

**ZAIN BAHRAIN B.S.C.**

**CONDENSED INTERIM FINANCIAL INFORMATION**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

**ZAIN BAHRAIN B.S.C.**

<b><u>Commercial Registration No.</u></b>	50603
<b><u>Chairman of the Board</u></b>	Sh. Ahmed Bin Ali Al Khalifa
<b><u>Members of the Board of Directors</u></b>	Sh. Rashid Bin Abdulrahman Al Khalifa – Independent Director Mr. Ali Hassan Al-Khaja – Independent Director Mr. Bader Nasser Al-Kharafi Mr. Ahmed Tahous Al-Tahous Mr. Yousif Khaled Alabdurazzaq Mr. Saud Ahmed Al-Nahari
<b><u>Corporate Secretary</u></b>	Ms. Latifah Salahuddin
<b><u>Chief Executive Officer</u></b>	Mr. Scott Gegzheimer
<b><u>General Manager</u></b>	Mr. Mohammed Zainalabedin
<b><u>Finance Director</u></b>	Mr. Mudassar Muhammad Ali
<b><u>Registered Office</u></b>	P.O. Box 266 Kingdom of Bahrain
<b><u>Principal Bankers</u></b>	National Bank of Kuwait Bank of Bahrain and Kuwait National Bank of Bahrain First Abu Dhabi Bank Ahli United Bank Ithmar Bank Arab Bank Khaleeji Commercial Bank Al Salam Bank Kuwait Finance House Bahrain Islamic Bank Al Baraka Islamic Bank Standard Chartered Bank United Bank Ltd
<b><u>Auditors</u></b>	Deloitte & Touche - Middle East P.O. Box 421 Manama, Kingdom of Bahrain

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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Chairman and Board Members  
Zain Bahrain B.S.C.  
Kingdom of Bahrain

### **Introduction**

We have reviewed the accompanying interim statement of financial position of Zain Bahrain B.S.C. (the "Company") as at March 31, 2019 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respect, in accordance with International Accounting Standard 34.

*Deloitte & Touche*  
DELOITTE & TOUCHE - MIDDLE EAST  
Partner Registration No. 184  
Manama, Kingdom of Bahrain

May 1, 2019

**ZAIN BAHRAIN B.S.C.**  
**INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT MARCH 31, 2019**

	Notes	March 31, 2019 (Unaudited) BD '000	December 31, 2018 BD '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and banks		7,472	5,045
Accounts receivable and other assets	5	22,093	23,555
Inventories	6	1,995	3,081
Total current assets		<u>31,560</u>	<u>31,681</u>
<b>Non-current assets</b>			
Accounts receivable and other assets	5	6,068	4,222
Right-of-use assets	7.1	13,486	-
Property and equipment	8	53,730	56,058
Intangible assets	9	2,712	2,842
Total non-current assets		<u>75,996</u>	<u>63,122</u>
<b>Total assets</b>		<b><u>107,556</u></b>	<b><u>94,803</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and other liabilities	10	22,180	22,115
Lease liabilities	7.2	4,485	-
Contract liabilities / deferred revenue		2,269	2,175
Total current liabilities		<u>28,934</u>	<u>24,290</u>
<b>Non-current liabilities</b>			
Lease liabilities	7.2	9,597	-
Provision for employees' end of service benefits		311	300
Total non-current liabilities		<u>9,908</u>	<u>300</u>
<b>Total liabilities</b>		<b><u>38,842</u></b>	<b><u>24,590</u></b>
<b>Equity</b>			
Share capital		36,800	36,800
Treasury shares		(754)	(754)
Treasury shares reserve		(6)	(6)
Share premium		3,032	3,032
Statutory reserve		11,927	11,755
Retained earnings		17,715	19,386
Total equity		<u>68,714</u>	<u>70,213</u>
<b>Total liabilities and equity</b>		<b><u>107,556</u></b>	<b><u>94,803</u></b>

The condensed interim financial information was approved and authorized for issue on May 1, 2019 and signed on behalf of the Directors by:

  
Al Shaikh Ahmed Bin Ali Al Khalifa  
Chairman

  
Mr. Bader Nasser Al-Kharafi  
Director

The attached notes 1 to 16 form part of this condensed interim financial information

**ZAIN BAHRAIN B.S.C.**  
**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

	Notes	Three-month period ended March 31,	
		(Unaudited) 2019	(Unaudited) 2018
		BD '000	BD '000
Revenue	11	15,615	16,684
Cost of revenue		(4,800)	(5,843)
<b>Gross profit</b>		<b>10,815</b>	<b>10,841</b>
Operating and administrative expenses		(4,912)	(6,983)
Depreciation and amortization	7.1, 8 & 9	(3,629)	(2,590)
Impairment losses on financial assets	5	(375)	(142)
Provision for inventories		(47)	1
<b>Operating profit</b>		<b>1,852</b>	<b>1,127</b>
Other income - net		11	10
Gain / (loss) on currency translation adjustment		3	(20)
Interest income		54	14
Finance costs	12	(198)	(23)
<b>Profit for the period</b>		<b>1,722</b>	<b>1,108</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>1,722</b>	<b>1,108</b>
<b>Basic and diluted earnings per share</b>	13	<b>Fils 5</b>	<b>Fils 3</b>

  
 Al Shaikh Ahmed Bin Ali Al Khalifa  
 Chairman

  
 Mr. Bader Nasser Al-Kharafi  
 Director

The attached notes 1 to 16 form part of this condensed interim financial information

**ZAIN BAHRAIN B.S.C.**  
**INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

	Share capital	Treasury shares	Treasury shares reserve	Share premium	Statutory reserve	Retained earnings	Total
	BD '000	BD '000	BD '000	BD '000	BD '000	BD '000	BD '000
Balance, December 31, 2018	36,800	(754)	(6)	3,032	11,755	19,386	70,213
Transition adjustment on adoption of IFRS 16	-	-	-	-	-	(1,402)	(1,402)
Balance as restated, January 1, 2019	36,800	(754)	(6)	3,032	11,755	17,984	68,811
Dividends declared	-	-	-	-	-	(1,819)	(1,819)
Total comprehensive income for the period	-	-	-	-	-	1,722	1,722
Appropriation to statutory reserve	-	-	-	-	172	(172)	-
<b>Balance, March 31, 2019</b>	<b>36,800</b>	<b>(754)</b>	<b>(6)</b>	<b>3,032</b>	<b>11,927</b>	<b>17,715</b>	<b>68,714</b>
Balance, December 31, 2017	36,800	(754)	(6)	3,032	11,238	16,800	67,110
Transition adjustment on adoption of IFRS 15	-	-	-	-	-	(252)	(252)
Balance as restated, January 1, 2018	36,800	(754)	(6)	3,032	11,238	16,548	66,858
Dividends declared	-	-	-	-	-	(1,819)	(1,819)
Total comprehensive income for the period	-	-	-	-	-	1,108	1,108
Appropriation to statutory reserve	-	-	-	-	111	(111)	-
<b>Balance, March 31, 2018</b>	<b>36,800</b>	<b>(754)</b>	<b>(6)</b>	<b>3,032</b>	<b>11,349</b>	<b>15,726</b>	<b>66,147</b>

The Annual General Assembly of shareholders held on March 25, 2019 approved cash dividends equivalent to 5% of the issued share capital.

The attached notes 1 to 16 form part of this condensed interim financial information

**ZAIN BAHRAIN B.S.C.**  
**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

	Notes	Three-months period ended March 31,	
		(Unaudited) 2019 BD '000	(Unaudited) 2018 BD '000
<b>Cash flows from operating activities</b>			
Profit for the period		1,722	1,108
Adjustments for:			
Depreciation and amortization	7.1; 8; 9	3,629	2,590
Impairment losses on financial assets	5	375	142
Provision / (reversal) for Inventories		47	(1)
Finance costs	12	198	23
Interest income		(54)	(14)
Provision for employees' end of service benefits		11	17
		<u>5,928</u>	<u>3,865</u>
Working capital changes:			
Net change in inventories	6	1,039	1,473
Net change in accounts receivable and other assets	5	(1,455)	(2,232)
Net change in accounts payable and other liabilities	10	(1,373)	(2,099)
Net change in contract liabilities / deferred revenue		94	51
Payments for employees' end of service benefits		-	(71)
Interest expense		(198)	-
<i>Net cash generated from operating activities</i>		<u>4,035</u>	<u>987</u>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	8	(115)	(25)
Interest received		54	14
<i>Net cash used in investing activities</i>		<u>(61)</u>	<u>(11)</u>
<b>Cash flows from financing activities</b>			
Repayment of term loans		-	(937)
Repayment of lease liabilities		(1,166)	-
Interest paid		-	(23)
Dividends paid		(381)	-
<i>Net cash used in financing activities</i>		<u>(1,547)</u>	<u>(960)</u>
Net increase in cash and cash equivalents		2,427	16
Cash and cash equivalents, beginning of period		5,045	1,912
<b>Cash and cash equivalents, end of period</b>		<u>7,472</u>	<u>1,928</u>
<b>Non-cash transactions:</b>			
Dividends declared not yet settled at the reporting date		1,469	1,819
Write-off property and equipment against payables		-	695

The attached notes 1 to 16 form part of this condensed interim financial information



**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

**1. CORPORATE INFORMATION**

Zain Bahrain B.S.C. (the "Company") is a Bahraini Shareholding Company (Public) Incorporated in the Kingdom of Bahrain on April 19, 2003 and registered with the Ministry of Industry, Commerce and Tourism under Commercial Registration number 50603. Its shares are listed on the Bahrain Bourse. The Company is a subsidiary of Mobile Telecommunications Company K.S.C.P. (the "Parent Company"), a Kuwaiti shareholding company listed on the Kuwait Stock Exchange. The Company's registered office is P.O. Box 266, Manama, Kingdom of Bahrain.

The Company is mainly engaged in the provision of public telecommunications and related products and services.

**2. BASIS OF PREPARATION**

The condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The condensed interim financial information are prepared in Bahraini Dinar, which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (BD'000) except where indicated otherwise.

The condensed interim financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs"). For more details, please refer to the audited financial statements for the year ended December 31, 2018.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The condensed interim financial information has been prepared under the historical cost convention.

The same accounting policies, presentation and methods of computation are followed in this condensed interim financial information as were applied in the preparation of the Company's financial statements for the year ended December 31, 2018, except for the adoption of new and revised Standards which became effective in the current period as set out below:

**Standards affecting the disclosures and presentation in the current period**

None of the new and revised Standards that have been adopted in the current period which are effective for an annual period that begins on, or after January 1, 2019 have affected the disclosures and presentation in the financial information, except for IFRS 16 *Leases* as detailed below under 3.2.

**3.1 Leases (The Company as lessee)**

The Company has applied IFRS 16 *Leases* on its effective date of January 1, 2019.

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following where applicable:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amount expected to payable by the lessee under the residual value guarantees;
- The exercise price of the purchase option, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated amortisation (over the shorter period of lease term and useful life of the underlying asset) and impairment losses.

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

The Company recognizes a provision when it incurs an obligation for costs to dismantle and remove a leased asset or restore the site on which it is located.

**3.2 Practical expedients used and impact of application of IFRS 16 Leases**

Upon adoption of IFRS 16, the Company has opted for the modified retrospective application permitted by the Standard.

During the first time application of IFRS 16 to operating leases, the Company has used the following practical expedients:

- Use of a single discount rate.
- Reliance on previous assessments on whether leases are onerous.
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. The recognised right-of-use assets relate to the following types of assets:

	January 1, 2019
	BD '000
Building and premises	3,995
Sites	10,110
Vehicles	52
	14,157

The off-balance sheet lease obligations as of December 31, 2018 are reconciled as follows to the recognized the lease liabilities as of January 1, 2019:

	BD '000
<b>Operating lease commitments disclosed as of December 31, 2018</b>	26,051
Discounted using the Company's incremental borrowing rate at the date of initial application	20,192
Adjustments as a result of a different treatment of extension and termination options and other adjustments	(5,329)
<b>Lease liabilities recognised as at January 1, 2019 (Unaudited)</b>	14,863
Of which are:	
Current lease liabilities	4,690
Non-current lease liabilities	10,173
	14,863

Impact of the application of IFRS 16 on assets, liabilities and equity as at January 1, 2019:

	As previously reported	IFRS 16 adjustments	As restated
	BD '000	BD '000	BD '000
Right-of-use assets	-	14,157	14,157
Accounts receivable and other assets	27,777	(696)	27,081
Net impact on total assets	27,777	13,461	41,238
Lease liabilities	-	14,863	14,863
Net impact on total liabilities	-	14,863	14,863
Net impact on retained earnings	19,386	(1,402)	17,984

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

The following table summarizes the impact on the condensed statement of profit or loss for the three months period ended March 31, 2019.

	<u>As reported</u>	<u>IFRS 16</u>	<u>Without</u> <u>adoption of</u> <u>IFRS 16</u>
	BD '000	BD '000	BD '000
Revenue	15,615	-	15,615
Cost of revenue	<u>(4,800)</u>	<u>-</u>	<u>(4,800)</u>
<b>Gross profit</b>	<b>10,815</b>	<b>-</b>	<b>10,815</b>
Operating and administrative expenses	(4,912)	(1,241)	(6,153)
Depreciation and amortization	(3,629)	1,056	(2,573)
Impairment losses on financial assets	(375)	-	(375)
Provision for inventories	<u>(47)</u>	<u>-</u>	<u>(47)</u>
<b>Operating profit</b>	<b>1,852</b>	<b>(185)</b>	<b>1,667</b>
Other income – net	11	-	11
Gain / (loss) on currency translation adjustment	3	-	3
Interest income	54	-	54
Finance costs	(198)	198	-
<b>Profit for the period</b>	<b><u>1,722</u></b>	<b><u>13</u></b>	<b><u>1,735</u></b>

**4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these condensed interim financial information, the significant judgements made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended December 31, 2018, except as follows:

*Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

*Discounting of lease payments*

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

**5. ACCOUNTS RECEIVABLE AND OTHER ASSETS**

	(Unaudited) March 31, 2019 BD '000	December 31, 2018 BD '000
Trade receivables:		
Due from post-paid subscribers	23,778	23,383
Due from roaming partners	1,543	1,460
Contract assets	9,493	10,031
Due from distributors	417	301
Interconnect receivables from other operators	499	475
	<u>35,730</u>	<u>35,650</u>
Loss allowance	(11,906)	(11,539)
	<u>23,824</u>	<u>24,111</u>
Accrued income (unbilled services)	88	90
	<u>23,912</u>	<u>24,201</u>
Other assets:		
Prepaid expenses	3,065	2,486
Due from a related party (note 15)	1	1
Sundry receivables and advance payments	1,286	1,179
Staff receivables	81	86
Loss allowance	(184)	(176)
	<u>4,249</u>	<u>3,576</u>
Total accounts receivable and other assets	28,161	27,777
Less: Non-current portion of contract assets	(4,816)	(2,930)
Less: Non-current portion of prepaid expenses	(1,252)	(1,292)
	<u><u>22,093</u></u>	<u><u>23,555</u></u>

The movement in the loss allowance was as follows:

	3-months ended March 31, 2019		
	Collectively assessed BD '000	Individually assessed BD '000	Total BD '000
Balance, January 1, 2019	11,311	404	11,715
Net increase in loss allowance	324	51	375
Balance, March 31, 2019 (Unaudited)	<u>11,635</u>	<u>455</u>	<u>12,090</u>

	3-months ended March 31, 2018		
	Collectively assessed BD '000	Individually assessed BD '000	Total BD '000
Balance, January 1, 2018 (Post IFRS 9 adjustment)	10,000	487	10,487
Net increase in loss allowance	110	45	155
Balance, March 31, 2018 (Unaudited)	<u>10,110</u>	<u>532</u>	<u>10,642</u>

**6. INVENTORIES**

	(Unaudited) March 31, 2019 BD '000	December 31, 2018 BD '000
Handsets, accessories and others	3,528	4,567
Provision for obsolescence	(1,533)	(1,486)
	<u>1,995</u>	<u>3,081</u>

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

**7. LEASES**

The Company only operates as a lessee.

**7.1 Right-of-use assets**

The recognized right-of-use assets relates to the following types of assets leased by the Company. The average lease term is five years.

	<b>Building and premises</b>	<b>Sites</b>	<b>Vehicles</b>	<b>Total</b>
	BD '000	BD '000	BD '000	BD '000
Balance, December 31, 2018	-	-	-	-
Transition adjustments on IFRS 16 application	3,995	10,110	52	14,157
Balance, January 1, 2019 (restated) (Unaudited)	3,995	10,110	52	14,157
Amortisation during the period	(316)	(734)	(6)	(1,056)
Additions / modifications during the period	(1)	386	-	385
Balance, March 31, 2019 (Unaudited)	<b>3,678</b>	<b>9,762</b>	<b>46</b>	<b>13,486</b>

The following are the amounts recognized in profit and loss for the three-month period ended March 31, 2019:

	<b>(Unaudited)</b>
	BD '000
Amortisation expense on right-of-use assets	1,056
Interest expense on lease liabilities	198

The total cash outflow for leases amounted to BD 1,364 thousands during the three-month period ended March 31, 2019.

At the reporting date, none of the property leases in which the Company is the lessee, contain variable lease payment terms.

**7.2 Lease liabilities**

Below is the allocation of lease liabilities as at March 31, 2019:

	<b>(Unaudited)</b>
	BD '000
Current lease liabilities	4,485
Non-current lease liabilities	9,597
	<b>14,082</b>

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

**8. PROPERTY AND EQUIPMENT**

	Freehold Land and Building BD'000	Network Equipment BD'000	Office Equipment BD'000	Furniture and Fixtures BD'000	Vehicles BD'000	Capital Work-in Progress BD'000	Total BD'000
<b>Cost:</b>							
Balances at December 31, 2018	3,027	87,646	36,394	2,813	17	2,389	132,286
Additions	-	-	-	-	-	115	115
Transfer	-	390	236	-	-	(626)	-
Balance at March 31, 2019	3,027	88,036	36,630	2,813	17	1,878	132,401
<b>Accumulated depreciation:</b>							
Balances at December 31, 2018	852	41,783	30,883	2,693	17	-	76,228
Depreciation expense	11	1,841	563	28	-	-	2,443
Balance at March 31, 2019	863	43,624	31,446	2,721	17	-	78,671
<b>Carrying values:</b>							
March 31, 2019	2,164	44,412	5,184	92	-	1,878	53,730
December 31, 2018	2,175	45,863	5,511	120	-	2,389	56,058

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**THREE-MONTH PERIOD ENDED MARCH 31, 2019**

**9. INTANGIBLE ASSETS**

	(Unaudited) March 31, 2019 BD '000	December 31, 2018 BD '000
National Fixed Wireless Services license	1,059	1,152
Mobile frequency license	612	622
Other	1,041	1,068
	<u>2,712</u>	<u>2,842</u>

The amortization charge for the for the three-month period ended March 31, 2019 amounted to BD 130 thousands (BD 129 thousands for the three-month period ended March 31, 2018).

**10. ACCOUNTS PAYABLE AND OTHER LIABILITIES**

	(Unaudited) March 31, 2019 BD '000	December 31, 2018 BD '000
Due to suppliers	2,102	3,562
Accrued expenses	9,611	8,716
Interconnection payable	1,876	2,011
Due to roaming partners	876	928
Accrued employees' benefits	583	1,074
Due to related parties	4,529	5,442
Value added tax payable	675	-
Accrued Directors' remuneration	335	223
Deposits	17	21
Dividends payable	1,576	138
	<u>22,180</u>	<u>22,115</u>

**11. REVENUE**

The Company derives its revenues from telecommunications services and related services, which management considers a single reportable business segment, categorized as follows:

	(Unaudited) 3-months ended March 31,	
	2019 BD '000	2018 BD '000
Airtime, data and subscription	12,337	12,663
Trading	3,278	4,021
	<u>15,615</u>	<u>16,684</u>

**12. FINANCE COSTS**

	(Unaudited) 3-months ended March 31,	
	2019 BD '000	2018 BD '000
Interest on bank borrowings	-	23
Interest expense on lease liabilities	198	-
	<u>198</u>	<u>23</u>

**ZAIN BAHRAIN B.S.C.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
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**13. EARNINGS PER SHARE**

The basic and diluted earnings per share based are as follows for the three-month period ended March 31, 2019 and 2018:

	(Unaudited) 2019	(Unaudited) 2018
	BD '000	
Profit for the period	1,722	1,108
	Number of shares	
Weighted average number of shares In Issue	363,883,010	363,883,010
	Fils	
Basic and diluted earnings per share	5	3

Basic and diluted earnings per share are same since the Company has not issued any instrument that would have a diluting effect.

**14. SEGMENT INFORMATION**

The Company operates in a single business segment, telecommunications and related services, organized into three main activities: mobile operation, fixed broadband operation and trading of handsets and accessories. Management considers that these business activities are not separate operating units.

The Company carries out its operations in the Kingdom of Bahrain.

**15. RELATED PARTIES**

Below are the transactions with related parties during the three-month periods ended March 31:

	(Unaudited) 2019	(Unaudited) 2018
	BD '000	
<b>Costs:</b>		
Office rent and maintenance costs	245	245
Site and outlet rent	4	4
Management fees	385	506
Telecommunication services	367	331
<b>Revenues:</b>		
Telecommunication services	120	110
<b>Remuneration of key management:</b>		
Short-term benefits	382	243
Other long-term benefits	25	26
Total remuneration	407	269

Balances with related parties were as follows: as at March 31:

	(Unaudited) March 31, 2019	December 31, 2018
	BD '000	
<b>Due from a related party:</b>		
Zain - Lebanon	1	1
	<u>1</u>	<u>1</u>
<b>Due to related parties:</b>		
Zain Group Holding-Bahrain S.P.C.	4,513	5,426
Zain - Jordan	16	16
	<u>4,529</u>	<u>5,442</u>



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**16. COMMITMENTS**

The Company had the following outstanding items:

	<b>(Unaudited)</b> <b>March 31,</b> <b>2019</b>	<b>December</b> <b>31, 2018</b>
	<u>BD '000</u>	<u>BD '000</u>
Letters of guarantee	573	584
Capital expenditures	632	660

Refer to note 7 for leases.