

DHIVEHI RAAJJEYGE GULHUN PLC
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2025

DHIVEHI RAAJJEYGE GULHUN PLC
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

CONTENTS	Page
Independent Auditors' Report	1 - 5
Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10 - 48





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Independent Auditors' Report

To the Shareholders of Dhivehi Raajjeyge Gulhun PLC

Opinion

We have audited the consolidated financial statements of Dhivehi Raajjeyge Gulhun PLC and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31st December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information set out in pages 6 to 48.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standard).

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

(Refer to the accounting policies and critical accounting estimates, assumptions and judgments in notes 4.14 and 5 (c) of the consolidated 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 and assessing the design and implementation of management's key internal controls relating to material revenue streams;

Key Audit Matters (Continued)

Revenue Recognition (Continued)

Risk Description

The majority of the Group'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.

Therefore, we identified revenue recognition as a key audit matter because of the complexity and the inherent risk related to the accuracy and existence of revenue recorded.

Our response

- Testing of operative effectiveness of management's key internal controls relating to material revenue streams involving IT audit specialist;
- Involving our IT specialists to review the input of terms and pricing of different services; accuracy of the data captured by different systems and interfaces between the systems;
- Performing an independent revenue reconciliation using usage reports and comparing them with amounts recorded in the GL for material revenue streams;
- Performing vouching procedures for sales project revenue, roaming revenue and interconnect revenue to supporting documentation on a sample basis;
- Testing period-end cut-off and unbilled revenue accruals on a sample basis;
- Reviewing journal entries related to revenue accounts on a sample basis;
- Assessing the appropriateness of the Group's accounting policies set out in notes 4.14 and 5 (c), and adequacy of the disclosures.



Key Audit Matters (Continued)

Capitalization of Assets including useful lives, depreciation and impairment

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

Risk Description	Our response
<p>The Group 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 2,519 million as at 31st December 2025.</p>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> - 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;
<p>There are number of areas where management judgment impacts the carrying value of Property and Equipment, and the related depreciation profiles and impairment.</p>	<ul style="list-style-type: none"> - 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;
<p>The 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>	<ul style="list-style-type: none"> - 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;
<p>Further, Telecommunication industry is evolving continually due to changes in the technology. Further, the Group 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.</p>	<ul style="list-style-type: none"> - Evaluating management's estimation of useful economic lives by considering our knowledge of the business;
<p>We consider this area as key audit matter because determination of capitalization date, useful lives and recoverable amount of Property and Equipment involves judgments and estimates. Therefore, an error in such estimates could result in material misstatements in the consolidated financial statements.</p>	<ul style="list-style-type: none"> - 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;
	<ul style="list-style-type: none"> - 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;
	<ul style="list-style-type: none"> - 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;
	<ul style="list-style-type: none"> - Assessing the adequacy of the consolidated financial statements disclosures included in notes 4.4, 5 (a), 5 (b) and 5 (g).

Other Information

The Board of Directors (the "Board") is responsible for the other information. The other information comprises the information included in the annual report but does not include in the consolidated 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements.

In connection with our audit of the consolidated 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 consolidated 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 Consolidated Financial Statements

The Board is responsible for the preparation and the fair presentation of consolidated financial statements in accordance with IFRSs, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting processes.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group's internal control.

Auditors' Responsibilities for the Audit of the Consolidated 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 Muaaz
Audit License No: ICAM-IL-FQ1
For and on behalf of KPMG Maldives

5th February 2026

Male'



DHIVEHI RAAJJEYGE GULHUN PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2025 MVR "000"	2024 MVR "000"
Revenue	8	2,837,652	2,786,548
Operating costs	9	(1,175,304)	(1,149,909)
Depreciation and amortization	14, 15 & 16	(432,365)	(405,347)
Impairment loss on trade receivables and contract assets	18.1	(24,460)	(30,077)
Net Other income	10	4,847	1,142
Results from operating activities		1,210,370	1,202,357
Finance income		55,643	53,195
Finance costs		(156,134)	(153,604)
Net finance costs	11	(100,491)	(100,409)
Profit before tax		1,109,879	1,101,948
Tax expense	12	(160,483)	(156,124)
Profit and other Comprehensive Income for the year		949,396	945,824
Earnings per share			
Basic and diluted earnings per share (MVR)	13	12.49	12.45

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 Group set out on pages 10 to 48. The Report of the Independent Auditors is given on pages 1 to 5.



DHIVEHI RAAJJEYGE GULHUN PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER

	Note	2025 MVR "000"	2024 MVR "000"
ASSETS			
Non-current assets			
Property and equipment	14	2,518,684	2,366,350
Right-of-use assets	15	267,248	285,174
Intangible assets	16	355,929	330,024
Deferred tax assets	12.2	33,179	25,487
Total non-current assets		<u>3,175,040</u>	<u>3,007,035</u>
Current assets			
Inventories	17	36,566	40,883
Trade and other receivables	18	898,930	888,639
Short term Investments	19	2,148,356	2,191,575
Cash and cash equivalents	20	812,826	503,924
Total current assets		<u>3,896,698</u>	<u>3,625,021</u>
Total assets		<u>7,071,738</u>	<u>6,632,056</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	190,000	190,000
Retained earnings		4,028,780	3,740,584
Total equity		<u>4,218,780</u>	<u>3,930,584</u>
Non-current liabilities			
Provisions	22	158,105	154,100
Loans and Borrowings	23.2	685,276	618,355
Lease liabilities	24.1	261,634	279,118
Total non-current liabilities		<u>1,105,015</u>	<u>1,051,573</u>
Current liabilities			
Loans and Borrowings	23.2	349,186	200,096
Lease liabilities	24.1	77,807	79,360
Trade and other payables	25	920,857	938,201
Amounts due to a related party	26	314,498	348,606
Current tax payable		85,595	83,636
Total current liabilities		<u>1,747,943</u>	<u>1,649,899</u>
Total liabilities		<u>2,852,958</u>	<u>2,701,472</u>
Total equity and liabilities		<u>7,071,738</u>	<u>6,632,056</u>

These financial statements are to be read in conjunction with the related notes which form an integral part of these financial statements of The Group set out on pages 10 to 48. The Report of the Independent Auditors is given on pages 1 to 5.

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


.....
Reem Altajer
Chairperson of Audit Committee


.....
Ismail Rasheed
Chief Executive Officer and
Managing Director


.....
Robin Wall
Chief Financial Officer

5th February 2026



DHIVEHI RAAJJEYGE GULHUN PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	Share capital MVR "000"	Retained earnings MVR "000"	Total Equity MVR "000"
As at 1 st January 2024		190,000	3,364,760	3,554,760
Profit and Other Comprehensive Income for the year		-	945,824	945,824
Transactions with Owners of the Company - Distributions				
Dividends declared	21.2	-	(570,000)	(570,000)
As at 31 st December 2024		<u>190,000</u>	<u>3,740,584</u>	<u>3,930,584</u>
As at 1 st January 2025		190,000	3,740,584	3,930,584
Profit and Other Comprehensive Income for the year		-	949,396	949,396
Transactions with Owners of the Company - Distributions				
Dividends declared	21.2	-	(661,200)	(661,200)
As at 31 st December 2025		<u>190,000</u>	<u>4,028,780</u>	<u>4,218,780</u>

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 Group set out on pages 10 to 48. The Report of the Independent Auditors is given on pages 1 to 5.



DHIVEHI RAAJJEYGE GULHUN PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2025 MVR "000"	2024 MVR "000"
Cash flows from operating activities			
Profit before Tax		1,109,879	1,101,948
Adjustments for:			
Net (gain)/ loss on disposal of property and equipment	10	(280)	1,370
Interest on loans	11	53,685	60,257
Interest on lease liabilities	11	28,541	29,660
Interest income	11	(55,643)	(53,195)
Depreciation of property and equipment	14	290,528	273,647
Depreciation of right-of-use assets	15	53,605	48,469
Amortization of intangible assets	16	88,232	83,231
Provision for slow-moving / obsolete inventories	17	918	1,072
Provision for impairment loss on trade and other receivables	18.1	24,460	30,076
Unwinding of discounts on provisions	22	3,275	3,392
Facility fee amortization	23.3	2,704	1,508
Operating profit before working capital changes		<u>1,599,904</u>	<u>1,581,435</u>
Changes in:			
Inventories		3,379	33
Trade and other receivables		(30,430)	(228,834)
Trade and other payables		(6,204)	53,448
Amounts due to a related party		(1,954)	15,237
Cash generated from operations		<u>1,564,695</u>	<u>1,421,319</u>
Tax paid		(166,216)	(163,507)
Interest paid	23	(97,615)	(100,570)
Net cash generated from operating activities		<u>1,300,864</u>	<u>1,157,242</u>
Cash flows from investing activities			
Purchase and construction of property and equipment		(411,768)	(476,974)
Purchase of intangible assets		(114,137)	(53,623)
Net proceeds from disposal of property and equipment		661	(798)
Interest received		61,474	33,812
Deposit made to obtain the license for Mobile Money operation		-	(250)
Mobile Money Assurance Deposit made during the year		-	(2,500)
Net change in short term Investments	19	37,388	(905,855)
Net cash used in investing activities		<u>(426,382)</u>	<u>(1,406,188)</u>
Cash flows from financing activities			
Borrowings during the year	23	525,110	221,828
Loan facility fee paid	23	(2,107)	(575)
Payment of lease liabilities	24	(83,257)	(60,911)
Dividend paid during the year		(693,589)	(626,819)
Repayment of borrowings	23	(311,737)	(229,366)
Net cash used in financing activities		<u>(565,580)</u>	<u>(695,843)</u>
Net increase / (decrease) in cash and cash equivalents		308,902	(944,789)
Cash and cash equivalents at beginning of the year		498,924	1,443,713
Cash and cash equivalents at end of the year	20	<u>807,826</u>	<u>498,924</u>

Figures in bracket 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 Group set out on pages 10 to 48. The Report of the Independent Auditors is given on pages 1 to 5.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. Reporting entity

1.1 Parent Company

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. 7 of 2023 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 listed in the Maldives Stock Exchange, in the Republic of Maldives with effect from 29th September 2011.

The Company serves as the immediate holding entity for Dhiraagu Fintech Private Limited, whose primary business activities include offering mobile money services, digital payment solutions, and electronic financial services.

1.2 Subsidiary Company

Dhiraagu Fintech Private Limited

Dhiraagu Fintech Private Limited (the "Company") is a Company incorporated on 31st December 2023 as a Private Limited Liability Company under the companies Act No. 10/96 in the Republic of Maldives and presently governed under the Companies' Act No. 7 of 2023, with its registered office at the Dhiraagu Head Office, Ameenee Magu, Male', Republic of Maldives. The Company's primary business activities encompass providing mobile money services, digital payment solutions, and electronic financial services.

The consolidated financial statements of the Group for the year ended 31st December 2025 comprise the Company and its subsidiary (together referred to as the "Group").

2. Basis of preparation

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of Measurement

The consolidated financial statements have been prepared based on the historical costs basis.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Maldivian Rufiyaa, which is also the Group'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 consolidated financial statements have been prepared on a going concern basis.

(e) Use of Estimates and Judgements

The preparation of consolidated 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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

2. Basis of preparation (Continued)

(e) Use of Estimates and Judgements (Continued)

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 consolidated financial statements are discussed in Note 5 to the consolidated financial statements.

3. Changes in material accounting policies

The Company did not have any changes to its accounting policies from those applied in the financial statements as at and for the year ended 31st December 2024.

4. Material accounting policies

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

4.1 Basis of Consolidation

4.1.1. Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if it is related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

4.1.2. Subsidiary

Subsidiary is an entity controlled by the Group. The Group controls an entity when it exposed to or has right to, variable return from its investment with entity and has the ability to effect those return through its power over the entity.

The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Group.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.1 Basis of Consolidation (Continued)

4.1.3. Non-controlling Interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

4.1.4 Loss of Control

When the Group loses control over a subsidiary, it de-recognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4.1.5 Transaction Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

4.2 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.

4.3 Financial Instruments

(i) Financial Assets (Non-derivative)

Recognition and initial measurement

The Group 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 Group 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 Group 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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.3 Financial Instruments (Continued)

(i) Financial Assets (Non-derivative) (Continued)

Classification and Subsequent Measurement (Continued)

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 Group 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 Group 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 Group 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 Group 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 Group'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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.3 Financial Instruments (Continued)

(i) Financial Assets (Non-derivative) (Continued)

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 Group 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 Group 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 Group 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 Group 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 Group is recognized as a consolidated asset or liability.

Financial Liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.3 Financial Instruments (Continued)

(iii) Share Capital

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.

4.4 Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalized borrowing costs.

The estimated costs of dismantling and removing an asset and restoring the site on which it is located are also included in the cost of property, plant and equipment. The corresponding obligation is recognised as a provision. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as consolidated 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 Group, 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	- Civil works, cables and ducting	5 to 40 years
	- Network and electronic equipment	5 to 40 years
Vehicle and launches		4 to 7 years
Furniture and fittings		4 to 10 years

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



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.4 Property, Plant and Equipment (Continued)

(iv) 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.

4.5 Intangible assets

(i) Recognition and Measurement

Intangible assets that are acquired by the Group, 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 Group 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 Group 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.

(iv) 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.

4.6 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.

4.7 Cash and Cash Equivalents

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



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.8 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.

4.9 Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

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

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

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group has rebutted the presumption of 90 days past due for the Government and corporate segment as the Group 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).



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.9 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Financial instruments and contract assets (Continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group 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 Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off based on historical experience of recoveries of similar assets and based on the assessment carried out by the Group. For wholesale segment customers, the Group 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 Group 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 Group's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Group 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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.9 Impairment (Continued)

(ii) Non-financial assets (Continued)

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.

4.10 Employee Benefits

(a) Defined contribution plans

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

The Group 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 Group 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 Group 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.

4.11 Provisions

A provision is recognized if, as a result of a past event, the Group 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.

4.12 Leases

At inception of a contract, the Group 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 Group 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 Group has elected not to consolidated non-lease components and account for the lease and non-lease components as a single lease component.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.12 Leases (Continued)

(i) As a lessee (Continued)

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

The Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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 Group 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 Group 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.13 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 consolidated financial statements wherever necessary.

4.14 Revenue from contracts with customers

Revenue is measured based on the consideration specified in the contract with a customer. The Group 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 Group 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 Group 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 consolidated 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 consolidated 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 Group recognises incremental cost of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.14 Revenue from contracts with customers (Continued)

(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 Group 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.

4.15 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.

4.16 Tax Expenses

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



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

4. Material accounting policies (Continued)

4.16 Tax Expenses (Continued)

(b) Deferred tax (Continued)

Deferred tax is not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that does not affect 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 Group. 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 Group 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.

4.17 Determination of Fair Values

A number of the Group'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 Group 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.

5. Critical accounting estimates, assumptions and judgements

In the preparation of these consolidated financial statements, a number of estimates and assumptions have been made relating to the performance and the financial position of the Group. Results may differ significantly from those estimates under different assumptions and conditions. The Directors consider that the following discussion addresses the Group's most critical accounting policies, which are those that are most important to the presentation of its financial performance and position.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

5. Critical accounting estimates, assumptions, and judgements (Continued)

These 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 Group 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 Group 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 Group's consolidated financial statements when the change in estimate is determined.

(b) Impairment of property, plant and equipment and intangible assets

The Group 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 4.9 – 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 Group'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 Group's historical write-off experience etc.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

5. Critical accounting estimates, assumptions and judgements (Continued)

(d) Valuation of receivables (Continued)

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 Group 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 4.11 to the consolidated 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 Group before the end of the contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group 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 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1st January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2025

6. Standards issued but not yet effective (Continued)

A. IFRS 18 Presentation and Disclosure in Financial Statements (Continued)

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

B. Other accounting standards

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

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7); and
- Annual Improvements to IFRS Accounting Standards - Volume 11
- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures



DHIVEHI RAAJJEYGE GULHUN PLC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

7 SEGMENT INFORMATION

Reportable Segments

The Group's operation is segregated into two reportable segments, which the Group operates and manages as strategic business units and organize by products and services. The Group 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 Group 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 Group 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 network as a service, mobile money and enterprise infrastructure project. The Group provides these products and services to the individuals, businesses and government customers.

Information about Reportable Segments

Segment information disclosed for the year ended 31st December 2025 and 2024 are as follows :

	Mobile		Fixed, Broadband and Enterprise		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
External Revenue	1,514,913	1,474,763	1,220,025	1,225,848	102,714	85,937	2,837,652	2,786,548
Total Revenue	1,514,913	1,474,763	1,220,025	1,225,848	102,714	85,937	2,837,652	2,786,548
Operating Costs	(596,762)	(579,925)	(532,111)	(525,041)	(46,431)	(44,943)	(1,175,304)	(1,149,909)
Depreciation, amortization	(251,284)	(236,115)	(141,248)	(133,910)	(39,833)	(35,322)	(432,365)	(405,347)
Impairment losses on trade and other receivables	(13,056)	(15,915)	(10,517)	(13,234)	(887)	(928)	(24,460)	(30,077)
Net finance costs	(53,803)	(53,503)	(42,956)	(43,722)	(3,732)	(3,184)	(100,491)	(100,409)
Non-operating income	2,595	610	2,072	497	180	35	4,847	1,142
Reportable segment profit before tax	602,603	589,915	495,265	510,438	12,011	1,595	1,109,879	1,101,948
Segment assets and liabilities								
Non-current assets	1,798,332	1,655,008	916,027	950,143	427,502	376,397	3,141,851	2,981,548
Current assets	526,306	564,683	368,394	345,432	40,816	19,407	935,516	929,522
Total assets	2,324,638	2,219,691	1,284,421	1,295,575	468,318	395,804	4,077,377	3,911,070
Non-current liabilities	1,105,015	1,051,573	-	-	-	-	1,105,015	1,051,573
Current liabilities	1,087,843	970,094	501,025	539,484	159,075	140,321	1,747,943	1,649,899
Total liabilities	2,192,858	2,021,667	501,025	539,484	159,075	140,321	2,852,958	2,701,472

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 2025 or 2024.

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



DHIVEHI RAAJJEYGE GULHUN PLC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

7 SEGMENT INFORMATION (CONTINUED)

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

	2025		2024	
	Non-current MVR "000"	Current MVR "000"	Non-current MVR "000"	Current MVR "000"
Total assets for reportable segments	2,714,359	894,700	2,605,151	910,115
Total assets for other segments	427,502	40,816	378,397	19,407
Total assets for segments	3,141,861	935,516	2,983,548	929,522
Other unallocated amounts	33,179	2,961,182	25,487	2,695,499
Total assets as per the statement of financial position	3,175,040	3,896,698	3,007,035	3,625,021

8 REVENUE

A Revenue Streams

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

	2025 MVR "000"	2024 MVR "000"
Revenue from contracts with customers	2,837,652	2,786,548

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 Group's reportable segments. Revenue by major products and service lines are disclosed under segment information (See Note 7).

	Reportable Segments						Total	
	Mobile		Fixed, Broadband and Enterprise		Others		2025	2024
	2025 MVR "000"	2024 MVR "000"	2025 MVR "000"	2024 MVR "000"	2025 MVR "000"	2024 MVR "000"	2025 MVR "000"	2024 MVR "000"

Revenue by timing of recognition

Products transferred at a point in time	35,256	32,710	44,585	53,099	3,478	4,978	83,319	90,787
Products and services transferred over time	1,479,657	1,442,053	1,175,440	1,172,749	99,236	80,959	2,754,332	2,695,761
Revenue from contracts with customers	1,514,913	1,474,763	1,220,025	1,225,848	102,714	85,937	2,837,652	2,786,548
External Revenue	1,514,913	1,474,763	1,220,025	1,225,848	102,714	85,937	2,837,652	2,786,548



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

8 REVENUE (CONTINUED)

C Contract balances

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

	2025 MVR "000"	2024 MVR "000"
Receivables (included in trade and other receivables)	607,517	560,656
Contract assets (included in trade and other receivables)	262,798	313,520
Contract liabilities (included in trade and other payables)	<u>(102,723)</u>	<u>(121,432)</u>

The contract assets primarily relate to the Group'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 Group 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

	2025 MVR "000"	2024 MVR "000"
Direct cost of services	313,518	318,623
Personnel costs (Note 9.1)	253,244	250,534
License fees	130,092	127,421
Support services	32,631	32,631
External publicity costs	47,118	39,829
Network costs	143,707	131,083
Property and utility costs	102,510	110,867
Professional fees	11,949	10,467
Other administrative expenses	140,535	128,454
	<u>1,175,304</u>	<u>1,149,909</u>

9.1 Personnel Costs

	2025 MVR "000"	2024 MVR "000"
Wages, salaries and performance reward scheme	212,750	197,584
Defined contribution expense	15,063	13,924
Other personnel costs	22,961	39,026
	<u>253,244</u>	<u>250,534</u>

10 NET OTHER INCOME

	2025 MVR "000"	2024 MVR "000"
Gain / (Loss) on disposal of property and equipment	280	(1,370)
Tax Refund (Note 10.1)	1,944	-
Miscellaneous income	2,623	2,512
	<u>4,847</u>	<u>1,142</u>

10.1 During the year ended 31st December 2025, the Group has received a Tax refund of MVR 1.9 Mn from Maldives Inland Revenue Authority (MIRA).



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

11 NET FINANCE COSTS	2025 MVR "000"	2024 MVR "000"
Finance Income		
Interest income on fixed deposits	20,142	22,977
Interest income on short term investments	35,501	30,218
	<u>55,643</u>	<u>53,195</u>
Finance Costs		
Interest expenses on loans	(53,685)	(60,257)
Loan arrangement fees	(2,704)	(1,508)
Unwinding of interest on provisions	(3,275)	(3,392)
Interest on lease liabilities	(28,541)	(29,660)
Net Foreign exchange loss	(67,929)	(58,787)
	<u>(156,134)</u>	<u>(153,604)</u>
Net Finance Costs	<u>(100,491)</u>	<u>(100,409)</u>

12 TAX EXPENSE	2025 MVR "000"	2024 MVR "000"
Income tax		
Current tax expense (Note 12.1)	168,175	165,175
Adjustment in respect of previous year	-	(3,453)
Deferred tax		
Origination of temporary differences (Note 12.2)	(7,692)	(5,598)
	<u>160,483</u>	<u>156,124</u>

12.1 Reconciliation between accounting profit and taxable income:	2025 MVR "000"	2024 MVR "000"
Accounting profit before tax	1,109,879	1,101,948
Disallowable expenses	437,128	480,257
Allowable expenses	(431,054)	(480,868)
Tax loss from subsidiary	5,464	80
Tax free allowance	(250)	(250)
Total taxable income	<u>1,121,167</u>	<u>1,101,167</u>
Income tax @ 15%	<u>168,175</u>	<u>165,175</u>

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	2025 MVR "000"	2024 MVR "000"
Opening balance	25,487	19,889
Recognized during the year	7,692	5,598
Closing balance	<u>33,179</u>	<u>25,487</u>

12.3 Deferred Tax Asset / (Liability) is attributable for following:

	2025		2024	
	Temporary Difference MVR "000"	Tax Effect MVR "000"	Temporary Difference MVR "000"	Tax Effect MVR "000"
Property and equipment	(28,430)	(4,265)	(22,228)	(3,334)
Intangible assets	(66,668)	(10,000)	(87,599)	(13,140)
Provisions	316,295	47,444	279,744	41,961
	<u>221,197</u>	<u>33,179</u>	<u>169,917</u>	<u>25,487</u>

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% (2024:15%).



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

12 TAX EXPENSE (CONTINUED)

12.4 Unrecognized Deferred Tax Assets of the Group is attributable to the following :

	2025		2024	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Accumulated Tax Losses (Note 12.4.1)	5,464	820	80	12
	<u>5,464</u>	<u>820</u>	<u>80</u>	<u>12</u>

12.4.1 The above unrecognized deferred tax asset attributable to the accumulated losses arising from the subsidiary.

The Group has not recognized related deferred tax assets since it is not probable that the subsidiary will generate future taxable profits against which these benefits could be utilized.

12.5 Movement in Deferred Tax Balances

31 ST December 2025	2025			2024		
	Balance as at 1 ST January 2025	Recognized in profit or loss	Deferred Tax asset/ (liability) as at 31 ST December 2025	Balance as at 1 ST January 2024	Recognized in profit or loss	Deferred Tax asset/ (liability) as at 31 ST December 2024
Property and equipment	(3,334)	(930)	(4,265)	(4,231)	897	(3,334)
Intangible assets	(13,140)	3,140	(10,000)	(16,540)	3,400	(13,140)
Provisions	41,961	5,483	47,444	40,660	1,301	41,961
	<u>25,487</u>	<u>7,692</u>	<u>33,179</u>	<u>19,889</u>	<u>5,598</u>	<u>25,487</u>

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	
	2025	2024
Profit for the year attributable to the ordinary shareholders (MVR "000")	949,396	945,824
Weighted average number of ordinary shares outstanding ("000")	76,000	76,000
Basic and diluted earnings per share (MVR)	<u>12.49</u>	<u>12.45</u>

14 PROPERTY AND EQUIPMENT

31 ST December 2025	Buildings	Equipment	Vehicles and launches	Furniture and fittings	Capital work-in progress	Total
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cost						
Opening Balance	474,092	4,986,063	9,271	31,338	756,419	6,257,183
Additions during the year	-	-	-	-	443,402	443,402
Capitalizations during the year	6,910	279,903	-	1,154	(287,967)	-
Disposals during the year	(39)	(41,955)	-	(233)	-	(42,227)
Closing Balance	<u>480,963</u>	<u>5,224,011</u>	<u>9,271</u>	<u>32,259</u>	<u>911,854</u>	<u>6,658,358</u>
Accumulated Depreciation						
Opening Balance	274,566	3,587,085	8,280	20,902	-	3,890,833
Charge for the year	18,062	269,399	295	2,772	-	290,528
Disposals during the year	(39)	(41,414)	-	(234)	-	(41,687)
Closing Balance	<u>292,589</u>	<u>3,815,070</u>	<u>8,575</u>	<u>23,440</u>	<u>-</u>	<u>4,139,674</u>
Carrying amount	<u>188,374</u>	<u>1,408,941</u>	<u>696</u>	<u>8,819</u>	<u>911,854</u>	<u>2,518,684</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

14 PROPERTY AND EQUIPMENT (CONTINUED)

14.1 Capital work in progress represents the costs incurred mainly on the projects such as submarine cable project (SEA-ME-WE-6) and mobile coverage enhancement projects, which were in progress as at 31ST December 2025.

14.2 The Group has fully depreciated property, plant and equipment as at 31ST December 2025 amounted to MVR 2,363,276,599/-

14.3 During the year ended 31ST December 2025, the Group has capitalized borrowing cost amounting to MVR 43,321,826/-

31ST December 2024.

	Buildings	Equipment	Vehicles and launches	Furniture and fittings	Capital work-in progress	Total
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cost						
Opening Balance	444,455	4,644,572	8,673	23,820	646,093	5,767,613
Additions during the year	-	-	-	-	520,244	520,244
Capitalizations during the year	29,732	370,344	598	9,244	(409,918)	-
Disposals during the year	(95)	(28,853)	-	(1,728)	-	(30,674)
Closing Balance	474,092	4,986,063	9,271	31,338	756,419	6,257,183
Accumulated Depreciation						
Opening Balance	256,799	3,361,814	8,134	20,253	-	3,647,000
Charge for the year	17,862	253,265	146	2,374	-	273,647
Disposals during the year	(95)	(27,994)	-	(1,725)	-	(29,814)
Closing Balance	274,566	3,587,085	8,280	20,902	-	3,690,833
Carrying amount	199,526	1,398,978	991	10,436	756,419	2,366,350

14.4 Capital work in progress represents the costs incurred mainly on the projects such as submarine cable project (SEA-ME-WE-6) and FTTH Expansion 2024 project which were in progress as at 31ST December 2024.

14.5 The Group has fully depreciated property, plant and equipment as at 31ST December 2024 amounted to MVR 2,221,447,139/-

14.6 During the year, the Group has capitalized borrowing cost amounting to MVR 37,254,751/-

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 4.12).

As at 31ST December

	2025 MVR "000"	2024 MVR "000"
Cost		
Opening Balance	548,445	505,974
Additions during the year	40,598	42,471
Modifications during the Year	(4,919)	-
Disposals	(100,122)	-
Closing Balance	484,002	548,445
Accumulated depreciation		
Opening Balance	263,271	214,802
Charge for the year	52,826	48,469
Modifications during the Year	779	-
Disposals	(100,122)	-
Closing Balance	216,754	263,271
Carrying amount as at 31ST December	267,248	285,174

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



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

16. INTANGIBLE ASSETS

31st December 2025

	Indefeasible Rights of Use MVR "000"	Licenses MVR "000"	Software MVR "000"	Work-in- progress MVR "000"	Total MVR "000"
Cost					
Opening Balance	153,159	177,797	345,847	49,785	726,588
Additions during the year	-	-	-	114,137	114,137
Capitalizations during the year	-	7,686	54,251	(61,937)	-
Disposals during the year	-	-	(7,148)	-	(7,148)
Closing Balance	153,159	185,483	392,950	101,985	833,577
Accumulated Amortization and Impairment					
Opening Balance	54,627	109,906	228,304	3,727	396,564
Amortization for the year	10,238	33,075	44,919	-	88,232
Disposals during the year	-	-	(4,383)	-	(4,383)
Written-off during the year	-	-	-	(2,764)	(2,764)
Closing Balance	64,865	142,981	268,840	962	477,648
Carrying amount	88,294	42,502	124,110	101,023	355,929

16.1 Capital Work in progress represents the costs incurred mainly on Digital CRM Project - Phase 2 and CBS replacement project which were in progress as at 31st December 2025.

16.2 The Group has fully amortized intangible assets as at 31st December 2025 amounted to MVR 142,990,156/-.

16.3 During the year, the Group has capitalized borrowing cost amounting to MVR 1,254,738/-.

31st December 2024

	Indefeasible Rights of Use MVR "000"	Licenses MVR "000"	Software MVR "000"	Work-in- progress MVR "000"	Total MVR "000"
Cost					
Opening Balance	129,775	164,683	442,563	95,046	832,067
Additions during the year	-	-	-	53,623	53,623
Capitalizations during the year	23,384	32,617	42,883	(98,884)	-
Disposals during the year	-	(19,503)	(139,599)	-	(159,102)
Closing Balance	153,159	177,797	345,847	49,785	726,588
Accumulated Amortization and Impairment					
Opening Balance	44,389	100,595	323,724	3,727	472,435
Amortization for the year	10,238	28,814	44,179	-	83,231
Disposals during the year	-	(19,503)	(139,599)	-	(159,102)
Closing Balance	54,627	109,906	228,304	3,727	396,564
Carrying amount	98,532	67,891	117,543	46,058	330,024

16.4 Capital Work in progress represents the costs incurred mainly on CRM Project and DEAL Developments project which were in progress as at 31st December 2024.

16.5 The Group has fully amortized intangible assets as at 31st December 2024 amounted to MVR 101,973,955/-.

16.6 During the year, the Group has capitalized borrowing cost amounting to MVR 769,388/-.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

17 INVENTORIES	2025	2024
	MVR "000"	MVR "000"
Cost of inventories	51,593	54,972
Provision for slow moving / obsolete inventories (Note 17.1)	(15,007)	(14,089)
	<u>36,586</u>	<u>40,883</u>
17.1 Provision for Slow-Moving / Obsolete Inventories		
Opening Balance	14,089	15,291
Written-off during the year	-	(2,274)
Provision made during the year	918	1,072
Closing Balance	<u>15,007</u>	<u>14,089</u>
18 TRADE AND OTHER RECEIVABLES	2025	2024
	MVR "000"	MVR "000"
Trade receivables	607,517	560,656
Contract Assets	262,798	313,520
	<u>870,315</u>	<u>874,176</u>
Provision for impairment loss on trade receivables and contract assets (Note 18.1)	(145,490)	(130,588)
	<u>724,825</u>	<u>743,588</u>
Prepayments	104,773	81,337
Other receivables	69,966	64,348
	<u>174,739</u>	<u>145,685</u>
Provision for impairment loss on other receivables (Note 18.1)	(634)	(634)
	<u>174,105</u>	<u>145,051</u>
Carrying amount	<u><u>898,930</u></u>	<u><u>888,639</u></u>

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

18.1 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	
	2025	2024	2025	2024
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Opening Balance	130,588	125,334	634	634
Provision for the year	24,460	30,076	-	-
Bad debt written-off during the year	(9,559)	(24,822)	-	-
Closing Balance	<u>145,490</u>	<u>130,588</u>	<u>634</u>	<u>634</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

19 SHORT TERM INVESTMENTS	2025	2024
	MVR "000"	MVR "000"
Short term Investments	<u>2,148,356</u>	<u>2,191,575</u>
	<u>2,148,356</u>	<u>2,191,575</u>

19.1 Short Term Investments - Amortized Cost

Investment Type	Invested Currency	Maturity	Indicative Rate	31/12/2025 MVR "000"	31/12/2024 MVR "000"
Investment in Treasury Bills	MVR	1-12 Months	3.5%-5%	695,930	1,191,143
Investment in Fixed Deposits	MVR	3-12 Months	1%-4.25%	1,435,535	977,710
Accrued Interest				16,891	22,722
				<u>2,148,356</u>	<u>2,191,575</u>

20 CASH AND CASH EQUIVALENTS	2025	2024
	MVR "000"	MVR "000"
Cash in hand	1,645	2,532
Balances with banks (Note 20.1)	<u>811,181</u>	<u>501,392</u>
Cash and bank balance in the statement of financial position	<u>812,826</u>	<u>503,924</u>
Mobile money assurance deposit (Note 20.2)	(5,000)	(5,000)
Cash and cash equivalents in the statement of cash flows	<u>807,826</u>	<u>498,924</u>

20.1 The Bank Balances includes following Restricted Cash Balances

Mobile money assurance deposit (Note 20.2)	5,000	5,000
Reserve for loan repayments (Note 20.3)	<u>46,260</u>	<u>21,588</u>
	<u>51,260</u>	<u>26,588</u>

20.2 Under the National Payment System Act, the Group has made MVR 2,500,000/- deposit with Maldives Islamic Bank "MIB" and MVR 2,500,000/- deposit with Mauritius Commercial Bank "MCB" as the equivalent Mobile Money issued as at 31st December 2025. This deposit does not carry interest.

20.3 As per loan agreements, the Group 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.

21 SHARE CAPITAL	2025	2024
	MVR "000"	MVR "000"

21.1 Share Capital		
Authorized share capital		
80,000,000 ordinary shares of MVR 2.5 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid share capital		
76,000,000 ordinary shares of MVR 2.5 each	<u>190,000</u>	<u>190,000</u>

21.2 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 Group. The board of directors has declared dividends during the year as follows.

	2025		2024	
	Per share MVR "000"	Dividend MVR "000"	Per share MVR "000"	Dividend MVR "000"
Dividend declared - 1 st tranche	7.04	535,040	5.84	443,840
Dividend declared - 2 nd tranche	1.66	<u>126,160</u>	1.66	<u>126,160</u>
		<u>661,200</u>		<u>570,000</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

22 PROVISIONS	2025	2024
	MVR "000"	MVR "000"
Opening Balance	154,100	149,432
Provision made during the year	893	1,563
Unwinding of discounts on provisions	3,275	3,392
Disposals made during the year	(163)	(287)
Closing Balance	<u>158,105</u>	<u>154,100</u>

22.1 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

	2025	2024
Useful life (years)	15 - 20	15 - 20
Expected rate of increase of the dismantling cost	3.1%	3.3%
Discount rate	<u>10%</u>	<u>10%</u>

Based on the market conditions and industry practices, the management has estimated the useful life of the towers as 20 years for all assets capitalized from 2023 onwards.

Sensitivity Analysis

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

	Effect to Profit or Loss	
	Increase MVR "000"	Decrease MVR "000"
Expected rate of increase of the dismantle cost (Change 1%)	1,496	(1,496)
Discount rate (Change by 1%)	(3,403)	3,738

23 LOANS AND BORROWINGS

	2025	2024
	MVR "000"	MVR "000"
Opening balance	825,780	835,607
Obtained during the year	525,110	221,828
Interest for the year	98,959	98,281
Interest paid during the year	(97,615)	(100,570)
Repayment of capital during the year	(311,737)	(229,366)
	<u>1,040,497</u>	<u>825,780</u>
Unamortized facility fee (Note 23.3)	(6,036)	(7,329)
Closing balance	<u>1,034,462</u>	<u>818,451</u>

23.1 Sources of Finance

	2025	2024
Import Loan I (Note 23.4)	153,785	114,461
Term Loan I (Note 23.5)	230,819	251,284
Term Loan II (Note 23.6)	131,936	143,581
Term Loan III (Note 23.7)	280,849	117,693
Term Loan IV (Note 23.7)	160,499	182,772
Import Loan II (Note 23.8)	41,896	15,989
Import Loan III (23.9)	40,713	-
	<u>1,040,497</u>	<u>825,780</u>

23.2 Maturity analysis

Non current liabilities

	2025	2024
Term loan	689,860	624,232
Unamortized facility fees	(4,584)	(5,877)
	<u>685,276</u>	<u>618,355</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

23 LOANS AND BORROWINGS (CONTINUED)

23.2 Maturity analysis (Continued)

	2025 MVR "000"	2024 MVR "000"
Current liabilities		
Term loan	97,825	54,248
Import loan	233,448	129,279
Interest Payable	19,365	18,021
Unamortized facility fees	(1,452)	(1,452)
	<u>349,186</u>	<u>200,096</u>
Total Loans and Borrowings	<u>1,034,462</u>	<u>818,451</u>

23.3 Facility fee amortization

Opening balance	7,329	8,859
Facility fees paid during the year	2,107	575
Facility fees capitalized during the year	(696)	(597)
Amortization during the year	(2,704)	(1,508)
Closing balance	<u>6,036</u>	<u>7,329</u>

23.4 Import Loan I : As per the letter dated 3rd June 2021, the Group has obtained an import loan facility of US\$ 12,000,000/- at a variable rate. This facility allows drawdowns up to US\$ 12,000,000/- and drawdown amount should be settled within 12 months period from the disbursement date.

23.5 Term Loan I : As per Loan Agreement dated 30th June 2022, the Group has obtained a loan of US\$ 15,909,000/- at a variable rate. The loan is repayable in 5 years starting from April 2025.

23.6 Term Loan II : As per Loan Agreement dated 5th July 2022, the Group has obtained loan facility of US\$ 9,091,000/- at a variable rate. The loan is repayable in 5 years starting from April 2025.

23.7 Term Loan III & IV : As per Loan Agreement dated 16th February 2023, the Group has obtained loan facility of US\$ 10,909,000/- and US\$ 19,091,000/- respectively, at a variable rate. The loan is repayable in 5 years starting from April 2025.

23.8 Import Loan II : As per the Loan Agreement dated 20th October 2023, the Group has obtained an import loan facility US\$ 3,000,000/- at a fixed rate. This facility allows drawdowns up to US\$ 3,000,000/- and drawdown amount should be settled within 180 days from disbursement date.

23.9 Import Loan III : As per the Loan Agreement dated 27th February 2025, the Group has obtained an import loan facility of US\$ 3,000,000/- at a variable rate. This facility allows drawdowns up to US\$ 3,000,000/- and drawdown amount should be settled within 180 days period from the disbursement date.

24 LEASE LIABILITIES

Leases as lessee

The Group 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 Group a lessee is presented below.

	2025 MVR "000"	2024 MVR "000"
Opening Balance	358,478	347,258
Additions during the year	40,598	42,471
Modifications during the year	(4,919)	-
Interest on lease liabilities	28,541	29,660
Payments of lease liabilities	(83,257)	(60,911)
Closing balance	<u>339,441</u>	<u>358,478</u>

24.1 Lease liabilities included in the statement of financial position

Current	77,807	79,360
Non-current	261,634	279,118
	<u>339,441</u>	<u>358,478</u>

24.2 Maturity analysis - Contractual undiscounted cash flows

Less than one year	72,296	71,759
One to five years	221,510	218,021
More than five years	154,630	188,139
Total undiscounted lease liabilities	<u>448,436</u>	<u>477,919</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

24. LEASE LIABILITIES (CONTINUED)

24.3. Extension Options

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

24.4. Amounts recognized in profit or loss in relation to leases

	2025 MVR "000"	2024 MVR "000"
Interest on lease liabilities	28,541	29,660
Depreciation of ROU assets	53,605	48,469
	<u>82,146</u>	<u>78,129</u>

24.5. Amounts recognized in cash flow

	2025 MVR "000"	2024 MVR "000"
Total cash outflow for leases	83,257	60,911

25. TRADE AND OTHER PAYABLES

	2025 MVR "000"	2024 MVR "000"
Trade payables	89,971	142,076
Contract Liabilities	102,723	121,432
Accruals and payables	647,249	599,766
Dividend payable	2,617	2,853
Refundable deposits from customers	30,628	29,435
Customer loyalty points	1,793	1,793
Other Payables	45,876	40,846
	<u>920,857</u>	<u>938,201</u>

26. AMOUNTS DUE TO A RELATED PARTY

	2025 MVR "000"	2024 MVR "000"
BTC Islands Limited	314,498	348,606
	<u>314,498</u>	<u>348,606</u>

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

Overview

The Group 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 Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group'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 Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, 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 Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group'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 Group'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 Group's overall risk management programme seeks to minimize potential adverse effects on The Group's financial performance. Day to day management of treasury activities is delegated to the Group's treasury function ("Treasury"), within specified financial limits for each type of transaction and counterparty.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

Treasury Policy (Continued)

To the extent that the Group 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 Group'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	
	2025 MVR "000"	2024 MVR "000"
Trade receivables and contract assets*	683,215	704,087
Other receivables	69,332	63,714
Cash at banks	811,181	501,392
Short term Investments	2,148,356	2,191,575
	3,712,084	3,460,768

* The carrying amount as at 31st December 2025 excludes GST amounting to MVR 42.1/- Mn (2024: MVR 39.5/- Mn)

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

The carrying amount of financial assets of the Group 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 Group'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 Group as a whole to any one counterparty.

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

	2025 MVR "000"	2024 MVR "000"
Impairment loss on trade receivables and contract assets arising from contracts with customers	24,460	30,076

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the Group'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 Group's standard payment and delivery terms and conditions are offered. The Group 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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

(i) Credit Risk (Continued)

Trade and other receivables and contract assets (Continued)

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

	Carrying Amount	
	2025	2024
	MVR "000"	MVR "000"
Consumer Segment	49,549	45,747
Corporate Segment	197,385	190,395
Government Segment	145,761	143,346
Wholesale Segment	290,520	324,599
	683,215	704,087

Expected credit loss assessment for the customers

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

The Group 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 31st December 2025 and 31st December 2024.

31 st December 2025	Weighted average loss rate	Gross carrying amount*	Loss allowance	Net carrying amount*
		MVR "000"	MVR "000"	MVR "000"
0 - 30 days past due	2%	49,557	1,131	48,426
31 - 60 days past due	49%	1,674	822	852
61 - 90 days past due	80%	1,035	827	208
More than 90 days past due	99.7%	19,845	19,782	63
		72,111	22,562	49,549
31 st December 2024	Weighted average loss rate	Gross carrying amount*	Loss allowance	Net carrying amount*
		MVR "000"	MVR "000"	MVR "000"
0 - 30 days past due	3%	45,814	1,495	44,319
31 - 60 days past due	48%	2,026	967	1,059
61 - 90 days past due	76%	1,266	961	305
More than 90 days past due	99.6%	17,953	17,889	64
		67,059	21,312	45,747

* 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 Group's view of economic conditions over the expected lives of the receivables.

The Group has assessed individual consumer customers and recognized a 100% specific provision of MVR 135,055/- as at 31st December 2025 (31st December 2024: MVR 115,861/-).



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

(i) Credit Risk (Continued)

Expected Credit loss assessment for the customers

Corporate Segment

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for corporate customers segment as at 31st December 2025 and 31st December 2024.

31 st December 2025	Weighted average loss rate	Gross carrying amount* MVR "000"	Loss allowance MVR "000"	Net carrying amount* MVR "000"
1 - 30 days past due	12%	82,132	9,518	72,614
31 - 60 days past due	14%	16,652	2,355	14,297
61 - 90 days past due	12%	12,730	1,514	11,216
91 - 120 days past due	22%	9,129	2,051	7,078
More than 120 days past due	48%	176,683	84,503	92,180
		<u>297,326</u>	<u>99,941</u>	<u>197,385</u>
		<u>297,326</u>	<u>99,941</u>	<u>197,385</u>
31 st December 2024	Weighted average loss rate	Gross carrying amount* MVR "000"	Loss allowance MVR "000"	Net carrying amount* MVR "000"
1 - 30 days past due	6%	83,677	5,327	78,350
31 - 60 days past due	21%	26,883	5,531	21,352
61 - 90 days past due	16%	20,127	3,319	16,808
91 - 120 days past due	24%	14,401	3,451	10,950
More than 120 days past due	53%	132,845	69,910	62,935
		<u>277,933</u>	<u>87,538</u>	<u>190,395</u>
		<u>277,933</u>	<u>87,538</u>	<u>190,395</u>

* 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 Group'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 Group has assessed individual corporate customers amounting to MVR 190,291,418/- (31st December 2024: MVR 225,852,929/-) and recognized a specific provision of MVR 55,049,859/- as at 31st December 2025 (31st December 2024: MVR 65,533,198/-).

Government Segment

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for government customers segment as at 31st December 2025 and 31st December 2024.

31 st December 2025	Weighted average loss rate	Gross carrying amount* MVR "000"	Loss allowance MVR "000"	Net carrying amount* MVR "000"
1 - 30 days past due	4%	26,723	1,174	25,549
31 - 60 days past due	5%	16,058	845	15,213
61 - 90 days past due	5%	18,599	1,005	17,594
91 - 120 days past due	9%	15,515	1,334	14,181
121 - 150 days past due	12%	15,935	1,877	14,058
More than 150 days past due	17%	71,117	11,951	59,166
		<u>163,947</u>	<u>18,186</u>	<u>145,761</u>
		<u>163,947</u>	<u>18,186</u>	<u>145,761</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

(i) Credit Risk (Continued)

Government Segment (Continued)

31 st December 2024	Weighted average loss rate	Gross carrying amount* MVR "000"	Loss allowance MVR "000"	Net carrying amount* MVR "000"
1 - 30 days past due	5%	25,333	1,170	24,163
31 - 60 days past due	7%	14,836	999	13,837
61 - 90 days past due	8%	14,713	1,162	13,551
91 - 120 days past due	9%	14,176	1,330	12,846
121 - 150 days past due	11%	13,844	1,495	12,349
More than 150 days past due	14%	77,648	11,048	66,600
		<u>160,550</u>	<u>17,204</u>	<u>143,346</u>

* 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 Group'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 Group has assessed individual government customers amounting to MVR 122,910,150/- (31st December 2024: MVR 120,360,181/-) and recognized a specific provision of MVR 2,076,016/- as at 31st December 2025 (31st December 2024: MVR 1,952,814/-).

Wholesale segment

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for wholesale customers segment as at 31st December 2025 and 31st December 2024.

31 st December 2025	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%	167,065	387	166,678
Grades 7 - 9; Fair risk	BB- to BB+	0.00%	27,736	-	27,736
Unrated customers			100,518	4,413	96,105
			<u>295,320</u>	<u>4,800</u>	<u>290,520</u>
31 st December 2024	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	0.22%	212,569	459	212,110
Grades 7 - 9; Fair risk	BB- to BB+	0.00%	33,176	-	33,176
Unrated customers			83,387	4,074	79,313
			<u>329,132</u>	<u>4,533</u>	<u>324,599</u>



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial Risk Management (Continued)

(i) Credit Risk (Continued)

Wholesale segment (Continued)

Expected credit loss assessment for individual specific wholesale customers as at 31ST December 2025

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 Group has recognized a specific impairment of MVR 4,412,818/- as at 31ST December 2025 (31ST December 2024: MVR 4,073,923/-).

Short term Investments

The Group 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 Group has not recognized any allowance for impairment based on the materiality ground.

Cash and Cash Equivalents

The Group held cash and cash equivalents of MVR 812,826/- as at 31ST December 2025 (31ST December 2024: MVR 503,924/-). The Group limits its exposure to credit risk by maintaining its cash balances in selected banks.

The Group 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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group'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 Group's reputation.

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

31 ST December 2025	Carrying Amount	Contractual Cash Flows	Within One Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	Over 4 Years
Financial Liabilities	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Trade and other payables	816,341	816,341	816,341	-	-	-	-
Amounts due to a related party	314,498	314,498	314,498	-	-	-	-
Lease liabilities	339,441	448,436	72,296	66,382	58,713	52,170	198,875
Loan and Borrowings*	1,034,462	1,040,497	416,265	72,330	108,526	171,892	271,484
Total	2,504,742	2,619,772	1,619,401	138,712	167,239	224,062	470,359
31 ST December 2024	Carrying Amount	Contractual Cash Flows	Within One Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	Over 4 Years
Financial Liabilities	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Trade and other payables	814,976	814,976	814,976	-	-	-	-
Amounts due to a related party	348,606	348,606	348,606	-	-	-	-
Lease liabilities	358,478	477,919	71,759	63,676	58,294	50,974	233,216
Loan and Borrowings*	818,451	825,780	201,548	72,330	108,526	171,892	271,484
Total	2,340,511	2,467,281	1,436,890	136,006	166,820	222,866	504,700

* Loans and borrowings excludes future interests.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(ii) Liquidity Risk (Continued)

The Group 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 Group 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 Group.

(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 Group'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 Group's interest-bearing financial instruments was:

	Carrying Amount			
	2025	2024		
	MVR "000"	MVR "000"		
Fixed Rate Instruments				
Fixed Liability - Loans	41,896	15,989		
Financial Assets - Short term investments	2,148,356	2,191,575		
Variable Rate Instruments				
Financial Liabilities - Loans	998,602	809,791		
	2025	2024		
Sensitivity Analysis	100bp	100bp	100bp	100bp
	Increase	Decrease	Increase	Decrease
Variable Rate Instruments	9,986	(9,986)	8,098	(8,098)

Fair value sensitivity analysis for fixed-rate instruments

The Group 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 Group 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 Group receives certain collections such as roaming and interconnect in terms of foreign currency and on the other hand, The Group 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 Group's treasury function that monitors foreign currency cash inflows and outflows and its closing position on a daily basis. The Group also monitors its exposure to movements in exchange rates on a net basis. The Group 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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued)

(b) Currency risk (Continued)

Exposure to currency risk (Continued)

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

	12/31/2025			
	US\$ "000"	Euro "000"	SGD "000"	GBP "000"
Cash and bank balances	19,625	21	25	119
Trade and other receivables	20,930	26	-	1
Amount due to related party	(4,395)	-	-	-
Trade and other payables	(43,385)	(122)	(8)	(155)
Loans and Borrowings	(67,086)	-	-	-
Net statement of financial position exposure	(74,311)	(75)	17	(35)

	12/31/2024			
	US\$ "000"	Euro "000"	SGD "000"	GBP "000"
Cash and bank balances	11,352	1,252	25	2
Trade and other receivables	21,751	18	-	95
Amount due to related party	(4,522)	-	-	-
Trade and other payables	(42,755)	(23)	(997)	(30)
Loans and Borrowings	(53,077)	-	-	-
Net statement of financial position exposure	(67,251)	1,247	(972)	67

The following significant exchange rates were applied during the year:

	Average Rate		Spot Rate	
	2025	2024	2025	2024
US\$ 1 : MVR	15.42	15.42	15.42	15.42
Euro 1: MVR	17.69	16.89	18.43	16.32
SGD 1: MVR	11.97	11.64	12.17	11.52
GBP 1: MVR	20.37	19.82	20.86	19.41

Sensitivity Analysis

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

	Year ended 2025		Year ended 2024	
	Strengthening MVR "000"	Weakening MVR "000"	Strengthening MVR "000"	Weakening MVR "000"
US\$ (10% Movement)	(114,588)	114,588	(103,702)	103,702
Euro (10% Movement)	(133)	133	2,106	(2,106)
SGD (10% Movement)	20	(20)	(1,131)	1,131
GBP (10% Movement)	(71)	71	133	(133)

(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 Group's objectives when managing capital are to safeguard the Group'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 Group's debt to adjusted equity ratio was as follows.

	2025 MVR "000"	2024 MVR "000"
Total Liabilities	2,852,958	2,701,472
Less: Cash and Cash Equivalents	(812,826)	(503,924)
Net Debt	2,040,132	2,197,548
Total Equity	4,218,780	3,930,584
Net Debt to equity ratio	0.48	0.56



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

27 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(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 st December 2025	Carrying Amount			Fair Value			
	Financial Assets at Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Financial assets not measured at fair value							
Balance with banks	811,181	-	811,181	-	-	-	-
Short term investments	2,148,356	-	2,148,356	-	-	-	-
Trade and other receivables	794,157	-	794,157	-	-	-	-
	3,753,694	-	3,753,694	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	816,341	816,341	-	-	-	-
Loans and Borrowings	-	1,034,462	1,034,462	-	-	1,034,462	1,034,462
Amounts due to related party	-	314,498	314,498	-	-	-	-
Lease liability	-	339,441	339,441	-	-	339,441	339,441
	-	2,504,742	2,504,742	-	-	1,373,903	1,373,903
31 st December 2024							
31 st December 2024	Carrying Amount			Fair Value			
	Financial Assets at Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Financial assets not measured at fair value							
Balance with banks	501,392	-	501,392	-	-	-	-
Short term investments	2,191,575	-	2,191,575	-	-	-	-
Trade and other receivables	807,302	-	807,302	-	-	-	-
	3,500,269	-	3,500,269	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	-	814,976	814,976	-	-	-	-
Loans and Borrowings	-	818,451	818,451	-	-	818,451	818,451
Amounts due to a related party	-	348,606	348,606	-	-	-	-
Lease liability	-	358,478	358,478	-	-	358,478	358,478
	-	2,340,511	2,340,511	-	-	1,176,929	1,176,929

28 RELATED PARTY TRANSACTIONS

28.1 Parent and Ultimate Holding Company

Parent of The Group 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.

28.2 Transactions with BTC Islands Limited

BTC Islands Limited had a 52% shareholding in The Group as at 31st December 2025 (31st December 2024: 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:

Transactions	Year ended 2025	Year ended 2024
	MVR "000"	MVR "000"
Dividends	343,824	296,400
Management fee and other expenses	35,101	29,633
	378,925	326,033



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

28 RELATED PARTY TRANSACTIONS (CONTINUED)

28.2 Transactions with BTC Islands Limited (continued)

Balances outstanding	2025 MVR "000"	2024 MVR "000"
Amounts payable in respect of expenses incurred	67,778	69,732
Amount payable in respect of Dividend	246,720	278,874
	<u>314,498</u>	<u>348,606</u>

28.3 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 Group. Employee benefits include key management remuneration as follows:

	Year ended 2025 MVR "000"	Year ended 2024 MVR "000"
Directors Fees	1,557	1,527
Salaries to Executives	16,912	15,407
Short term Benefits to Executives	8,617	8,589
	<u>27,086</u>	<u>25,523</u>

28.4 Transactions with the Government of Maldives

The Government of Maldives has a 41.8% shareholding in The Group as at 31st December 2025 (31st December 2024: 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

Transactions

	Year ended 2025 MVR "000"	Year ended 2024 MVR "000"
License fees	130,092	127,421
Rentals on land space	22,338	19,007
Dividends	276,400	238,276
	<u>428,830</u>	<u>384,704</u>

Balances outstanding

	2025 MVR "000"	2024 MVR "000"
Amounts payable in respect of rentals on land space	5,284	9,080
Amounts payable in respect of license payments	11,598	11,178
Amounts payable in respect of Dividends	-	-
	<u>16,882</u>	<u>20,258</u>

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 Group 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.



DHIVEHI RAAJJEYGE GULHUN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

29 BOARD OF DIRECTORS' RESPONSIBILITY

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

30 COMMITMENTS AND CONTINGENCIES

Capital Commitments

The Group 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 MVR148,662,644/- (31st December 2024: MVR 215,744,980/-).

Contingencies

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

31 EVENTS OCCURRING AFTER THE REPORTING DATE

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

- 31.1** On 5th February 2026, the Board of Directors of the Company has proposed a final dividend of MVR 7.04/- per share which is to be put forward for approval at the next Annual General Meeting of the Shareholders.

