

Condensed Interim Statement of Financial Position

| | 30 September 2021 <small>(Reviewed) BD '000</small> | 31 December 2020 <small>(Audited) BD '000</small> |
|--|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 7,598 | 8,569 |
| Trade receivables and other assets | 17,190 | 15,760 |
| Contract assets | 4,398 | 4,433 |
| Inventories | 909 | 1,665 |
| Total current assets | 30,095 | 30,427 |
| Non-current assets | | |
| Trade receivable and other assets | 1,762 | 1,400 |
| Contract assets | 2,251 | 1,640 |
| Right-of-use assets | 13,573 | 12,253 |
| Property and equipment | 67,695 | 66,430 |
| Intangible assets | 12,299 | 13,581 |
| Total non-current assets | 97,580 | 95,304 |
| Total assets | 127,675 | 125,731 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and other liabilities | 31,678 | 30,731 |
| Lease liabilities | 3,311 | 3,128 |
| Contract liabilities | 1,731 | 1,747 |
| Total current liabilities | 36,720 | 35,606 |
| Non-current liabilities | | |
| Accounts payable and other liabilities | 2,483 | 5,051 |
| Lease liabilities | 10,364 | 9,220 |
| Provision for employees' end-of-service benefits | 421 | 371 |
| Total non-current liabilities | 13,268 | 14,642 |
| Total liabilities | 49,988 | 50,248 |
| Equity | | |
| Share capital | 36,800 | 36,800 |
| Treasury shares | (754) | (754) |
| Treasury shares reserve | (6) | (6) |
| Share premium | 3,032 | 3,032 |
| Statutory reserve | 13,262 | 12,823 |
| Retained earnings | 25,353 | 23,588 |
| Total equity | 77,687 | 75,483 |
| Total liabilities and equity | 127,675 | 125,731 |

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

| | Three-month period ended September 30 | | Nine-month period ended September 30 | |
|--|---|---|---|---|
| | 2021 <small>(Reviewed) BD '000</small> | 2020 <small>(Reviewed) BD '000</small> | 2021 <small>(Reviewed) BD '000</small> | 2020 <small>(Reviewed) BD '000</small> |
| Revenue | 15,292 | 14,833 | 48,020 | 46,252 |
| Cost of revenue | (3,824) | (4,142) | (13,929) | (13,384) |
| Gross profit | 11,468 | 10,691 | 34,091 | 32,868 |
| Operating and administrative expenses | (6,173) | (5,033) | (17,818) | (16,384) |
| Depreciation of property and equipment | (2,476) | (2,274) | (7,345) | (6,797) |
| Depreciation of right-of-use assets | (929) | (1,121) | (2,709) | (3,252) |
| Amortization of intangible assets | (439) | (439) | (1,317) | (1,317) |
| Expected credit losses on financial assets | 373 | (80) | 145 | (716) |
| Operating profit | 1,824 | 1,744 | 5,047 | 4,402 |
| Other income | 51 | 70 | 100 | 93 |
| Loss on currency translation adjustment | (8) | (10) | (32) | (18) |
| Interest income | 24 | 71 | 68 | 182 |
| Finance costs | (278) | (327) | (796) | (953) |
| Profit for the period | 1,613 | 1,548 | 4,387 | 3,706 |
| Other comprehensive income | | | | |
| Total comprehensive income for the period | 1,613 | 1,548 | 4,387 | 3,706 |
| Basic and diluted earnings per share | Fils 4 | Fils 4 | Fils 12 | Fils 10 |

Condensed Interim Statement of Changes in Equity

| | Nine-month period ended 30 September, 2021 | | | | | | |
|---|---|-------------------------------|--|-----------------------------|---------------------------------|---------------------------------|------------------|
| | Share capital BD '000 | Treasury shares BD '000 | Treasury shares reserve BD '000 | Share premium BD '000 | Statutory reserve BD '000 | Retained earnings BD '000 | Total BD '000 |
| Balance, December 31, 2020 (Audited) | 36,800 | (754) | (6) | 3,032 | 12,823 | 23,588 | 75,483 |
| Dividends | - | - | - | - | - | (2,183) | (2,183) |
| Total comprehensive income for the period | - | - | - | - | 439 | (439) | - |
| Appropriation to statutory reserve | - | - | - | - | - | - | - |
| Balance, September 30, 2021 (Reviewed) | 36,800 | (754) | (6) | 3,032 | 13,262 | 25,353 | 77,687 |
| Balance, December 31, 2019 (Audited) | 36,800 | (754) | (6) | 3,032 | 12,823 | 20,907 | 72,261 |
| Dividends | - | - | - | - | - | (2,183) | (2,183) |
| Total comprehensive income for the period | - | - | - | - | 371 | (371) | - |
| Appropriation to statutory reserve | - | - | - | - | - | - | - |
| Balance, September 30, 2020 (Reviewed) | 36,800 | (754) | (6) | 3,032 | 12,653 | 22,059 | 73,784 |

Condensed Interim Statement of Cash Flows

| | Nine-month period ended September 30 | |
|--|---|---|
| | 2021 <small>(Reviewed) BD '000</small> | 2020 <small>(Reviewed) BD '000</small> |
| Cash flows from operating activities | | |
| Profit for the period | 4,387 | 3,706 |
| Adjustments for: | | |
| Depreciation of property and equipment | 7,345 | 6,797 |
| Depreciation of right-of-use assets | 2,709 | 3,252 |
| Amortization of intangible assets | 1,317 | 1,317 |
| Expected credit losses on financial assets | (145) | 716 |
| Provision for inventory obsolescence | 7 | (174) |
| Finance costs | 796 | 953 |
| Gain on termination of leases | (9) | (78) |
| Provision for employees' end-of-service benefits | 63 | 38 |
| | 16,470 | 16,527 |
| Working capital changes: | | |
| Net change in inventories | 749 | 1,430 |
| Net change in trade receivable and other assets | (1,636) | 163 |
| Net change in contract assets | (587) | 996 |
| Net change in accounts payable and other liabilities | 2,015 | (800) |
| Net change in contract liabilities | (16) | 271 |
| Cash generated from operating activities | 16,995 | 18,587 |
| Payments for employees' end-of-service benefits | (13) | (27) |
| Interest expense paid | (796) | (953) |
| Net cash generated from operating activities | 16,186 | 17,607 |
| Cash flows from investing activities | | |
| Payment for acquisition of property and equipments | (9,462) | (7,642) |
| Payment for intangible assets | (2,768) | (2,943) |
| Net cash used in financing activities | (12,230) | (10,585) |
| Cash flows from financing activities | | |
| Repayment of principal portion of lease liabilities | (2,693) | (3,414) |
| Dividends paid to shareholders | (2,234) | (2,149) |
| Net cash used in financing activities | (4,927) | (5,563) |
| Net (decrease) / increase in cash and cash equivalents | (971) | 1,459 |
| Cash and cash equivalents, beginning of period | 8,569 | 10,239 |
| Cash and cash equivalents, end of period | 7,598 | 11,698 |
| Non-cash transactions | | |
| Dividends declared not yet settled at the reporting date | 3 | 202 |

The above Condensed Interim Statement of Financial Position, Condensed Interim Statement of Profit or Loss & Other Comprehensive Income, Condensed Interim Statement of Cash Flows and Condensed Interim Statement of Changes in Equity have been extracted from the Financial Statements of Zain Bahrain B.S.C. for the nine-month period ended 30 September 2021, which were approved by the Board of Directors and issued by Deloitte & Touche, Kingdom of Bahrain on 19 October 2021.