

Fourth Quarter Report

OCTOBER – DECEMBER 2023



dhiraagu.com.mv

Developments During the Quarter



Summary

We remain steadfast in our vision to provide our customers the best possible services and options to allow them to get ahead in 'Digital Raajje.'

On our 35th anniversary, we launched an exciting 'Win A Tesla' promotion, providing our customers with the opportunity to win a unique, tech-powered experience. Customers who subscribe to any Postpaid 450 or Fibre Broadband 30M package or above stand the chance to win a state-of-the-art, electric-powered Tesla car.

During the quarter, we launched Dhiraagu eZone, a one-stop mobile gaming and entertainment platform for our mobile customers where they can subscribe to several interactive mobile games, entertainment, and fun offers.

In our efforts to create and empower digital communities across the nation, we rolled out our high-speed fibre broadband service to additional islands, providing 94% of national households with high-speed connectivity.

We also hosted the 14th edition of Dhiraagu Maldives Road Race (DMRR) – the largest and only international run held in the Maldives – with over 4000 registered participants. Similar

to previous years, the run was dedicated to help protect children and raise funds for partner NGOs who work in the area of child protection.

In order to meet our enterprise customers' increasing demand for comprehensive security, we partnered with Beyon Cyber to provide cybersecurity services. We also supported the government, working with the Ministry of Islamic Affairs to provide digital connectivity to an additional 40 mosques across the country.

Revenue for Q4 2023 increased by 5% compared to Q3 2023 mainly from mobile and adjacent services. Net profit and earnings per share increased by 7% versus the prior quarter, primarily due to the increase in revenue.

1.1 KEY FINANCIAL HIGHLIGHTS

Dhiraagu's financial performance ended the year on a high note. Revenue for Q4 2023 increased by 5% compared to Q3 2023 mainly from mobile and adjacent services. Net profit and earnings per share increased by 7% versus the prior quarter, primarily due to the increase in revenue. Net cash flow increased during the quarter from operating activities mainly because of tax payments made in Q3 2023 and an increase in investments in Q3 2023 compared to Q4 2023.

	DEC	vs	SEP
FOR THE QUARTER ENDED	(Q4 2023) MVR "000"		(Q3 2023) MVR "000"
Total Revenue	684,323		653,841
Total Expenses (Net of Other Income)	(410,791)		(398,752)
Income Tax Expense	(40,747)		(37,837)
Profit After Tax	232,785		217,252

Share Performance

	DEC (Q4 2023) MVR	SEP (Q3 2023) MVR
Basic Earnings Per Share	3.06	2.86
P/E Ratio (Annualized)	11.51	13.37
Net Asset Per Share (MVR)	46.77	43.71
Dividend Yield	5.53%	4.71%
Cashflow Per Share	19.00	17.30

Financial Statements



2.1 INCOME STATEMENT (UNAUDITED)

		Q4 2023	vs	Q3 2023
FOR THE YEAR AND QUARTER ENDED	YTD (2023) MVR "000"	DEC (Q4 2023) MVR "000"		SEP (Q3 2023) MVR "000"
Mobile Revenue	1,376,759	365,182		340,946
Fixed, Broadband & Enterprise	1,177,585	298,853		293,559
Others	77,993	20,288		19,336
Revenue	2,632,337	684,323		653,841
Direct Costs	(412,649)	(106,987)		(102,953)
Other Operating Costs	(690,719)	(180,234)		(174,093)
Depreciation and Amortization	(395,029)	(100,528)		(101,750)
Other Income	3,887	1,271		1,610
Results from Operating Activities	1,137,827	297,845		276,655
Net Financing Expense	(84,922)	(24,313)		(21,566)
Profit Before Tax	1,052,905	273,532		255,089
Tax Expense	(156,426)	(40,747)		(37,837)
Profit for the period	896,479	232,785		217,252
Share Performance Ratios				
Basic Earnings Per Share	11.80	3.06		2.86

2.2 BALANCE SHEET (UNAUDITED)

	Q4 2023	vs	Q3 2023
AS AT	DEC (Q4 2023)		SEP (Q3 2023)
	MVR "000"		MVR "000"
ASSETS AND LIABILITIES			
Non-Current Assets			
Intangible Assets	359,632		317,297
Property, Plant and Equipment	2,120,613		1,924,739
Right of use asset	291,172		298,016
Deferred Tax Asset	19,889		17,680
Investment in Subsidiary	12,500		-
Total Non-Current Assets	2,803,806		2,557,732
Current Assets			
Inventories	41,988		48,423
Trade and Other Receivables	684,999		686,699
Short Term Investments	1,266,337		1,268,606
Cash and Bank Balances	1,446,213		1,317,299
Total Current Assets	3,439,537		3,321,027
Total Assets	6,243,343		5,878,759
Current Liabilities			
Trade and Other Payables	(876,795)		(709,442)
Amounts Due to Related Party	(402,929)		(460,040)
Lease Liabilities	(62,512)		(60,494)
Loans and Borrowings	(155,438)		(224,142)
Current Tax payable	(85,421)		(42,465)
Total Current Liabilities	(1,583,095)		(1,496,583)

	Q4 2023	vs	Q3 2023
	DEC (Q4 2023)		SEP (Q3 2023)
	MVR "000"		MVR "000"
Non-Current Liabilities			
Provisions	(149,432)		(148,211)
Loans and Borrowings	(671,310)		(621,922)
Lease liabilities	(284,746)		(290,068)
Total Non-current Liabilities	(1,105,488)		(1,060,201)
Total Liabilities	(2,688,583)		(2,556,784)
Net Assets	3,554,760		3,321,975
Equity			
Share Capital	190,000		190,000
Retained Earnings	3,364,760		3,131,975
Total Equity	3,554,760		3,321,975

2.3 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share Capital MVR "000"	Retained Earnings MVR "000"	Total MVR "000"
Balance at 31 Mar 2023	190,000	2,813,229	3,003,229
Profit for the period	-	227,654	227,654
Dividends	-	-	-
Balance at 30 Jun 2023	190,000	3,040,883	3,230,883
Profit for the period	-	217,252	217,252
Dividends	-	(126,160)	(126,160)
Balance at 30 Sep 2023	190,000	3,131,975	3,321,975
Profit for the period	-	232,785	232,785
Dividends	-	-	-
Balance at 31 Dec 2023	190,000	3,364,760	3,554,760

2.4 CASH FLOW STATEMENT (UNAUDITED)

	Q4 2023	vs	Q3 2023
FOR THE QUARTER ENDED	DEC (Q4 2023) MVR "000"		SEP (Q3 2023) MVR "000"
Net Cash Inflow from Operating Activities	406,883		256,762
Net Cash Outflow from Investing Activities	(89,394)		(191,486)
Net Cash Outflow from Financing Activities	(188,575)		(77,390)
Net Increase in Cash and Cash Equivalents	128,914		(12,114)
Cash and Cash Equivalents at beginning of the Period	1,314,799		1,326,913
Cash and Cash Equivalents at end of the Period	1,443,713		1,314,799

Reclassifications have been made to the comparative figures (Q3 2023) to enhance comparability and fair presentation of financial statements. These reclassifications have not resulted in changes to the profit for the year, total assets, total liabilities, or total net assets previously reported.



Ismail Rasheed
CEO & Managing Director



Ahmed AbdhulRahman
Chairperson, Audit Committee



Robin Wall
Chief Financial Officer

3.1 BOARD COMPOSITION

No changes were brought to the composition of the Board during the third quarter of 2023. The Board composition as at 31 December 2023 was as follows.

Name	Position	Category	Date Appointed	Respective Committee
Mr. Ismail Waheed	Chairperson, Director	Non-Executive & Independent	29 November 2018	Chairperson, RNG Committee
Mr. Ahmed AbdulRahman	Deputy Chairperson, Director	Non-Executive & Independent	4 May 2020	Chairperson, Audit Committee
Mr. Mikkel Vinter	Director	Non-Executive & Independent	4 May 2020	Member RNG Committee
Mr. Faisal Qamhiyah	Director	Non-Executive & Independent	4 May 2020	
Mr. Faisal Al-Jalahma	Director	Non-Executive & Independent	1 March 2022	
Mr. Ahmed Mohamed Didi	Director	Non-Executive & Independent	24 March 2022	Member, RNG Committee Member, Audit Committee
Mr. Abdullah Abdul Raheem	Director	Non-Executive & Independent	2 August 2022	Member, Audit Committee
Mr. Ismail Rasheed	Chief Executive Officer & Managing Director	Executive & Non-Independent	16 September 2015	

RNG Committee = Remuneration, Nomination and Governance Committee

3.2 BOARD ACTIVITY

Board and Committee meetings held during the quarter were as follows;

Board of Directors Meeting – 2

Audit Committee – 1

Remuneration Nomination and Governance Committee – 1

3.3 BOARD DECISIONS

Important Board decisions made during the quarter included:

- 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.

3.4 LEGAL AND REGULATORY COMPLIANCE

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

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

3.5 REPORTING COMPLIANCE

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

4.1 SHAREHOLDING

The Company's shareholding as at 31 December 2023 was as follows:

Shareholding	%	Number of Shares
BTC Islands Ltd (Beyon)	52.0%	39,520,000
Goverment of Maldives	41.8%	31,770,150
Public	6.2%	4,709,850
	100%	76,000,000

4.2 TRADING HIGHLIGHTS

SHARE INFORMATION

	Q4 2023	Q3 2023
Highest Traded Price (MVR)	155	200
Lowest Traded Price (MVR)	115	145
Last Traded Price (MVR)	150	145
Last Traded Date	28 December 2023	7 September 2023
Number of Shares Traded	1451	716
Number of Trades	50	16
Value of securities traded (MVR)	192,215	111,460
Weighted Average Traded Price (MVR)	132.47	155.67
Market capitalisation as at quarter end (MVR)	10.07bn	11.83bn