



**Supplementary public disclosure of financial impact of COVID-19 for
the three months ended 31 March 2021**

As per the Central Bank of Bahrain (CBB) circular on 14 July 2020 (reference OG/259/2020), the impact of COVID-19 is still effecting the ship movement in the region. Our business now deals with only the local market which affects our revenue badly.

Below is an assessment of key impact BASREC has observed in its operations as at 31 March 2021:

Financial statement area	The impact
Revenue	The Company experienced a decrease in revenue by 28% during the period ended 31 March 2021 as an impact of COVID-19 and also might impact the performance of the Company negatively in the future.
Equity investment securities	There is nominal decrease of 4.2% compare to 2020.
Company's investment	There is a nominal decrease in fair value.
Bank deposits	The interest rates on the fixed deposits has been decreased as compared with last year.
Trade receivables	Slowdown of collecting the trade receivables due to the liquidity issues faced by our customers.

Impact on the Company's Ability to Continue as Going Concern

The management and the board of Directors (BOD) have been closely monitoring (and continue to monitor) the potential impacts of the Company's operations and its financial position including possible loss of revenues, impact on asset valuations, impairment, review of onerous and debt covenants, outsourcing arrangements, supply disruptions etc.

The company has also put in place contingency measures which include but are not limited to enhancing and testing the Business continuity plans including its liquidity requirements in the short-run.

Based on this assessment, Basrec's board of directors is of the view that the Company will continue as a going concern entity for the next 12 months from the date of the condensed consolidated interim financial information on 31 March 2021.

Fawzi Ahmed Kanoo
Chairman