

## Supplementary Disclosure – Reporting on Financial Impact of COVID-19

Further to the CBB letter dated 14 July 2020 (ref. OG/259/2020), Zain Bahrain B.S.C. provides the following information:

<i>A. The overall impact on the financial statements</i>	
The overall impact on the financial statements of Zain Bahrain BSC as at June 30, 2020 has been assessed by Management and it has concluded that there is no material impact on the overall financial statements.	
<i>B. The impact on Income Statement</i>	
Revenues	Main industry impact globally has been on the roaming revenues. Roaming revenues are also cyclical in nature and although we have significant impact on roaming revenues but they remain immaterial to our total revenues. Hence we have observed no material revenue impact as of the six month period ended 30 June 2020.
Expenses	We have a positive impact on the expenses mainly due to the Government support provided on Salaries and Utilities (salaries BD796K and Utility 79K).
Net income	As mentioned in this disclosure.
<i>C. The impact on Balance Sheet</i>	
Assets	
(specify sub-categories, ex. Cash and balances with banks)	We have unused facilities available from Banks. Our liquidity position is strong and we have not noticed any material reduction in our cash collection. Further, the company has significant cash reserves.

	We have assessed the impact of Covid-19 on our receivables after incorporating the necessary changes in the ECL model. The financial impact of BD272K although not material has been disclosed in the notes to the financial statements. There is no material impact on any other assets of the Company as at June 30, 2020.
<i>Liabilities</i>	
(specify sub-categories, ex. Loans)	Zain Bahrain currently carries no debt hence no impact here.
Net equity attributable to shareholders	No material change
Other material impact on the Balance Sheet	None other attributable to Covid-19

*D. The impact on the company's ability to continue as going concern*

The Company has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Company has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, this interim condensed financial information has been appropriately prepared on a going concern basis.



**Nadia Aqeel**

**Director – Legal, Regulatory and Compliance**