntoTheFuture. This innovative calendar provides a captivating glimpse into the futuristic 'Digital Raajje', through the eyes of a 10-year-old boy. Additionally, to make technology both fun and accessible the calendar promises an interactive element with 12 Snapchat games, where users can play the game and post a screenshot of their score on social media to stand the chance to win a special tech bundle.

## CELEBRATING 35<sup>TH</sup> YEARS ENRICHING LIVES

In celebration of its 35<sup>th</sup> anniversary, Dhiraagu launched a photobook 'Leading the Digital Transformation Journey of the Maldives', chronicling its pivotal role in the evolution of the telecommunication industry. To mark this milestone, it also hosted a special anniversary celebration with key partners.

## RAMADAN CAMPAIGN – APPRECIATING MOTHERS

The 2023 Ramadan campaign focused on celebrating mothers and emphasised the importance of strengthening family relationships with them during the holy month.

## BODU HADHIYAA

As part of Dhiraagu Ramadan campaign, Dhiraagu introduced a weekly 'Bodu Hadhiya' lucky draw. Four fortunate winners were awarded a mega home appliance pack, and a grand prize of an Umrah trip for two was announced for one lucky winner at the end of the promotion.

## DHIRAAGU GUDIFEST

During Ramadan, Dhiraagu GudiFest unfolded in Greater Male' Area and the regions, engaging children in the age-old Maldivian tradition of kite flying. These events garnered great success, drawing participation from both children and adults across the Maldives.



## CELEBRATING TELECOM DAY

On the occasion of World Telecommunication and Information Society Day, Dhiraagu hosted a TV talk show called 'Digital Raajje'. This program featured prominent figures in telecom and digital sphere who reflected on recent technological advancements. The discussion highlighted Dhiraagu's role in enriching people's lives while creating a safe digital space for future generations.

Additionally, as part of its commitment to education, Dhiraagu extended invitations to school students across different key stages. These students were given the opportunity to visit Dhiraagu Head Office and Regional Operation Centres, participating in practical and informative sessions focused on telecommunications and digital services in the Maldives. This initiative aimed to inspire and educate the younger generation about the dynamic world of technology.



# CSR HIGHLIGHTS

As socially responsible corporate citizen, Dhiraagu exhibits a robust commitment to diverse community initiatives.



## CONTRIBUTION TO CHILD PROTECTION - DMRR 2023

As the digital transformation partner of the Maldives hospitality industry, Dhiraagu extended a warm welcome to the first tourist of the year, presenting a thoughtful gift hamper featuring local artisan crafts and the 2023 Dhiraagu calendar.



## DHIRAAGU APPRENTICESHIP PROGRAMME 2023

Thirteen apprentices successfully completed the Dhiraagu Apprenticeship Programme, a pivotal initiative enhancing the employability skills of young individuals through structured on-the-job training and soft skills development.



## SUPPORTING SPECIAL EDUCATION NEEDS CLASS - GDH. THINADHOO

As part of ongoing efforts to empower children with disabilities, Dhiraagu contributed resources to the Learning Support Class setup in Gaafu Dhaalu Atoll Education Centre, fostering inclusive education.

## HOURLY OF CODE 2023

In collaboration with local NGO Women In Tech Maldives, Dhiraagu engaged over 1,800 students, across 19 atolls, in Hour of Code 2023, featuring activities for all skill levels and endorsed by the Ministry of Education to promote computer science and coding.

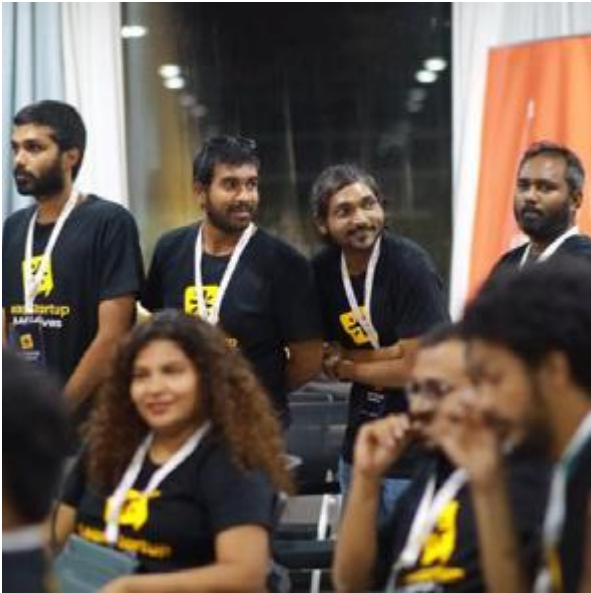
## RAMADAN AID

Partnering with local NGO MOMS Aid, Dhiraagu supported their 'Ramadan Aid' programme. Reaching 100 families essential care packages were provided across the Maldives.



## GIRLS TO CODE - LAAMU ATOLL

Empowering women in technology, 20 girls successfully completed the Girls to Code Laamu edition; part of a series held in partnership with local NGO Women in Tech Maldives, aimed at teaching coding skills and celebrating achievements.



## LEAN STARTUP MALDIVES 2023

In partnership with local NGO Sparkhub, Lean Startup Maldives 2023 equipped 47 young aspiring entrepreneurs and innovators with knowledge and tools, through expert-led sessions, and interactive exercises.



## MALDIVES FOR THE OCEANS

Demonstrating environmental stewardship, Dhiraagu partnered with local NGO Parley Maldives for the "Maldives for the Oceans" beach cleanup. 65 volunteers from Dhiraagu took part in cleanup events at various locations across the country.



# ORGANISATIONAL HIGHLIGHTS

## EMPLOYEE TRAINING AND ENGAGEMENT



### CELEBRATING ACHIEVEMENTS AND RECOGNITION

In 2023, our commitment to employee development and engagement was significant through various initiatives. We began the year by celebrating team achievements and recognizing long-serving colleagues during the Annual Award ceremony. This event not only honored our employees but also reinforced our culture of appreciation and recognition.



### INVESTING IN SKILL DEVELOPMENT

Throughout the year, a diverse range of training programs was conducted to enhance skill sets across the organization. These programs covered essential topics such as Leadership Development, Cyber Security Awareness, and Advanced AI Technologies. Additionally, exclusive Technology Online Courses were offered for female colleagues, furthering our commitment to gender inclusivity and empowering our workforce.



### PROMOTING TEAM SPIRIT AND COLLABORATION

Engaging events such as the Dhiragu Employees Soccer Cup (DESCUP), Interdepartmental Badminton Tournament, Roadha Festival and the Staff Picnic 2023 encouraged unity and teamwork among our employees. These events provided opportunities for staff to interact outside of the workplace, strengthening bonds and promoting a positive work culture. By prioritizing employee development and engagement, we aim to cultivate a skilled, engaged, and inclusive workforce essential for our continued success.

## EMPLOYEE WELLBEING, HEALTH & SAFETY



### ENSURING WORKPLACE SAFETY

Throughout 2023, we prioritized the wellbeing, health, and safety of our employees through various initiatives. We conducted Basic Fire Awareness Sessions and comprehensive fire safety inspections across our operation centers, enhancing our preparedness for unforeseen events and ensuring the safety of our staff in the workplace.



### PROMOTING OVERALL HEALTH AND WELLNESS

Partnering with external associations allowed us to provide special events and health screenings for our employees, including flu shot vaccinations and cancer screenings. These initiatives underscore our commitment to promoting overall employee health and safety, creating a conducive work environment where our employees can thrive and excel in their roles.



### EMPOWERING THROUGH TRAINING

Collaborations with healthcare professionals and organizations like the Maldivian Red Crescent facilitated Basic First Aid training for our employees. This training equipped our staff with essential skills to handle workplace incidents effectively, strengthening our safety protocols. Additionally, wellness sessions addressing physical discomforts and promoting a healthy work environment were organized, covering topics such as Workplace Ergonomics, Dental Care, and Emotional Well-being.





# FINANCIAL HIGHLIGHTS

## REVENUE



## EBITDA



## PROFIT AFTER TAX



## FREE CASH FLOW



## CAPITAL INVESTMENT



## EARNINGS PER SHARE



MVR 11.80  
▲ 6.5%

## DIVIDEND PER SHARE



MVR 7.50  
▲ 2.3%

## RETURN ON CAPITAL EMPLOYED (ROCE)



24.4%  
▼ - 3.6 P.P

# OVERALL FINANCIAL PERFORMANCE

Dhiraagu's financial performance continued to improve in 2023 supported by the significant investment made in our network, technology, and cybersecurity infrastructure to enhance the digital experience for our customers.

Total revenue for 2023 surpassed the previous year with an increase of 1.8% to MVR 2.6bn with growth in fixed broadband, mobile and enterprise services. This was achieved through the expansion of our network delivering wider 5G coverage, fixed broadband services to additional islands, and enhanced services to our enterprise customers.

We increased capital investment by 31.7% to MVR 627m to expand and strengthen the network which resulted in fibre-to-the-home (FTTH) service availability increasing to 94% of national households and 5G coverage being extended to major cities of the Maldives.

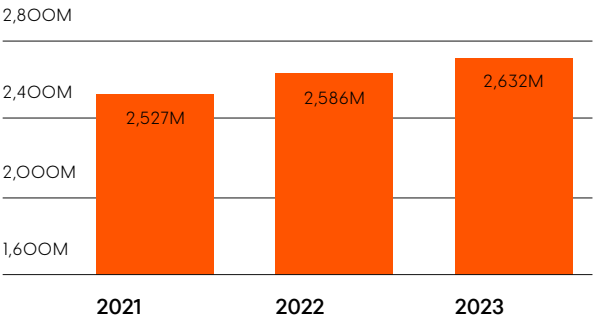
The company's focus on cost optimization helped reduce operating costs by 4.9% despite challenges with cost inflation and an expanded network and service footprint. The growth in revenue and lower costs yielded an EBITDA growth of 7.1% to MVR 1.5bn. Net profit grew by 6.5% to MVR 896m in line with the growth in EBITDA on a normalised basis\*.

MVR MILLIONS	2023	2022	2021
Revenue	2,632	2,586	2,527
EBITDA	1,529	1,428	1,372
Profit after Tax			
Reported	896	909	813
Normalized*	896	842	813
Capital Investment	627	476	311
Free Cashflow	759	891	1,008
Net Assets	3,555	3,215	2,746

MVR	2023	2022	2021
Earnings per share (EPS)			
Reported	11.80	11.96	10.70
Normalized	11.80	11.08	10.70
Dividend per share (DPS)	7.50	7.33	6.20
Return on Capital Employed (ROCE)	24.4%	28.0%	30.4%

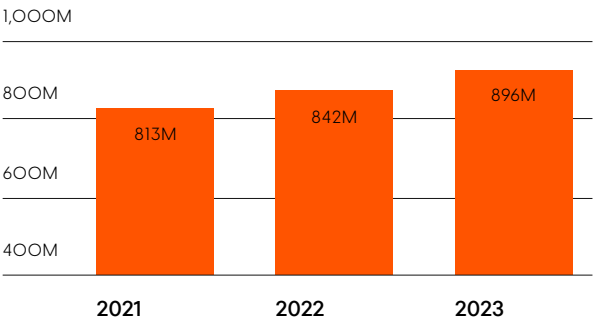
\*FY2022 reported profit after tax includes a one-off refund of withholding taxes (WHT) related to prior years. On a normalised basis, excluding the WHT refund, FY2023 profit after tax improved by 6.5%.

REVENUE



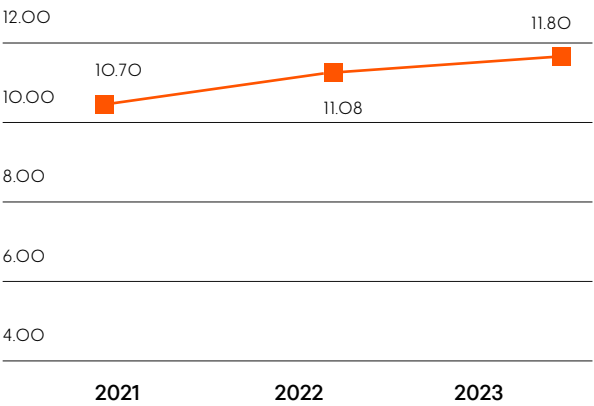
Revenue grew by 1.8% to MVR 2.6bn, with growth driven by the expansion of high-speed fibre broadband, mobile and enterprise services.

PROFIT AFTER TAX (NORMALISED\*\*)



Profit after tax (on a normalized basis) improved by 6.5% to MVR 896m with the growth in EBITDA.

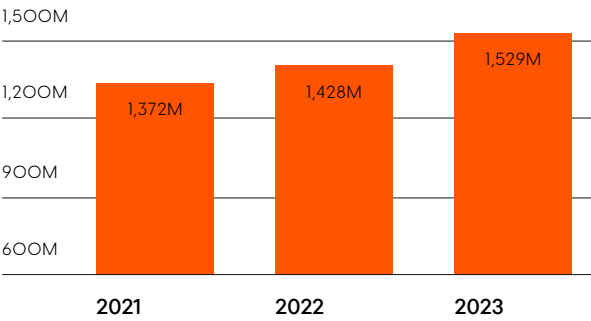
EARNINGS PER SHARE (NORMALIZED)



Earnings per share (on a normalized basis) increased by 6.5% to MVR 11.80.

\*\*FY2022 reported profit after tax includes a one-off refund of withholding taxes (WHT) related to prior years.

EBITDA



EBITDA increased by 7.1% to MVR 1.5bn due to revenue growth and lower operating costs.

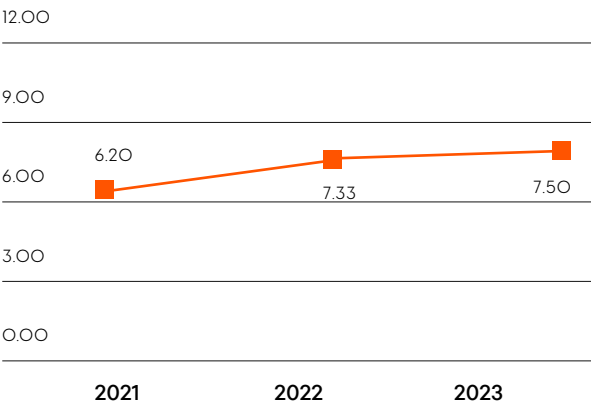
ASSETS & ROCE

Dhiraagu total asset base as at 31st December 2023 grew by 11.5% year on year and now stands at MVR 6.2bn. The growth is mainly contributed by capital investments and the higher cash balance.

Total net assets increased to MVR 3.6bn due to growth in capital investments and cash balance. However, the growth is partly offset by the increase in loans taken to finance capital expenditure program and working capital.

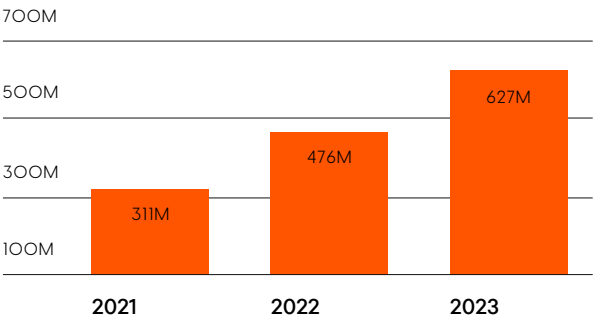
Return on capital employed (ROCE) reduced by 3.6pp to 24.4% due to the increase in capital employed (increase in loans) despite the growth in earnings.

DIVIDEND PER SHARE



Full year 2023 dividend per share is MVR 7.50. This is a growth of MVR 0.17 (2.3%) compared to 2022.

CAPITAL INVESTMENTS

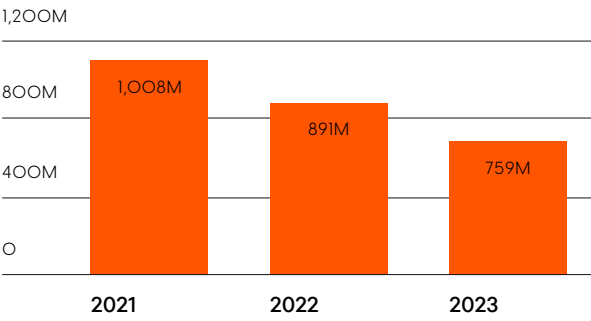


Our investment program focused on enhancing the network, improved technology and strengthening the cybersecurity infrastructure to deliver high quality and reliable digital services to our customers and to the community.

Capital investment increased by 31.7% to MVR 627m demonstrating our continued commitment to invest and provide the best services for our customers.

We are committed to enrich lives through digital services and have invested significantly to this end. During the year, we completed the upgrade of our domestic submarine cable system, incorporating four additional segments to our existing digital network. We also extended our Fibre-To-The-Home (FTTH) service to 94% of national households and enhanced our 5G presence in the Greater Male' Area, providing greater connectivity to our customers. Moreover, as part of our efforts to strengthen our resiliency, we invested in a Tier III certification-ready data centre, established a brand-new Security Operations Centre (SOC) and upgraded our existing Network Operations Centre (NOC).

FREE CASHFLOW



Free cash flow declined by 14.9% to MVR 759m mainly due to higher capital investment during the year.

Our cash position remained strong with MVR 2.7bn as at 31st December 2023. However, the majority was in Maldivian Rufiyaa (MVR) as availability of foreign currency remain a major challenge.

The company entered financing facilities during 2022 and 2023 with International Finance Corporation (IFC), a member of the World Bank Group, and the Asian Development Bank (ADB) were utilized during 2023. The first facility of \$25m facility for general capex and working capital was fully utilized during 2023. The \$30m facility to support the company's investment in the SEA-ME-WE 6 Submarine Cable System was partially utilized during the year.

# INVESTOR RELATIONS & SHAREHOLDER VALUE

## OUR SHAREHOLDERS

As of 31 December 2023, our company boasts of a diverse shareholder base comprising 14,376 shareholders. The majority of our shareholders are individuals who have invested directly or on behalf of their families, aligning themselves with our company's vision for growth and prosperity. Notably, BTC Islands Limited (Beyon) holds a 52% stake, with the Government of Maldives holding 41.8%. The remaining shares are owned by members of the public, ensuring a broad ownership structure. As at the mentioned date, no other individual or institutional shareholder holds more than 5% of our shares.

SHARES HELD	NUMBER OF PUBLIC SHAREHOLDERS
1 to 10	4408
11 to 100	8186
101 to 1000	1584
1001 to 10,000	183
10,001 and over	13

## KEY TRADING HIGHLIGHTS

	2023	2022	2021	2020	2019
Last Traded Price (MVR)	150.00	111.00	102.00	96.00	105.00
Highest Traded Price (MVR)	200.00	155.00	110.00	120.00	120.00
Lowest Traded Price (MVR)	115.00	102.00	95.00	84.00	80.00
Weighted Average Traded Price (MVR)	135.80	125.72	100.91	99.13	98.10
No of Shares Traded	8,115	3,975	3,300	4,156	6,102
No of Trades	120	79	25	33	32
Market Capitalisation (MVR bn)	10.3	8.44	7.75	7.30	7.98

## SHARE PERFORMANCE

	2023	2022	2021	2020	2019
Earnings per Share (MVR)	11.80	11.96	10.70	9.64	12.39
P/E Ratio (times)	12.71	9.28	9.53	9.96	8.47
Dividend per Share (MVR)	7.50	7.33	6.20	7.23	12.00
Net Asset per Share (MVR)	46.77	42.31	36.13	32.66	32.96
Dividend Pay-out Ratio	64%	61%	58%	75%	97%

## BEYON: OUR STRATEGIC PARTNER

Beyon, our parent company, serves as a strategic partner overseeing various entities, including Batelco, Beyon Digital companies, and international operations like Dhiraagu. With its origins in Bahrain, Beyon is a technology group with a vision to extend its reach across the region and beyond. Through its diversified portfolio of companies, Beyon aims to bring cutting-edge technology closer to individuals and businesses, offering top-notch connectivity and digital solutions. Apart from its operations in the Maldives through Dhiraagu, Beyon's group of companies encompasses subsidiaries and affiliates in multiple locations, spanning Bahrain, Jordan, Saudi Arabia, Yemen, Egypt, The Channel Islands, Diego Garcia, St. Helena, Ascension Island, and the Falkland Islands. This extensive geographical presence underscores Beyon's commitment to delivering innovative technology solutions and connectivity services across diverse markets.

## SHAREHOLDER ENGAGEMENT & COMMUNICATIONS

We prioritise transparent and timely communication with our shareholders, considering it a fundamental aspect of our investor relations strategy. In adherence with applicable laws, regulations, and stock exchange requirements, we are committed to providing shareholders and stakeholders with comprehensive information that is material to our business and operational performance. The Company Secretary oversees our disclosure practices, ensuring the prompt and accurate dissemination of material information. Financial reports and other relevant information are prepared and published on our website in a fair, clear, and balanced manner, in addition to compliance with legal and regulatory requirements regarding continuous disclosure. Our Annual Report offers insights not only into our financial performance but also our commitment to sustainability and governance. Quarterly reports are promptly released within a month of each quarter's end, and the Annual Report is published within four months of the year-end. All reports published since our listing on the Maldives Stock Exchange are available on our website.

## ONLINE PRESENCE & ACCESSIBILITY

Our website serves as the central hub for all the key developments and communications. Regular updates, including financial reports, annual reports, quarterly reports, public announcements, and communications related to Annual General Meetings are updated and maintained on our investor relations webpage and CMDA's public disclosure platform. This ensures that investors and other stakeholders informed about our performance and significant developments.

## DEDICATED INVESTOR RELATIONS SUPPORT

We maintain a dedicated investor relations team to address shareholder and investor queries promptly and effectively. Shareholding and dividend payment history are readily provided upon request. Our customer service hotlines and regional offices provide additional support to the investor relations team, facilitating seamless communication with shareholders and investors. To ensure efficient communication channels, we encourage all shareholders to keep their personal information updated, including phone numbers, email addresses, bank account details, address, and residency status by completing the ["Shareholder Information Form"](#) which is also available at [Dhiraagu/Investor\\_Relations](#).

## ANNUAL GENERAL MEETING

Our Annual General Meeting serves as the primary platform for direct engagement with our shareholders. It offers shareholders the opportunity to hear directly from the CEO & Managing Director about the company's operations and annual growth. We encourage shareholder participation at Annual General Meetings as it also enables direct interaction with the Board, Management and the Auditor on matters concerning our management, performance, and governance.

Our 34<sup>th</sup> Annual General Meeting was held at Crossroads Maldives as a hybrid meeting, where our shareholders were able to participate online, using "FahiVote" (an online General Meetings Management System developed by Maldives Securities Depository Pvt Ltd) and in person by attending the meeting venue. 125 shareholders representing, 93.87% of the company's share capital registered to attend the meeting. The minutes of the 34<sup>th</sup> AGM were published on our website on 26 March 2023.

The 35<sup>th</sup> Annual General Meeting is scheduled to be held on 28 April 2024. Further information including the Notice and a guide on how to register for the event and how to use FahiVote will be made available on our website Dhiraagu/ Investor\_Relations, . Details regarding the Annual General Meeting, including the notices, agenda, Director's Report and Financial Statements are made available on our website, well in advance of the meeting date. Attendees have the opportunity to address any queries and concerns directly to our Board and Leadership Team and the External Auditor. Resolutions passed at an Annual General Meeting 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. This ensures shareholder concerns are accurately captured and addressed.



# SUSTAINABLE TOMORROW







Dhiraagu has set itself a goal to be a recognised Maldivian leader in sustainability. This is a big aspiration for our business and we recognise we are at the beginning of our journey.

“Our approach to sustainability is deeply informed by an understanding of the most pressing issues facing both our company and our nation. We are passionately committed to making a positive difference, harnessing our resources and innovative solutions to address societal challenges while embracing emerging opportunities for a more sustainable future. Rooted in principles of responsibility, integrity, and ethical conduct, our dedication to sustainability permeates every aspect of our business operations and decision-making processes. We remain unwavering in our efforts to safeguard the environment and contribute to the well-being of the communities we serve. In pursuit of these objectives, we align our activities with the UN Sustainable Development Goals and uphold the 10 Principles of the UN Global Compact, particularly in the areas of human rights, labor standards, environmental stewardship, and anti-corruption measures.”

**ISMAIL RASHEED**

CEO & Managing Director



## SUSTAINABILITY AT DHIRAAGU

Sustainability function at Dhiraagu was established with the aim of creating long-term stakeholder value through the implementation of a business strategy that focuses on ethical, social, environmental, cultural and economic dimensions of doing business.

In 2023, we undertook significant efforts to integrate sustainability into our strategy and operations, fostering a continuous process of collaboration across functional teams and embracing a culture of learning for enhanced adaptability. Dhiraagu's strategic direction is focused on achieving sustainable growth, underpinned by ventures into digital enterprises and sustained investments in fortifying a resilient and efficient ecosystem aimed at delivering unparalleled customer experience.

At the heart of our success lies the synergy of agile teams dedicated to fostering innovation and adaptability, all while integrating sustainability seamlessly into our corporate ethos and strategy. Through our growth-oriented approach, we remain committed to our vision of enriching lives and aspire to elevate Maldives as a hyperconnected 'Digital Raajje'.

Our commitment to increase transparency and accountability and foster our relationship with our stakeholders, we have initiated sustainability reporting from 2023 onwards with reference to GRI, UNGC and SDG goals.

# CONTRIBUTIONS TO UNGC PRINCIPLES AND UN SDG GOALS

Dhiraagu demonstrates its commitment to the UN Global Compact principles through comprehensive policies, robust management systems, and tangible actions aimed at promoting human rights, labour standards, environmental responsibility, and anti-corruption efforts within the organisation and among its suppliers. Dhiraagu is an active member of the UN Global Compact since 28th December 2012.

UNGC PRINCIPLE	IMPLEMENTATION DETAILS	MEASUREMENT OF OUTCOMES
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.	■ Dhiraagu's Environmental and Social Management System (ESMS) ensures adherence to international and national human rights standards. Additionally, the Supplier Code of Conduct Policy mandates that all suppliers respect internationally proclaimed human rights and refrain from involvement in human rights abuses.	■ Compliance with human rights standards is monitored through the implementation of ESMS and supplier assessments.
<b>Principle 2:</b> Make sure that they are not complicit in human rights abuses.		
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	■ Dhiraagu enforces its Code of Ethics, Disciplinary Policy and Procedure, and Supplier Code of Conduct Policy to ensure adherence to labour standards. These policies guarantee freedom of association, prohibition of forced and child labor, and elimination of discrimination in employment.	■ Compliance with labour standards is ensured through regular audits, disciplinary actions for non-compliance among employees and termination for breach of contracts for suppliers found in violation.
<b>Principle 4:</b> the elimination of all forms of forced and compulsory labour.		
<b>Principle 5:</b> the effective abolition of child labour.		
<b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.		
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.	■ Dhiraagu's ESMS provides the guidance principles to manage environmental and social impacts, and suppliers are contractually obligated to comply. Additionally, Dhiraagu's infrastructure, such as its head office and renewable energy initiatives, promotes greater environmental responsibility and the development of eco-friendly technologies.	■ Environmental initiatives are tracked through energy consumption data, technological advancements, and adherence to green practices resulting in an increase in our solar energy capacity to 2.2 MWp across all Dhiraagu sites.
<b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility.		■ Our environment is one of the key contributing pillars under our Corporate Social Responsibility (CSR) programme.
<b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies		
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	■ Dhiraagu enforces several policies including Anti-Corruption, Conflict of Interest, Procurement, Fraud Risk Management, and Gifts and Hospitality policies to combat corruption in all its forms.	■ Compliance with anti-corruption measures is monitored through internal audits, risk and corruption assessments, and result in disciplinary actions for any breaches identified.

The 2030 Agenda for Sustainable Development, adopted unanimously by all UN Member States, outlines 17 Sustainable Development Goals (SDGs) aimed at addressing global challenges such as poverty, inequality, climate change, and environmental degradation through collective commitment and partnership.

Our contributions collectively demonstrate Dhiraagu's commitment to advancing the SDGs and contributing to sustainable development within its sphere of influence.



SDGS
 CONTRIBUTIONS

<div> <div>3</div> <div>Good health and well-being</div> </div>	<p><b>For Our People</b></p> <ul style="list-style-type: none"> <li>Dhiraagu launched a Medical Benefit Scheme Portal, simplifying the process for claiming reimbursements for health expenses, thereby promoting access to healthcare.</li> <li>Conducted screenings for breast and oral cancer, promoting early detection and treatment.</li> <li>Rolled out an H1N1 immunisation drive, contributing to disease prevention and control.</li> <li>Organised mental health awareness sessions, addressing mental well-being.</li> <li>Provided first aid and fire safety trainings, enhancing workplace safety and well-being.</li> <li>Conducted sessions on avoiding workplace injuries and promoting employee fitness and health, contributing to a safe and healthy work environment.</li> </ul> <p><b>Our Community</b></p> <ul style="list-style-type: none"> <li>Contributed and collaborated to support and uplift young people, children and women in various areas from mental health to providing accessibility to people with special needs. Refer Our Community page for further details.</li> </ul>
<div> <div>4</div> <div>Industry, innovation and infrastructure</div> </div>	<p>Provided technical trainings to 40% of female staff in non-technical roles, promoting gender-inclusive professional development opportunities.</p>
<div> <div>5</div> <div>Gender equality</div> </div>	<p>Launched ‘Lean-in Circles’ with 30 circle leaders to foster a supportive environment for diversity and women empowerment within the organization.</p>
<div> <div>7</div> <div>Clean energy</div> </div>	<p>Invested in renewable solar energy with a 1.1 MWp PV Solar system installation, contributing to sustainable energy production.</p>
<div> <div>8</div> <div>Decent work and economic growth</div> </div>	<p>Upheld sustainable growth and decent work principles in accordance with Maldivian laws and regulations, ensuring accountability from the Leadership Team and the Board.</p>
<div> <div>9</div> <div>Industry, innovation and infrastructure</div> </div>	<p>Completion of the installation of a new data center with energy-efficient cooling design directly contributes to building resilient infrastructure.</p> <p>Sustainable infrastructure development is essential for economic growth and technological advancement. Investing in SMW 6 strengthens the digital infrastructure, which is essential for promoting inclusive and sustainable industrialisation. This investment not only enhances connectivity within Maldives but also positions the country as a global digital hub.</p> <p>Establishing Dhiraagu Fintech Pvt Ltd demonstrates a commitment to fostering innovation in financial technology. Fintech solutions have the potential to enhance financial inclusion, further supporting the goal of inclusivity.</p>
<div> <div>10</div> <div>Reduced inequalities</div> </div>	<p>The policy promotes non-discrimination, equal opportunities, and anti-harassment principles, fostering an inclusive and equitable workplace.</p>
<div> <div>11</div> <div>Sustainable cities and communities</div> </div>	<p>We expanded the rollout of Fiber to the Home (FTTH) and introduced 5G services as part of our “Digital Raajje” vision, enhancing connectivity and ensuring the resilience and sustainability of urban areas.</p>
<div> <div>12</div> <div>Responsible consumption and production</div> </div>	<p>Implementation of the Contractor Management System complements our due diligence process, ensuring compliance with Dhiraagu’s ESMS and promoting sustainable practices.</p>
<div> <div>13</div> <div>Climate action</div> </div>	<p>Collaboration with NGOs and organizations to mitigate and adapt to climate change impacts demonstrates our commitment to combating climate change.</p> <p>Investment in critical infrastructure expansion and innovation further contributes to climate change mitigation efforts.</p>
<div> <div>14</div> <div>Life below water</div> </div>	<p>Collaborative efforts with the Environmental Protection Agency to restore Rasfari Reef demonstrate our commitment to conserving marine resources and sustainable development.</p>
<div> <div>16</div> <div>Peace, justice and strong institutions</div> </div>	<p>Initiatives such as the Gender Action Plan, external grievance mechanism portal, Corporate Governance Code, and zero-tolerance policy against corruption and harassment promote peaceful and inclusive societies and strengthen governance frameworks. Compliance audits ensure adherence to laws and regulations, fostering accountable and inclusive institutions.</p>
<div> <div>17</div> <div>Partnerships for the goal</div> </div>	<p>Collaborated with the IFC to enhance Dhiraagu’s gender action plan, integrating a robust gender perspective across our operations. This partnership aims to foster gender equality and inclusivity within our organization and beyond.</p> <p>Committed to adhering to the Asian Development Bank’s Safeguards Policy Statement (2009) and the International Financial Corporation Performance Standard (PS 12). By incorporating these standards into our Environmental and Social Management System (ESMS), we assess the impact of our projects comprehensively, ensuring alignment with international best practices in sustainability and responsible business conduct.</p>

OUR MATERIALITY ASSESSMENT

To prioritise Dhiraagu’s reporting on sustainability topics we follow the GRI materiality principles (set out in GRI 101) to identify and prioritise topics which substantively influence the assessments and decisions of stakeholders or have a significant environmental, social, or economic impact. Our assessment of material topics includes analysis of stakeholder feedback, review of industry peers, and qualitative analysis of the media sources. Internally, we consulted with a range of employees including members of our strategy, finance, admin, corporate services, risk, legal & regulatory, customer services, and people and culture teams, to determine Dhiraagu’s view on topics meeting GRI materiality principal criteria. Stakeholder expectations were gathered through surveys which were then reviewed and analysed through a ranking system based on business relevance, financial and stakeholder impact.

Following this assessment, 14 material topics were prioritised which was then reviewed and approved by both the Leadership Team and the Board of Directors. Acknowledging the Maldives’ vulnerability to climate change, Dhiraagu has taken significant conscious steps in the daily operations for integrating sustainability goals. In 2023 we integrated Dhiraagu’s material topics and Sustainable Development Goals (SDG) priorities using our expertise, solution, and services to address the need for environmental and social development equally to enhance our role as a responsible and sustainable company. For the purpose of sustainability reporting, the below approved material topics have been grouped under the Dhiraagu Sustainability Framework.

MATERIAL TOPICS	STAKEHOLDER INTEREST						FINANCIAL MATERIALITY		
	CUSTOMERS	EMPLOYEES	SUPPLIERS	GOVERNMENT & REGULATORS	SHAREHOLDERS & INVESTORS	LOCAL COMMUNITIES	COST	REVENUE	RISK
Customer experience advancement	●	●	◐	●	◐	●	●	●	●
Network quality, reliability and access	●	◐	◐	●	◐	◐	●	●	●
Strengthening privacy, security and data protection	●	●	◐	●	◐	◐	◐	◐	●
Digital inclusion and innovation	●	●	◐	●	◐	●	●	●	●
Affordability	●	◐	●	●	◐	●	●	◐	●
Economic performance	◐	●	●	●	●	●	●	●	●
Expanding community engagement and contributions	◐	◐	◐	●	◐	●	●	●	●
Ensuring sound governance and ethical management practices	○	◐	●	●	●	◐	◐	◐	●
Climate change response	◐	◐	◐	●	●	◐	◐	◐	●
Environment and social management system advancement	◐	◐	◐	●	●	●	◐	◐	●
Health and Safety	○	◐	◐	●	◐	◐	◐	◐	●
Talent, recruitment and competency development	○	●	◐	◐	●	◐	●	●	●
Sustainable supply chain	◐	●	●	◐	◐	●	●	◐	●
Diversity and equal opportunity	◐	◐	◐	◐	◐	◐	●	●	●

Ranking for each topic is based on the following matrix:

○

0%-20%

◐

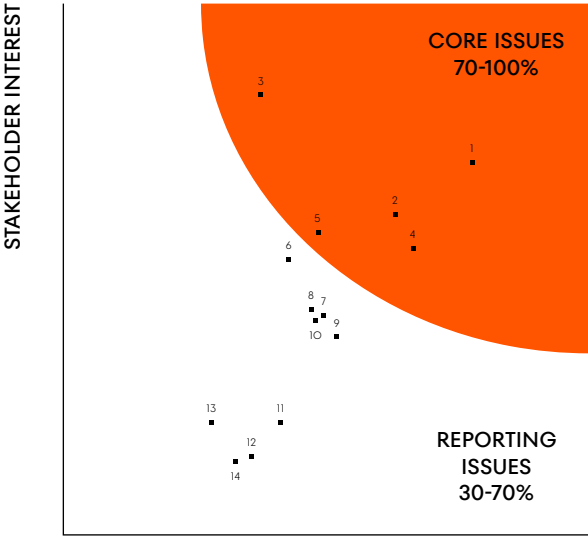
20%-30%

◑

30%-70%

●

70%-100%



# SUSTAINABILITY FRAMEWORK

## PROMOTING SUSTAINABLE GROWTH

- Economic performance
- Sustainable supply chain

## DIGITAL INCLUSION AND INNOVATION

- Digital inclusion & innovation

## OUR ENVIRONMENT

- Climate change response, environment and social management system advancement

## CORPORATE GOVERNANCE AND BUSINESS ETHICS

- Ensuring sound governance and ethical management practices

## OUR PEOPLE

- Health and Safety,
- Talent, recruitment and competency development
- Diversity and equal opportunity

## RESPONSIBLE CUSTOMER CARE

- Customer experience advancement
- Network quality, reliability, affordability and access,
- Strengthening privacy, security and data protection

## OUR COMMUNITY

- Expanding community engagement and contributions

## PROMOTING SUSTAINABLE GROWTH

Our efforts toward sustainable growth are aligned with the UN Sustainable Development Goals, particularly in areas such as:



### ENHANCING SUPPLY CHAIN SUSTAINABILITY

Since the inception of Dhiraagu's Environmental and Social Management System, we worked closely with our contractors and vendors to ensure adherence to environmental and social regulations. By the end of 2023, all the civil project vendors associated with Dhiraagu had received support in drafting comprehensive plans for health and safety Management plans, hazardous substances management plans and human resources policies and procedures in accordance with the laws and regulations of the Maldives. This proactive approach represents a significant milestone for Dhiraagu as we strive to foster a sustainable supply chain in the Maldives through a holistic approach.

Performance Indicators - Supply Chain Management		
Percentage of local suppliers	percentage	84%
Percentage of spending on local suppliers	percentage	34%

### ECONOMIC PERFORMANCE

Our commitment to digitalisation, efficiency enhancements and adherence to business continuity management plans has allowed us to seamlessly achieve our strategic objectives for 2023.

For detailed insights into our financial performance, please refer to the Financial Performance section included in this Annual Report.

## DIGITAL INCLUSION AND INNOVATION

Our endeavors within Digital Inclusion and Innovation contribute to UN Sustainable Development Goals on:



### STRATEGIC PROJECTS OVERVIEW

Emphasising our commitment to continuous innovation and cutting-edge digital services, we embarked on several strategic projects in 2023:

- Streamlining System Efficiency: Through the integration of open APIs, we enhanced system efficiency, fostering seamless connectivity and interoperability.
- Digital Onboarding Services: The implementation of e-KYC portal and digital onboarding services for FBB and prepaid offerings streamlined customer experiences, ensuring regulatory compliance and operational efficiency.
- Regulatory Conformity: We executed enhancements to the Ownership Change portal and Business Support System to comply with requirements outlined in the Regulation on Issuance and Usage of Mobile Numbers (2023/R-136) by the Communications Authority Maldives.

- Advanced Cloud Security Measures: Integration of advanced cloud security measures and establishment of a Security Operations Center (SOC) ensured enhanced user experience, increased accessibility, and adherence to data privacy protocols in line with industry regulations.
- CRM Implementation: The initiation of the CRM implementation, targeting all B2C Mobile customers, aimed to transition toward a customer-centric approach, optimise sales and customer care efficiency, and leverage robust analytics for informed decision-making.

Performance Indicators - Digital Innovation		
Investment in R&D and innovation	MVR	20,188,927.98

GROWTH INITIATIVES

Last year, we inaugurated the Growth Board, a dedicated forum for identifying and capitalising on new opportunities to expand and enrich the Dhiraagu portfolio. Comprising five senior management members, the Growth Board convenes regularly to evaluate and discuss potential initiatives.

MOBILE MONEY

Since the launch of DhiraaguPay in 2017, we have continuously disrupted the market by introducing new digital payment solutions, including:

- Introduction of the first-ever NFC debit card in Maldives.
- Provision of digital payment services via QR payment channels and POS terminals.
- Introduction of Zakat payment for Dhiraagu postpaid customers.
- Integration of mobile wallet with bank accounts for easy wallet cash-in option.

WE REGISTERED OUR FINANCIAL SUBSIDIARY, DHIRAAGU FINTECH PVT LTD ON 31 DECEMBER 2023 TO FURTHER ENHANCE OUR MOBILE MONEY SERVICES AND EVOLVE AS A FINTECH SERVICE PROVIDER.

DATA COMMUNICATION

Dhiraagu, as the leading telecommunications service provider, focuses on delivering reliable and stable connectivity solutions to Enterprise customers. Key product enhancements in 2023 included speed visibility and discount approval processes for Dedicated Internet Access (DIA) services.

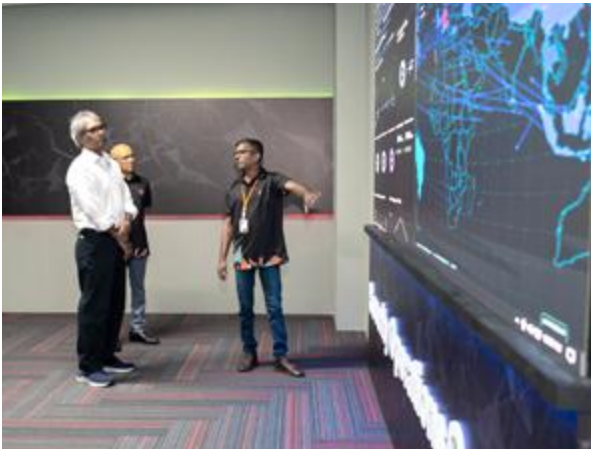
DATA CENTER, CLOUD & HOSTING

Our Tier III certified data center facility delivers reliability and uptime to critical IT assets, enabling us to provide Colocation with Disaster Recovery (DR) services. Additionally, we commenced offering Cloud services, including Infrastructure as a Service (IaaS), from 2023 onwards.

Performance Indicators - Digital Infrastructure		
Number of data centers owned	number	10
Number of exchanges owned	number	2
Number of radio stations	number	623

CYBERSECURITY SERVICES

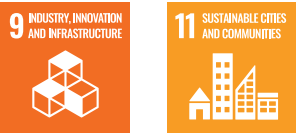
Dhiraagu offers comprehensive Cybersecurity services to enterprise customers, encompassing Managed Firewall services, Endpoint Security, and Cloud Unified Threat Management (UTM).



RESPONSIBLE CUSTOMER CARE

In 2023, the Maldivian telecommunications landscape witnessed significant and robust changes, marked by shift in regulatory frameworks with the enactment of Regulation on Issuance and Use of Mobile Numbers (Regulation No 2023/R-136). Navigating these changes, alongside responding to the growing demand for digital services, data protection, security compliance and new competitors joining the market, required strategic adaptation and evolution.

Our initiatives under Responsible Customer Care contribute to UN Sustainable Development Goals on:



Aligned with our strategy to bolster digital channels, notable achievements included the successful implementation of the eKYC portal, digital onboarding portals for fixed broadband (FBB), prepaid customers, and mobile tourist plans.

THE DIGITAL ONBOARDING PORTALS HAVE ENABLED 95% OF PREPAID CUSTOMERS AND 85% OF FBB CUSTOMERS TO APPLY FOR SERVICES THROUGH DIGITAL CHANNEL, WHICH IS A SIMPLIFIED AND EASY SELF-ONBOARDING PROCESS.

Throughout the year, our steadfast commitment to customer satisfaction yielded impressive results. With a remarkable Customer Satisfaction Score of 9.5 out of 10 and a 99% resolution rate for the 30,038 customer complaints received, we underscored our dedication to delivering exceptional and unparalleled customer service and experience.

Performance Indicators - Customer Satisfaction		
Customer Satisfaction Score (0 to 5)	number	4.5
Customer complaints received through communication channels	number	30,038
Number of customer complaints resolved	number	29,663
Resolved issues that were raised through the complaint channels	percentage	99.00%

PRIVACY, SECURITY AND DATA PROTECTION

Our digitalisation efforts were complemented by a steadfast commitment to data privacy. We implemented stringent data privacy measures, ensuring that our digital initiatives prioritised customer data protection and confidentiality.

At Dhiraagu, our data protection and security systems adhere to the ISO 27001:2013 standard, ensuring robust controls and enabling us to safeguard sensitive data while maintaining service integrity.

Furthermore, to enhance our cybersecurity approach and network stability, we established a Security Operation Center (SOC), integrated cloud security measures, and enhanced the Network Operations Center (NOC). These enhancements fortified data protection, encryption, and access controls, instilling greater trust among customers. Our commitment to privacy and security reflects adaptability to technological advancements, reinforcing compliance, and prioritising data privacy in a safer digital environment.

Performance Indicators - Customer Privacy		
Identified incidents of breach and/or loss of customer privacy	number	0
Complaints received from outside parties and substantiated by the organisation	number	0
Complaints from regulatory bodies	number	0

NETWORK QUALITY, RELIABILITY AND AFFORDABILITY

As part of our strategy to provide nationwide FBB services and contribute to the government’s vision of “Digital Raajje,” we expanded our Fiber to the Home (FTTH) network to cover 94% of national households and introduced 5G services to all major cities in the Maldives by the end of 2023. This initiative aims to ensure customers across the Maldives can enjoy similar speeds and packages as those in Greater Malé.

In 2023, we also signed a second facility agreement with the International Financial Corporation and the Asian Development Bank to fund the SMW6 (SEA-ME-WE-6) submarine cable system. Dhiraagu’s investment in SMW6 (SEA-ME-WE-6) will connect the Maldives to the global internet superhighway, strengthening our digital infrastructure and positioning the Maldives as a global digital hub. Moreover, it will reduce latency, enhance quality, and contribute to cost reduction efforts in Dhiraagu’s internet services.

Performance Indicators - Market Penetration		
Percentage of customers with 3G network	percentage	100%
Percentage of customers with 4G network	percentage	100%



## OUR ENVIRONMENT

Environmental sustainability remains a foundational element integrated into our overarching business strategy. In 2023, we allocated resources to bolster renewable energy investments and ensure compliance with regulatory standards and the Dhiraagu Environmental and Social Management System (ESMS).

Our initiatives under Our Environment support UN Sustainable Development Goals on:



### CLIMATE CHANGE RESPONSE

Dhiraagu has strategically invested in 1.1MWp Solar Project in 2023, leading to significant cost savings. This initiative is anticipated to generate up to 18% of electricity consumption from solar energy in 2024, thereby reducing CO2 emissions.

IN TANDEM WITH OUR COMMITMENT TO TRANSITION TO RENEWABLE ENERGY, WE GENERATED 2.3 GWH OF RENEWABLE ENERGY DURING 2023. TO PROVIDE CONTEXT, THIS PRODUCTION IS EQUIVALENT TO POWERING 485 AVERAGE HOUSEHOLDS IN MALE\*, EACH WITH TWO ROOMS, AND IS ESTIMATED TO SAVE APPROXIMATELY 1,393 BARRELS OF DIESEL. THIS ACCOMPLISHMENT UNDERSCORES OUR DEDICATION TO REDUCING OUR CARBON FOOTPRINT.

### ENVIRONMENT AND SOCIAL MANAGEMENT SYSTEM ADVANCEMENT

To enhance long-term stakeholder value and embrace a holistic business approach, Dhiraagu established the Environmental and Social Management System (ESMS), aligning with the IFC Performance Standards (2012) and the ADB Safeguard Policy Statement (2009). Supported by investments from the International Finance Corporation (IFC) and the Asian Development Bank (ADB), the ESMS serves as a guiding framework to mitigate adverse environmental and social impacts within the company. Throughout 2023, we prioritised ESMS compliance by enhancing workforce training capacity, compiling data, and seamlessly integrating ESMS requirements into our operations and supply chain processes.

Performance Indicators - Environmental Expenditure and Training		
Environment/sustainability related annual spending	MVR	1,983,012
Environment and/or sustainability training provided to employees, contractors and suppliers	hours	25.50

### ELECTRICITY CONSUMPTION AND FUEL USAGE

In 2023, Dhiraagu consumed 12,699,293 kWh of electricity and 285,776.78 liters of fuel, including petrol and diesel, for operational and vehicular purposes.

Performance Indicators - Energy Consumption		
Electricity consumption	kWh	12,699,293
Total fuel consumption	Litres	285,776.78
Petrol consumption from operations and vehicles	Litres	118,476
Diesel consumption from operations and vehicles	Litres	167,301
Electricity, heating, steam purchased for consumption	kWh	10,398,479
Total renewable energy consumption	kWh	2,300,814

WE ACHIEVED 605 METRIC TONS OF CARBON DIOXIDE REDUCTION DURING THE CALENDAR YEAR 2023.

## WASTE

In compliance with the Waste Management Act (Act No. 24/2022) and Dhiraagu Environmental and Social Management System, we implemented waste segregation mechanisms within our premises. Non-hazardous waste was disposed of through the Waste Management Corporation Limited, a state-owned entity, while hazardous waste, such as e-waste, was disposed of through competitive bidding processes or auctions.

Performance Indicators - Waste		
Total non-hazardous waste generated	tonnes	103.54
Total amount of hazardous waste generated	tonnes	5.69
Total paper consumption	tonnes	1.95

## WATER

Dhiraagu's water supply is provided by the Maldives Water and Sewerage Company, a state-owned entity managing potable water and wastewater.

Performance Indicators - Water Consumption		
Total water consumption	cubic meter	14511

## OUR PEOPLE

Our people are the cornerstone of our company's strategy and the driving force behind our success. In 2023, we intensified our commitment to enhancing the capability, inclusivity, and culture of well-being among our workforce through targeted diversity and inclusivity efforts, talent development, wellness initiatives, and increased employee engagement.

These initiatives align with both our human capital and business strategy and support the United Nations Sustainable Development Goals.



Performance Indicator - Workforce Overview		
Full-time employees	number	580
Female full-time employees	number	159
Male full-time employees	number	421
Part-time employees	number	1
Female part-time employees	number	1
Male part-time employees	number	0
Workers who are not employees	number	209
Workforce by Age Group		
18-30	number	153
31-40	number	196
41-50	number	152
51+	number	80
Workforce by Nationality		
Number of full-time local employees	number	574
Female local employees	number	159
Male local employees	number	415
Local full-time employees in senior management	number	21
New Hires & Turnover		
Total number of new employees	number	92
Total number of new employees (female)	number	39
Total number of new employees (male)	number	53
Total number of employees who left	number	93
Total number of employees who left (female)	number	49
Total number of employees who left (male)	number	44

TALENT DEVELOPMENT

Dhiraagu’s talent development strategy is robust and forward-looking, focusing on attracting, engaging, nurturing, and retaining our workforce. Our Induction and Orientation Policy ensures seamless integration and orientation for employees regarding our operations, people, policies, and procedures. All policies and procedures are easily accessible through our HR platform, peopleHum. This talent development strategy mirrors our core value of “inspire,” empowering individuals and contributing to the nation’s growth.

Performance Indicator - Training and Development		
Average hours of training per year per female employee	hours	42
Average hours of training per year per male employee	hours	16
Average hours of training per year per employee	hours	25
Average hours of training per year for senior management	hours	38
Average hours of training per year for middle management	hours	14



DIVERSITY AND INCLUSIVITY

Gender diversity and inclusivity stand as strategic priorities for us, with specific targets to enhance representation and opportunities for women in both the workforce and technical roles. Through our partnership with the International Financial Corporation, we’ve undertaken various initiatives to normalise gender diversity and inclusivity in leadership and technical roles. Key achievements in 2023 include increased technical training for non-technical female staff, focusing on the enrollment of more girls in technical roles through the Dhiraagu Apprenticeship Program, publication of Flexible Working Policy and Returnship Guideline, and the establishment of Lean-In circles to foster a supportive environment for diversity and empowerment.

GENDER ACTION PLAN	2021	TARGET	PROGRESS
Flex-work Policy	None	Introduce by 2024	Implemented in Dec 2023.
Returnship Guidelines	None	Introduce by 2024	Published in Jan 2024.
Women in Junior Management	20%	At least 25% by 2024	Women make up 44% of junior managers
Women in Technical roles Dhiraagu’s Apprentice Program	0%	At least 20% by 2024	56% (5 out of 9) Apprentices in technical areas are women.
Women participating in Technical Awareness Sessions	0%	At least 30% by 2024	40% of female employees in non-tech roles participated in ICT training sessions.
Women in Technical Roles	6	At least 20 by 2024	18 women are in technical roles.
Women in Structured Mentoring Program	0	At least 25 by 2024	39 staff registered in Lean- Circle

Performance Indicator - Workforce by Category and Gender		
Senior Management	number	24
Male employees in senior management	number	21
Female employees in senior management	number	3
Middle Management	number	96
Female employees in middle management	number	21
Male employees in middle management	number	75

EMPLOYEE ENGAGEMENT AND SATISFACTION

Employee engagement is a crucial pillar of Dhiraagu’s business strategic objectives under People and Culture. We believe that engaged employees are more motivated, committed, and productive, leading to improved performance and better business outcomes. To promote employee engagement, our employee e-club organises various recreational events and activities throughout the year, including quiz competitions, staff picnics, in-house gaming competitions, sports events, and cultural competitions.

TWO OF OUR STAFF WON FIRST PLACE IN EACH MALE AND FEMALE CATEGORY IN THE INTER-OFFICE NATIONAL QURAN COMPETITION AND DHIRAAGU WON THE NUMBER 1 PLACE IN THE WHOLE COMPETITION.

Furthermore, regular performance evaluations are conducted to recognise and reward high-performing employees based on organisational and individual performance.

Employee satisfaction and engagement are key metrics reviewed periodically by senior management to ensure the efficiency of our human resources strategy.

Performance Indicator - Employee Engagement and Satisfaction		
Employee satisfaction	percentage	71%
Employee engagement	percentage	73%
Performance Indicator - Employee Wages and Benefits		
Proportion of basic salary/renumeration of women to men *	percentage	93%

\* For the year 2023, the basic remuneration of women to men ratio is calculated as the aggregate of all grades (excluding executives) comparing the average salary per grade paid to women employees as a % of the average basic salary per grade of men employees.

Performance Indicator - Parental Leave		
Total number of employees who took parental leave (female)	number	10
Total number of employees who took parental leave (male)	number	11
Total number of employees who returned to work after parental leave ended (return to work) (female)	number	10
Total number of employees who returned to work after parental leave ended (return to work) (male)	number	11

HEALTH AND SAFETY

Safeguarding the health and well-being of our staff is a top priority at Dhiraagu while providing a secure workplace environment. Under our Health and Safety Policy, we are committed to providing a safe working place by implementing safe systems, providing necessary induction, instruction, and supervision to all employees, conducting risk assessments of health and safety, and regularly inspecting all equipment used by employees.

Additionally, we offer a comprehensive in-house medical benefits scheme that provides medical assistance to our staff, their spouses, and dependent children.

Performance Indicators - Health and Safety		
Total employee manhours	number	943,138
Total contractor manhours	number	88,132
Employee fatalities as a result of work-related injury	number	0
Employee fatalities rate as a result of work-related injury	percentage	0%
Contractor fatalities as a result of work-related injury	number	0
Contractor fatalities rate as a result of work-related injury	percentage	0%
Employee high consequence work related injury (excluding fatality)	number	0
Employee high consequence work related injury rate (excluding fatality)	percentage	0%
Contractor high consequence work related injury (excluding fatality)	number	0
Contractor high consequence work related injury rate (excluding fatality)	percentage	0%
Cases of recordable work-related ill health	number	0
Contractor lost-time injuries	number	0
Employee total recordable injuries	number	0
Contractor total recordable injuries	number	0
Total hours of HSE training provided to employees	hours	742

IN JUNE 2023, WE WENT LIVE WITH MEDICAL CLAIM PORTAL WHICH ALLOWED OUR STAFF TO EASILY APPLY FOR MEDICAL EXPENSE REIMBURSEMENTS AND TRACK THE STATUS OF MEDICAL CLAIMS THROUGH MOBILE.

Dhiraagu continues to demonstrate its commitment to its employees’ financial security by contributing 10% to the employee pension fund, surpassing the 7% legal requirement.

EMPLOYEE ETHICS AND GRIEVANCES

Maintaining the highest standards of conduct among employees is crucial at Dhiraagu, and we encourage self-discipline. Our Disciplinary Policy and Procedure and Code of Ethics Policy establish the standards and ethics employees must uphold in their behaviour and job performance. Employees have various mechanisms to report grievances, ensuring confidentiality and no retaliation. Dhiraagu has an Anti-Sexual Harassment and Bullying Committee to investigate and oversee complaints related to harassment and bullying. In the reporting period, we received eight grievances/complaints from employees, all of which were resolved.

Performance Indicators - Processes to Remediate Negative Impacts		
Number of grievances filed in the reporting period	number	8
Number of the grievances addressed or resolved	number	8

OUR COMMUNITY

Recognising that we are engines for resilience and innovation when it comes to nation building, we actively reinforce our ties to the community through our Corporate Social Responsibility (CSR) works which is driven by a strong sense of community and principles of good corporate citizenship.

The three pillars of our CSR programme are- People, Community and Environment.

During the year, we contributed toward various CSR initiatives and programmes which centered around areas such as children, youth, women, environment, and community development through partnerships with Non-Governmental Organizations, government agencies, ministries, and schools. We also enhanced our engagement with our community through volunteering activities, which was successful through the participation of our employees.

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



Performance Indicators - Community		
Community investment	MVR	4,817,362.20
Number of CSR projects	number	40
Community investment as percentage of pre-tax profit	percentage	0.5%
Volunteerism		
Number of volunteers	number	409
Employee volunteer hours	hours	1,936
Number of volunteering days	days	62

CARE FOR CHILDREN

SUPPORTING CHILD PROTECTION - DMRR 2023

The Dhiraagu Maldives Road Race 2023 prioritised child protection, showcasing our dedication to safeguarding children's well-being. With a total allocation of MVR 635,000 to 12 partner NGOs, we supported their efforts in child protection. Moreover, we facilitated informative sessions and engaging activities for the public through the DMRR 2023 platform.



CONTRIBUTION TO THE PALESTINE RELIEF FUND

We made a substantial contribution of MVR 200,000 to the Maldivian Red Crescent's Palestine Relief Fund, aiding their emergency appeal to provide critical humanitarian assistance to children in Gaza.





## BACK TO SCHOOL 2023

We supported local NGO MOMS Aid's Back to School program by providing essential school supplies to children from vulnerable families, easing the financial burden for the new academic year.

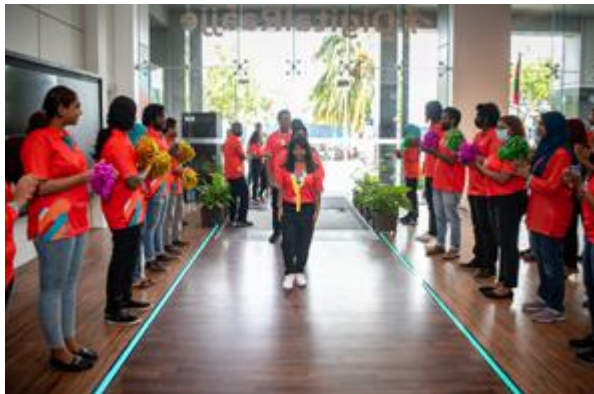
## SUPPORT TO ROTARY CLUB OF MALE' - INCLUSIVE PUBLIC PARK

We contributed to the development of the first inclusive public park at Kudakduhinge Bageechaa, Male', in collaboration with the Rotary Club of Male' (RCM), ensuring accessibility for specially-abled children.

## SUPPORTING SPECIAL EDUCATION NEEDS CLASS - GDH. THINADHOO

To empower children with disabilities, we contributed resources to establish a Learning Support Class at Gaafu Dhaalu Atoll Education Centre, fostering inclusive education and a conducive learning environment.

## EMPOWERING WOMEN AND YOUNG PEOPLE



## SPECIAL OLYMPICS WORLD GAMES CELEBRATIONS

To honour the exceptional achievements of Team Maldives at the Special Olympics World Games 2023, we awarded Dhiraagu Fiber 100M connections and gift vouchers were awarded to the special athletes at Dhiraagu Head Office.

## NEXT GEN GIRLS VIRTUAL INNOVATION TOUR

To commemorate Girls in ICT Day, we organised a Next Gen Girls virtual innovation tour in collaboration with Women in Tech Maldives, inspiring over 80 girls from various atolls to pursue careers in technology.

## DHIRAAGU APPRENTICESHIP PROGRAMME 2023

13 apprentices successfully completed the Dhiraagu Apprenticeship Programme 2023. This pivotal initiative, designed to enhance the employability skills of young individuals, offers structured on-the-job training and soft skills development opportunities.

## EID GIFTS FOR CHILDREN ACROSS MALDIVES

To celebrate Fitr Eid, we distributed Eid gifts to children in the Greater Male' region and our regional centers across the Maldives, engaging over 100 Dhiraagu volunteers in the process.

## SUPPORTING CHILDREN UNDER STATE CARE

Continuing our commitment, we provided high-speed internet access to all Family and Children's Service Centers in all 10 locations nationwide, aiding in addressing the educational needs of vulnerable children.

## SUPPORTING FIYAVATHI ORPHANAGE

Partnering with Fiyavathi orphanage, we conducted a caregiver training program focusing on child development, emphasising skills such as effective communication and child protection techniques.



## LEAN STARTUP MALDIVES 2023

In collaboration with Sparkhub, we organised the Lean Startup Maldives 2023. This experiential startup bootcamp equipped aspiring entrepreneurs and innovators with the knowledge, tools, and mindset required to drive innovation. 8 colleagues from Dhiraagu's Technology and Marketing teams actively participated in the program, alongside a total of 47 young people who successfully completed it.

## ASIAN PARA GAMES 2023

We hosted the Maldivian contingent for the Asian Para Games 2023 at Dhiraagu Head Office, providing encouragement as they prepared to participate in the international multi-sport event for athletes with physical disabilities.

## GIRLS TO CODE - LAAMU

Partnering with local NGO Women in Tech Maldives, we successfully concluded the Girls to Code Laamu edition, empowering women in technology fields by imparting coding skills to 20 girls in Laamu Atoll.

## SUPPORTING CARE SOCIETY - VOCATIONAL TRAINING PROGRAMME

We supported Care Society's Vocational Training Programme, empowering young individuals with disabilities through soft skills training and art and craft development.

## CARE FOR THE ENVIRONMENT



## MALDIVES FOR THE OCEANS

Our teams across the Maldives collaborated with local NGO Parley Maldives for the "Maldives for the Oceans" beach clean-up activities. 65 Dhiraagu volunteers actively participated in cleanup events at various locations, including Male', K. Rasfari, GDH. Thinadhoo, L.Gan, Addu City, Fuvahmulah, Adh Dhangethi, and B. Eydhafushi.

## CARE FOR THE OCEANS - MAKUNUDHOO SCHOOL

Our Kulhudhuffushi Regional Operations Team conducted an environmental care session at Makunudhoo School, supporting the school's plastic-free initiatives by distributing Dhiraagu reusable bags.

## INTERNATIONAL COASTAL CLEANUP DAY

On International Coastal Cleanup Day, we raised awareness about the impact of trash and plastic pollution on marine life, highlighting the need for conservation efforts.

## WORLD SEA TURTLE DAY

In collaboration with the Olive Ridley Project, we raised awareness about sea turtle conservation and mitigated threats from marine pollution.

## HOUR OF CODE 2023

Over 1,800 students across nineteen atolls enthusiastically participated in Hour of Code 2023, held in partnership with local NGO Women in Tech Maldives. Additionally, 7 mentors from Dhiraagu volunteered to facilitate the activities. Endorsed by the Ministry of Education, this event aimed to spark interest and highlight the significance of computer science and coding.



## RESTORE RASFARI REEF

Teaming up with the Environmental Protection Agency (EPA), we contributed diving kits to support reef restoration efforts at Rasfari, a crucial habitat for marine biodiversity.

## LITTLE BIG FESTIVAL KUDAFARI 2023

In collaboration with the Kudafari Council, we sponsored the "Little Big Festival Kudafari 2023" to commemorate World Environment Day and World Oceans Day. This community festival aimed to raise awareness about eco-friendly products, sustainable practices, and conservation efforts while celebrating Maldivian traditions. We also distributed reusable bags to encourage sustainable alternatives to single-use plastic bags.

## MALDIVES OCEAN HACKATHON

In partnership with the Ministry of Environment, Climate Change, and Technology, we organised the Maldives Ocean Hackathon. This event aimed to tackle three key challenges facing the Maldives' oceanic environment. Participants were inspired to develop solutions for combating ocean pollution, exploring renewable energy opportunities, and addressing issues related to coastal protection and the resilience of island communities. As a reward for their innovative ideas, we provided Dhiraagu Fiber 100M connections to the top three local teams.

EMPOWERING COMMUNITIES



SPECIAL OLYMPICS WORLD GAMES 2023

We provided jerseys and travel kits to support the Maldives team at the Special Olympics World Games 2023 in Berlin, the largest inclusive sports event for athletes with intellectual disabilities. We also celebrated the exceptional achievements of the special athletes at Dhiraagu Head Office and awarded Dhiraagu Fiber IOOM connections and gift vouchers.

COMMUNITY SPACE- HAA DHAALU MAKUNUDHOO

We contributed to Haa Dhaalu Makunudhoo Council's project to establish a community space, enhancing community engagement and development.

OEVARU 2023

We partnered with the National Center for Mental Health, IGMH, for Oevaru 2023, the first mental health research conference of its kind in the Maldives. Serving as a platform for the presentation of innovative approaches, practices, and discussions on current challenges and opportunities in the field of mental health.

PARTNERS FOR HUMANITY - MALDIVIAN RED CRESCENT

We renewed our commitment to humanitarian efforts by joining the Maldivian Red Crescent's Partners for Humanity initiative.

DISASTER RELIEF - MALE'

We provided food packages and internet connectivity to expats affected by a fire incident, ensuring their well-being and communication with loved ones.

SUPPORTED GAZA EMERGENCY RELIEF

We made a significant contribution to the Maldivian Red Crescent's Palestine Relief Fund, supporting humanitarian efforts in Gaza.



MALDIVES INTERNET GOVERNANCE FORUM 2023

We participated in the inaugural Internet Governance Forum of Maldives, sharing insights on the future of connectivity and internet governance in the country, emphasising the importance of digital literacy in reducing the inclusion gap and empowering digital communities nationwide.

SUPPORT TO BLIND AND VISUALLY IMPAIRED SOCIETY OF MALDIVES

We supported the NGO to conduct awareness sessions across Meemu Atoll to promote inclusiveness and acceptance within the community.

CANCER SOCIETY OF MALDIVES - ANNUAL FUND - RAISING GALA

We supported the Cancer Society of Maldives' Annual Fundraising Gala, promoting cancer awareness and screenings.

SUPPORTING GURAI DHOO HOME FOR PEOPLE WITH SPECIAL NEEDS

With the Girls Guides Association, we distributed gifts to residents of Guraidhoo Home for People with Special Needs, spreading joy and support.

CONTRIBUTION TO MINISTRY OF ISLAMIC AFFAIRS

In support of the Ministry of Islamic Affairs' vital digital initiative to broadcast Friday sermons in sign language, accompanied by English subtitles, we donated six smart TVs for placement at the Masjid al-Sultan Muhammad Thakurufaanu Al-Auzam mosque (Islamic Centre). The primary aim of this initiative is to foster inclusion, specifically catering to foreign Muslims and individuals with hearing impairments. This initiative marks a significant step forward in our country, being the first of its kind.

OUR GOVERNANCE

As one of the leading publicly listed companies in the Maldives, transparency and responsible governance practices are fundamental to enhancing trust and credibility among our stakeholders. Our governance framework plays a crucial role in ensuring the successful implementation of our strategy while upholding high standards of operational performance and ethics.

Our governance initiatives align with the United Nations Sustainable Development Goals and encompass the following areas:



BOARD COMPOSITION

Our Board of Directors comprises nine members, ensuring representation from all our shareholders. Five Directors are appointed by our major shareholder Beyon, three Directors are appointed by the Government of Maldives, and one Public Director is elected by the public shareholders for a two-year term at the Annual General Meeting. Additionally, the Board has two standing committees—the Audit Committee and the Remuneration Nomination and Governance Committee—which operate according to approved Terms of References.

BOARD PERFORMANCE AND TRAINING

Our Board Directors undergo self-evaluation annually to assess the performance of the Board and its committees. The evaluations cover various aspects, including the Board's role, composition, and engagement with management, shareholders, and stakeholders. The collective results of these evaluations are reported to the Board by the Chairperson.

We prioritise training for our Board members, with newly appointed Directors attending corporate governance orientation sessions, and existing Directors being provided with regular updates on the latest legal, accounting, and taxation developments in the Maldives.

Performance Indicator - Governance		
Board of Directors Composition & Diversity		
Total number of board members	number	9
Total number of independent members	number	8
Total number of non-independent members	number	1
Total number of executive members	number	1
Total number of non-executive members	number	8
Total board seats occupied by women	number	2
Committee Chairs		
Total number of Committee chairs	number	2
Committee chairs occupied by men	number	2
Committee chairs occupied by women	number	0
Board of Directors Training & Evaluation		
Total number for training hours delivered to board members	hours	18
Average number of training hours delivered to board members	hours	2.25
Anti-Corruption Training		
Total number of governance body members that the organisation's anti-corruption policies and procedures have been communicated to.	number	9
Percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to.	percentage	100%

LEADERSHIP TEAM

The Leadership Team led by the CEO & Managing Director, oversees the day-to-day activities of the company. They are responsible for upholding corporate governance principles, maintaining internal controls, achieving strategic goals including sustainability-related key performance indicators, and being accountable to the Board, the company, and the shareholders.



# SOUND GOVERNANCE AND ETHICAL MANAGEMENT PRACTICES

## INTERNAL AUDIT AND RISK MANAGEMENT

We employ a robust risk management approach that involves continuous assessment, monitoring, and reporting of risks that may impact the achievement of our strategic priorities. Risks and their controls are regularly reported to the Audit Committee, which assists the Board in its oversight function. The Audit Committee and Internal Audit meet at least once annually without the presence of management. Additionally, our Internal Audit function conducts annual audits based on an approved Internal Audit Plan.

A 'Risks Register' is maintained and reviewed quarterly by the Audit Committee and the Board. Additionally, the Internal Audit function conducts annual audits based on an Internal Audit Plan approved and closely reviewed by the Audit Committee. It is mandated under our Corporate Governance Charter that the Audit Committee and Internal Audit shall meet at least once annually without the presence of the Management.

During 2023, our Internal Audit Department received 17 complaints, of which 8 were substantiated. Prompt actions were taken to ensure compliance with Dhiraagu's Policies and Procedures. Furthermore, to address the increasing prevalence of scams in the Maldives, we implemented proactive measures, such as discontinuing SIM replacement and provisioning services at third-party shops, to protect the privacy and security of Dhiraagu customers.

Our commitment to continuous improvement in our approach to managing risks and ensuring that we maintain a strong, integrated risk and compliance culture is reflected in our conduct towards good corporate governance.

## LEGAL AND REGULATORY

We maintain a dedicated legal department comprising in-house and external lawyers responsible for meeting our legal and regulatory obligations. Throughout the financial year 2023, Dhiraagu neither received notices of, nor was prosecuted for, any breaches of applicable laws and regulations, including anti-competitive behavior and violations of anti-corruption laws and policies. Moreover, no settlements were paid concerning such matters during this period.

## POLICY COMMITMENTS

Dhiraagu's policy commitments for responsible business conduct, including the commitment to respect human rights, are outlined in our policy documents, codes, and procedures. We ensure compliance with all applicable laws, regulations, UNGC principles, UN SDG Goals, and best industry practices through various policies and procedures, including:

CORPORATE GOVERNANCE	<ul style="list-style-type: none"><li>■ First implemented in October 2011, Dhiraagu Corporate Governance Code was updated in February 2023 to enhance Dhiraagu's commitment to business practices that are fair, ethical and sustainable.</li><li>■ Authority Matrix' delegates authority and sets approval limits for all business transactions and expenditures within our company.</li></ul>
ETHICAL CONDUCT AND WORKPLACE POLICIES	<ul style="list-style-type: none"><li>■ Our Code of Ethics contains our code of conduct and recognises that our success depends on the ability to establish and maintain positive relationships and emphasises the importance of the professionalism and ethics within and outside workplace and encourages fair, legally compliant, and honest dealings with or on behalf of Dhiraagu.</li><li>■ To ensure unbiased business decisions and encourage transparent communication with regards to conflict of interest, our Conflict-of-Interest Policy was implemented in April 2019. To simplify the procedure of disclosure of conflict of interest, revision to the policy were made in February 2023.</li><li>■ Implemented since April 2006, Annual Performance Bonus Policy was revised in July 2023 to enhance and align the bonus scheme in line with Beyon.</li><li>■ 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.</li><li>■ 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) ensuring a safe and respectful working environment.</li><li>■ Our Prevention of Harassment and Bullying at the Workplace Policy safeguards our people and provide a safe working environment free from harassment and bullying, ensuring everyone is treated with dignity and respect.</li><li>■ 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. The Grievance Policy was revised in February 2023.</li><li>■ Initially implemented in May 2012, our Travel Policy was revised in October 2023 to ensure a fair, cost-effective and consistent approach in meeting travel and related expenses in line with Dhiraagu's business requirements.</li><li>■ Implemented in August 2009, the Leave Policy was amended in October 2023 to ensure quality of services by effective leave planning.</li><li>■ Introduced in May 2012, the Retirement &amp; Redundancy Policy amendments were made to the redundancy procedures and retirement benefits.</li><li>■ To promote work-life balance, Dhiraagu implemented the Flexible Work Arrangement Policy in December 2023.</li></ul>

## FINANCIAL INTEGRITY AND RISK MANAGEMENT POLICIES

- 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.
- The Fraud Risk Management Policy was revised in October 2022. The implementation of this policy establishes a framework for the prevention and detection of fraud and misconduct within the Company as well as the procedure for conducting internal investigations and taking corrective actions.
- 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.

## PROCUREMENT AND SUPPLIER POLICIES

- Our Procurement Policy was revised in April 2022 to strengthen the tendering processes and align the procurement process with our existing policies and procedures.
- 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 Suppliers' Code of Conduct was revised in October 2022 and is modelled to set out our minimum standards in the areas of labour and human rights, health and safety, environment, and ethical dealings.

## TRANSPARENCY AND REPORTING POLICIES

- 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. The Gifts and Hospitality Policy was revised in February 2023. 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 Policy 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. The Anti-Corruption Policy was revised in February 2023.
- Our Information Security procedures adheres to ISO 27001:2013 standard which ensures controls and enables us to safeguard sensitive data and maintain the integrity of our services.
- Our Confidentiality of Business Information Policy lays down the standards which our employees have to adhere to while handling personal information of customers, business partners and the company.
- We have a Whistleblowing Policy to encourage stakeholders to report any suspected or actual wrongdoings as soon as possible, with the assurance that their concerns will be properly investigated. By providing guidance on how to raise those concerns, the policy also reassures stakeholders that they can raise concerns without fear of retaliation and that their confidentiality will be respected and maintained. The Whistleblowing Policy was revised in October 2022 to strengthen the reporting mechanism.
- Under our External Grievance Mechanism established through Dhiraagu Environmental and Social Management System in September 2022, any stakeholder can file a complaint against any negative social and environmental impact.

# CORPORATE GOVERNANCE





At Dhiraagu, we are committed to executing our business strategy while upholding the highest standards of operational performance and corporate governance. Our governance framework is essential in setting objectives, monitoring performance, and managing risks. It provides a clear framework for decision making and accountability across our business and provide guidance on standards of behavior we expect from each other.

The Board of Directors consistently reviews and aligns our governance practices with international best practices to ensure transparency, accountability, and integrity throughout our organisation, thereby building trust and confidence among stakeholders.

Throughout the financial year ended 31 December 2023, and up to the date of publication of this Annual Report, we have diligently complied with the principles and guidelines outlined in the Maldives Code of Corporate Governance, issued by Capital Market Development Authority (CMDA). Any variations are accompanied with detailed explanations. Additionally, our internal Corporate Governance Code serves as the cornerstone for our robust corporate governance principles and is readily accessible from our website.

STRATEGIC ROLE OF THE BOARD OF DIRECTORS

The Board of Directors at Dhiraagu plays a crucial role in protecting and enhancing the company’s assets for the benefit of stakeholders. As representatives of shareholders, the Board ensures that all corporate decisions align with the company’s long-term strategic objectives, non-financial performance targets, and commitments to the communities it serves. Key responsibilities include defining Dhiraagu’s strategic direction, analysing market trends, evaluating non-financial performance, overseeing financial management, establishing operational policies, and assessing business risks. Furthermore, the Board assesses senior executives’ performance, approves major initiatives, and maintains a focus on organisational culture, employee engagement, and diversity efforts. In 2023, the Board updated its charter to provide a comprehensive outline of its duties and responsibilities, emphasising effective governance and transparent decision-making processes.

BOARD OF DIRECTORS	<ul style="list-style-type: none"> <li>Setting strategic objectives and long-term goals.</li> <li>Overseeing corporate decisions and ensuring alignment with strategic objectives.</li> <li>Evaluating non-financial performance and social responsibilities.</li> <li>Reviewing financial management, including approving budgets and financial statements.</li> <li>Establishing policies and strategies guiding operations, risk management, and human resources.</li> <li>Assessing senior executives’ performance and approving major initiatives.</li> <li>Maintaining a focus on organisational culture, employee engagement, and diversity efforts.</li> </ul>
CHAIRPERSON	<ul style="list-style-type: none"> <li>Providing effective leadership and guidance to the Board.</li> <li>Ensuring compliance with legal obligations and governance standards.</li> <li>Fostering an environment of open dialogue, constructive dissent, and mutual trust among Board members.</li> <li>The Chairperson and CEO are separate persons, to ensure an appropriate balance of power and increased accountability. The Chairperson and CEO are not related to each other.</li> </ul>
CEO & MANAGING DIRECTOR	<ul style="list-style-type: none"> <li>Implementing the decisions and directives of the Board.</li> <li>Managing the day-to-day operations and performance of the company.</li> <li>Providing accurate and timely information to the Board for decision-making.</li> <li>Ensuring compliance with delegated authority and reporting back to the Board.</li> </ul>

- OUR GOVERNANCE FRAMEWORK INCLUDES:
- Open, clear and timely communication with our shareholders.
  - An experienced, diverse and independent Board, with the necessary skillsets and the necessary Board Committee structures to suit our operations.
  - Clear delegation, decision making and accountability frameworks.
  - Robust systems of risk management and assurance.
  - Policies, systems and processes which reflect our purpose, values and culture as an organisation and how we conduct our business as well as work together to deliver our strategy.



## BOARD COMPOSITION AND MEMBERSHIP

Our Board of Directors comprises of nine esteemed members, ensuring diverse representation from all our shareholders. Five directors are appointed by our major shareholder, Beyon, three directors are appointed by the Government of Maldives, and one director is elected by our public shareholders at the Annual General Meeting.

As of the approval date of this report, there are nine serving directors, including eight non-executive directors and the CEO & Managing Director. The Board is chaired by Ismail Waheed, with Ahmed Abdulrahman serving as Deputy Chairperson. Our non-executive directors include Mikkel Vinter, Faisal Al-Jalahma, Ahmed Mohamed Didi, Abdul Munnim Mohamed Manik, Uza. Fathimath Fazeela and Reem Al Tajer. No changes were made to the Board in 2023

During the financial year 2023, no changes were brought to the Board. The Government of Maldives appointed Abdul Munnim Mohamed Manik Effective 7 January 2024 followed by Uza. Fathimath Fazeela replacing Abdullah Abdul Raheem effective 8 February 2024. Additionally, Reem Al Tajer was appointed to the Board effective 27 February 2024 by Beyon, replacing Faisal Qamhiyah. Appointments from Beyon and the Government of Maldives are formalised through written communication from the respective shareholder and continue until a written notice of removal is provided. Our Public Director is elected by public shareholders at the Annual General Meeting and serves a two-year term from the meeting of election until the subsequent second Annual General Meeting, barring resignation or removal from office during the interim period. Details regarding our current directors’ qualifications, experience, tenure, and directorships in other companies are elaborated in the Board of Directors section of this Annual Report.

## DIRECTOR INDEPENDENCE

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. Directors are required to ensure that they immediately advise of any new or changed relationships so the Board can consider and determine the materiality of the relationship. The Board also considers tenure when considering independence.

### TENURE OF NON-EXECUTIVE DIRECTORS

TENURE	NUMBER OF DIRECTORS
3 to 5 years	3
1 to 2 years	3
0 to 1 year	2

### NUMBER OF INDEPENDENT AND NON-INDEPENDENT DIRECTORS

DIRECTOR TYPE	NUMBER OF DIRECTORS
Independent	8
Non-Independent	1

## BOARD MEETINGS

The Board meets at least once every quarter. In addition, it meets whenever necessary between the scheduled meetings to discuss key strategic issues or urgent business. A total of 6 Board meetings were held in 2023. The non-executive directors also met without the presence of the executive director and the Leadership Team when reviewing the year end performance for 2023. This practice gives the opportunity for the Board to discuss without the executive director and Leadership team.

At Board meetings, Directors engage in discussions with the Leadership Team 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. Agendas for the meetings are set in advance after consulting with the Chairperson and Beyon to ensure adequate coverage of key issues. 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 the Company Secretary. In addition to regular presentations at Board meetings, Directors may seek briefings from the Leadership Team 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.

DIRECTOR	POSITION	TENURE	Q1	AGM	Q2	Q3	Q4
Ismail Waheed Chairperson	Non-executive and independent director	29 Nov 2018 to date	■	■	■	■	■
Ahmed Abdulrahman Deputy Chairperson	Non-executive and independent director	4 May 2020 to date	■	■	■	■	■
Ismail Rasheed CEO & Managing Director	Executive and non-independent director	15 Sep 2015 to date	■	■	■	■	■
Mikkel Vinter Director	Non-executive and independent director	4 May 2020 to date	■	■	■	■	■
Faisal Al-Jalahma Director	Non-executive and independent director	1 Mar 2022 to date	■	■	■	■	■
Ahmed Mohamed Didi Director	Non-executive and independent director	24 Mar 2022 to date	■	■	■	■	■
Abdul Munnim Mohamed Manik Director	Non-executive and independent director	7 Jan 2024 to date					
Uza. Fathimath Fazeela Director	Non-executive and independent director	8 Feb 2024 to date					
Reem Al Tajer Director	Non-executive and independent director	27 Feb 2024 to date					
Faisal Qamhiyah Former Director	Non-executive and independent director	4 May 2020 to 27 Feb 2024	■	■	■	■	■
Abdullah Abdul Raheem Former Director	Non-executive and independent director	2 Aug 2022 to 8 Feb 2024	■	■	■	■	■

## 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 7/2023) 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 Leadership Team during the year.

As part of the formal independence assessment, the Board considered all business relationships and close personal ties between Dhiraagu and any companies of which a non-executive director is an employee, director or substantial shareholder (if any). The Board has determined, based on the information provided by directors regarding their interests, that as at 18 April 2024, Ismail Waheed, Ahmed Abdulrahman, Mikkel Vinter, Fasal Al-Jalahma, Ahmed Mohamed Didi, Abdul Munnim Mohamed Manik, Uza. Fathimath Fazeela and Reem Al Tajer were independent. The Board determined Ismail Rasheed was not independent due to his position CEO & Managing Director.

DIRECTOR	ENTITY
Ismail Waheed	
Ismail Rasheed	
Ahmed Abdulrahman	<div><div></div><div>Bahrain Telecommunication Company BSc (Batelco)</div><div></div><div>Esterad Investment Company</div><div></div><div>Goknur (GÖKNUR GIDA MADDELERİ ENERJİ</div><div></div><div>İMALAT İTHALAT İHRACAT TİCARET VE SANAYİ ANONİM ŞİRKETİ)</div><div></div><div>Saudi Venture Capital Investment Company</div></div>
Mikkel Vinter	<div><div></div><div>Umniah Mobile Company PLC</div><div></div><div>BTC Sure Group Limited</div><div></div><div>Batelco Remittance Service (BRI)</div><div></div><div>Beyon Money Financial Services (UAE)</div><div></div><div>Beyon Money Investments</div><div></div><div>Beyon Connect</div><div></div><div>Digital City Company</div><div></div><div>Batelco Financial Services Ltd (UAE)</div><div></div><div>Batelco Financial Services Ltd</div><div></div><div>BMIC Ltd</div></div>
Fasal Al-Jalahma	<div><div></div><div>Sabafon Telecommunication Company (Yemen)</div><div></div><div>Batelco International Company (Bahrain)</div><div></div><div>Batelco Middle East Holding Company (Bahrain)</div><div></div><div>Digital City Company (Bahrain)</div><div></div><div>Beyon Cyber W.L.L (Bahrain)</div><div></div><div>Total CX W.L.L. (Bahrain)</div></div>
Ahmed Mohamed Didi	<div><div></div><div>Prime Care Investment Pvt Ltd.</div><div></div><div>Metropolitan Properties Pvt Ltd.</div><div></div><div>Maldives Association of HR Professionals.</div><div></div><div>Bold Point Pvt Ltd</div></div>
Abdul Munnim Mohamed Manik	<div><div></div><div>Villa Educational Services Private Limited</div><div></div><div>Villa Educational Services Lanka Private Limited</div><div></div><div>Bristol Institute of Business Management Private Limited</div></div>
Uza. Fathimath Fazeela	
Reem Al Tajer	<div><div></div><div>BTC Sure Group Limited (UK)</div><div></div><div>Beyon Solutions Company W.L.L. (Bahrain)</div><div></div><div>Digital City Company W.L.L. (Bahrain)</div><div></div><div>Batelco Financial Services LTD ADGM (UAE)</div><div></div><div>Umniah Mobile Company PLC(Jordan)</div><div></div><div>Batelco International Infrastructure Company W.L.L. (Bahrain)</div></div>

During the year 2023, the Board Members have declared conflict in discussions and refrained from voting on the below:

DATE	MEETING	CONFLICT OF INTEREST MATTER	DECLARED BY
2 Feb 2023	Board Meeting	CEO Performance Review	Ismail Rasheed
20 Mar 2023		CEO KPIs for 2024	Ismail Rasheed

## KEY DECISIONS OF THE BOARD OF DIRECTORS

Certain material matters are reserved to the Board and therefore need approval by the Board. Key decisions made by the Board in 2023 include:

- Resolution to submit for shareholder’s consideration and approval the Audited Financial Statements for the year ended 31 December 2022.
- Resolution to submit for shareholder’s consideration and approval, a full year dividend of MVR 7.33 per share, amounting to MVR 557,080,000 Maldivian Rufiyaa (five hundred and fifty-seven million, eighty thousand) for the year 2022. The full year dividend is made up of: - MVR 1.66 per share (total MVR 126,160,000) which was paid as interim dividend in 2022, and - MVR 5.67 per share (total MVR 430,920,000) as final dividend for 2022 to be paid after shareholder approval at the 34<sup>th</sup> Annual General Meeting.
- Approval of 2022 Performance Review and Employee Bonus Payout.
- Approval of amendments to Conflicts of Interest Policy
- Approval of amendments to Gifts and Hospitality Policy
- Approval of amendments to Anti-Corruption Policy
- Approval of amendments to Grievance Policy
- Approval of amendments to Corporate Governance Code
- Approval for Dhiraagu to sign the Second Facility Agreement with IFC and ADB to fund SMW6 (SEA-ME-WE-6) Submarine Cable Project.
- Resolution to submit for shareholder’s consideration and approval, the Annual Report for the year ended 31 December 2022.
- Resolution to submit for shareholder’s consideration and approval, the appointment of the Company’s External Auditors for the year 2023.
- Approval of the Bonus KPIs for 2023.
- Resolution to submit for shareholder’s consideration and approval a Standing Resolution for the Board of Directors to declare Interim Dividend in 2023.

- Approval of Interim Condensed Financial Statements for the quarter ending 31 March 2023.
- Approval of a Board Resolution required by Bank of Maldives with respect to operating BML Merchant services.
- Approval of the Interim Condensed Financial
- Statements for the quarter ending 30 June 2023
- Approval of MVR 1.66 per share (total of MVR 126.2m) as Interim Dividend for the year 2023 (in accordance with the shareholder’s Standing Resolution to declare an Interim Dividend in 2023) with book closure date 7 August 2023.
- Approval of proposed amendments to the Annual Performance Policy.
- Approval of the Interim Condensed Financial Statements for the quarter ending 30 September 2023
- Approval of an Import Line Facility from Mauritius Commercial Bank.
- Approval and authorisation to make of a Foreign Investment Application.
- Approval and authorisation for the creation of Dhiraagu Fintech, a new subsidiary company.
- Approval of proposed amendments to the Retirement & Redundancy Policy.
- Approval of proposed amendments to the Leave Policy.
- Approval of a Travel Policy.
- Approval of a Flexible Work Arrangement Policy.
- Approval of a Voluntary Retirement Scheme.
- Approval of Renewal Terms of the Support Service Agreement with Beyon.
- Approval of Materiality Topics for Sustainability Reporting.
- Approval of Strategy and Budget for 2024.

## 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 and the chairperson of each committee. Following each committee meeting, the Board receives a memorandum of the key deliberations, conclusions, and recommendations. The Board is also given a verbal report by the chairperson of the committee on the outcomes of the meeting. An overview of the roles and responsibilities, composition, and membership as at 31 December 2023, are provided in the respective committee reports. Other committees may be established from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

## 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 decisions, 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 the Leadership Team.

## DIRECTORS’ SHAREHOLDING

Details of Director’s shareholdings as at 31 December 2023 are disclosed below

NAME	SHARES HELD AS AT 31 DEC 2023	TOTAL SALE OR PURCHASE TRANSACTIONS IN 2023
Ismail Waheed	1,510	Nil
Ismail Rasheed	13,994	Nil
Ahmed Mohamed Didi	4,330	Nil

## INTERNAL CONTROL, RISK OVERSIGHT, AND 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.

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

- A risk and compliance function were established in 2016 and the Financial Controller has been temporarily overseeing the function since May 2022. However, a full time Risk and Compliance Officer to oversee all matters related to compliance and risk was appointed on 1 May 2023.
- 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 and the Board 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.

## 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 and emphasises the importance of the professionalism and ethics within and outside workplace and encourages fair, legally compliant, and honest dealings with or on behalf of the Company.
- 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 behavior 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. The Grievance Policy was revised in February 2023.
- 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 Procurement Policy was revised in April 2022 to strengthen the tendering processes and align the procurement process with our existing policies and procedures.
- 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 Suppliers’ Code of Conduct was revised in October 2022 and 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. The Gifts and Hospitality Policy was revised in February 2023. 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 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. The Anti-Corruption Policy was revised in February 2023.
- 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. The Conflicts of Interest Policy was revised in February 2023.
- We have a Whistleblowing Policy to encourage stakeholders to report any suspected or actual wrongdoings as soon as possible, with the assurance that their concerns will be properly investigated. By providing guidance on to how to raise those concerns, the policy also reassures stakeholders that they can raise concerns without fear of retaliation and that their confidentiality will be respected and maintained. The Whistleblowing Policy was revised in October 2022 to strengthen the reporting mechanism.
- The Fraud Risk Management Policy was revised in October 2022. The implementation of this policy establishes a framework for the prevention and detection of fraud and misconduct within the Company as well as the procedure for conducting internal investigations and taking corrective actions.
- 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.

## LEGAL AND 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 2023.

## ANNUAL GENERAL MEETINGS

Dhiraagu held its Annual General Meeting for the financial year ended 31 December 2022 using the virtual platform ‘Fahivote’.

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

Shareholders registered in person	91
Shareholders registered by proxy	34
Total shareholders registered	125
Total number of shares represented	71,343,015

The meeting was attended by shareholders (in person and by proxy) representing 93.87% of share capital which meets the quorum for the Annual General Meeting as required by the Articles of Association.

The Shareholders approved the following matters at the Annual General Meeting:

- Approved minutes of the 33<sup>rd</sup> AGM held using Fahivote on 24 March 2023.
- Approved the Director’s Report and Annual Audited Accounts for the year ended 31 December 2022.
- Approved full year dividend of MVR 7.33 per share (total MVR 557m) made up of Interim MVR 1.66 per share paid as interim dividend in 2022, and final dividend of MVR 5.67 per share.
- Approved a standing resolution granting authority to the Board of Directors to declare any interim dividend in accordance with the Company’s Dividend Policy during the financial year 2023.

The 35<sup>th</sup> AGM is scheduled to be held on Sunday; 28 April 2024. The Notice of the Annual General Meeting was published on 4 April 2024 in accordance with our legal and regulatory obligation.



AUDITORS

NAME OF THE AUDIT FIRM		KPMG
Name of the Partner in charge of Dhiraagu's Audit		Duminda Rathnadiwakara
The Partner's years of service as the partner in charge of the Dhiraagu Audit		5th Year
Total audit fees for the financial statements for the year 2023		US\$ 51,000 excluding GST and out of pocket expenses (capped at a maximum of 5% of fees)

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 2023.

A tendering process was conducted by Beyon in 2022 to recommend an External Auditor. The tender covers one year and is subject to shareholder approval at the Annual General Meeting. The Board ensures that regulatory requirements and CMDA Corporate Governance Code on audit partner rotation are strictly adhered to. 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 2024. The proposed remuneration is a maximum fee of US\$ 51,000 excluding GST and out of pocket expenses (capped at a maximum of 5% of fees). The Audit Partner shall be rotated for this engagement.

DIVIDENDS

The Board recommends a full-year dividend of MVR 7.50 per share, amounting to MVR 570,000,000 to be declared as full year dividend for 2023. The full year dividend comprises of:

- MVR 1.66 per share (total MVR 126,160,000) was paid as interim dividend in 2023, and
- MVR 5.84 per share (total MVR 443,840,000) as the final dividend for 2023 which will be proposed for shareholder approval at the 35<sup>th</sup> Annual General Meeting. The final dividend for 2023 will be payable to all shareholders listed on the Company's shareholder register as at 4pm on 18 February 2024 (book closure date).

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 18 April 2023:

- This Annual Report 2023 has been prepared in compliance with the Companies Act of the Republic of Maldives (Act No.: 07/2023), 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 2023 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 that there are no other facts, nor any omission thereof 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 2023 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 2024, and the audited financial statements for 2023, 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 ((Act No.: 07/23), 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 Beyon or Dhiraagu and the Government of Maldives are provided in Note 29 "Related Parties Transactions" of the Audited Financial Statements as at 31 December 2023.



**ISMAIL WAHEED**  
Chairperson



**ISMAIL RASHEED**  
CEO & Managing Director

# AUDIT COMMITTEE REPORT

## COMPOSITION & MEMBERSHIP

As at 31 December 2023, the Audit Committee of the Board comprised the following non-executive and independent directors, all possessing sufficient accounting and financial expertise to fulfill their duties in accordance with CMDA Corporate Governance Code and Dhiraagu Corporate Governance Code:

DIRECTOR	TENURE	ATTENDANCE			
Ahmed Abdulrahman Chairperson of the Committee	May 20 to date	■	■	■	■
Ahmed Mohamed Didi Member	Mar 22 to date	■	■	■	■
Abdullah Abdul Raheem Member	Oct 22 to Feb 24	■	■	■	■

## TERMS OF REFERENCE

The Audit Committee convenes quarterly, acting as a conduit for communication among the Board, management, and internal and external auditors. Its mandate includes overseeing and advising the Board on financial reporting, risk management, compliance, external audit, internal control, internal audit, and matters significantly impacting the company's financial well-being.

## KEY DECISIONS

- Review and recommendation of Audited Financial Statements for the year ended 31 December 2023.
- Review and recommendation of quarterly financial reports for the financial year 2023.
- Recommendation on the appointment of KPMG as the Company's External Auditor for the financial year 2023.

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

## MEETINGS

The Audit Committee met 4 times during the fiscal year ended 31 December 2023. 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 2023, 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.

## EXTERNAL AUDIT

A tendering process was conducted in early 2022 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 2023 was approved by shareholders at the 34<sup>th</sup> 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 regularly 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 2023. This is 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 2023. Details including the proposed remuneration will be published along with the Notice of the 35<sup>th</sup> Annual General Meeting.

## INTERNAL AUDIT

During the year, the Audit Committee reviewed the effectiveness of internal audit controls undertaken by our 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 13 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 2023 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 2023 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 2023.



AHMED ABDULRAHMAN

Chairperson, Audit Committee



# REMUNERATION, NOMINATION & GOVERNANCE COMMITTEE REPORT

## COMPOSITION & MEMBERSHIP

The Board’s Remuneration, Nomination, and Governance (RNG) Committee comprised the following non-executive and independent Directors during year ending 31 December 2023.

DIRECTOR	POSITION	APPOINTED TO THE RNG COMMITTEE	MEETINGS			
			Q1	Q2	Q3	Q4
Ismail Waheed Chairperson of the RNG Committee	Non-executive and independent director	3 Dec 2018 to date	■	■	■	■
Mikkel Vinter Member of the RNG Committee	Non-executive and independent director	7 Jan 2021 to date	■	■	■	■
Ahmed Mohamed Didi Member of the RNG Committee	Non-executive and independent director	12 Apr 2022 to date	■	■	■	■

## ROLES & RESPONSIBILITIES

The RNG Committee was restructured in August 2013 to combine remuneration, nomination, and governance functions, enhancing operational efficiency. Responsibilities include formulating remuneration policies, nominating Public Directors, and overseeing corporate governance and regulatory compliance.

## MEETINGS

During 2023, the RNG Committee convened four times. Other Board members were invited to attend RNG Committee meetings, and management or other stakeholders were extended invitations as necessary. The CEO & Managing Director attended all sessions, with additional management members invited as required. The Company Secretary served as the secretary for all sessions.

## KEY DECISIONS

Key decisions in 2023 included:

- Approval of the RNG Committee Report for 2022
- Review and recommendation of 2023 Annual Performance Bonus Plan and 2022 Bonus Pay-out.
- Review and recommendation of amendments to Conflicts of Interest Policy
- Review and recommendation of amendments to Gifts and Hospitality Policy
- Review and recommendation of amendments to Anti-Corruption Policy
- Review and recommendation of amendments to Grievance Policy
- Review and recommendation of amendments to Corporate Governance Code.
- Review and recommendation of proposed amendments to the Annual Performance Policy.
- Review and recommendation of proposed amendments to the Retirement & Redundancy Policy.
- Review and recommendation of proposed amendments to the Leave Policy.
- Review and recommendation of a Travel Policy.
- Review and recommendation of a Flexible Work Arrangement Policy.
- Review and recommendation of a Voluntary Retirement Scheme.
- Conducting the Board’s Annual Performance Review, which was subsequently submitted to the Board for its information.

## BOARD APPOINTMENTS

The Board of Directors comprises of five Directors appointed by Beyon, three appointed by the Government of Maldives, and one elected by public shareholders at a general meeting once every two (2) years. Directors representing major shareholders receive appointments through a letter of appointment. Orientation sessions are organised for all the new Directors accompanied by a meeting with the Leadership Team.

The nomination process for the Director elected by public shareholders at a general meeting is overseen by the Board, with the RNG Committee managing the process. 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 are 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 general meeting. 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 general meeting. Currently the Public Director is Ahmed Mohamed Didi. He was elected as the Public Director at the 33<sup>rd</sup> Annual General Meeting. He was elected for a term of two years ending at the conclusion of the 35<sup>th</sup> Annual General Meeting.

No new directors were elected or appointed to the Board of Directors in 2023.

## REMUNERATION PACKAGE OF DIRECTORS & EXECUTIVES

The RNG Committee oversees oversee Dhiraagu’s remuneration strategy, policies, and practices, offering recommendations to the Board and ensuring the effectiveness of the overall remuneration framework. Key executive remuneration is decided in consultation with Beyon, taking into account factors such as individual responsibilities, performance metrics, prevailing market rates, and other pertinent considerations. Remuneration packages feature fixed components and performance-based incentives intended to maintain competitiveness, foster sustainable performance, and retain vital talent. Stock options are not included in the remuneration packages for Board Directors or key executives. Additionally, payments for service contracts, notice periods, severance fees, and stock options were not part of the remuneration provided to Directors or key executives in 2023.

Board Directors receive compensation in accordance with the Board Director’s Remuneration Policy, which undergoes regular reviews to ensure competitiveness and alignment with the responsibilities of each Director. The most recent review occurred in February 2020, during which it was decided to maintain existing rates, with a plan to revisit the fees later. The last review of Director’s fees took place in 2014.

The non-executive Board Directors are provided with the following remuneration in accordance with the Board Director’s Remuneration Policy. A total of MVR 1.09m was paid to the non-executive Board of Directors as sitting fees and monthly fees during 2023.

DETAILS	AMOUNT (MVR)
Director’s Remuneration	10,000
Chairman’s Remuneration	20,000
Sitting Fee for Members at Board and Committee Meetings	1,500
Sitting Fee for Chairperson of Board and Committee Meetings	3,000

A total of MVR 22.04m was paid as remuneration (including variable components and short-term benefits) to the CEO & Managing Director and key executives during the year 2023. Disclosure of remuneration of key executives which include details on level and mix of remuneration package, and individual remunerations paid to the CEO & Managing Director as well as key executives are treated as company confidential and withheld due to competitive reasons.

The CEO & Managing Director and four key executives serve as Directors on the Board on Dhiraagu Fintech Pvt Ltd effective from 31 December 2023. They do not receive any additional remuneration for these positions.

BOARD DIVERSITY

The Dhiraagu Board has an appropriate mix of tenure, skills, diversity, and experience. The Board skills matrix outlines the qualification, capabilities, tenure, and gender of each member of the Board and members who served on the Board in 2023.

Dhiraagu is dedicated to fostering gender diversity in the Boardroom, aligning with CMDA’s Corporate Governance Code and in 2023 the Board engaged in discussions with the major shareholders to ensure better gender representation on the Board. As a result, at the time of issuing this report, Dhiraagu has two female members on the Board of Directors.

	QUALIFICATIONS	CAPABILITY							TENURE	GENDER
		STRATEGIC KNOWLEDGE FOR SCALE TELCO AND/OR TECHNOLOGY BUSINESS	FINANCIAL/ COMMERCIAL	RISK MANAGEMENT, REGULATORY AND/OR SUSTAINABILITY	CUSTOMER INSIGHT, RETAIL AND/OR BRAND	PEOPLE LEADERSHIP AND CULTURE	LISTED COMPANY GOVERNANCE	DIGITAL, DATA, MEDIA AND/OR NEW MARKETS		
ISMAIL WAHEED	BEng (Hons) in Telecommunications management and System Design from Anglia Polytech University.	■	■	■	■	■	■	■	Since Nov 2018	M
	Executive Leadership Program, University of Virginia.									
AHMED ABDULRAHMAN	Bachelor’s Degree (Hons) in Business Systems & Information Technology, University of Northumbria.	■	■	■	■		■	■	Since May 2020	M
ISMAIL RASHEED	MBA, University of Reading.								Since Sep 2015	M
	BEng (Hons) in Telecommunications Systems Management & Design, Anglia Polytechnic University.	■	■	■	■	■	■	■		
	Member, Institute of Engineering & Technology.									
MIKKEL VINTER	Master’s Degree in Economics and Business Administration, Copenhagen Business School.	■	■	■	■	■	■	■	Since May 2020	M
AHMED MOHAMED DIDI	MBA, Macquarie Graduate School of Management.	■	■	■	■	■	■	■	Since Mar 2022	M
	Bachelor of Business and Commerce, Monash University.									
FAISAL ALJALHAMA	MBA, University of Strathclyde.								Since Mar 2022	M
	Executive Certificates from Harvard Business School and Harvard University’s John F. Kennedy School of Government.	■		■	■	■	■	■		
ABDUL MUNIM MOHAMED MANIK	Associate Member, Chartered Institute of Management Accountants.		■	■	■				Since Jan 2024	M
	Master of Business Administration (Finance), Open University of Malaysia.									
UZA. FATHIMATH FAZEELA	Masters of Shariah and Law (Specialization in Criminal Law) from Villa College.	■	■	■			■	■	Since Feb 2024	F
	Bachelors of Shariah and Law from Villa College.									
REEM ALTAJER	Fellowship of the Institute of Chartered Accountants in England & Wales	■	■	■			■	■	Since Mar 2024	F
	Certified Internal Auditor and Certified Investor Relations Officer.									
FAISAL QAMHIYAH	BA in Economics and Accounting from Yarmouk University								May 2020 to Feb 2024	M
	AICPA exams from Delaware									
	Executive Development Programme Kellogg School of Management, various executive leadership programmes at prestigious institutes including the Stanford Graduate School of Business, Harvard Business School and London Business School.	■	■	■	■	■	■	■		
ABDULLAH ABDUL RAHEEM	PGD in Finance & Accounting from University of West England								Aug 2022 to Feb 2024	M
	BA (Hons) in Accounting with Business Information Systems, Middlesex University.		■	■	■					

EFFECTIVENESS

The Board Directors Performance Evaluation Policy requires Directors to carry out a self-evaluation of Board and its committees’ performance. The Board regularly discusses governance and performance issues and annually reviews its own performance as a whole against the Board Charter and each committee’s performance against its respective charter. Further, Board evaluations are undertaken annually to seek feedback on a range of matters relating to Board performance, including its role and composition and engagement with management, shareholders, and stakeholders. The collective results of the evaluation are then reported to the Board by the Chairperson. A Board evaluation was carried out in December 2023. The results of the evaluation were reviewed by the RNG Committee in February 2024, and the results were reported to the Board and discussed with the Directors.

The RNG Committee confirms that Dhiraagu Board and its committees effectively fulfilled their responsibilities throughout 2023, as indicated by the evaluation results.





# AUDITED FINANCIAL STATEMENTS



DHIVEHI RAAJJEYGE GULHUN PLC  
 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

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Independent Auditor’s Report  
 To the Shareholders of Dhivehi Raajjeyge Gulhun PLC

Opinion

We have audited the accompanying financial statements of Dhivehi Raajjeyge Gulhun PLC (the “Company”), which comprise the statement of financial position as at 31<sup>st</sup> December 2023, 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 material accounting policies and other explanatory information set out in pages 108 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December 2023, 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 4.13 and 5 (c) of the financial statements)

Risk Description

Revenue recognition is one of the complex areas 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.

KPMG, a Maldivian partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

C. P. Jayatilake FCA  
 Ms. S. Joseph FCA  
 S. T. D. L. Perera FCA  
 R.M.D.B. Rajapakse FCA  
 R.H. Rajan FCA  
 M. Mihad ACMA (UK)

T. J. S. Rajakarier FCA  
 Ms. S.M.B. Jayasekara FCA  
 S.R.I. Perera FCMA (UK) LLB, Attorney-at-Law  
 M.N.M. Shameel FCA  
 Ms. C.T.K.N. Perera ACA  
 A.M.R.P. Alahakoon ACA

W.W.J.C. Perera FCA  
 W.K.D.C. Abeyratne FCA  
 G.A.U. Karunaratne FCA  
 Ms. B.K.D.T.N. Rodrigo FCA  
 R.W.M.O.W.O.B. Rathnadiwakara FCA  
 Ms. P.M.K. Sumanasekara FCA



Key Audit Matters (Continued)  
 Revenue Recognition - Accuracy of revenue recorded (Continued)

Risk Description	Our response
<p>The majority of the Company’s revenue is generated - through the billing system. Determining when and how much revenue is recognized from customer contracts has a significant impact especially on multiple arrangements and customer offers.</p> <p>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.</p>	<p>Assisting 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 interfaces between the systems;</p> <p>Performing detailed analysis of the timing of revenue recognition 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;</p> <ul style="list-style-type: none"> <li>Adjustments which are outside of the normal billing process,</li> <li>Revenue recognition on the bundled services offered,</li> <li>Deferred revenue and cost on installation which is considered as a part of the overall performance obligation of the respective services.</li> </ul> <p>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.</p> <p>Assessing the appropriateness of the Company’s accounting policies set out in notes 4.13 and 5 (c), and adequacy of the disclosures for compliance with the revenue recognition requirements of the International Financial Reporting Standards.</p>



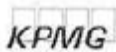
Risk Description

Capitalization of Assets including useful lives, depreciation and impairment

(Refer to the accounting policies and critical accounting estimates, assumptions and Judgments in notes 4.3, 4.4, 5 (a), 5 (b) and 5 (g) of the financial statements)

Risk Description	Our response
<p>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 was MVR 2,121 million as at 31<sup>st</sup> December 2023.</p> <p>There are number of areas where management judgment impacts the carrying value of Property and Equipment, and the related depreciation profiles.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>Evaluating management’s estimation of useful economic lives by considering our knowledge of the business;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>Assessing the adequacy of the financial statement disclosures included in notes 4.3, 4.4, 5 (a), 5 (b) and 5 (g).</li> </ul>





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.

Auditors’ 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.



Auditors’ Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

ALI MUAZ  
Audit License No: ICAM-IL-FQ1  
For and on behalf of KPMG  
Maldives  
5<sup>th</sup> February 2024  
Male’

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2023	2022
FOR THE YEAR ENDED 31 <sup>ST</sup> DECEMBER	Note	MVR '000	MVR '000
Revenue	8	2,632,337	2,586,136
Operating costs	9	(1,081,940)	(1,137,907)
Depreciation, amortization and impairment	14, 15 & 17	(395,029)	(396,334)
Impairment loss on trade receivables and contract assets	19.1	(21,428)	(20,684)
Other income	10	3,887	82,528
Results from operating activities		1,137,827	1,113,739
Finance income		26,491	23,973
Finance costs		(111,413)	(72,049)
Net finance costs	11	(84,922)	(48,076)
Profit before tax		1,052,905	1,065,663
Tax expense	12	(156,426)	(156,376)
Profit and other Comprehensive Income for the year		896,479	909,287
Earnings per share			
Basic and diluted earnings per share (MVR)	13	11.80	11.96

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 112 to 149. The Report of the Independent Auditors is given on pages 103 to 107.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 <sup>ST</sup> DECEMBER	Note	2023 MVR '000	2022 MVR '000
ASSETS			
Non-current assets			
Property and equipment	14	2,120,613	1,851,192
Right-of-use assets	15	291,172	316,771
Investment in subsidiary	16	12,500	-
Intangible assets	17	359,632	350,453
Deferred tax assets	12.2	19,889	9,869
Total non-current assets		2,803,806	2,528,285
Current assets			
Inventories	18	41,988	43,183
Trade and other receivables	19	684,999	652,309
Short term investments	20	1,266,337	1,264,489
Cash and cash equivalents	21	1,446,213	1,112,200
Total current assets		3,439,537	3,072,181
Total assets		6,243,343	5,600,466
EQUITY AND LIABILITIES			
Equity			
Share capital	22	190,000	190,000
Retained earnings		3,364,760	3,025,361
Total equity		3,554,760	3,215,361
Non-current liabilities			
Provisions	23	149,432	145,168
Loans and Borrowings	24.2	671,310	306,119
Lease liabilities	25.1	284,746	306,318
Total non-current liabilities		1,105,488	757,605
Current liabilities			
Trade and other payables	26	876,795	805,883
Loans and Borrowings	24.2	155,438	196,050
Lease liabilities	25.1	62,512	47,671
Amounts due to a related party	27	402,929	486,357
Current tax payable		85,421	91,539
Total current liabilities		1,583,095	1,627,500
Total liabilities		2,688,583	2,385,105
Total equity and liabilities		6,243,343	5,600,466

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 112 to 149. The Report of the Independent Auditors is given on pages 103 to 107.

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

  
**AHMED ABDULRAHMAN**  
Chairperson of Audit Committee  
and Deputy Chairperson of Board

  
**ISMAIL RASHEED**  
CEO & Managing Director

  
**ROBIN WALL**  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

		SHARE CAPITAL	RETAINED EARNINGS	TOTAL
FOR THE YEAR ENDED 31 <sup>ST</sup> DECEMBER 2023	Note	MVR '000	MVR '000	MVR '000
As at 1 <sup>st</sup> January 2022		190,000	2,556,114	2,746,114
Profit and Other Comprehensive Income for the year		-	909,287	909,287
TRANSACTIONS WITH OWNERS OF THE COMPANY DISTRIBUTIONS				
Dividends declared	22.2	-	(440,040)	(440,040)
As at 31 <sup>st</sup> December 2022		190,000	3,025,361	3,215,361
As at 1 <sup>st</sup> January 2023		190,000	3,025,361	3,215,361
Profit and Other Comprehensive Income for the year		-	896,479	896,479
TRANSACTIONS WITH OWNERS OF THE COMPANY DISTRIBUTIONS				
Dividends declared	22.2	-	(557,080)	(557,080)
As at 31 <sup>st</sup> December 2023		190,000	3,364,760	3,554,760

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 112 to 149. The Report of the Independent Auditors is given on pages 103 to 107.

# STATEMENT OF CASH FLOWS

		2023 MVR '000	2022 MVR '000
FOR THE YEAR ENDED 31 <sup>ST</sup> DECEMBER	Note		
Cash flows from operating activities			
Profit before Tax		1,052,905	1,065,663
Adjustments for:			
Net (gain)/ loss on disposal of property and equipment	10	(249)	379
Interest on loans	11	54,665	19,762
Facility fee amortization	24.3	2,545	2,493
Interest on lease liabilities	11	30,828	31,410
Interest income	11	(26,491)	(23,973)
Depreciation	14	280,419	285,188
Depreciation of right-of-use assets	15	46,841	46,758
Amortization of intangible assets	17	67,769	63,423
Impairment losses on intangible assets	17	-	963
Provision for slow-moving / obsolete inventories	18	1,040	1,250
Provision for impairment loss on trade and other receivables	19.1	21,428	20,684
Unwinding of discounts on provisions	23	3,766	4,057
Operating profit before working capital changes		1,535,466	1,518,058
Changes in:			
Inventories		565	(5,479)
Trade and other receivables		(86,771)	(15,229)
Trade and other payables		22,171	(10,922)
Amounts due to a related party		30,304	(42,425)
Cash generated from operations		1,501,735	1,444,003
Tax paid		(172,564)	(148,694)
Interest paid	24	(73,472)	(12,200)
Net cash generated from operating activities		1,255,699	1,283,109
Cash flows from investing activities			
Purchase and construction of property and equipment		(420,092)	(315,064)
Purchase of intangible assets		(76,948)	(89,354)
Net proceeds from disposal of property and equipment		264	162
Interest received		24,453	23,560
Net change in short term investments	20	188	(244,805)
Net cash used in investing activities		(472,135)	(625,501)
Cash flows from financing activities			
Borrowings during the year	24	538,774	432,261
Loan facility fee paid	24	(5,333)	(5,705)
Payment of lease liabilities	25	(58,801)	(56,421)
Dividend paid during the year		(700,566)	(497,622)
Repayment of borrowings	24	(223,625)	(156,266)
Net cash used in financing activities		(449,551)	(283,753)
Net increase in cash and cash equivalents		334,013	373,855
Cash and cash equivalents at beginning of the year		1,109,700	735,845
Cash and cash equivalents at end of the year	21	1,443,713	1,109,700

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 112 to 149. The Report of the Independent Auditors is given on pages 103 to 107.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

## 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 telecommunication services in the Maldives. The registered office of the Company is situated at Dhiraagu Head Office, Ameenee 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 29<sup>th</sup> September 2011.

## 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.

## 3. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Company adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practise Statement 2) from 1<sup>st</sup> January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. However, this change had not impact to the Company’s financial statements for the year ended 31<sup>st</sup> December 2023.

In addition, a number of new standards are effective from 1<sup>st</sup> January 2023, but they do not have a material effect on the Company’s financial statements.

## 4. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all accounting periods presented in these financial statements, except if mentioned otherwise.

### 4.1 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.

## 4.2 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.

(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. Financial Liabilities at FVTPL are measured at fair value and net gains and losses, including interest expenses are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss. 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.

4.3 PROPERTY, PLANT & 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 for current and comparative years are as follows:

Buildings	5 to 40 years
Property and equipment <ul style="list-style-type: none"> <li>Civil works, cables and ducting</li> <li>Network and electronic equipment</li> </ul>	5 to 40 years 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.

4.4 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

Amortization method, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

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.

4.5 INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, 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.

4.6 CASH & 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.

4.7 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.

4.8 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 monitor the changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Company supplements this by reviewing changes in bond yields and, where available, credit default swap (CDS) prices together with available press and regulatory information about debtors.

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 level 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.

(II) NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

(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.

4.14 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.

4.15 TAX EXPENSES

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of the income taxes, and therefore accounting for them under IAS 37, provision, contingent liabilities and contingent assets.

(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 not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that does not affects neither accounting nor taxable profit or loss and (if) does not give rise to equal taxable and deductible temporary differences at the time of the transaction.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.16 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.

4.17 INVESTMENT IN SUBSIDIARY

Investments in subsidiary are recorded at cost less impairment (if any) in the financial statement of the Company. The net assets of the subsidiary is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the investments' recoverable amount is estimated. An impairment loss is recognized to the extent of its net asset loss.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS & 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 4.8 - 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 3.10 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.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1st January 2023 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 interpretations are not expected to have a significant impact on the Company's financial statements.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Supplier Finance Arrangements (Amendments to IAS and IFRS 7)
- Lease Liability in a Sale and Lease back (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

7. 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 summary 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 31<sup>st</sup> December 2023 and 2022 are as follows:

	MOBILE		FIXED, BROADBAND & ENTERPRISE		OTHERS		TOTAL	
	2023 MVR '000	2022 MVR '000	2023 MVR '000	2022 MVR '000	2023 MVR '000	2022 MVR '000	2023 MVR '000	2022 MVR '000
External Revenue	1,376,759	1,319,765	1,177,585	1,193,708	77,993	72,663	2,632,337	2,586,136
<b>Total Revenue</b>	1,376,759	1,319,765	1,177,585	1,193,708	77,993	72,663	2,632,337	2,586,136
Operating Costs	(546,068)	(519,962)	(495,609)	(583,230)	(40,263)	(34,715)	(1,081,940)	(1,137,907)
Depreciation, amortization and impairment	(226,390)	(185,678)	(135,294)	(122,828)	(33,345)	(87,828)	(395,029)	(396,334)
Impairment losses on trade and other Receivables	(11,206)	(10,554)	(9,587)	(9,549)	(635)	(581)	(21,428)	(20,684)
Net finance costs	(44,695)	(24,595)	(37,649)	(22,100)	(2,578)	(1,381)	(84,922)	(48,076)
Non-operating income	2,046	42,028	1,723	37,762	118	2,738	3,887	82,528
<b>Reportable segment profit / (loss) before tax</b>	550,446	621,004	501,169	493,763	1,290	(49,104)	1,052,905	1,065,663
<b>Segment assets and liabilities</b>								
Non-current assets	1,083,991	1,090,931	1,264,571	1,014,496	435,355	412,989	2,783,917	2,518,416
Current assets	426,929	378,117	282,464	302,007	17,594	15,368	726,987	695,492
<b>Total assets</b>	1,510,920	1,469,714	1,547,035	1,317,102	452,949	428,395	3,510,904	3,215,211
Non-current liabilities	1,105,488	744,225	-	-	-	13,380	1,105,488	757,605
Current liabilities	839,081	869,171	573,071	586,675	170,943	171,654	1,583,095	1,627,500
<b>Total liabilities</b>	1,944,569	1,613,396	573,071	586,675	170,943	185,034	2,688,583	2,385,105

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 2023 or 2022.

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.

	2023		2022	
	NON-CURRENT MVR '000	CURRENT MVR '000	NON-CURRENT MVR '000	CURRENT MVR '000
Total assets for reportable segments	2,348,562	709,393	2,105,428	681,389
Total assets for other segments	435,355	17,594	412,988	15,406
Total assets for segments	2,783,917	726,987	2,518,416	696,795
Other unallocated amounts	19,889	2,712,550	9,869	2,375,386
Total assets as per the statement of financial position	2,803,806	3,439,537	2,528,285	3,072,181

8. 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.

	2023 MVR '000	2022 MVR '000
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	2,632,337	2,586,136

(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 7).

REPORTABLE SEGMENTS								
	MOBILE		FIXED, BROADBAND & ENTERPRISE		OTHERS		TOTAL	
	2023 MVR '000	2022 MVR '000	2023 MVR '000	2022 MVR '000	2023 MVR '000	2022 MVR '000	2023 MVR '000	2022 MVR '000
<b>Revenue by timing of recognition</b>								
Products transferred at a point in time	25,956	26,781	43,819	38,464	3,889	4,546	73,664	69,791
Products and services transferred over time	1,350,803	1,292,984	1,133,766	1,155,244	74,104	68,117	2,558,673	2,516,345
Revenue from contracts with customers	1,376,759	1,319,765	1,177,585	1,193,708	77,993	72,663	2,632,337	2,586,136
<b>External Revenue</b>	1,376,759	1,319,765	1,177,585	1,193,708	77,993	72,663	2,632,337	2,586,136



8.1

Maldives Broadcasting Commission ("MBC") declined to extend the rebroadcasting license renewal of the Company due to the amendment made to the eligibility criteria such that only 100% Maldivian owned Companies can have the license. Therefore, In December 2022, the Board of Directors decided to discontinue Dhiraagu TV and DhiraaguPlay service with its license expiry on 29th January 2023.

As a result, the Company entered into an agreement to provide IPTV/OTT network as a service with a newly licensed rebroadcaster, SS Network Pvt Ltd in December 2022. The Company facilitated the existing customers to opt-in for the new rebroadcaster's service.

(C) CONTRACT BALANCES

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

	2023	2022
	MVR '000	MVR '000
Receivables (included in trade and other receivables)	413,516	365,464
Contract assets (included in trade and other receivables)	247,158	198,644
Contract liabilities (included in trade and other payables)	(116,843)	(113,363)

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 infrastructure 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 consideration 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.

9. OPERATING COSTS

	2023	2022
	MVR '000	MVR '000
Direct cost of services	291,359	375,573
Personnel costs (Note 9.1)	237,267	234,807
License fees	121,075	115,689
Support services	32,717	48,050
External publicity	30,569	27,979
Network costs	138,572	123,621
Property and utility costs	106,715	102,036
Professional fees	12,153	10,781
Other administrative expenses	111,513	99,371
	1,081,940	1,137,907

9.1 PERSONNEL COSTS

	2023	2022
	MVR '000	MVR '000
Wages, salaries and performance reward scheme	195,202	201,401
Defined contribution expense	14,039	13,915
Other personnel costs	28,026	19,491
	237,267	234,807

10. OTHER INCOME

	2023	2022
	MVR '000	MVR '000
Gain on disposal of property, plant and equipment	249	-
Tax Refund (Note 10.1)	1,009	80,563
Miscellaneous income	2,629	1,965
	3,887	82,528

10.1

Maldives Inland Revenue Authority ("MIRA") has disputed the "WHT" paid in relation to the interconnection transaction for the period from 2013 to 2019. However, during the year 2022, the Company has received a tax refund of MVR 79.27/- Mn due to the favorable verdict declared for the appeal made in the supreme court. Additionally, "GST" tax refund of MVR 1.3/- Mn was received in relation to debt written off.

In 2023, following the favorable decision of Tax Appeal Tribunal, the Company had received a refund of MVR 0.9/- Mn together with the balance amount of 0.1/- Mn from the refund received in 2022.

11. NET FINANCE COSTS

	2023	2022
	MVR '000	MVR '000
<b>Finance Income</b>		
Interest income on fixed deposits	15,076	13,792
Interest income on short term investments	11,415	10,181
	26,491	23,973
<b>Finance Costs</b>		
Interest expenses on loans	(54,665)	(19,762)
Loan arrangement fees	(2,545)	(3,888)
Unwinding of interest on provisions	(3,766)	(4,057)
Interest on lease liabilities	(30,828)	(31,410)
Net Foreign exchange loss	(19,609)	(12,932)
	(111,413)	(72,049)
<b>Net Finance Costs</b>	(84,922)	(48,076)

12. TAX EXPENSE

	2023	2022
	MVR '000	MVR '000
<b>Income tax</b>		
Current tax expense (Note 12.1)	166,446	162,536
<b>Deferred tax</b>	(10,020)	(6,160)
Origination of temporary differences (Note 12.2)	156,426	156,376

12.1 RECONCILIATION BETWEEN ACCOUNTING PROFIT AND TAXABLE INCOME

	2023	2022
	MVR ‘000	MVR ‘000
Accounting profit before tax	1,052,905	1,065,663
Disallowable expenses	396,539	396,841
Allowable expenses	(339,302)	(378,431)
Tax free allowance	(500)	(500)
Total taxable income	1,109,642	1,083,573
Income tax @ 15%	166,446	162,536

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

12.2 DEFERRED TAX ASSET

	2023	2022
	MVR ‘000	MVR ‘000
Opening balance	9,869	3,709
Recognized on temporary differences	10,020	6,160
Closing balance	19,889	9,869

12.3 DEFERRED TAX ASSET / (LIABILITY) IS ATTRIBUTABLE FOR FOLLOWING

	2023		2022	
	TEMPORARY DIFFERENCE MVR ‘000	TAX EFFECT MVR ‘000	TEMPORARY DIFFERENCE MVR ‘000	TAX EFFECT MVR ‘000
Property and equipment	(28,204)	(4,231)	(58,334)	(8,750)
Intangible assets	(110,268)	(16,540)	(119,778)	(17,967)
Provisions	271,067	40,660	243,910	36,586
	132,595	19,889	65,798	9,869

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% (2022:15%).

12.4 MOVEMENT IN DEFERRED TAX BALANCES

31<sup>ST</sup> DECEMBER 2023

	BALANCE AS AT 1ST JANUARY 2023	RECOGNIZED IN PROFIT OR LOSS	DEFERRED TAX ASSET / (LIABILITY) AS AT 31ST DECEMBER 2023
Property and equipment	(8,750)	4,519	(4,231)
Intangible assets	(17,967)	1,427	(16,540)
Provisions	36,586	4,074	40,660
	9,869	10,020	19,889

31<sup>ST</sup> DECEMBER 2022

	BALANCE AS AT 1ST JANUARY 2022	RECOGNIZED IN PROFIT OR LOSS	DEFERRED TAX ASSET / (LIABILITY) AS AT 31ST DECEMBER 2022
Property and equipment	(13,194)	4,444	(8,750)
Intangible assets	(18,072)	105	(17,967)
Provisions	34,975	1,611	36,586
	3,709	6,160	9,869

13. 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 outstanding during the year.

	FOR THE YEAR ENDED	
	2023	2022
Profit for the year attributable to the ordinary shareholders (MVR ‘000’)	896,479	909,287
Weighted average number of ordinary shares outstanding (‘000’)	76,000	76,000
Basic and diluted earnings per share (MVR)	11.80	11.96

14. PROPERTY AND EQUIPMENT

31<sup>ST</sup> DECEMBER 2023

	BUILDINGS MVR ‘000	EQUIPMENT MVR ‘000	VEHICLES AND LAUNCHES MVR ‘000	FURNITURE AND FITTINGS MVR ‘000	CAPITAL WORK-IN PROGRESS MVR ‘000	TOTAL MVR ‘000
<b>Cost</b>						
Opening Balance	437,373	4,345,508	10,588	21,370	412,639	5,227,478
Additions during the year	-	-	-	-	549,861	549,861
Capitalizations during the year	7,082	306,035	583	2,707	(316,407)	-
Disposals during the year	-	(6,971)	(2,498)	(257)	-	(9,726)
Closing Balance	444,455	4,644,572	8,673	23,820	646,093	5,767,613
<b>Accumulated Depreciation</b>						
Opening Balance	239,149	3,107,869	10,588	18,680	-	3,376,286
Charge for the year	17,650	260,895	44	1,830	-	280,419
Disposals during the year	-	(6,950)	(2,498)	(257)	-	(9,705)
Closing Balance	256,799	3,361,814	8,134	20,253	-	3,647,000
<b>Carrying amount</b>	187,656	1,282,758	539	3,567	646,093	2,120,613

14.1

Capital work in progress represents the costs incurred mainly on the projects such as submarine cable project (SEA- ME-WE-6) and DDSCN Expansion project which were in progress as at 31<sup>st</sup> December 2023.

14.3

During the year, the Company has capitalized borrowing cost amounting to MVR 29,156,188/-

31<sup>ST</sup> DECEMBER 2022

	BUILDINGS MVR ‘000	EQUIPMENT MVR ‘000	VEHICLES AND LAUNCHES MVR ‘000	FURNITURE AND FITTINGS MVR ‘000	CAPITAL WORK-IN PROGRESS MVR ‘000	TOTAL MVR ‘000
<b>Cost</b>						
Opening Balance	433,368	4,189,976	10,588	20,579	187,548	4,842,059
Additions during the year	-	-	-	-	387,094	387,094
Capitalizations during the year	5,512	155,698	-	793	(162,003)	-
Disposals during the year	(1,507)	(166)	-	(2)	-	(1,675)
Closing Balance	437,373	4,345,508	10,588	21,370	412,639	5,227,478
<b>Accumulated Depreciation</b>						
Opening Balance	222,556	2,843,057	9,933	16,686	-	3,092,232
Charge for the year	17,631	264,906	655	1,996	-	285,188
Disposals during the year	(1,038)	(94)	-	(2)	-	(1,134)
Closing Balance	239,149	3,107,869	10,588	18,680	-	3,376,286
<b>Carrying amount</b>	198,224	1,237,639	-	2,690	412,639	1,851,192

14.4

Capital work in progress represents the costs incurred mainly on the projects such as Network expansion and submarine cable project (SEA-ME-WE-6) which were in progress as at 31<sup>st</sup> December 2022.

14.2

The Company has fully depreciated property, plant and equipment as at 31<sup>st</sup> December 2023 amounted to MVR 2,063,588,411/-

14.5

The Company has fully depreciated property, plant and equipment as at 31<sup>st</sup> December 2022 amounted to MVR 1,810,170,910/-

15. 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 4.11).

AS AT 31<sup>ST</sup> DECEMBER

	2023 MVR ‘000	2022 MVR ‘000
<b>Cost</b>		
Opening Balance	484,732	408,848
Additions during the year	21,242	75,884
Closing Balance	505,974	484,732
<b>Accumulated depreciation</b>		
Opening Balance	167,961	121,203
Charge for the year	46,841	46,758
Closing Balance	214,802	167,961
<b>Carrying amount as at 31st December</b>	291,172	316,771

15.1

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

16. INVESTMENT IN SUBSIDIARY

	2023 MVR ‘000	2022 MVR ‘000
<b>Dhiraagu Fintech Pvt Ltd</b>	12,500	-
	12,500	-

The Company has formed a dedicated Company to carry out it’s mobile money service (Dhiraagu Pay), and invested in 4,999,999 of ordinary shares at MVR 2.5/- per share representing 99.99998% of the ownership.

The Company has not prepared consolidated financial statements on the materiality basis as the subsidiary Company does not have any operation results and assets or liabilities as at 31<sup>st</sup> December 2023.



17. INTANGIBLE ASSETS

31 <sup>ST</sup> DECEMBER 2023	INDEFEASIBLE RIGHTS OF USE MVR ‘OOO	LICENSES MVR ‘OOO	SOFTWARE MVR ‘OOO	WORK-IN- PROGRESS MVR ‘OOO	TOTAL MVR ‘OOO
<b>Cost</b>					
Opening Balance	118,338	135,672	406,347	94,762	755,119
Additions during the year	-	-	-	76,948	76,948
Capitalizations during the year	11,437	29,011	36,216	(76,664)	-
Closing Balance	129,775	164,683	442,563	95,046	832,067
<b>Accumulated Amortization and impairment loss</b>					
Opening Balance	35,583	79,461	285,895	3,727	404,666
Amortization for the year	8,806	21,134	37,829	-	67,769
Closing Balance	44,389	100,595	323,724	3,727	472,435
<b>Carrying amount</b>	85,386	64,088	118,839	91,319	359,632

17.1

Capital Work in progress represents the costs incurred mainly on CRM Project and IPT Capacity & MSC Upgrade project which were in progress as at 31<sup>st</sup> December 2023.

17.2

The Company has fully amortized intangible assets as at 31<sup>st</sup> December 2023 amounted to MVR 240,207,242/-.

17.3

During the year, the Company has capitalized borrowing cost amounting to MVR 1,868,781/-.

31 <sup>ST</sup> DECEMBER 2022	INDEFEASIBLE RIGHTS OF USE MVR ‘OOO	LICENSES MVR ‘OOO	SOFTWARE MVR ‘OOO	WORK-IN- PROGRESS MVR ‘OOO	TOTAL MVR ‘OOO
<b>Cost</b>					
Opening Balance	108,065	136,788	375,284	48,541	668,678
Additions during the year	-	-	-	89,354	89,354
Capitalizations during the year	10,273	1,731	31,129	(43,133)	-
Written-off during the year	-	(2,847)	(66)	-	(2,913)
Closing Balance	118,338	135,672	406,347	94,762	755,119
<b>Accumulated Amortization and Impairment</b>					
Opening Balance	27,724	63,258	249,447	2,764	343,193
Amortization for the year	7,859	19,050	36,514	-	63,423
Write-off during the year	-	(2,847)	(66)	-	(2,913)
Provision for Impairment	-	-	-	963	963
Closing Balance	35,583	79,461	285,895	3,727	404,666
<b>Carrying amount</b>	82,755	56,211	120,452	91,035	350,453

17.4

Capital Work in progress represents the costs incurred mainly on CRM Project and Open API project which were in progress as at 31<sup>st</sup> December 2022.

17.5

The Company has fully amortized intangible assets as at 31<sup>st</sup> December 2022 amounted to MVR 217,956,738/-.

18. INVENTORIES

	2023 MVR ‘OOO	2022 MVR ‘OOO
Cost of inventories	57,279	57,844
Provision for slow moving / obsolete inventories (Note 18.1)	(15,291)	(14,661)
	41,988	43,183

18.1 PROVISION FOR SLOW-MOVING/ OBSOLETE INVENTORIES

	2023 MVR ‘OOO	2022 MVR ‘OOO
Opening Balance	14,661	14,757
Written-off during the year	(410)	(1,346)
Provision made during the year	1,040	1,250
Closing Balance	15,291	14,661

19. TRADE AND OTHER RECEIVABLES

	2023 MVR ‘OOO	2022 MVR ‘OOO
Trade receivables	413,516	365,464
Contract Assets	247,158	198,644
	660,674	564,108
Provision for impairment loss on trade receivables and contract assets (Note 19.1)	(125,334)	(103,906)
	535,340	460,202
Prepayments	62,947	88,593
Other receivables	87,346	104,148
	150,293	192,741
Allowance for impairment loss on other receivables (Note 19.1)	(634)	(634)
	149,659	192,107
<b>Carrying amount</b>	684,999	652,309

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

19.1 ALLOWANCE FOR IMPAIRMENT LOSS ON TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

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	
	2023 MVR ‘OOO	2022 MVR ‘OOO	2023 MVR ‘OOO	2022 MVR ‘OOO
Opening Balance	103,906	100,183	634	634
Provision for the year	21,428	20,684	-	-
Bad debt written-off during the year	-	(16,961)	-	-
Closing Balance	125,334	103,906	634	634

20. SHORT TERM INVESTMENTS

	2023	2022
	MVR ‘000	MVR ‘000
Short term Investments	1,266,337	1,264,489
	1,266,337	1,264,489

20.1 SHORT TERM INVESTMENTS - AMORTIZED COST

INVESTMENT TYPE	INVESTED CURRENCY	MATURITY	INDICATIVE RATE	31/12/2023 MVR ‘000	31/12/2022 MVR ‘000
Investment in Treasury Bills	MVR	3-6 Months	3.50%	302,998	303,186
Investment in Fixed Deposits	MVR	3-6 Months	1.5%-2.8%	960,000	960,000
Accrued Interest				3,339	1,303
				1,266,337	1,264,489

21. CASH AND CASH EQUIVALENTS

	2023	2022
	MVR ‘000	MVR ‘000
Cash in hand	1,819	3,194
Balances with banks (Note 21.1)	1,444,394	1,109,006
Cash and bank balance in the statement of financial position	1,446,213	1,112,200
Mobile money assurance deposit (Note 21.2)	(2,500)	(2,500)
Cash and cash equivalents in the statement of cash flows	1,443,713	1,109,700

21.1 THE CASH AT BANK BALANCES INCLUDES FOLLOWING RESTRICTED CASH BALANCES

	2023	2022
	MVR ‘000	MVR ‘000
Mobile money assurance deposit (Note 21.2)	2,500	2,500
Reserve for loan repayments (Note 21.3)	43,504	84,805
	46,004	87,305

21.2

Under the National Payment System Act, the Company has made MVR 2,500,000/- deposit with Maldives Islamic Bank “MIB” as the equivalent Mobile Money issued as at 31<sup>st</sup> December 2023. This deposit does not carry interest and has no maturity period.

21.3

As per loan agreements, the company maintains a reserved cash amount designated specifically for the payment of the next quarter’s loan installments. This amount is allocated to ensure timely and secure repayment in accordance with the terms outlined in the loan agreements.

22. SHARE CAPITAL

	2023	2022
	MVR ‘000	MVR ‘000
22.1 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

22.2 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 during the year as follows.

	2023		2022	
	PER SHARE MVR '000	DIVIDEND MVR '000	PER SHARE MVR '000	DIVIDEND MVR '000
Dividend declared - 1st tranche	5.67	430,920	4.13	313,880
Dividend declared - 2nd tranche	1.66	126,160	1.66	126,160
		557,080		440,040

23. PROVISIONS

	2023	2022
	MVR ‘000	MVR ‘000
Opening Balance	145,168	139,791
Provision made during the year	1,048	1,320
Unwinding of discounts on provisions	3,766	4,057
Disposals made during the year	(550)	-
Closing Balance	149,432	145,168

23.1 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.

	2023	2022
Useful life (years)	15 - 20	15
Expected rate of increase of the dismantling cost	3.5%	3.5%
Discount rate	10%	10%

Based on the market conditions and industry practices, the Management has estimated the useful life of the towers as 20 years from 1st January 2023 onwards.

SENSITIVITY ANALYSIS

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

	EFFECT TO PROFIT OR LOSS	
	INCREASE MVR '000	DECREASE MVR '000
Expected rate of increase of the dismantle cost (Change 1%)	5,204	(2,201)
Discount rate (Change by 1%)	3,988	(7,035)

24. LOANS AND BORROWINGS

	2023 MVR '000	2022 MVR '000
Opening balance	508,240	224,683
Obtained during the year	538,774	432,261
Interest for the period	85,690	19,762
Interest paid during the year	(73,472)	(12,200)
Repayment of capital during period year	(223,625)	(156,266)
	835,607	508,240
Unamortized facility fee (Note 24.3)	(8,859)	(6,071)
Closing balance	826,748	502,169

24.1 SOURCES OF FINANCE

	2023 MVR '000	2022 MVR '000
HSBC Bank - Term Loan (Note 24.4)	20,571	70,010
HSBC Bank - Import Loan (Note 24.5)	119,062	142,202
International Finance Corporation (Note 24.6)	251,594	209,930
Asian Development Bank (Note 24.7)	143,759	86,098
International Finance Corporation (Note 24.8)	191,234	-
Asian Development Bank (Note 24.8)	109,387	-
	835,607	508,240

24.2 MATURITY ANALYSIS

	2023 MVR '000	2022 MVR '000
<b>Non current liabilities</b>		
Term loan	678,480	310,718
Unamortized facility fees	(7,170)	(4,599)
	671,310	306,119
<b>Current liabilities</b>		
Term loan	20,542	49,344
Import loan	116,275	140,086
Interest Payable	20,310	8,092
Unamortized facility fees	(1,689)	(1,472)
	155,438	196,050
<b>Total Loans and Borrowings</b>	826,748	502,169

24.3 FACILITY FEE AMORTIZATION

	2023 MVR '000	2022 MVR '000
Opening balance	6,071	2,859
Facility fees paid during the year	5,333	5,705
Amortization during the year	(2,545)	(2,493)
Closing balance	8,859	6,071

24.4

As per the term loan facility letter dated 9<sup>th</sup> 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% and SOFR plus 5% per annum starting from March 2023. The loan is repayable in 30 equal monthly installment of US\$ 266,666.67/- (excluding interest) with 6 months grace period.

24.6

As per Loan Agreement dated 30<sup>th</sup> June 2022 with IFC, the Company has obtained a loan of US\$ 15,909,000/- at rate SOFR plus 6.57% per annum. The loan is repayable in 5 years starting from April 2025.

24.8

As per Loan Agreement dated 16<sup>th</sup> February 2023 with the ADB and IFC, the Company has obtained loan facility of US\$ 10,909,000/ and US\$ 19,091,000/- respectively, at rate of SOFR plus 6.57% per annum. The loan is repayable in 5 years starting from April 2025.

24.5

As per the letter dated 3<sup>rd</sup> June 2021,the Company has obtained a import loan facility of US\$ 12,000,000/- from HSBC Bank at rates of 3 months Libor plus 4 75% and SOFR plus 5% per annum starting from 14<sup>th</sup> November 2022 and loan settlement period is one year.

24.7

As per Loan Agreement dated 5<sup>th</sup> July 2022 with the ADB, the Company has obtained loan facility of US\$ 9,091,000/- at rate of SOFR plus 6.57% per annum. The loan is repayable in 5 years starting from April 2025.



25. LEASE LIABILITIES

LEASES AS LESSEE

The Company leases land, 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.

	2023	2022
	MVR ‘000	MVR ‘000
Opening Balance	353,989	303,117
Additions during the year	21,242	75,883
Interest on lease liabilities	30,828	31,410
Payments of lease liabilities	(58,801)	(56,421)
Closing balance	347,258	353,989

25.1 LEASE LIABILITIES INCLUDED IN THE STATEMENT OF FINANCIAL POSITION

	2023	2022
	MVR ‘000	MVR ‘000
Current	62,512	47,671
Non-current	284,746	306,318
	347,258	353,989

25.2 MATURITY ANALYSIS - CONTRACTUAL UNDISCOUNTED CASH FLOWS

	2023	2022
	MVR ‘000	MVR ‘000
Less than one year	66,825	65,241
One to five years	213,230	214,574
More than five years	208,004	254,177
Total undiscounted lease liabilities	488,059	533,992

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.

	2023	2022
	MVR ‘000	MVR ‘000
Interest on lease liabilities	30,828	31,410
Depreciation of ROU assets	46,841	46,758
	77,669	78,168

	2023	2022
	MVR ‘000	MVR ‘000
Total cash outflow for leases	58,801	56,421

26. TRADE AND OTHER PAYABLES

	2023	2022
	MVR ‘000	MVR ‘000
Trade payables	93,199	51,876
Contract Liabilities	116,843	113,363
Accruals and payables	597,159	559,985
Dividend payable	2,612	19,866
Refundable deposits from customers	28,170	26,809
Customer loyalty points	5,190	3,008
Other Payables	33,622	30,976
	876,795	805,883

27. AMOUNTS DUE TO A RELATED PARTY

	2023	2022
	MVR ‘000	MVR ‘000
BTC Islands Limited - Immediate Parent	390,429	486,357
Dhiraagu Fintech Pvt Ltd (Note 29.5)	12,500	-
	402,929	486,357

28. 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

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

	CARRYING AMOUNT	
	2023	2022
	MVR ‘000	MVR ‘000
Trade receivables and contract assets*	506,982	439,296
Other receivables	86,712	103,514
Cash at banks	1,444,394	1,109,006
Short term Investments	1,266,337	1,264,489
	3,304,425	2,916,305

\* The carrying amount excludes GST amounting to MVR 28.4/- Mn (2022: MVR 21/- Mn)

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;

	2023	2022
	MVR ‘000	MVR ‘000
Impairment loss on trade receivables and contract assets arising from contracts with customers	21,428	20,684

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, the 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 creditworthiness 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 (excluding GST) to credit risk of trade receivable and contract asset at the reporting date for each segment was:

	CARRYING AMOUNT	
	2023	2022
	MVR ‘000	MVR ‘000
Consumer Segment	37,277	45,490
Corporate Segment	147,617	126,180
Government Segment	68,446	71,186
Wholesale Segment	253,641	196,439
	506,982	439,296

EXPECTED CREDIT LOSS ASSESSMENT FOR THE CUSTOMERS AS AT 31<sup>ST</sup> DECEMBER 2023 AND 31<sup>ST</sup> DECEMBER 2022

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 and contract asset of individual customers, which comprise 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 successive 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 31<sup>st</sup> December 2023 and 31<sup>st</sup> December 2022.

31 <sup>ST</sup> DECEMBER 2023	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR ‘000	LOSS ALLOWANCE MVR ‘000	NET CARRYING AMOUNT* MVR ‘000
0 - 30 days past due	3%	37,164	986	36,178
31 - 60 days past due	47%	1,494	695	799
61 - 90 days past due	73%	900	658	242
More than 90 days past due	99.8%	32,590	32,532	58
		72,148	34,871	37,277

31 <sup>ST</sup> DECEMBER 2022	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR ‘000	LOSS ALLOWANCE MVR ‘000	NET CARRYING AMOUNT* MVR ‘000
0 - 30 days past due	2%	45,227	1,041	44,186
31 - 60 days past due	48%	1,689	813	876
61 - 90 days past due	69%	1,110	761	349
More than 90 days past due	99.7%	27,789	27,710	79
		75,815	30,325	45,490

\* Gross carrying amount excludes of GST.

Loss rates are based on actual credit loss experience over Five 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 100% specific provision of MVR 268,022/ as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: MVR 198,950/-).

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 31<sup>st</sup> December 2023 and 31<sup>st</sup> December 2022.

31 <sup>ST</sup> DECEMBER 2023	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR ‘000	LOSS ALLOWANCE MVR ‘000	NET CARRYING AMOUNT* MVR ‘000
1 - 30 days past due	7%	73,439	5,192	68,247
31 - 60 days past due	17%	23,913	4,129	19,784
61 - 90 days past due	24%	18,468	4,416	14,052
91 - 120 days past due	31%	14,469	4,500	9,969
More than 120 days past due	60%	89,214	53,650	35,564
		219,504	71,887	147,617

31<sup>ST</sup> DECEMBER 2022

	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR '000	LOSS ALLOWANCE MVR '000	NET CARRYING AMOUNT* MVR '000
1 - 30 days past due	3%	67,582	2,328	65,254
31 - 60 days past due	13%	22,824	2,977	19,847
61 - 90 days past due	20%	15,635	3,069	12,566
91 - 120 days past due	33%	11,485	3,820	7,665
More than 120 days past due	67%	63,298	42,450	20,848
		180,824	54,644	126,180

\* Gross carrying amount excludes of GST.

Loss rates are based on actual credit loss experience over past five 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.

All customers’ receivable more than MVR 100,000/- are assessed for specific impairment and based on the assessment, specific impairment is made for required customers.

The Company has assessed individual corporate customers amounting to MVR 101,782,201/- (31<sup>st</sup> December 2022: MVR 58,292,452/-) and recognized a specific provision of MVR 27,658,338/- as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: MVR 19,371,960/-).

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 31<sup>st</sup> December 2023 and 31<sup>st</sup> December 2022.

31<sup>ST</sup> DECEMBER 2023

	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR '000	LOSS ALLOWANCE MVR '000	NET CARRYING AMOUNT* MVR '000
1 - 30 days past due	5%	27,930	1,389	26,541
31 - 60 days past due	6%	13,273	756	12,517
61 - 90 days past due	6%	7,490	452	7,038
91 - 120 days past due	8%	6,993	573	6,420
121 - 150 days past due	36%	1,433	519	914
More than 150 days past due	44%	26,689	11,672	15,017
		83,809	15,363	68,446

31<sup>ST</sup> DECEMBER 2022

	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT* MVR '000	LOSS ALLOWANCE MVR '000	NET CARRYING AMOUNT* MVR '000
1 - 30 days past due	3%	28,033	708	27,325
31 - 60 days past due	3%	10,363	344	10,019
61 - 90 days past due	6%	8,439	499	7,940
91 - 120 days past due	8%	9,386	765	8,621
121 - 150 days past due	39%	2,357	911	1,446
More than 150 days past due	45%	29,015	13,180	15,835
		87,593	16,407	71,186

\* Gross carrying amount excludes of GST.

Loss rates are based on actual credit loss experience over past five 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.

All customers’ receivable more than MVR 100,000/- are assessed for specific impairment and based on the assessment, specific impairment is made for required customers.

The Company has assessed individual government customers amounting to MVR 35,342,293/- (31<sup>st</sup> December 2022: MVR 32,941,320/-) and recognized a specific provision of MVR 567,026/- as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: MVR 592,208/-).

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 31<sup>st</sup> December 2023 and 31<sup>st</sup> December 2022.

31<sup>ST</sup> DECEMBER 2023

	EXTERNAL CREDIT RATING	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT MVR '000	IMPAIRMENT LOSS ALLOWANCE MVR '000	NET CARRYING AMOUNT MVR '000
Grades 1 - 6: Low risk	BBB- to AAA	0.30%	157,793	477	157,316
Grades 7 - 9: Fair risk	BB- to BB+	0.00%	33,293	-	33,293
Unrated customers			65,768	2,736	63,032
			256,854	3,213	253,641

31<sup>ST</sup> DECEMBER 2022

	EXTERNAL CREDIT RATING	WEIGHTED AVERAGE LOSS RATE	GROSS CARRYING AMOUNT MVR '000	IMPAIRMENT LOSS ALLOWANCE MVR '000	NET CARRYING AMOUNT MVR '000
Grades 1 - 6: Low risk	BBB- to AAA	0.23%	123,861	287	123,574
Grades 7 - 9: Fair risk	BB- to BB+	0.00%	20,946	-	20,946
Unrated customers			54,308	2,389	51,919
			199,115	2,676	196,439

EXPECTED CREDIT LOSS ASSESSMENT FOR INDIVIDUAL SPECIFIC WHOLESALE CUSTOMERS AS AT 31<sup>ST</sup> DECEMBER 2023

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 2,736,019/- as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: MVR 2,389,364/-).

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 1,446,213/- as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: MVR 1,112,200/-). 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.



(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 asset. 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.

31 <sup>ST</sup> DECEMBER 2023	CARRYING AMOUNT MVR '000	CONTRACTUAL CASH FLOWS MVR '000	WITHIN ONE YEAR MVR '000	1 TO 2 YEARS MVR '000	2 TO 3 YEARS MVR '000	3 TO 4 YEARS MVR '000	OVER 4 YEARS MVR '000
<b>Financial Liabilities</b>							
Trade and other payables	754,762	754,762	754,762	-	-	-	-
Amounts due to a related party	402,929	402,929	402,929	-	-	-	-
Lease liabilities	347,258	488,059	66,825	62,943	55,622	50,670	251,999
Loan and Borrowings*	826,748	826,748	148,268	54,248	72,330	108,526	443,376
<b>Total</b>	<b>2,331,697</b>	<b>2,472,498</b>	<b>1,372,784</b>	<b>117,191</b>	<b>127,952</b>	<b>159,196</b>	<b>695,375</b>

31 <sup>ST</sup> DECEMBER 2022	CARRYING AMOUNT MVR '000	CONTRACTUAL CASH FLOWS MVR '000	WITHIN ONE YEAR MVR '000	1 TO 2 YEARS MVR '000	2 TO 3 YEARS MVR '000	3 TO 4 YEARS MVR '000	OVER 4 YEARS MVR '000
<b>Financial Liabilities</b>							
Trade and other payables	689,512	689,512	689,512	-	-	-	-
Amounts due to a related party	486,357	486,357	486,357	-	-	-	-
Lease liabilities	353,989	533,992	65,241	60,569	57,547	50,467	300,168
Loan and Borrowings*	502,169	502,169	191,451	20,542	38,690	58,035	193,451
<b>Total</b>	<b>2,032,027</b>	<b>2,212,030</b>	<b>1,432,561</b>	<b>81,112</b>	<b>96,237</b>	<b>108,502</b>	<b>493,619</b>

\* Loans and borrowings excludes future interests.

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 prevailing market conditions as appropriate.

EXPOSURE TO INTEREST RATE RISK

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	CARRYING AMOUNT	
	2023	2022
	MVR '000	MVR '000
<b>Fixed Rate Instruments</b>		
Financial Assets - Short term investments	1,266,337	1,264,489
<b>Variable Rate Instruments</b>		
Financial Liabilities - Loans	835,607	508,240

	2023		2022	
	100BP INCREASE	100BP DECREASE	100BP INCREASE	100BP DECREASE
Variable Rate Instruments	8,356	(8,356)	5,082	(5,082)

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.

The Company’s exposure to foreign currency risk was as follows (based on notional amounts):

	31/12/2023			
	US\$ ‘000	EURO ‘000	SGD ‘000	GBP ‘000
Cash and bank balances	7,934	120	25	34
Trade and other receivables	17,454	90	-	43
Amount due to related party	(3,534)	-	-	-
Trade and other payables	(26,168)	(103)	(7)	(15)
Loans and Borrowings	(53,615)	-	-	-
Net statement of financial position exposure	(57,929)	107	18	61

	31/12/2022			
	US\$ ‘000	EURO ‘000	SGD ‘000	GBP ‘000
Cash and bank balances	892	9	2	1
Trade and other receivables	11,869	81	-	7
Amount due to related party	(1,569)	-	-	-
Trade and other payables	(13,196)	(144)	(116)	(12)
Loans and Borrowings	(32,566)	-	-	-
Net statement of financial position exposure	(34,570)	(54)	(114)	(5)

The following significant exchange rates were applied during the year:

	AVERAGE RATE		SPOT RATE	
	2023	2022	2023	2022
US\$ 1 : MVR	15.42	15.42	15.42	15.42
Euro 1: MVR	16.69	16.26	16.92	16.40
SGD 1: MVR	11.48	1118	11.60	11.45
GBP 1: MVR	19.17	19.07	19.61	18.54

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 I (decreased) profit or loss by the amounts shown below.

	YEAR ENDED 2023		YEAR ENDED 2022	
	STRENGTHENING MVR ‘000	WEAKENING MVR ‘000	STRENGTHENING MVR ‘000	WEAKENING MVR ‘000
US\$ (10% Movement)	(89,327)	89,327	(53,307)	53,307
Euro (10% Movement)	178	(178)	(88)	88
SGD (10% Movement)	21	(21)	(127)	127
GBP (10% Movement)	118	(118)	(10)	10

(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.

The Company’s debt to adjusted equity ratio was as follows:

	2023 MVR ‘000	2022 MVR ‘000
Total Liabilities	2,688,583	2,385,105
Less: Cash and Cash Equivalents	(1,446,213)	(1,112,200)
Net Debt	1,242,370	1,272,905
Total Equity	3,554,760	3,215,361
Net Debt to equity ratio	0.35	0.40

(V) ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It doesn't include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts is a reasonable approximation of fair value.

31 <sup>ST</sup> DECEMBER 2023	CARRYING AMOUNT			FAIR VALUE			
	FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000
Balance with banks	1,444,394	-	1,444,394	-	-	-	-
Short term investments	1,266,337	-	1,266,337	-	-	1,266,337	1,266,337
Trade and other receivables	622,052	-	622,052	-	-	-	-
	3,332,783	-	3,332,783	-	-	1,266,337	1,266,337
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE							
Trade and other payables	-	754,762	754,762	-	-	-	-
Loans and Borrowings	-	826,748	826,748	-	-	826,748	826,748
Amounts due to related party	-	402,929	402,929	-	-	-	-
Lease liability	-	347,258	347,258	-	-	347,258	347,258
	-	2,331,697	2,331,697	-	-	1,174,006	1,174,006

31 <sup>ST</sup> DECEMBER 2022	CARRYING AMOUNT			FAIR VALUE			
	FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000	MVR '000
Balance with banks	1,106,506	-	1,106,506	-	-	-	-
Short term investments	1,264,489	-	1,264,489	-	-	1,264,489	1,264,489
Trade and other receivables	563,716	-	563,716	-	-	-	-
	2,934,711	-	2,934,711	-	-	1,264,489	1,264,489
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE							
Trade and other payables	-	689,512	689,512	-	-	-	-
Loans and Borrowings	-	502,169	502,169	-	-	502,169	502,169
Amounts due to related party	-	486,357	486,357	-	-	-	-
Lease liability	-	353,989	353,989	-	-	353,989	353,989
	-	2,032,027	2,032,027	-	-	856,158	856,158

29. RELATED PARTY TRANSACTIONS

29.1 PARENT AND ULTIMATE HOLDING COMPANY

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

29.2 TRANSACTIONS WITH BTC ISLANDS LIMITED

BTC Islands Limited had a 52% shareholding in the Company as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: 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 2023	YEAR ENDED 2022
TRANSACTIONS	MVR '000	MVR '000
Dividends	289,682	228,821
Management fee	30,305	43,245
	319,987	272,066

	2023	2022
BALANCES OUTSTANDING	MVR '000	MVR '000
Amounts payable in respect of expenses incurred	54,495	24,191
Amount payable in respect of Dividend	335,934	462,166
	390,429	486,357

29.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

KEY MANAGEMENT’S REMUNERATION

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 benefits include key management remuneration as follows:

	YEAR ENDED 2023	YEAR ENDED 2022
TRANSACTIONS	MVR '000	MVR '000
Directors' Fees	1,092	1,242
Salaries to Executives	14,896	15,436
Short term Benefits to Executives	7,144	4,631
	23,132	21,309



## 29.4 TRANSACTIONS WITH THE GOVERNMENT OF MALDIVES

The Government of Maldives has a 41.8% shareholding in the Company as at 31<sup>st</sup> December 2023 (31<sup>st</sup> December 2022: 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:

INDIVIDUALLY SIGNIFICANT TRANSACTIONS	YEAR ENDED 2023	YEAR ENDED 2022
TRANSACTIONS	MVR '000	MVR '000
License fees	121,055	115,688
Rentals on land space	15,318	12,328
Dividends	232,875	183,949
	369,248	311,965

	2023	2022
BALANCES OUTSTANDING	MVR '000	MVR '000
Amounts payable in respect of rentals on land space	8,079	6,568
Amounts payable in respect of license payments	10,931	10,360
Amounts payable in respect of Dividends	-	17,579
	19,010	34,507

### 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.

## 29.5 TRANSACTIONS WITH DHIRAAGU FINTECH PRIVATE LIMITED

The Company owns 99.99998% shareholding of Dhiraagu Fintech Pvt Ltd (Dhiraagu Fintech), which was formed on 31<sup>st</sup> December 2023 to carry out it's mobile money service (Dhiraagu Pay). Dhiraagu Fintech has issued 4,999,999 of ordinary shares at MVR 2.5/- per share amounting to MVR 12,499,997.5/- to Dhivehi Raajjeyge Gulhun PLC and share capital of Dhiraagu Fintech is yet to be settled by the Company as at 31<sup>st</sup> December 2023.

## 30. BOARD OF DIRECTORS' RESPONSIBILITY

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

## 31. COMPARATIVE FIGURES

Certain reclassifications have been made to the comparative figures to enhance comparability and fair presentation of financial statements. As a result, following balances have been amended in the statement of financial position, statement of cash flows and the related notes as shown below. These reclassifications has not resulted in changes to the profit for the year, total assets, total liabilities or total net assets previously reported and as at 31<sup>st</sup> December 2023.

	AS PREVIOUSLY REPORTED	RECLASSIFIED AMOUNT
	MVR '000	MVR '000
<b>Statement of Financial Position</b>		
Short term Investments	-	1,264,489
Cash and cash equivalents	2,375,386	1,112,200
Trade and other receivables	653,612	652,309
<b>Statement of Cash Flow</b>		
Net cash generated from operating activities	1,283,109	1,283,109
Net cash used in investing activities	(375,903)	(625,501)
Net cash used in financing activities	(283,753)	(283,753)
Net increase in cash and cash equivalents	623,453	373,855
Cash and cash equivalents at beginning of the year	1,749,433	735,845
Cash and cash equivalents at end of the year	2,372,886	1,109,700

## 32. 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 174,654,589/- (31<sup>st</sup> December 2022: MVR 150,753,703/-).

### CONTINGENCIES

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

## 33. EVENTS OCCURRING AFTER THE REPORTING DATE

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

### 33.1

On 5<sup>th</sup> February 2024, the Board of Directors of the Company has proposed a final dividend of MVR 5.84/- per share which is to be put forward for approval at the next Annual General Meeting of the shareholders.

# CONTENT INDEX

## GRI STANDARD INDEX

**STATEMENT OF USE:** Dhiraagu has reported the information cited in this GRI content index for the period 1st January 2023 to 31st December 2023 with reference to the GRI Standards.  
**GRI 1 USED:** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 2: General Disclosures 2021	2-1 Organizational details	Page O8-36
	2-2 Entities included in the organization’s sustainability reporting	Page 62 Dhiraagu Fintech Pvt Ltd was incorporated on 31st December 2023, Hence it has not been included in the sustainability report.
	2-3 Reporting period, frequency and contact point	Page 3
	2-4 Restatements of information	No restatements were made during the reporting period.
	2-5 External assurance	Page 1O3-1O7 External assurance has being sought for financial information only.
	2-6 Activities, value chain and other business relationships	Page 8 – 15 , 67
	2-7 Employees	Page 7O- 72
	2-8 Workers who are not employees	Page 72 Includes workers who are hired through employment agencies to work in various departments in Dhiraagu.
	2-9 Governance structure and composition	Page 2O-36, 79 – 81, 8O-97, 84- 93
	2-1O Nomination and selection of the highest governance body	Page 86, 94, 96 - 97
	2-11 Chair of the highest governance body	Page 17 , 21
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 2O-29, 87, 89
	2-13 Delegation of responsibility for managing impacts	Page 32-36, 79, 89-91
	2-14 Role of the highest governance body in sustainability reporting	Page 65
	2-15 Conflicts of interest	Page 88
	2-16 Communication of critical concerns	Page 89-9O
	2-17 Collective knowledge of the highest governance body	Page 79, 98
	2-18 Evaluation of the performance of the highest governance body	Page 99
	2-19 Remuneration policies	Page 97
	2-2O Process to determine remuneration	Page 96- 99
	2-21 Annual total compensation ratio	Confidential information not reported due to competitive disadvantage and privacy concerns.
	2-22 Statement on sustainable development strategy	Page 6O
	2-23 Policy commitments	Page 8O - 81
	2-24 Embedding policy commitments	Page 8O- 81, 89-91
	2-25 Processes to remediate negative impacts	Page 8O - 81, 89-91
	2-26 Mechanisms for seeking advice and raising concerns	Page 74 , 81
	2-27 Compliance with laws and regulations	Page 8O, 91
	2-28 Membership associations	Page 63-64
	2-29 Approach to stakeholder engagement	Page 65
	2-3O Collective bargaining agreements	Page 63

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 65
	3-2 List of material topics	Page 65
	3-3 Management of material topics	Page 65-66
GRI 2O1: Economic Performance 2O16	2O1-1 Direct economic value generated and distributed	Page 1O3-149
	2O1-2 Financial implications and other risks and opportunities due to climate change	Information incomplete during the reporting period 2O23. The implementation of necessary systems to account for the impact is in process.
	2O1-3 Defined benefit plan obligations and other retirement plans	Page 73, 8O, 117
	2O1-4 Financial assistance received from government	No financial assistance received from government during the reporting period.
GRI 2O2: Market Presence 2O16	2O2-1 Ratios of standard entry level wage by gender compared to local minimum wage	Dhiraagu complies with minimum wage requirements set in the Employment Act (2/2OO8) and Minimum Wage Order dated 8th November 2O21.
	2O2-2 Proportion of senior management hired from the local community	Page 72
GRI 2O3: Indirect Economic Impacts 2O16	2O3-1 Infrastructure investments and services supported	Page 67-69
	2O3-2 Significant indirect economic impacts	Page 75 - 78
GRI 2O4: Procurement Practices 2O16	2O4-1 Proportion of spending on local suppliers	Page 67
GRI 2O5: Anti-corruption 2O16	2O5-1 Operations assessed for risks related to corruption	Page 8O, 94- 95
	2O5-2 Communication and training about anti-corruption policies and procedures	Page 63, 79-8O
	2O5-3 Confirmed incidents of corruption and actions taken	No incidents of corruption.
GRI 2O6: Anti-competitive Behavior 2O16	2O6-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions for anti-competitive behavior.
GRI 2O7: Tax 2O19	2O7-1 Approach to tax	Page 119, 125 - 127
	2O7-2 Tax governance, control, and risk management	Page 53, , 85, 94 – 95, 1O3-111, 119, 137- 146
	2O7-3 Stakeholder engagement and management of concerns related to tax	Page 65, 85, 94- 95
	2O7-4 Country-by-country reporting	Page 1O3-149
GRI 3O1: Materials 2O16	3O1-1 Materials used by weight or volume	Page 63- 64, 7O
	3O1-2 Recycled input materials used	Disclosure is not applicable as Dhiraagu does not manufacture or package any material.
	3O1-3 Reclaimed products and their packaging materials	Disclosure is not applicable as Dhiraagu does not manufacture or package any material.
GRI 3O2: Energy 2O16	3O2-1 Energy consumption within the organization	Page 7O
	3O2-2 Energy consumption outside of the organization	Information incomplete as the Scope 3 emissions were not calculated during the reporting period.
	3O2-3 Energy intensity	Information unavailable and incomplete. The data compilation is in process for the subsequent reporting period.
	3O2-4 Reduction of energy consumption	Page 41, 7O
	3O2-5 Reductions in energy requirements of products and services	Page 41, 63- 64, 7O

GRI STANDARD	DISCLOSURE	RESPONSE
<b>GRI 3O3: Water and Effluents 2018</b>	3O3-1 Interactions with water as a shared resource	This is not applicable to Dhiraagu as water supply is purchased from Maldives Water and Sewerage Company.
	3O3-2 Management of water discharge-related impacts	Not applicable and non-material.
	3O3-3 Water withdrawal	Not applicable and non-material.
	3O3-4 Water discharge	Not applicable and non-material.
	3O3-5 Water consumption	Page 71
<b>GRI 3O4: Biodiversity 2016</b>	3O4-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information will be provided in the next reporting period for such areas, if any, covered under our Environmental and Social Impact Assessments conducted from 2O23 onwards.
	3O4-2 Significant impacts of activities, products and services on biodiversity	Page 63- 64
	3O4-3 Habitats protected or restored	Page 77
	3O4-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information will be provided in the next reporting period for the species, if any, covered under our Environmental and Social Impact Assessments conducted from 2O23 onwards.
<b>GRI 3O5: Emissions 2016</b>	3O5-1 Direct (Scope 1) GHG emissions	Page 41
	3O5-2 Energy indirect (Scope 2) GHG emissions	Page 41
	3O5-3 Other indirect (Scope 3) GHG emissions	Information unavailable as relevant data collection is being planned for calculation.
	3O5-4 GHG emissions intensity	Information unavailable. Disclosure in process for subsequent reporting period.
	3O5-5 Reduction of GHG emissions	Page 7O
	3O5-6 Emissions of ozone-depleting substances (ODS)	Disclosure not applicable as there are no significant ODS emissions in the products and services.
	3O5-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosure not applicable as there are no significant emissions in the products and services.
<b>GRI 3O6: Waste 2O2O</b>	3O6-1 Waste generation and significant waste-related impacts	Page 71
	3O6-2 Management of significant waste-related impacts	Page 71
	3O6-3 Waste generated	Page 71
	3O6-4 Waste diverted from disposal	Information unavailable as a strategy to divert waste is to be implemented.
	3O6-5 Waste directed to disposal	Page 71
<b>GRI 3O8: Supplier Environmental Assessment 2016</b>	3O8-1 New suppliers that were screened using environmental criteria	Page 67
	3O8-2 Negative environmental impacts in the supply chain and actions taken	Page 67
<b>GRI 4O1: Employment 2016</b>	4O1-1 New employee hires and employee turnover	Page 72
	4O1-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 73 - 74
	4O1-3 Parental leave	Page 74
<b>GRI 4O2: Labor/Management Relations 2016</b>	4O2-1 Minimum notice periods regarding operational changes	Notice Periods are in accordance with Dhiraagu's Policies and Employment Agreements.

GRI STANDARD	DISCLOSURE	RESPONSE
<b>GRI 4O3: Occupational Health and Safety 2018</b>	4O3-1 Occupational health and safety management system	Page 74
	4O3-2 Hazard identification, risk assessment, and incident investigation	Page 74
	4O3-3 Occupational health services	Page 74
	4O3-4 Worker participation, consultation, and communication on occupational health and safety	Page 74
	4O3-5 Worker training on occupational health and safety	Page 74
	4O3-6 Promotion of worker health	Page 63- 64, 74
	4O3-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 63, 67
	4O3-8 Workers covered by an occupational health and safety management system	Page 71
	4O3-9 Work-related injuries	Page 147
	4O3-1O Work-related ill health	Page 147
<b>GRI 4O4: Training and Education 2016</b>	4O4-1 Average hours of training per year per employee	Page 146
	4O4-2 Programs for upgrading employee skills and transition assistance programs	Page 7O-71, 146, 149
	4O4-3 Percentage of employees receiving regular performance and career development reviews	Page 73
<b>GRI 4O5: Diversity and Equal Opportunity 2016</b>	4O5-1 Diversity of governance bodies and employees	Page 73, 79 , 98
	4O5-2 Ratio of basic salary and remuneration of women to men	Page 73
<b>GRI 4O6: Non-discrimination 2016</b>	4O6-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination
<b>GRI 4O7: Freedom of Association and Collective Bargaining 2016</b>	4O7-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 63-64
<b>GRI 4O8: Child Labor 2016</b>	4O8-1 Operations and suppliers at significant risk for incidents of child labor	Page 63-64
<b>GRI 4O9: Forced or Compulsory Labor 2016</b>	4O9-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 63-64
<b>GRI 41O: Security Practices 2016</b>	41O-1 Security personnel trained in human rights policies or procedures	Security personnel are hired through third-party contractors. They undergo Dhiraagu's Policies and Procedures orientation process.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	No violations.
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Page 63- 64, 67- 69, 75- 78
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant or potential impacts during the reporting period due to Dhiraagu products and services.
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Page 67
	414-2 Negative social impacts in the supply chain and actions taken	Page 67
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	No contributions.
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Information confidential due to competitive disadvantage concerns.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance.
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	All telecommunication services provided by Dhiraagu are pre-approved by Communication Authority of Maldives before being made available to customers.
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 68-69





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