

ZAIN BAHRAIN B.S.C.
SUPPLEMENTARY INFORMATION – UNAUDITED

Further to the CBB letter dated 14 July 2020 (ref. OG/259/2020), Zain Bahrain B.S.C. ("Company") provides the following information relating to the financial statements as of December 31, 2020:

<i>A. The overall impact on the financial statements</i>	
The Company's overall financial statements have not been impacted significantly due to the impact of the Covid-19 pandemic. As the Covid-19 outbreak continues to evolve, it is difficult to forecast its full extent and duration of the economic impact as of now. Management believes, based on their assessment, that the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future as and when they become due.	

<i>B. The impact on Income Statement</i>	
Revenues	The industry has faced serious challenges in terms of roaming revenues due to heavy travel restrictions impacting significantly the inbound and out bound roaming. This revenue stream is generally cyclical in nature and has been significantly impacted due to Covid-19. However, the composition of roaming revenue in relation to the overall revenue of the Company is not significant, hence, no material impact on the financial statements for the year ended December 31, 2020.
Expenses	The Company was agile in implementing cost optimization initiatives aimed at reducing costs and minimizing the impact of top-line pressure resulting in an overall positive variance in the operating cost. This was also supplemented by the government support provided through reimbursement of salaries of Bahrainis.
Net income	The consequential impact resulting from the above is not considered material.

<i>C. The impact on Balance Sheet</i>	
<i>Assets</i>	
(specify sub-categories, ex. Cash and balances with banks)	The management of the Company is closely monitoring the situation resulting from Covid-19 and its impact on the Company's operation, cash flows and financial position. Management believes, based on their assessment, the inherent value of property and equipment appearing in the financial statements as of December 31, 2020 has not been impaired. Furthermore, taking into account the necessary adjustments relating to ECL model, the receivables and other assets are stated at the appropriate amounts and do not require any adjustment as at December 31, 2020.
<i>Liabilities</i>	
(specify sub-categories, ex. Loans)	The Company currently does not have any borrowings.
Net equity attributable to shareholders	No material change.
Other material impact on the Balance Sheet	None other attributable to Covid-19.

<i>D. The impact on the company's ability to continue as going concern</i>	
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. As a result, these financial statements has been appropriately prepared on a going concern basis.	