

The background of the slide features a photograph of healthcare workers in full personal protective equipment (PPE), including gowns, masks, and face shields. The image is overlaid with a semi-transparent blue filter. A stylized, glowing purple and blue virus particle is visible on the left side of the image.

COVID-19 IMPACT ASSESSMENT REPORT

Impact due to the COVID – 19

COVID-19 has brought with it considerable uncertainty for every person and business in Maldives. With the rapid development of the virus in many countries, including Maldives, governments have introduced measures to manage the spread of the virus including requiring entities to limit or suspend business operations.

Centurion has been closely monitoring the impact of the pandemic on the Group's business operations as at period end and also in the immediate future. Commencing from the latter part of the first quarter of the year, this global health hazard has had an adverse impact on many of the Group's operations. Centurion is involved in essential services such as shipping services, freight management, warehousing and Distribution, logistic utilization, and perishable logistics services.

With the onset of COVID 19 in late February 2020, Centurion implemented its Business Continuity Plan and in March 2020, implemented Centurion's Safe Management at Workplace Plan. The entire operations were ready and operational to work remotely. With the lockdown implemented in Male' in April 2020, all staff worked remotely, and the operation continued without any closures. Back office operations of the Group continued to function remotely and/or in the workplaces as required. Group has implemented all possible measures for the safety of the staff employed in all locations operating, adhering to Government and health authority guidelines and rules.

Impact on Business performance

The impact on business units of the group has varied from March till date. The perishable logistics operations were affected adversely. The resorts which this service depended on was shut down and the perishable logistics had to be scaled down by 70pct. The freight division was continuing to do business during the end of the first quarter and into the second quarter. Cargoes on order prior to lockdown and those enroute to Male continued to flow in up to mid second quarter.

Logistics - Our logistics customers are resorts and projects, as per the HPA and government implementation of national health emergency, these two sectors are almost shutdown which is effecting Centurion revenue.

Freight - Worldwide, many countries are under "lockdown" the low demand for import reduce our major revenue drop.

Finance - As government is closed, with limited banking hours, we are facing delay in receiving payments from our credit customers thus affecting the liquidity of the company.

To remedy the adverse effects of the business, aggressive cost cutting measure were implemented along with a differed pay scheme to mitigate the cashflow. As such the group was able to reduce administrative and operating costs by 33% which resulted in a 30% positive impact in liquidity and manage company operations in this pandemic. It must be noted that the group did not layoff any staff due to business impact on the group.

The Group is closely monitoring the liquidity position of all subsidiaries and is availing itself of the concessions granted by lending institutions to certain sectors, while servicing other existing debt requirements and managing the working capital.



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