

Directors' Report



Directors' Report

We are pleased to present the 3rd Annual Report on the affairs of Robi Axiata Limited, together with the audited statement of accounts for the year ended on 31st December, 2022.

Global Economy

As per the latest World Economic Outlook (WEO) of the International Monetary Fund (October 2022), the global economy continues to face steep challenges, shaped by the lingering effects of three powerful forces: the Russian invasion of Ukraine, a cost-of-living crisis triggered by persistent and broadening inflation pressures, and a slowdown in China.

The WEO's October 2022 forecasts project global growth to remain unchanged in 2022 at 3.2 percent and to slow to 2.7 percent in 2023, 0.2 percentage points lower than the July 2022 forecast. The report has assessed that more than one-third of the global economy will contract in 2022 or 2023, while the three largest economies of the US, EU and China will continue to stall. In short, the report has surmised that for many households around the world, 2023 will feel like a recession.

Russia's invasion of Ukraine continues to destabilise the global economy. Beyond the escalating and needless destruction of lives and livelihoods, it has led to a severe energy crisis in Europe that is sharply increasing costs of living and hampering economic activity. Gas prices in Europe have expanded more than 4x since 2021, with Russia cutting deliveries to less than 20 percent of their 2021 levels, raising the spectre of energy shortages over the next winter and beyond. More broadly, the conflict has also pushed up food prices globally, causing serious hardship for low-income households worldwide, especially in low-income countries.

Persistent and broadening inflation pressures have triggered a rapid and synchronised tightening of monetary conditions, alongside unprecedented appreciation of the US Dollar against most other currencies, including the Bangladeshi Taka. Tighter global monetary and financial conditions are expected to weigh on consumption and demand and progressively help tame inflation. So far however, price pressures are proving to be quite stubborn and a major source of concern for policymakers.

The WEO of October 2022 expects global inflation to peak in late 2022 but to remain elevated for longer than previously expected, moderating to 4.1 percent by 2024. In China, while frequent lockdowns under its COVID-zero policy have taken a toll on the economy, the abrupt dismantling of the protocols have further exacerbated challenges in the country. Furthermore, the property sector, representing about one-fifth of economic activity in China, is rapidly weakening. Given the size of China's economy and its importance to global supply chains, this is expected to weigh heavily on global trade and activity.

The external environment is already very challenging for many emerging market and developing economies. The sharp appreciation of the US Dollar adds significantly to domestic price pressures and to the cost-of-living crisis for countries that fall into this bracket. Capital flows have not recovered, and many low-income and developing economies remain in debt distress.

Increasing price pressures remain the most immediate threat to current and future prosperity by squeezing real incomes and undermining macroeconomic stability. Central banks around the world are now laser-focused on restoring price stability, and the pace of tightening has accelerated sharply. There are risks of both under and over-tightening. As the global economy is headed for stormy waters, financial turmoil may well erupt, prompting investors to seek the protection of safe-haven investments. Finally, the energy and food crises, coupled with extreme summer temperatures, is a stark reminder of what an uncontrolled climate transition would look like. Much action is needed to implement climate policies that will ward off catastrophic climate change events.

Going forward, the January 2023 WEO update projects that global growth will decline to 2.9 percent in 2023, but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 WEO but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine will continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still remaining above pre-pandemic levels.



Bangladesh's Economy

Panic and fear ensued the re-emergence of COVID-19 infections in December 2021 (in the form of the Omicron variant of the coronavirus), the repercussions of which were noticed in the first quarter of the year 2022. In addition, a big "black swan" event took shape when Russia launched a special military operations on Ukraine on the 24th of February 2022. In the following few months, the conflict escalated into a major global crisis as a dislocation of supply chains in Russia and Ukraine, which are the world's major natural gas and grain suppliers, created major supply constraints and remained a contributory factor to spurring inflation. These constraints, together with other factors, enforced a rise in commodity inflation and hampered efforts by the government to support economic recovery in the aftermath of the three COVID waves.

The consequent increase in the price of food grain and gasoline caused widespread public indignation in Bangladesh, which the government did its utmost to quell by taking policy measures. Given the diminishing foreign exchange reserves and balance of payments challenges, the government and the central bank, the Bangladesh Bank, tried to establish a facilitative atmosphere via authorizing some national banks to open Vostro accounts for settling payments in local currency.

In addition, the government was successful in negotiating a support package with the International Monetary Fund (IMF), which included a 42-month arrangement of approximately US\$ 3.2 billion under the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF), as well as approximately US\$1.3 billion under the Resilience and Sustainability Facility (RSF). This support package was worth a total of approximately US\$ 6.3 billion.

This new program that is being sponsored by the IMF in Bangladesh has as its goals in maintaining macroeconomic and macro-financial stability; promotion of robust, inclusive, and environmentally-responsible growth; and protection of the most vulnerable households of Bangladesh's society. It is anticipated that the RSF would be able to offer Bangladesh with an inexpensive long-term funding channel to meet the nation's climate investment needs, stimulate climate finance, and relieve the constraints on Bangladesh's balance of payments caused by import-intensive climate investment.

Bangladesh is thus in a better position economically than its neighbours, such as Pakistan and Sri Lanka. The IMF has also assigned a GDP growth forecast for Bangladesh at 6% in fiscal year 2022-23, which is respectable by any standard. However, the growth rate could have been higher if not for the significant challenges that the world is currently confronted with, including the projection that parts of the world will enter a recession in 2023. The IMF cited rising energy and food costs, inflation, increased interest rates, and the ongoing crisis in Europe as the main reasons that will continue to impact Bangladesh's economy.

2022: ACCOMPLISHING PROGRESS TOWARDS OUR SHARED PURPOSE OF A DIGITALLY CONNECTED FUTURE

Over the years, Robi has achieved success by creating a resilient business model and a widely recognisable brand, providing products and services that are a household staple. Our solid top-two market share gives us the foundation to advance our multi-product approach by introducing new digital offerings and partnering with leading businesses to enhance our customers' lives, thereby moving closer to our shared goal of a digitally connected future for all. We are in an exciting phase in Robi's history, one in which we have achieved several major strategic milestones, including accomplishing sustainable growth in our subscribers, expanding our digital subscriber base, accelerating data consumption, and improving our network infrastructure and quality of service. Our objective now is to deepen, diversify and distinguish our offering, thereby ensuring differentiation in a competitive market. We aim to stimulate economic growth by providing our retail and enterprise customers and clients the cutting-edge tools they need for further innovation and connectivity. Anchored on our purpose-led business strategy, we are convinced that reducing the cost of information and communication technology services and providing affordable and accessible data is critical to addressing societal challenges. Thus, through our commitment to our purpose, we are truly connecting people to a digital future.



TELECOMMUNICATIONS INDUSTRY OUTLOOK & POSSIBLE FUTURE DEVELOPMENT IN THE INDUSTRY

The transition from “Digital Bangladesh” to “Smart Bangladesh”

Mobile telecommunications has transformed the way of life in every aspect. With the evolution of new technologies, mobile telecommunications has become more critical to take the development of each country to the next level. Such is also not different for Bangladesh. Mobile telecommunications contributed significantly to achieving the Digital Bangladesh 2021 vision. Similarly, the mobile telecom sector will also play a pivotal role in achieving the Smart Bangladesh 2041 vision declared by the Hon'ble Prime Minister Sheikh Hasina.

While Smart Bangladesh 2041 consists of 4 key pillars a) Smart Citizen, b) Smart Government, c) Smart Society, and d) Smart Economy, to enable and achieve targets, smart connectivity is a must. The modernization and innovation of the mobile telecom space is boosting economic activities in the digital space, enhancing productivity, availability of information at the fingertips of users, developing a digital mindset, etc. Mobile telecommunications will also play a key role in reducing the digital divide in Bangladesh by bringing relevant services to the unconnected population segments.

The sector not only facilitates life-enhancing benefits, but also contributes to the transformation of major public-facing sectors, such as healthcare, agriculture, education, financial services, etc. Mobile connectivity has a direct correlation to both GDP and resource productivity. Furthermore, the industry also contributes to direct and indirect tax collection, thus bolstering state finances. The enhancement in mobile telecom service adoption in terms of subscribers and usage will enable accelerated economic growth, thus shifting the economic profile of Bangladesh.

The telecom sector contributes immensely to the transformation of human living standards, boosting income, expanding economic inclusion, addressing the digital divide, etc. The sector is continuing its efforts to bring the unconnected under the connected umbrella and to enhance the service experience of existing subscribers by bringing new services to enable enhanced contribution to the national economy.

KEY FACETS OF BANGLADESH'S TELECOM INDUSTRY

Over the past decade, the mobile market in Bangladesh has grown at a steady pace, with the number of unique subscribers expanding from 47 million in 2010 to 97 million in 2022, exhibiting an increase of over 106%. At the end of 2022, as per the latest statistics available, Bangladesh had a unique subscriber penetration of 57.54%, and a total connection penetration of 103.1% with 180.2 million connections, with some users owning multiple connections. Total mobile internet subscribers stand at 112.55 million with a penetration of 64.3%, whereas unique mobile internet penetration is 31.6%.

Conducive tax framework to accelerate digital adoption and facilitate investment

The tax framework needs to be conducive to accelerate the country's digital transformation and maximizing the benefits of connectivity, which is very important as Bangladesh is now focusing on penetrating low-income groups who are yet to be connected.

Without reforming telecom taxation in Bangladesh, the full potential of digitalization and new technologies cannot be realized in accelerating economic growth. The high tax burden on the telecom sector negatively impacts access and use of mobile technologies and impedes investment capacity.

Robi has always believed that tax policy should support the long-term vision of achieving 100% mobile penetration, enabling affordable access to all services rather than working as a barrier to market growth and individual-level adoption of mobile services.

The tax contribution of the mobile sector in Bangladesh is considerably higher than the average in the Asia Pacific (24%) and the global average (22%). The total tax contribution of the mobile sector for 2020 is estimated at BDT 133 billion (\$1.6 billion). This represents around 50% of the total mobile sector revenue. In addition to annual taxes and regulatory fees, the telecom sector contributes to one-off spectrum and license fees, and taking that into account, the contribution totals up to 53% of the total sectoral revenue.



Unique penetration is still at 42.5% which signifies that a substantial population is still to be connected to mobile services; for mobile internet service, this becomes 68.4%. While Bangladesh is on the verge of graduating from a Least Developing Country (LDC) to a Developing Country (DC), it is high time to relook at the taxation approach for the mobile sector, both for subscribers and MNOs. A rational taxation framework will bring multi-fold economic value, compared to the current state.

Thus, telecom sector tax reform has the potential to unlock significant investment in Bangladesh that will not only enable next-generation technologies like 5G and others, but will also support the leap of individuals to the digital economy, which is crucial for the journey of a Digital Economy to a Smart Economy.

TELECOMMUNICATIONS REGULATORY ENVIRONMENT, 2022

The mobile telecommunications sector is the key backbone of the Digital Bangladesh vision of the government and will play the most important role in ensuring smart connectivity in realising Smart Bangladesh Vision 2041. Despite continuous significant contribution to the national economy, it is a matter of concern that the regulatory environment still requires reforms in areas of taxation structure, fragmented licensing regime, ensuring the global standards in judging different claims, regulating approach, standards/obligations of quality of service, etc. If these factors are not relooked, the realization of the full potential of the sector will remain a pipe dream which will negatively impact the vision of Smart Bangladesh as well.

While Budget 2022-23 enabled welcome corporate tax incentives through rate reduction from 22.5% to 20% for listed general companies and from 30% to 27.5% for non-listed general companies, mobile operators have not been granted any incentive, as the corporate tax rate (listed: 40%; un-listed: 45%) and minimum turnover tax of 2% remained unchanged for MNOs. While the government aspires to a digital economy, yet denial of tax incentives to MNOs is contradictory and unproductive for the sector.

In addition, high consumer taxation (33.25%) compared to other countries is a key barrier to the sector's growth potential and adoption of services by the mass population. It is observed that when subscriber taxes are increased, common people adjust their usage to remain within the same financial expenditure on telecom. If such high taxation persists, it will continue to work as a hindrance to new adoption and growth of existing subscribers' usage. It will continue to drag progress of the shift from Digital Bangladesh to Smart Bangladesh.

The spectrum auction held in 2022 for 2300 MHz and 2600 MHz bands was a good example of revisiting regulatory approaches to facilitate betterment of the sector. BTRC set the base price significantly lower compared to the earlier auctions and facilitated better payment terms in respect of both installment payments and the effective date of allocation. It was praiseworthy that the regulator has taken such an approach. Aligning with the government and BTRC's vision, Robi held a 5G trial using the 2600 MHz band on 28 September 2022.

The regulator has also enforced MNOs to provide call drop compensation for each call drop to subscribers, which Robi implemented accordingly. But considering the global standards and MNOs performance of call drop rate, which is well within the global standards and current regulations, it is harsh to enforce such obligation. In addition, the regulator has also imposed site-level obligations which is very unusual in terms of telecom service regulations.

Although the regulator is working to review the current Quality of Service Regulation 2018, we hope that the regulation will be reviewed rationally considering relevant factors such as the ecosystem challenges and market dynamics. SMP Regulation is enforced in the tower-co regime, but it requires to ensure that competitive service and expansion of tower infrastructure continues as per market requirements.

If the reforms, such as allocation of affordable spectrum in future auctions, robust fiber network, affordable 4G handsets, unified licensing regime, device locking, etc., are not facilitated through a conducive roadmap, the target of affordable quality service and materializing the benefits of mobile telecom services will remain unachievable.

The relevant government authorities (BTRC, PTD, ICTD) are working on formulating a new Broadband Policy, OTT regulations, reviewing ILDTS policy 2010, Data Protection Act, etc. While such policy reviews and new formulations are welcome, we believe it is critical to take inputs from ecosystem players through constructive consultation process and finalized rationally.

As a Company committed to Bangladesh's future, we are hopeful of the relevant government and regulatory authorities will make the necessary amendments to ensure a vibrant and dynamic national telecom sector that is supportive of the goals of Smart Bangladesh Vision 2041.



SEGMENT/PRODUCT WISE PERFORMANCE

In 2022, Robi's telco service revenue grew by 6.1% YoY (+BDT 4.9 billion), reaching to BDT 85.6 billion (2021: BDT 80.7 billion).

During the year under review, reported voice revenue witnessed YoY growth of 9.0%, whereas reported data revenue witnessed a slower growth of 2.2%. Pandemic restrictions started easing early this year leading to increased business volumes, while educational institutions resumed full-fledged physical classes and other activities, thus reducing data consumption, which is reflected in our reported data revenue for the year.

Data revenue growth of 2.2% was largely supported by a moderate 3.8% data user growth and 35.5% enhancement of usage/sub (2022: 5,504 MB/month; 2021: 4,062 MB/month). This increased mobile data usage reflects a growing inclination towards Smart Bangladesh vision, as consumers tend to be more data-hungry, a paradigm shift gearing from the traditional connectivity service.

With the objective to improve customer experience, below are the key initiatives executed in 2022:

- ▲ Expanded 4G coverage to the deep rural parts of the country, taking the total number of 4G sites to 15,650
- ▲ Acquired 60Mhz of 2600 band spectrum to strengthen QoS, with deployment preparation in progress
- ▲ Remained laser focused on enhancing the digital experience, while emphasizing on UI/UX features of self-care platforms
- ▲ Continued simplification of product portfolio to enable customers with more personalized and predictive offers
- ▲ Equipped enterprise business customers with future-ready and state-of-art digital solutions, under a new enterprise digital brand, "Robi for Business"

These initiatives resulted in Robi emerging as the digital Company of choice amongst consumers.

RISKS & CONCERNS

Robi understands that effective risk management is critical in meeting strategic objectives and accomplishing sustainable growth. We have a structured risk management process, which is overseen by the risk management committee. This group monitors and reviews the risk management plan of the Company as per relevant regulatory provisions and listing regulations. The accountability for the mitigation of each risk is assigned to the identified risk owner(s). The Company applies the comprehensive risk principle to determine and mitigate risks. The mitigation measures to counter these risks are monitored by the top management.

Robi has a mature enterprise risk management framework in place. Through this principal risks framework, we identify the Company's key risks and provide a robust assessment and mitigation plan to counter those risks. The embedded enterprise risk management process supports the identification of these principal risks.

The Board reviewed and approved the risk appetite for each principal risk to enable informed risk-based decision-making. A robust focus on our risk framework allows the Company to develop effective risk mitigation plans with optimal allocation of resources for those risks that need immediate attention. Following the outbreak of the special military operations by Russia on Ukraine in early 2022, we also undertook a detailed assessment of the associated risks that might create a knock-on effect on the country and hence the Company.

Particularly, in what was expected to be a post-pandemic year of recovery, the Ukraine-Russia war presented a material risk to the economic outlook across our footprint. In March and April 2022, foreign exchange volatility and inflationary pressures were already evident across our markets. Cost of living pressures resulting from higher fuel and food costs constrained disposable income, enforcing households to prioritise non-discretionary spends or limit the outflow of such spending. Guided by our deep focus on customer value, we accelerated our support to ensure that we keep our customers connected. We thus continued our focus on affordability and accessibility, especially with the vast majority of our customer universe comprising prepaid customers.

A detailed assessment of our enterprise risk framework and relevant risks and their mitigation is described elsewhere in this report.



SOCIAL RESPONSIBILITY

We are committed to delivering results for all stakeholders through our corporate social responsibility initiatives.

Over the many years that we have been in business, no challenge tested all the communities in which we operate at such scale and with such speed as the COVID-19 pandemic. As our customers, communities and partners faced additional disruptions in 2022, we continued to provide support to those in need.

We created value for our stakeholders by making significant contributions to the development of the societies in which we operate, while also finding ways to take care of our environment by integrating sustainability into our decision-making and actions. During 2022, we began to track our business performance based on our newly validated, science-based carbon emission targets with the endeavour to halve our emissions by 2030 and become net-zero by 2050. We are taking many initiatives, some that are a first in Bangladesh's telecom industry, such as tower-mounted solar panels, to reduce carbon emissions in all our activities across the entire value chain and progressively reach net-zero emissions.

As part of our focus on contributing to the communities where we operate, we focused on unlocking value through several initiatives taken in the fields of healthcare, emergency relief, relief distribution, forging partnerships to accelerate impact, and taking action for the benefit of civil society.

Some of the major programs organised during the year under these include providing medicines and other implements to victims of the Sitakunda fire incident in Chattogram, ensuring relief provisions for those affected by the floods in Sylhet, and joining forces with Save the Children and CARE Bangladesh for preparing the youth for a digital future and ensuring female empowerment through entrepreneurship. Further, in a major initiative of the year, we also invited 6,000+ underprivileged children from outside Dhaka to an iftar feast during the month of Ramadan 2022. In addition, our #CommonSense and Bangladesh Safe Internet Forum are platforms that encourage the responsible use of mobile and the internet, with the latter specifically focused on protecting children from unsafe online sites and activities.

HEALTH, SAFETY AND PEOPLE SECURITY

At Robi, we have a sympathetic view to those having health-related challenges and do our best to alleviate these. This was most evident during the COVID pandemic where we embraced a proactive view to protecting people from contracting the ailment and activated a number of initiatives in preventive healthcare. Further, we also strongly encouraged vaccination.

Taking the learnings of the pandemic, we have unlocked a number of health initiatives for our people, including organising Zumba and kickboxing sessions as a means to encourage people to adopt a fit and healthy lifestyle. Further, Robi Wellness Week is a manifestation in itself of the seriousness we accord to health and throughout the week engagement and awareness sessions are organised to highlight the importance of lifestyle changes in wellness and wellbeing. Further, we also place emphasis on mental healthcare and strongly encourage our people to adopt a work-life balance.

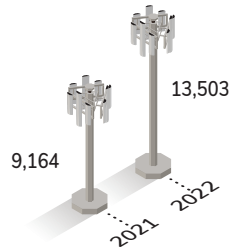
In addition, we also take due consideration of health and wellness at the workplace and have taken up a number of initiatives to ensure that the work environment is green, clean and hygienic. Fostering a green workplace is an essential part of our focus on employee health and wellbeing.



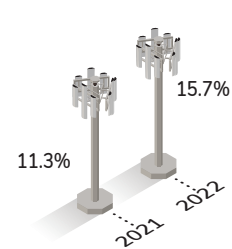
DISCUSSION ON OPERATING EXPENSE, OPERATING PROFIT MARGIN AND NET PROFIT MARGIN

Operating profit increased to BDT 13.5bn in 2022 (2021: BDT 9.1bn), resulting from increased service revenue and lower direct cost largely driven by continued efficiency measures paired with lower regulatory cost. In 2022, operating profit margin rose to 15.7% from 11.3%, a significant 4.4pp improvement.

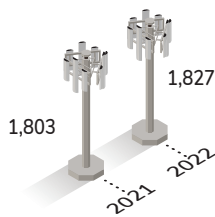
Operating profit (BDT mn)



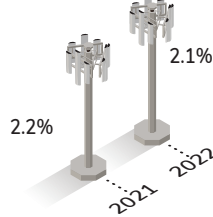
Operating profit margin (%)



Net profit (BDT mn)



Net profit margin (%)



In 2022, Robi's net profit stood at BDT 1.83 bn (2021: BDT 1.80 bn). Forex loss dealt a heavy blow on Robi's financials as it knocked off 49% of its profit after tax (PAT) in 2022. Instead of around BDT 3.61bn, Robi could only book BDT 1.83bn as PAT for the year; which means around BDT 1.79bn profit got eroded on account of forex loss.

EXTRAORDINARY GAIN OR LOSS

As per IAS 1 Presentation of Financial Statements, no items of income or expenses are to be presented as 'extraordinary gain or loss' in the financial statements. Accordingly, no 'extraordinary gain or loss' has been recognized in the financial statements.

RELATED PARTY TRANSACTIONS

Robi carried out a number of transactions with related parties in the normal course of business on arm's length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24 "Related party disclosures" and details of related parties and related party transactions have been disclosed in note 43 to the financial statements 2022.

SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

No significant variation occurred between quarterly and final results of the Company during the year ended 31 December 2022.

DIRECTORS' REMUNERATION

"Transactions with key management personnel" have been disclosed in note 43(i) to the financial statements 2022 which include fees for attending Board meetings, remuneration, allowance and benefits paid to the Board of Directors and Key Management Personnel. Additionally, a summary of Board of Directors' Remuneration in 2022 has been provided in Annexure-III (B) on page 143.



DIRECTORS' DECLARATION ON THE FINANCIAL STATEMENTS

The Board is responsible to present a true and fair view of the Company's financial performance and position as a part of good governance; and to that end the Directors confirm to the best of their knowledge that:

- a) The Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of account of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgements. The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- d) The system of internal control is sound in design and has been effectively implemented and monitored;
- e) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- f) The Board of Directors is satisfied and has a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Hence, the Company adopted the going concern basis in preparing of the Company's financial statements.
- g) No interim dividend has been declared by the Company.

DECLARATION OF THE CEO AND THE CFO ON THE FINANCIAL STATEMENTS

As required under BSEC's Corporate Governance Code, the declaration by the CEO and the Chief Financial Officer (CFO) on Financial Statements 2022 to the Board as prescribed is annexed to this report as Annexure-V on page 145.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis signed by the CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code is disclosed in Annexure-VI of this report on page 146.

OTHER DISCLOSURES

- ▲ The Board of Directors have made appropriate examinations and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operations for a foreseeable period.
- ▲ The key operating and financial data for the last six years have been disclosed in Annexure-VI of this Annual Report on page 148 .
- ▲ The dividend policy of the Company allows it to recommend a dividend which is commensurate with performance, investment requirements as well as meet shareholders' expectations. During the year, Robi's Board of Directors have recommended final cash dividend at the rate of 7% [i.e. BDT 0.70 per share], which represents 200.7% of the PAT for 2022.
- ▲ During 2022, a total of 12 (twelve) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-III (A) of this report on page 143.
- ▲ Shareholding pattern of the Company as on 31 December 2022 is shown in Annexure-IV of this report on page 144.



SUBSIDIARY REVIEW

RedDot Digital Limited

RedDot is a 100% subsidiary of Robi that provides a wide range of IT and digital solutions to both domestic and international clients. The company's unparalleled domain expertise and specialist resources aid in the Smart Bangladesh vision through supporting the digital transformation of enterprise customers across size and scale of operations.

Some of the Company's key offerings comprise IT application development and maintenance, cloud and data center solutions, process automation, IoT, etc. The Company invests heavily in technology and innovation as part of its service and customer excellence strategy.

One of the Company's specialist offering comprises data center services for which it has two data centre facilities out of which one is located in Jessore, which is the nation's first Tier-4 Certified Prefabricated Modular Data Center. This data center is the first-of-its-kind in the private sector located on a 16,500 sq. ft. area and based in a highly secure location at the center of Sheikh Hasina Software Technology Park. The second data centre is in Bhulta with Tier-3 equivalent infrastructure, which also has the highest level of security.

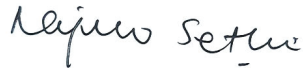
The Company has also demonstrated expertise in IoT. Under this service, it has 5 solutions that are running with 15+ smart products which has over 10,000 customers. This aside, the Company also offers custom-built digital products and solutions, especially in the realm of mobile financial services, sales and distribution automation, customer experience, etc.

RedDot, just like its parent Company, places high accord on governance. In fact, Robi is committed to ensuring that its subsidiary governance policies are aligned with its own mission and values. At the heart of this policy is a culture of transparency, trust and multistakeholder approach that places due importance on transparency, openness and reliability.

Smart Pay Limited

Smart Pay Limited, a wholly owned subsidiary of Robi was incorporated recently on October, 2022, but it is yet to start commercial operation. It has been established with the purpose of facilitating digital financial services.

On behalf of the Board of Directors of Robi,



Rajeev Sethi
Chief Executive Officer

