

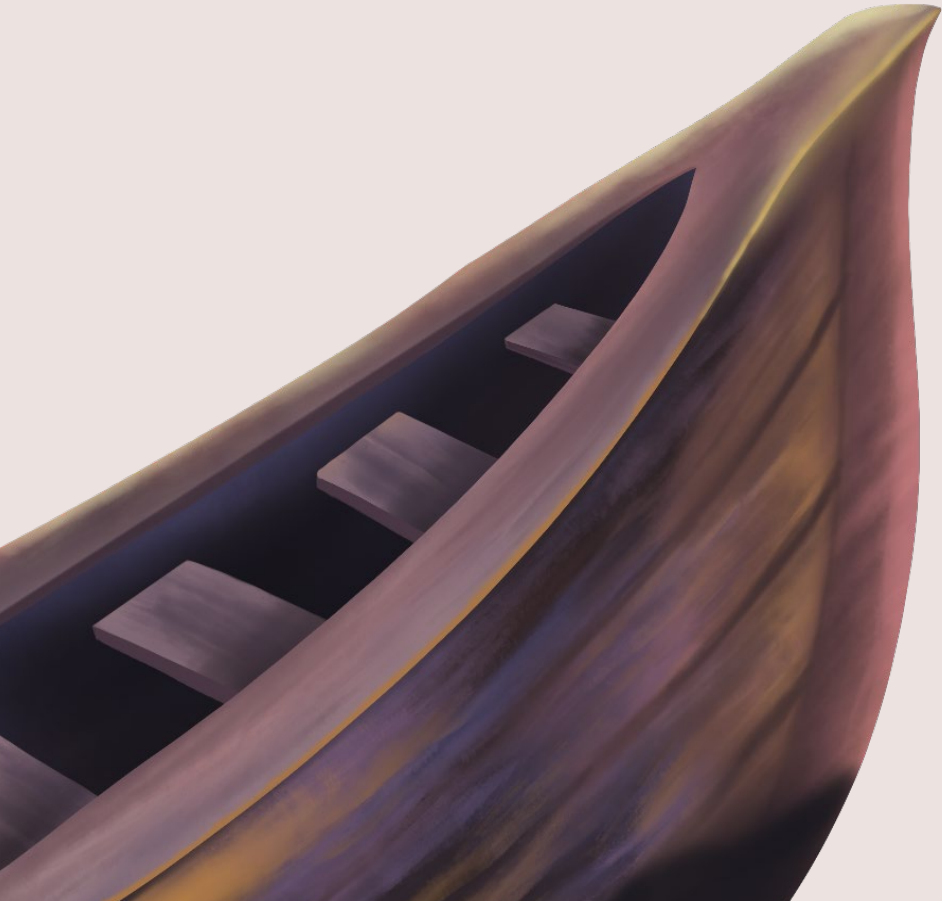
Quarterly Report

Q1-2022



State Trading Organization plc





This is the first quarter report of State Trading Organization plc. (STO) for the year 2022.

In compiling this report, STO has made its best efforts to adhere to the Listing Rules, the Corporate Governance Code of Capital Market Development Authority and the Securities (Continuing Disclosure Obligation of Issuers) Regulation 2019.

This report includes events for the period from 01st January 2022 to 31st March 2022.

This report was published on 30th April 2022

Contents

Page

5	Key Financial Figures
6	Our People, Our Pride
7-10	Corporate Events
11-13	Corporate Social Responsibility
14-18	Marketing Events
19	Share Performance
20	The Board of Directors
21	Board Committees
22	Board Activities Statement
23	Shareholding Details
24	Major Board Decisions
25	Board and Board Committee Attendance
26	Compliance to Governance Statement
27	Financial Highlights of this Quarter
28	Debt Securities
29	Income Statement
30-31	Balance Sheet
32-33	Cashflow Statement
34	Statement of Equity



Vision

Enriching lives through expansion and accessibility

Values

Progressive
Respectful
Innovative
Accessible
Caring



Mission

Lead through expansion of existing businesses, diversification, exploring new possibilities and entering into new ventures.

Explore beyond our borders, expand our markets and establish ourselves as an international player, respected by the international business community.

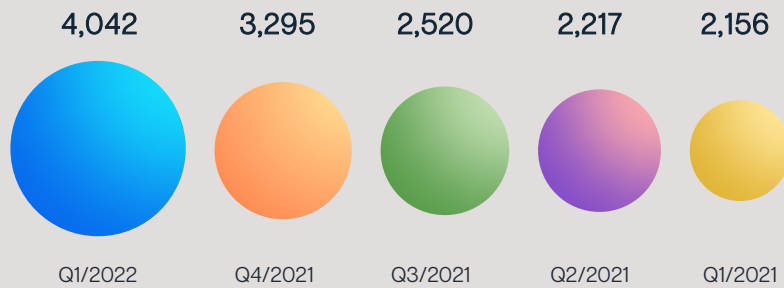
Ensure accessibility with our presence nationwide; offer peace of mind and assurance to the public of uninterrupted provision and affordability of essential goods and services and those that contribute to a fulfilling modern lifestyle.

Build a skilled workforce by investing in human development; build our competencies, to achieve sustainable and unhindered growth and fulfil our vision.

Key Financial Figures

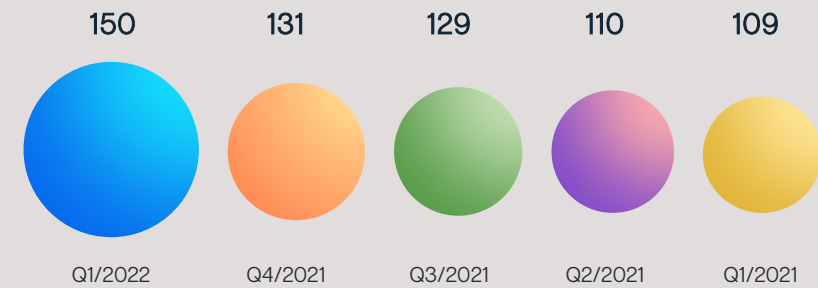
Total Revenue

In Millions, MVR



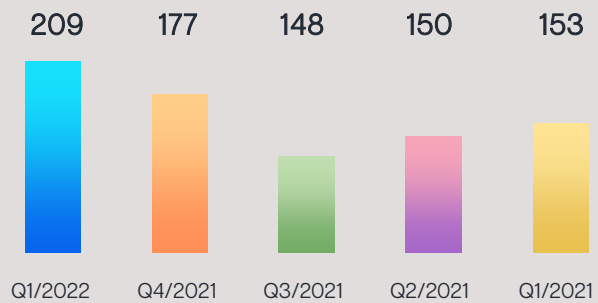
Net Profit

In Millions, MVR



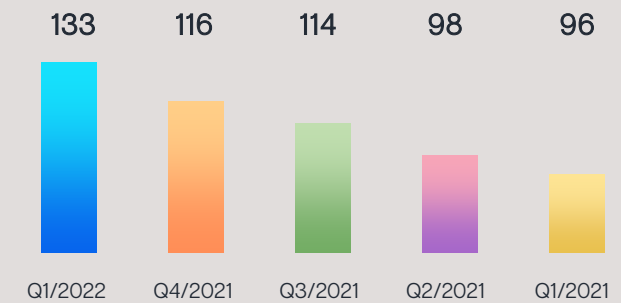
Operating Profit

In Millions, MVR

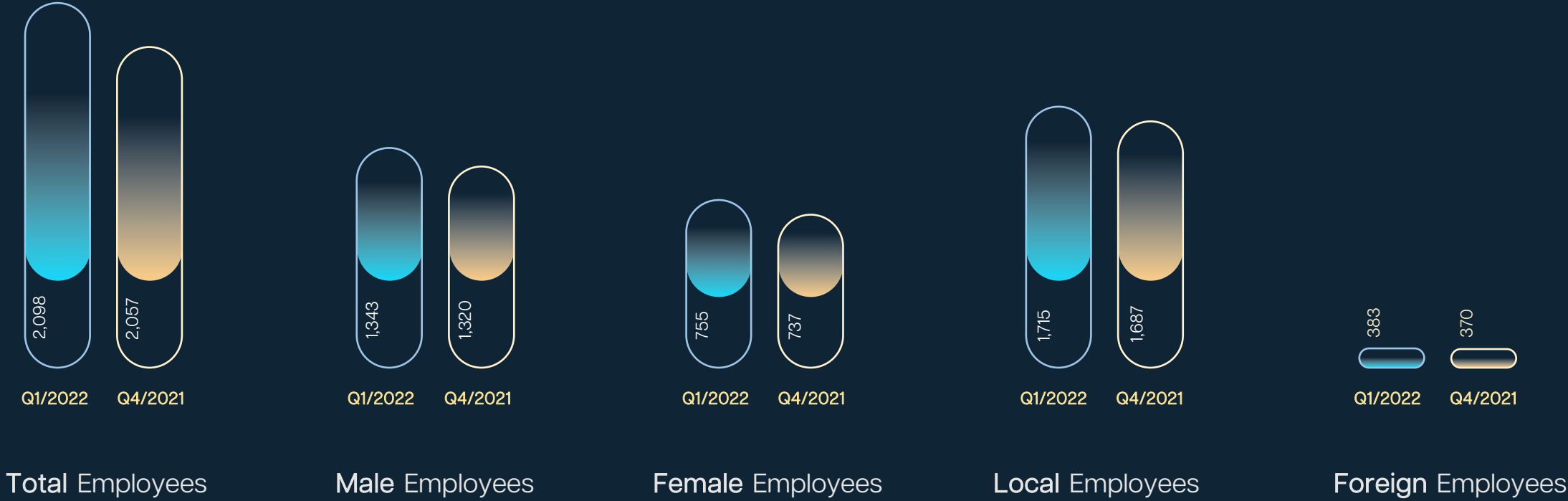


Earning per Share

In MVR



Our People, Our Pride



Corporate Events



Apprenticeship Program

STO signed an MOU with Ministry of Youth, Sports and Community Empowerment, to commence an apprenticeship program in STO business areas.

This MOU was signed on 4th January 2022.

Corporate Events



Opening the first Fuel Testing Laboratory in the Maldives

Another top milestone of the Company – *The opening of the first Fuel Testing Laboratory in Maldives* – was achieved within this quarter. This Laboratory will be operated in association with GEO Chem Middle East.

The main objective of this laboratory is to identify and ensure quality fuel, to our customers and operations.

The laboratory was opened on 01st March 2022.

Corporate Events



Introducing STO Peoples' Choice Agents

On 06th March 2022, STO awarded its distributorship to 136 agents, from across the country.

"STO Agents" distributorship allowed its holders to market and sell STO products and brands at competent prices, through their stores.

It is our aim to establish agents at every island, by end of the year.

Corporate Events

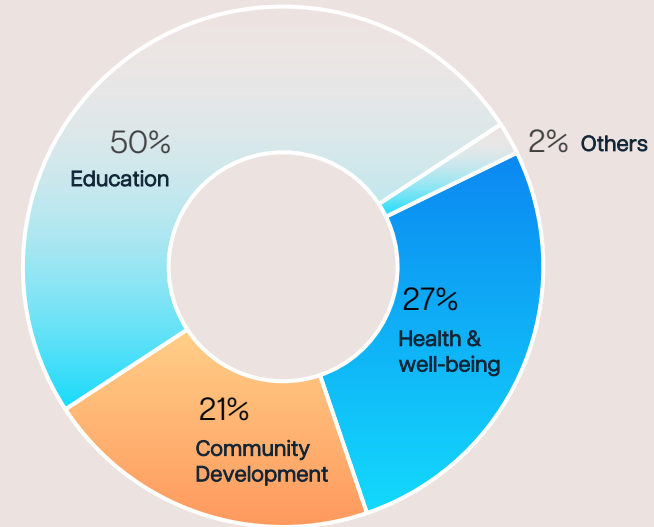


Opening of revamped STO People's Choice

On 15th March 2022, STO opened its revamped Peoples Choice showroom. This milestone of the Company, was inaugurated by His Excellency Vice President Faisal Naseem.

The new concept of the department store, accommodated local businesses to market and sell their products at STO Peoples' Choice. Apart from this, STO's product portfolio was increased in supermarket items and additionally included home improvement items and an in-store pharmacy service.

Corporate Social Responsibility Disclosure



Above graph show the different areas that we have spent on CSR during the quarter.

Disclosure of CSR contributions above MVR100,000 value

A CSR contribution of MVR153,877 was provided to GDh.Nadella to build some huts in the beach area for the island community. No other contributions were made above the disclosure amount for CSR.

Corporate Social Responsibility



Neyvaa 2

STO signed an agreement with Free Dive Maldives to support a World record event to be held to celebrate the 50th anniversary of tourism industry in the Maldives..

Corporate Social Responsibility



Ocean 6/50

STO was a partner of the record-breaking dive event “Ocean 6/50” which was conducted to create awareness on the impact of plastic pollution and climate change.

Marketing Events



Introducing STO PC Agents

On 4th January 2022, STO announced for local businesses and individuals to register and operate as authorized agents of our People's Choice segment products and brands, from across the nation.

Marketing Events



STO Ramazan Bazaar 2022

On 10th February 2022, STO launched Ramazan Bazaar 2022 promotion at STO Home Improvement.

Customers were offered attractive discounts and coupons for every purchase made above MVR1,000.

Marketing Events



Fini Fini Hitachi Promotion

Fini Fini Hitachi Promotion commenced on 15th February 2022 and continued until 30th April 2022 .

Customers were offered discounts on Hitachi Aircons and 10 lucky winners will be chosen to win MVR10,000 worth Home Appliance products from STO People's Choice.

Marketing Events



STO Wholesale Promotion

STO Wholesale Promotion commenced on 01st March 2022 and continued until 30th April 2022.

This promotion was held specifically for STO wholesale customers.

Marketing Events



Nippon Promotion

Nippon Promotion commenced from 17th March 2022 and will continue until 30th April 2022.

This promotion was held as part of the Ramazan Bazaar 2022. This promotion also, offered many exciting prizes for the customers.

Share Performance

	Q3/2021	Q2/2021	Q2/2021	Q1/2021	Q4/2020
Lowest Trading Price (MVR)	650	580	580	550	700
Highest Trading Price (MVR)	650	581	581	552	700
Last Trading Price (MVR)	650	581	581	550	700
No. of Trades	1	-	2	2	2
No. of Securities Traded	15	-	19	50	28
Value of Securities Traded	9,750	-	11,030	27,560	19,600
Weighted Average Trade Price (WATP)	650	581	581	551	700
Market Capitalization (MVR in millions)	733	655	655	620	789
Dividend Yield %	9	10	10	11	8
Earnings Per Share (EPS in MVR)	133	116	114	98	96
Price Earning Ratio	4.89	5.00	5.09	5.63	7.26

* Dividend yield has been calculated based on dividend value of MVR 60.00, approved by the shareholders at the last Annual General Meeting.

** (Last Trade on 05/01/2022)



The Board of Directors

* Members were last appointed to the Board, at the Annual General Meeting held on 31/05/2021.

* Members were re-elected to Board Committees on 15/06/2021.



Hamid Nasheed Mohamed
Chairman,
Non-Executive, Independent Director



Husen Amr Mohamed Rashad
Chief Executive Officer & Managing Director
Executive Director



Mohamed Nizam
Chief Financial Officer
Executive Director



Shimad Ibrahim
Non-Executive, Independent Director
Chairman of AR Committee
Member of CG Committee



Aminath Rushma
Non-Executive, Independent Director
Chairperson of CG Committee
Member of AR and NR Committee
(Director elected to represent public shareholders)



Ismail Zumayl Rasheed
Non-Executive, Independent Director
Member of NR Committee
Member of AR Committee



Gais Ismail
Non-Executive, Independent Director
Chairman of NR Committee
Member of AR and CG Committee

The Board Committees

Audit & Risk Committee



Shimad Ibrahim
Chairman

Nomination & Remuneration Committee



Gais Ismail
Chairman

Corporate Governance & Compliance Committee



Aminath Rushma
Chairperson



Aminath Rushma
Member



Ismail Zumayl Rasheed
Member



Gais Ismail
Member



Aminath Rushma
Member



Ismail Zumayl Rasheed
Member



Shimad Ibrahim
Member



Gais Ismail
Member

Board

Activities

The Articles of Association of STO specifies that the Board should comprise of 7 directors. This include of 5 non-executive, independent members and 2 executive members.

At the Annual General Meeting held on 31st May 2021, the Government appointed 6 members to the Board of Directors, while the public shareholders elected 1 member. Appointed directors and their positions are given on page 20.

There was no change to the shareholding structure of the Company. As such the Government of Maldives represents 81.63% shares while the public represent 18.37% of shares in the Company. (Details on page 23)

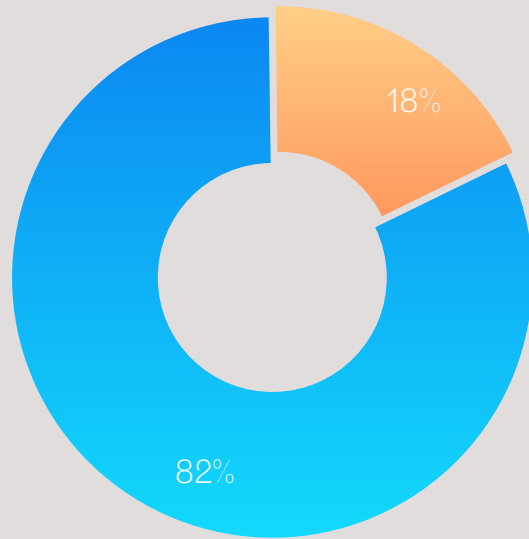
There were no known material transactions with Directors, associates, substantial shareholders or associates, other than those conducted under ordinary course of business.

Shareholding Details

Public

207,041 shares

@ MVR50.00 each, amounts to MVR 10,352,050



Government

919,869 shares

@ MVR50.00 each, amounts to MVR 45,993,450

Authorized Capital

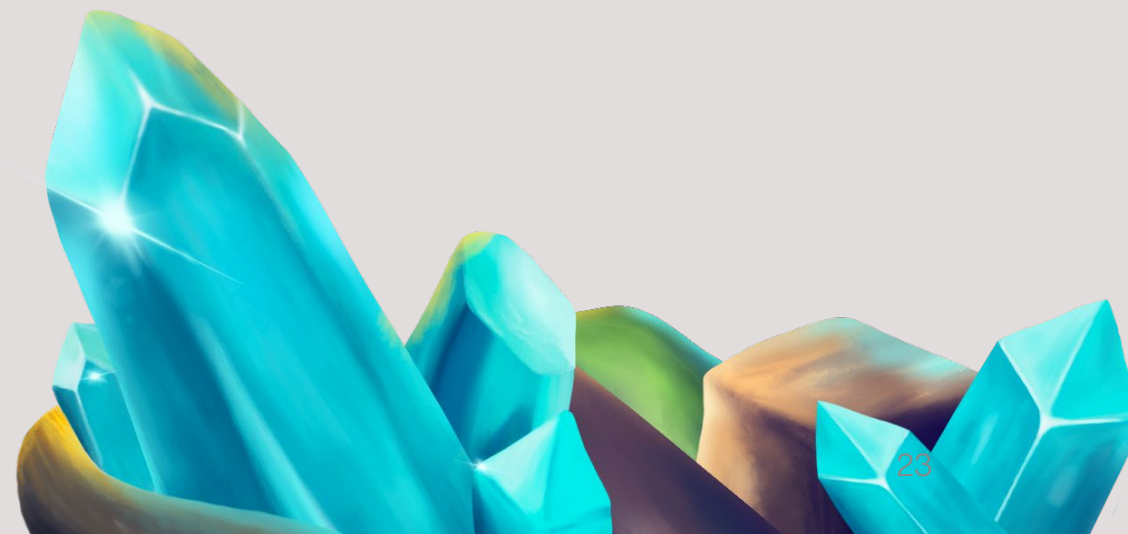
100,000,000

Paid up Capital

56,345,000

Premium

27,814,500



Major Board Decisions

- Discussed with the management, on the outcome of discussions at Non-Executive Meeting
- Approved to purchase a new container vessel to Maldives State Shipping (MSS)
- Group Chief Executive Officers Report for 2021, along with outlook for 2022 was presented to Board
- Group Chief Technology Officers Report for 2021, along with outlook for 2022 was presented to Board
- Group Chief Financial Officers Report for 2021, along with outlook for 2022 was presented to Board
- Group Chief Audit Executives Report for 2021, along with outlook for 2022 was presented to Board
- Approved KYC Policy
- Approved to carry out Funadhoo Coastal Project
- Discussed on the outcomes of Board Evaluation 2021



Board and Board Committee Attendance

	Board Meeting	Audit and Risk Committee	Nomination and Remuneration Committee	Corporate Governance and Compliance Committee
Hamid Nasheed Mohamed Chairman	2/2			
Husen Amru Mohamed Rashad CEO/MD	2/2			
Mohamed Nizam CFO/Executive Director	2/2			
Shimad Ibrahim Board Member Chairman of AR Committee Member of CG Committee	2/2	1/1		-
Gais Ismail Board Member Chairman of NR Committee Member of CG Committee Member of AR Committee	2/2	1/1	2/2	-
Ismail Zumayl Rasheed Board Member Member of NR committee Member of AR Committee	2/2	1/1	2/2	
Aminath Rushma Board Member Chairperson of CG Committee Member of AR Committee Member of NR Committee	2/2	1/1	*1/2	-

* Aminath Rushma did not participate in the Nomination and Remuneration Committee held to discuss on the Directorship related documents for 2022.

Compliance

Compliance to Corporate Governance

STO's Board of Directors and Management strongly support the principles of good corporate governance and are committed to embed such principles into the operations and management of STO and its Group.

STO believes that the governance arrangements adopted by STO Group are reflective of a high performing, well governed organization. These arrangements enable the Board and Management to make well informed decisions, provide appropriate accountability and transparency, and establish the proper culture and behaviors. STO also believes that leading governance practices is essential for the long-term sustainability of our businesses.

The Board regularly reviews the Company's corporate governance framework, policies and practices to ensure at a minimum that they meet the expectations of our shareholders and evolve in line with the Corporate Governance Code of Capital Market Development Authority and our own internal processes and practices.

Reporting Compliance

This report has been prepared in compliance with the Capital Market Development Authority's Minimum Criteria for Periodic Reporting for Listed Companies.

There were no fines due on Company with regard to any regulations, during the Quarter



Financial Highlights of this Quarter

Revenue

4,042 (in millions) MVR
Q4/2021 MVR 3,295 m

Total Expenses

278 (in millions) MVR
Q4/2021 MVR 253 m

Net Profit

150 (in millions) MVR
Q4/2021 MVR 131 m

Earning per Share

133 per share
Q4/2021 MVR 116 per share

Net Asset per Share

2,729 In MVR
Q4/2021 MVR 2,590

Cash Flow per Share

(270) MVR
Q4/2021 MVR 291

Asset Cover Available

2.11 Q4/2021 2.19

Debt Equity Ratio

1.80 Q4/2021 1.92

Debt Service Cover Ratio

2.74 Q4/2021 2.33

Interest Service Cover Ratio

1.52 Q4/2021 1.51

Reserves

2,991 (in millions) MVR
Q4/2021 MVR 2,835 m

Net Worth

3,075 (in millions) MVR
Q4/2021 MVR 2,919 m

Debt Securities

	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Previous due date for the payment of interest/dividend	28.02.2022	30.11.2021	31.08.2021	31.05.2021	28.02.2021
Repayment of principal	24,061,357	23,749,643	23,441,968	23,138,278	22,838,522
Interest	2,299,610	2,611,324	2,919,000	3,222,690	3,522,446
The amounts and where the same has been paid or not	Paid	Paid	Paid	Paid	Paid
Next due date for the payment of interest/dividend	31.05.2022	28.02.2022	30.11.2021	31.08.2021	31.05.2021
The extent and nature of collateral created and maintained with respect of principal	Sovereign guarantee	Sovereign guarantee	Sovereign guarantee	Sovereign guarantee	Sovereign guarantee
Breach of any covenants under the terms of debt securities	No	No	No	No	No

Income Statement

	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Revenue	4,041,839,000	3,295,088,928	2,519,687,509	2,216,546,566	2,155,646,645
Cost of Sales	(3,572,850,541)	(2,897,681,150)	(2,144,501,799)	(1,843,441,039)	(1,793,446,266)
Gross Profit	468,988,458	397,407,778	375,185,710	373,105,526	362,200,380
Other operating income	17,882,607	31,998,294	23,338,576	21,821,561	14,720,357
	486,871,065	429,406,072	398,524,286	394,927,087	376,920,737
Selling and marketing costs	(60,928,253)	(67,252,091)	(50,045,026)	(62,266,027)	(45,720,608)
Administrative costs	(215,787,653)	(184,705,204)	(199,708,724)	(180,777,804)	(176,813,142)
Other operating expenses	(1,301,002)	(550,936)	(753,463)	(1,772,888)	(1,593,725)
Operating Profit	208,854,157	176,897,841	148,017,073	150,110,369	152,793,261
Finance costs	(31,881,809)	(22,757,018)	5,600,224	(17,048,086)	(22,889,295)
Profit before tax	176,972,347	154,140,823	153,617,296	133,062,283	129,903,967
Business Profit Tax expense	(27,057,204)	(23,077,933)	(24,886,241)	(22,978,521)	(21,303,714)
Profit After Tax	149,915,143	131,062,890	128,731,055	110,083,762	108,600,253
Earnings per share	133	116	114	98	96

Balance Sheet

	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
ASSETS					
NON-CURRENT ASSETS					
Property Plant and Equipment	1,802,885,344	1,685,860,078	1,696,281,698	1,717,324,724	1,752,774,065
Investment in Subsidiaries	157,107,425	157,107,425	157,107,425	157,107,425	157,107,425
Investment in Associates	10,567,267	10,567,267	10,567,267	10,567,267	10,567,267
Investment in Joint Venture	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
Available-for-sale Financial Assets	2,240,800	2,240,800	2,240,800	2,240,800	2,240,800
Investments	5,148,288	6,044,043	3,130,391	4,141,833	5,583,333
Deferred Tax Asset	87,726,148	87,726,148	87,726,148	87,726,148	80,207,242
Right-of-use Assets	147,140,713	164,879,935	164,879,935	164,879,935	164,879,935
Trade and other Receivables	192,750,000	240,937,500	289,125,000	337,312,500	-
Total Non-Current Assets	2,410,265,985	2,360,063,196	2,415,758,664	2,486,000,632	2,178,060,067
CURRENT ASSETS					
Inventories	967,453,342	1,310,055,341	807,634,442	801,845,949	893,111,984
Trade and Other Receivables	4,308,373,077	3,788,135,640	3,254,825,070	3,099,256,643	3,473,940,890
Cash and Cash Equivalents	917,870,129	1,063,412,712	775,095,583	385,420,109	493,412,942
Total Current Assets	6,193,696,548	6,161,603,693	4,837,555,095	4,286,522,701	4,860,465,817
Total Assets	8,603,962,533	8,521,666,889	7,253,313,759	6,772,523,334	7,038,525,884
EQUITY					
Share Capital	56,345,500	56,345,500	56,345,500	56,345,500	56,345,500
Share Premium	27,814,500	27,814,500	27,814,500	27,814,500	27,814,500
General Reserve	938,975,269	907,753,491	881,540,914	855,794,702	843,917,040
Retained Earnings	2,051,758,733	1,926,871,623	1,831,618,853	1,728,634,170	1,727,822,715
Total Equity	3,074,894,002	2,918,785,115	2,797,319,767	2,668,588,873	2,655,899,755

Balance Sheet continued..

	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans and Borrowings	407,458,306	368,582,041	391,197,773	466,160,534	131,161,034
CURRENT LIABILITIES					
Current Tax Liabilities	38,869,374	52,066,617	28,988,684	61,786,487	46,912,318
Lease Liabilities	165,645,414	179,373,306	179,373,306	179,373,306	179,373,306
Trade and Other Payables	2,641,219,291	2,994,046,863	1,957,951,780	1,752,146,993	1,653,826,670
Borrowings	2,275,876,147	2,008,812,947	1,898,482,450	1,644,467,141	2,371,352,800
Total Current Liabilities	5,121,610,225	5,234,299,734	4,064,796,220	3,637,773,927	4,251,465,095
Total Liabilities	5,529,068,531	5,602,881,775	4,455,993,992	4,103,934,461	4,382,626,129
Total Equity and Liabilities	8,603,962,533	8,521,666,890	7,253,313,759	6,772,523,334	7,038,525,884



Mohamed Nizam
Chief Financial Officer



Husen Amr Mohamed Rashad
Chief Executive Officer & Managing Director



Shimad Ibrahim
Chairman of AR Committee

Cash flow Statement

	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Profit before business profit tax	176,972,347	154,140,823	153,616,142	133,062,283	129,903,967
Adjustments for:					
- Depreciation & amortization	23,205,871	25,974,281	25,555,713	25,265,267	25,140,379
- Interest income	(2,624,492)	(1,350,517)	(736,106)	(1,182,983)	(1,137,384)
- Interest expense	34,550,794	38,018,215	25,834,356	28,207,226	25,016,443
- Dividend income	-	(14,999,900)	(29,900,867)	(10,000,000)	-
- Provision for impairment of receivables	1,181,117	11,660,157	5,495,723	10,038,796	3,384,557
- Provision for impairment of assets	10,000,000	-	-	12,737,508	-
- Receivables written off	-	-	-	381,605	-
- Provision for slow and non-moving inventories	4,560,173	(2,062,449)	34,891,744	5,853,948	4,865,681
- Profit on disposal of property, plant and equipment	(53,132)	(25,741)	-	(160,132)	(23,625)
Changes in working capital:					
- Inventories	338,041,826	(500,358,451)	(40,681,577)	55,533,785	80,169,867
- Trade and other receivables	(470,509,921)	(371,903,654)	(111,862,712)	28,392,846	(60,185,424)
- Trade and other payables	(344,300,543)	1,026,784,425	206,846,789	20,844,588	(135,521,601)
	(228,975,960)	365,877,191	269,059,204	308,974,737	71,612,859
Cash flows from operating activities					
Interest paid	(34,550,794)	(38,018,215)	(25,834,356)	(28,207,226)	(25,016,443)
Business profit tax paid	(40,254,447)	-	(57,684,044)	-	(31,539,649)
Net cash generated from / (used in) operating activities	(303,781,201)	327,858,976	185,540,804	280,767,510	15,056,767

Cash flow Statement continued..

	Q1/2022	Q4/2021	Q3/2021	Q2/2021	Q1/2021
Cash flows from investing activities					
Purchases of property, plant and equipment - net	(150,178,005)	(15,526,921)	(4,512,849)	(2,393,302)	(8,437,587)
Loan to related parties	-	(127,793,225)	-	-	-
(Purchases of) / Proceeds from held-to-maturity financial assets	-	-	-	159,571,562	(159,571,562)
Interest received	2,624,492	1,350,517	736,106	1,182,983	1,137,384
Dividends received	-	14,999,900	29,900,867	10,000,000	-
Net cash generated from / (used in) investing activities	(147,553,514)	(126,969,729)	26,124,124	168,361,243	(166,871,765)
Cash flows from financing activities					
Net proceeds from / (repayment of) borrowings	305,939,464	87,714,766	179,052,547	(386,290,334)	99,192,738
Dividends paid to shareholders	(189,535)	(286,884)	(1,042,002)	(11,259,690)	(88,387)
Net cash generated from / (used in) financing activities	305,749,929	87,427,882	178,010,545	(397,550,024)	99,104,351
Net increase / (decrease) in cash and cash equivalents	(145,584,785)	288,317,129	389,675,474	51,578,729	(52,710,647)
Cash, cash equivalents and bank overdrafts at beginning of the quarter	-	775,095,583	385,420,109	333,841,381	-
Adjusted cash, cash equivalents and bank overdrafts at the beginning of the quarter	1,063,454,914	-	-	-	386,552,028
Cash, cash equivalents and bank overdrafts at end of the quarter	917,870,129	1,063,412,712	775,095,583	385,420,109	333,841,381

Statement of Equity

	Share capital	Share premium	General reserve	Retained Earnings	Total
Adjusted balances as at 1st January 2021	56,345,500	27,814,500	822,196,990	1,640,942,513	2,547,299,503
Profit for the year	-	-	-	108,600,253	108,600,253
Transfer to general reserve	-	-	21,720,051	(21,720,051)	-
Balance as at 31st March 2021	56,345,500	27,814,500	843,917,040	1,727,822,715	2,655,899,755
Impact on reported profit due to audit adjustments	-	-	(10,139,090)	(19,640,954)	(29,780,044)
Adjusted balances as at 1st April 2021	56,345,500	27,814,500	833,777,950	1,708,181,761	2,626,119,711
Profit for the year	-	-	-	110,083,762	110,083,762
Transfer to general reserve	-	-	22,016,752	(22,016,752)	-
Dividends	-	-	-	(67,614,600)	(67,614,600)
Balance as at 30th June 2021	56,345,500	27,814,500	855,794,702	1,728,634,170	2,668,588,873
Impact on reported profit due to adjustments	-	-	-	(161)	(161)
Adjusted balances as at 01st July 2021	56,345,500	27,814,500	855,794,702	1,728,634,009	2,668,588,712
Profit for the year	-	-	-	128,731,055	128,731,055
Transfer to general reserve	-	-	25,746,211	(25,746,211)	-
Balance as at 30th September 2021	56,345,500	27,814,500	881,540,914	1,831,618,853	2,797,319,767
Adjusted balances as at 01st October 2021	56,345,500	27,814,500	881,540,914	1,831,618,853	2,797,320,528
Profit for the year	-	-	-	131,062,890	131,062,890
Remeasurement of retirement benefit liability (OCI)	-	-	-	(9,597,542)	(9,597,542)
Transfer to general reserve	-	-	26,212,578	(26,212,578)	-
Balance as at 31st December 2021	56,345,500	27,814,500	907,753,491	1,926,871,623	2,918,785,115
Impact on reported profit due to audit adjustments	-	-	1,238,749	4,954,995	6,193,744
Adjusted balances as at 01st January 2022	56,345,500	27,814,500	908,992,240	1,931,826,618	2,924,978,859
Profit for the year	-	-	-	149,915,143	149,915,143
Transfer to general reserve	-	-	29,983,029	(29,983,029)	-
Balance as at 31st March 2022	56,345,500	27,814,500	938,975,269	2,051,758,733	3,074,894,002



Thank you to all our employees, customers, shareholders, suppliers and other stakeholders.

We are proud to be working with you to support and build a more sustainable Community.

Together, let's continue to enhance our lives.

Name of Company

State Trading Organization plc
Company Registration Number C-186/2001

Legal form

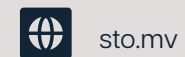
A Public Listed Company with limited liability. Initially incorporated as a Government Company, Athireemaafannu Trading Account (ATA) on 20th December 1964. Renamed as State Trading Organization on 9th June 1979. Changed to a public listed company on 14th August 2001.

Stock exchange listing

Ordinary shares of the Company are listed at the Maldives Stock Exchange Company Pvt. Ltd.

Registered address

State Trading Organization plc.
Kan'baa Aisa Rani Hingun,
Maafannu,
Malé 20345
Republic of Maldives
Call Centre: 1422
Email: info@stomaldives.net
Website: sto.mv





The ideal trade leader in Maldives, contributing to the Health Industry, Consumer Market, Construction Materials Industry, Fuel and logistics Industry, Insurance Industry, Cooking and Medical Gas Industry, Shipping Industry and the manufacturing of Fish and its by-products Industry. Present across the Country with more than 4,000 employees and serving over 250,000 customers, the Company is standing strong, since 1964.