



FIRST QUARTER REPORT

January to March 2019

Dhivehi Raajjeyge Gulhun PLC
www.dhiraagu.com.mv





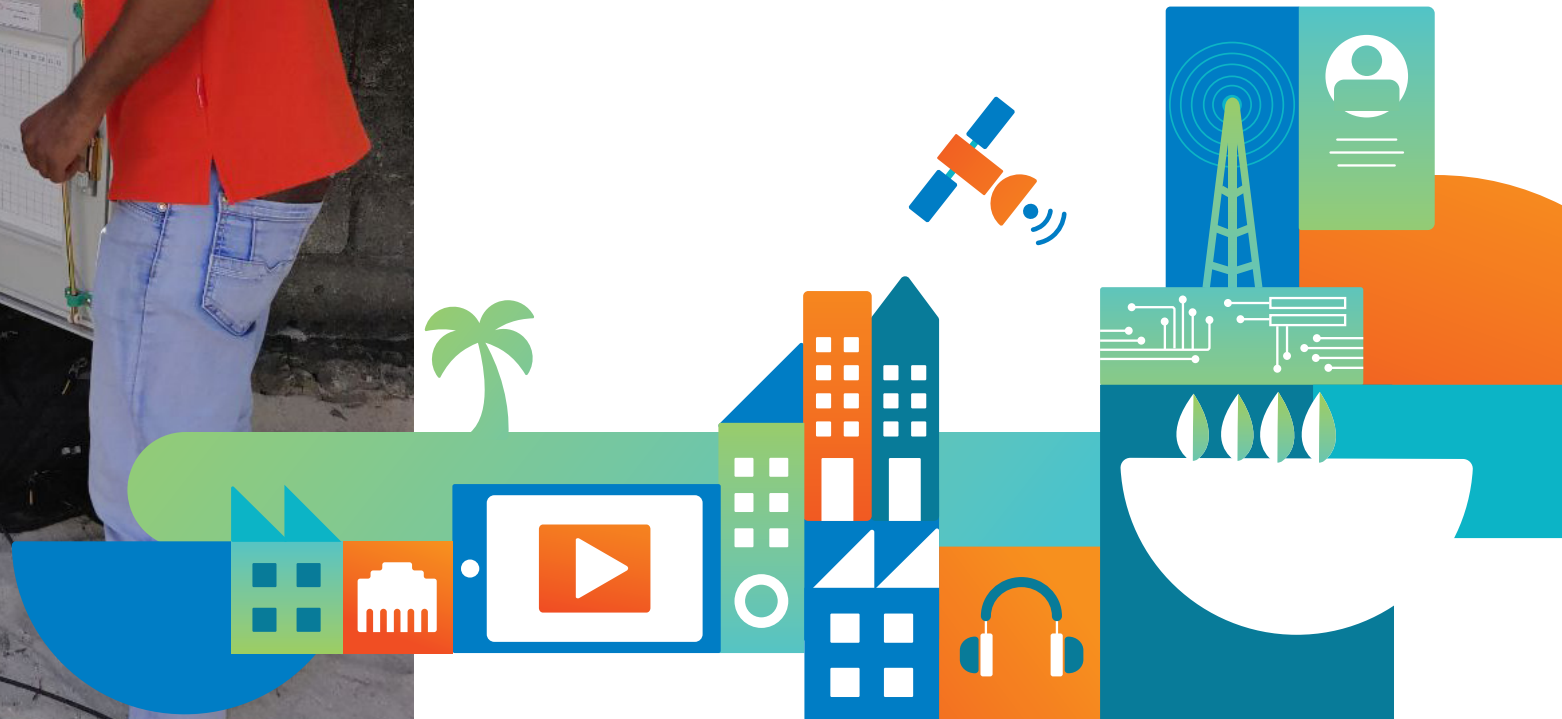
Dhiraagu is the leading digital and telecommunications service provider in the Maldives. Our business is to provide future-proof digital and telecommunications connectivity that enables our customers to get ahead in the digital future. We are the pioneers that ushered the Maldives into the digital age, and we continue to lead the field by placing premium value on customer experience and consistent innovation. With over half a million customers, and an employee base comprising 99% trained Maldivians and presence throughout the country, we remain committed to enrich our customers' lives through digital services.

Dhiraagu brings the latest innovations and technology to help all our customers succeed in an increasingly connected world. We offer a comprehensive range of services spanning from mobile, internet, data, TV, mobile money and fixed services. We also ensure reliable international connectivity and coverage within the Maldives. We consider ourselves a partner for business growth and provide leading enterprise solutions and offer our customers peace of mind.



01

DEVELOPMENTS DURING THE QUARTER



1.1 SUMMARY

This year we maintain our focus on building a 'Digital Raajje' with the aim to deliver on our brand promise and empower our customers to 'take on tomorrow'.

Our vision of a 'Digital Raajje' is for everyone, including communities in very remote corners of the country to enjoy the benefits of innovative digital technologies. During the quarter, we achieved a key milestone of providing Fibre to the Home to 75% of national households across 57 islands. This achievement could not have been possible without the support of the Government, local councils and island communities.

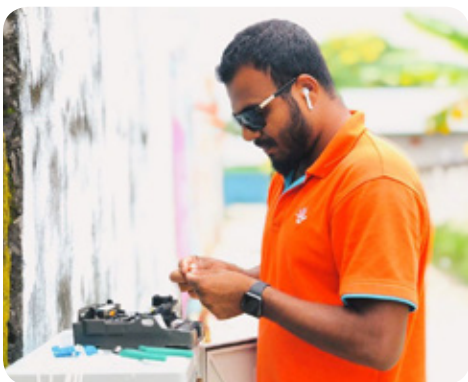
Dhiraagu increased revenue during the first quarter by 1% compared to the same period in 2018 driven by higher

seasonal roaming revenues, growth in broadband and enterprise services. Net profit and earnings per share grew 3% over Q4 2018 due to lower costs. Net cash flow increased mainly due to lower capital investment during the quarter. The company also announced a proposed final dividend of MVR 452.2m (MVR 5.95 per share) for the year ending 31 December 2018 which will be paid during Q2, following shareholder approval at the 30th AGM.

Key CSR highlights during the quarter include the second StartupGrindX event for young entrepreneurs in Maldives in partnership with our partner Sparkhub. We also supported the Havali NGO Fair, a key initiative by the Government of Maldives to establish a platform of collaboration between NGOs, the corporate and the public sector.



1.2 KEY COMMERCIAL HIGHLIGHTS



Network expansion

We made substantial progress on our FTTH network expansion project, successfully reaching 75% of the households. Our FTTH service is now available in 57 islands across the nation.



Maldives' official launch of Samsung S Series

Dhiraagu in partnership with Samsung announced the Maldives' official launch of Samsung S Series and opened for pre-order.



Mamen

With the start of the new academic year, we introduced a special Mamen promo for students and the chance to win exciting lucky draw offers.



Sponsorships

We continued to extend our support to various social and environmental causes including;

- Maldives' first Paramotor Expedition, to raise awareness of plastic pollution and climate change
- Mamen Interschool Football Tournament, as we promote active living and unity through sports
- 'Megabites' – an annual festival at Centre for Higher Secondary Education, to support engagement and drive youth agenda.



1.3 ORGANIZATIONAL HIGHLIGHTS



Awards & Recognitions

We received the following accolades and appreciation for our work with the community and how we conduct our business:

- Corporate Governance Award by Corporate Maldives;
- Partner of the Year Award by ANTLabs in recognition for outstanding sales performance;
- "Supporter of Children's Rights" award from Advocating the Rights of Children (ARC);
- an appreciation award from Care Society for supporting efforts to empower persons with disabilities; and
- Dhiraagu Maldives Road Race was recognised among the top 3 races for quality of engagement in social initiatives by the Association of International Marathons and Distance Races.



Employee training & engagement

We strive to maintain our focus on our employee's professional development, health, safety, and engagement.

Our training focused on ensuring our employees were given the right skillsets and tools to achieve our strategic initiatives and during the quarter we offered training to a total of 151 employees.

Dhiraagu Employees Soccer Cup (DESCUP 2019) is one of the most anticipated events on our employee calendar. This year over 400 employees participated in the tournament. 26 teams played which included 6 women's teams and 3 teams from regional centers.



1.4 CORPORATE SOCIAL RESPONSIBILITY



Empowering women & young people

- We celebrated the International Women's Day with a staff function which featured guest spoke on their experiences and this year's theme 'Balance for Better'.
- In partnership with Sparkhub, we hosted the second Startup Grind x event for young entrepreneurs.
- We held an interactive session for business students of Centre for Higher Secondary Education where we discussed our approach to CSR.



Care for Children

- To mark World Down Syndrome Day, we supported the NGO Beautiful Eyes Down Syndrome Association to conduct a speech therapy and assessment programme in Haa. Dhaal Atoll.



Care for the Environment

- As part of our programme against the use of single-use plastic, we held a beach cleanup and awareness session in Sh. Feydhoo together with the NGO Feydhoo Environment Development Association.
- Our staff volunteered to celebrate Earth Hour together with Bike Maldives through a special Earth Hour bike ride. We also switched off lights during Earth Hour from Dhiraagu Head Office and all regional operational centres to take part in the global campaign to raise awareness.



Community wellbeing & support

- On World Cancer Day, we hosted the Cancer Society of Maldives at Dhiraagu Head Office to introduce a workplace exercise routine for staff.
- We supported the Havali NGO Fair, a key initiative by the Government of Maldives to establish a platform of collaboration between NGOs, the corporate and the public sector. At the fair, we presented Dhiraagu's approach to Corporate Social Responsibility.



02

KEY FINANCIAL HIGHLIGHTS



2.1 BALANCE SHEET (UNAUDITED)

AS AT	31 Mar 2019 MVR “000”	31 Dec 2018 MVR “000”
ASSETS AND LIABILITIES		
Non-Current Assets		
Intangible Assets	276,726	286,098
Property, Plant and Equipment	1,819,139	1,870,109
Right of Use Asset	219,587	
Deferred Tax Asset	20,486	15,418
Total Non-Current Assets	2,335,938	2,171,625
Current Assets		
Inventories	65,070	55,516
Trade and Other Receivables	604,286	584,664
Cash and Bank Balances	536,723	335,672
Total Current Assets	1,206,079	975,852
Total Assets	3,542,017	3,147,477
Current Liabilities		
Trade and Other Payables	(523,000)	(559,871)
Amounts Due to Related Party	(1,723)	(1,638)
Right of Use Liability – Current	(30,187)	
Current Tax Liabilities	(53,083)	(85,552)
Total Current Liabilities	(607,993)	(647,061)

	31 Mar 2019 MVR “000”	31 Dec 2018 MVR “000”
Non-Current Liabilities		
Provisions	(173,533)	(170,573)
Right of Use Liability – Non-Current	(191,707)	
Total Non-current Liabilities	(365,240)	(170,573)
Total Liabilities	(973,233)	(817,634)
Net Assets	2,568,784	2,329,843
Equity		
Share Capital	190,000	190,000
Retained Earnings	2,378,784	2,139,843
Total Equity	2,568,784	2,329,843



2.2 INCOME STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	31 Mar 2019 MVR “000”	31 Dec 2018 MVR “000”
Revenue	708,675	704,746
Operating Costs	(324,149)	(340,113)
Depreciation and Amortization	(91,807)	(81,943)
Other Income	268	506
Results from Operating Activities	292,987	283,196
Net Financing Expense	(12,312)	(10,326)
Profit Before Tax	280,675	272,870
Tax Expense	(41,734)	(41,017)
Profit for the period	238,941	231,853

Share Performance Ratios

Basic Earnings Per Share (Annualized MVR)	12.56	12.20
Basic Earnings Per Share (Quarter MVR)	3.14	3.05

2.3 CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED	31 Mar 2019 MVR “000”	31 Dec 2018 MVR “000”
Net Cash Inflow from Operating Activities	259,920	282,248
Net Outflow from Investing Activities	(41,128)	(98,004)
Net Outflow from Financing Activities	(17,740)	(77,923)
Net Increase in Cash and Cash Equivalents	201,052	106,321
Cash and Cash Equivalents at beginning of the Period	315,975	209,654
Cash and Cash Equivalents at end of the Period	517,027	315,975



Robin Wall
Chief Financial Officer



Ismail Rasheed
CEO & Managing Director



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GOVERNANCE



3.1 BOARD COMPOSITION

During the quarter, the Batleco Group brought the following changes to the Board of Directors.

- Mr. Abdul Rahman Fakhro was removed from the board on 1 January 2019; and
- Mr. Khalid Hussain Taqi was appointed to the board on 4 March 2019.

With these changes, the Board comprised of the following 7 members at the end of Q1, 2019.

Mr. Ismail Waheed

Chairperson

Non-Executive & Independent

Chairperson, Remuneration, Nomination and Governance Committee

Mrs. Khulood Rashid AlQattan

Director

Non-Executive & Independent

Chairperson, Audit Committee

Mr. Oliver McFall

Director

Non-Executive & Independent

Mr. Khalid Taqi

Director

Non-Executive & Independent

Mr. Ihab Hinnawi

Director

Non-Executive & Independent

Mr. Ismail Rasheed

Chief Executive Officer & MD

Executive & Non- Independent

Mr. Imran Ali

Director

Non-Executive & Independent

Member, Audit Committee & Remuneration, Nomination and Governance Committee



3.2 BOARD ACTIVITY

One Board Meeting, one Audit Committee Meeting and one Remuneration, Nomination and Governance Committee Meeting was held during the quarter.

3.3 BOARD DECISIONS

Important Board decisions made during Quarter included:

- Approval of Audited Financial Statements for the year ended 31st December 2018.
- Approval of the Annual Report of 2018.
- Approval to submit for shareholder's consideration and approval, a full year dividend of MVR 905.16m amounting to MVR 11.91 per share for the year 2018. The full year dividend is made up of:
 - o MVR 5.96 per share (total MVR 452.96m) paid as interim dividend in 2018, and
 - o MVR 5.95 per share (total MVR 452.20m) as final dividend for 2018 to be paid after shareholder approval at 30th AGM.
- Approval to submit for the shareholder's consideration and approval, the recommendation to appoint KPMG as the External Auditor of the Company to carry out the statutory audit for the financial year ending 31 December 2019, for a maximum fee of US\$ 45,000 (excluding out of pocket expenses and subject to GST of 6%).
- Approval of 2018 Performance Bonus Payout.

3.4 LEGAL & REGULATORY COMPLIANCE

The company complied with the CMDA's Corporate Governance Code and Dhiraagu Corporate Governance Code during the quarter. Highlights include ensuring regular, timely and effective disclosures as required by the Code.

The company's Corporate Governance Code can be viewed in the investor relations section of the Dhiraagu website.

3.5 REPORTING COMPLIANCE

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



04

INVESTOR RELATIONS



4.1 SHAREHOLDING

The company's shareholding as at 31st March 2019 was as follows:

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

4.2 TRADING HIGHLIGHTS

	Q1 2019	Q4 2018
Highest Traded Price (MVR)	85	85
Lowest Traded Price (MVR)	80	80
Last Traded Price (MVR)	85	80
Number of Shares Traded	608	1,480
Number of Trades	7	6
Weighted Average Traded Price (MVR)	84.15	80.89
Market Capitalization as at quarter end (MVR)	6.08bn	6.08bn

4.3 SHARE PERFORMANCE

	Q1 2019	Q4 2018
EPS (Annualized MVR)	12.56	12.20
P/E Ratio (Annualized)	6.77	6.56
Net Asset Per Share (MVR)	33.80	30.65
Dividend Yield	NA	NA



