

Announcement Number: 60-COR/2026/179

TRANSFER OF RETAIL PHARMACIES AND RELATED PHARMACEUTICALS AND CONSUMABLES BUSINESS TO STATE PHARMACEUTICAL AND MEDICAL SUPPLY CORPORATION LIMITED

State Trading Organization Plc ("STO" or the "Company") wishes to inform shareholders, investors, and the market that the Company has entered into arrangements to transfer its retail pharmacy operations and related pharmaceuticals and medical consumables business to State Pharmaceutical and Medical Supply Corporation Limited ("State Pharma"), in line with the Government's policy direction to consolidate and strengthen the delivery of pharmaceutical and healthcare services in the Maldives.

The transfer will include the Company's retail pharmacy operations, related inventory, assets, leasehold rights, and associated business activities required for the continued provision of pharmacy and related medical consumables services. The transfer will be effective 30 June 2026.

The transaction represents a strategic realignment of the Company's healthcare operations and will result in the transfer of a significant portion of its healthcare retail activities. Accordingly, the Company expects a reduction in the revenue and earnings previously generated by the transferred operations. However, the Company will receive consideration for the transferred business and does not expect the transaction to have a material adverse impact on its overall financial position. The Company has also identified strategic initiatives and investment opportunities across its core and emerging business sectors to offset the impact of the transferred operations and to support future revenue growth, profitability, and shareholder value creation. The transaction will further enable the Company to optimize its portfolio and allocate capital towards investments aligned with its long-term strategic objectives.

The Board and Management remain confident in the Company's long-term strategy, financial resilience, and growth prospects. Supported by a diversified business portfolio, a strong market position, and a pipeline of strategic investment initiatives under its Strategic Business Plan, the Company is well positioned to continue delivering sustainable value to shareholders while contributing to the economic development of the Maldives. The Company will continue to pursue opportunities that strengthen its earnings base, enhance operational performance, and support long-term growth.

This announcement is made pursuant to the Continuing Disclosure Regulations of the Capital Market Development Authority, for the information of shareholders, investors, and all other stakeholders of the Company.

18th June 2026