

## Zain Bahrain reports 61% leap in net profit in Q2 2021 to BD 1.246 million

- *Growth momentum continues as operator expands 5G network across the Kingdom, including a focus on new housing areas*
- *H.E. Shaikh Ahmed bin Ali Al Khalifa: "Record profit growth reflects a period of increased demand, significant investment in product and service innovation, in addition to giving back to society during another challenging year"*

**Manama, Bahrain - 11 July, 2021:** Zain Bahrain (BSE: ZAINBH), the leading Mobile Broadband network operator in the Kingdom, announces its financial results for the second quarter (Q2 2021) ending 30 June, 2021. For the three months, Zain reported a net profit of BD1.246 million in Q2 2021, reflecting an impressive 61% increase year-on-year from a net profit of BD0.776 million for the same period in 2020. Earnings per share for the Q2 2021 increased to 3 fils per share as compared to 2 fils per share in Q2 2020. Revenues for Q2 2021 amounted to BD16.220 million, also an 8.5% increase as compared to BD14.954 million in Q2 2020. Operating profit in Q2 2021 also saw an impressive 41.3% increase to BD1.491 million, as compared to BD1.054 million recorded in Q2 2020.

The outstanding profit increase was a result of consistent product and service innovation, operational efficiency and distinguished customer experience where Zain Bahrain further expanded its 5G network and invested significantly in accelerated data growth across its mobile and fixed networks. During Q2, the operator was also the first to invest heavily into newly developed housing areas of Bahrain, providing customers with much-needed connectivity to support remote schooling and working.

For the six months ending June 30, 2021 year-to-date (YTD), Zain Bahrain reported net profit of BD2.774 million, representing a 28.5% increase Y-o-Y from BD2.158 million for the same period in 2020. Earnings per share grew to 8 fils for the six month in 2021 as compared to 6 fils in 2020 for the same period. Zain Bahrain generated revenues of BD32.728 million during the first six months of 2021, an increase of 4.166% Y-o-Y as compared to 31.419 million for the same period in 2020. Operating profit for the six month period in 2021 reached BD3.223 million, a 21.2% increase on the BD 2.658 million recorded in 2020.

At a balance sheet level, Zain Bahrain's total equity as at 30 June 2021 amounted to BD76.072 million, up by 0.781% from BD75.482 million for the year ending 31 December, 2020. The value of the company's assets at the end of Q2 2021 stood at BD122.969 million, down 2.2% from BD125.731 million as of 31 December 2020 as a result of reducing its liabilities.

Commenting on the impressive results, **Zain Bahrain Chairman, His Excellency Shaikh Ahmed bin Ali Al Khalifa** said, *"Zain Bahrain, like every entity during these challenging times, has had to evolve and respond robustly to changing market conditions. The growth in profits we have seen during this period are a testament to our commitment to product innovation, digital transformation, network expansion, customer service and operational efficiencies. As usage has surged, so too has our diverse team's enthusiasm to enhance our customer experience, and to give back to society, who we are all working hard to keep safe."*



*“The increased demand from new customers joining Zain is contributing to the overall growth, our newly designed broadband and postpaid packages and services have attracted new customers and we have reported a Y-o-Y increase in customer base. All these remarkable achievements have resulted in a solid revenue and profit increase Y-o-Y.”*

H.E. Shaikh Ahmed continued, *“In Q2, we focused on the continued expansion of our 4G and 5G infrastructure, and became the first provider to enhance service in more newly-developed areas of the country. We offered higher connectivity speeds for our customers by up to six times, whilst continuing to provide free access to Zain’s home broadband customers to essential services such as online learning and affordable options for work-from-home initiatives.”*

*“This quarter, I’m particularly proud of our community and youth achievements, through our three ‘Zain Youth Empowerment Programs’, demonstrating our commitment to creating a sustainable future workforce in Bahrain, and celebrating equality and diversity. After a decade of investment in sustainability, we have formalized a new Sustainability & Inclusivity function within Zain Bahrain, focusing on the culture of inclusion and sustainable business, making sure that we live our values and that they run through our entire corporate culture.”*

Shaikh Ahmed concluded: *“Growth in revenue and profitability has increased even as we continue to contend with the pandemic. Going forward, Zain Bahrain will continue to invest in its people, its operations and innovation, accelerating its digital transformation cycle. We are aware at a business level that true digital transformation in the mobile communication industry could only happen through a holistic network transformation strategy and execution, and this will continue to be our focus for the coming period.”*

Zain Bahrain's full financial statements and financial results announcement press release are available on the Bahrain Bourse website, [www.bahrainbourse.com](http://www.bahrainbourse.com).

#### **Zain Bahrain’s key achievements in Q2 2021 included:**

##### **Investments in Network and Customer Experience:**

- Became the first network operator to provide enhanced mobile and broadband network connectivity to the newly developed Al Ramli housing area, Khalifa City, and East Hidd.
- Further expansion of Zain Bahrain’s 5G commercial services in the Kingdom to accelerate business opportunities for numerous sectors, and significant investment in the 4G network to uplift the user experience.
- Upgrade of broadband connectivity speeds by up to six times to bring greater connectivity to the Kingdom, responding to the increased demands of the pandemic.

##### **Product and Services:**

- Launch of 'Wiyana' for postpaid plans offering an extended range of benefits at great value of money.
- Boosted mobile and home broadband plans that offer numerous benefits to customers – including Sim Sharing and free OSN subscriptions.
- Launch of “Zain Mega Contest Season 3”, giving customers a chance to win one of four BMW Series 2 cars and many cash prizes.

**Youth:**

- Enrolment of a significant number of Bahraini students in three of Zain's Youth Empowerment (ZY) Programs: 'Future Pioneers', 'Generation Z' and 'The Professional Development Program'.
- Agreement with Bahrain Society for Training & Development to enroll 20 Bahraini Women in various departments through the 'Zain Youth Empowerment' program, to create a competitive future workplace.

**Community and Social Responsibility:**

- Development of internet safety social media campaign 'Internet Monsters', raising awareness of child safety online.
- Launch of Zain's 10th annual sustainability report, entitled '**The Ten-Year Journey**', which charts the sustainability agenda the company has undertaken across its footprint over the last decade.
- Hosted the second season of the Majlis Ramadan Show on Instagram Live during Ramadan, featuring Bahraini social media Influencers, Shaima Rahimi and Mohammed Isa, with on-the-spot prizes worth over BHD 10,000 given to the winners. The show also included special features on local start-up businesses and Bahraini entrepreneurs.
- A new internal function titled *Sustainability & Inclusivity*, focusing on the culture of inclusion and sustainable business.
- e-Waste School Competition in association with the Supreme Council for Environment and the Ministry of Education where schools collectively accumulated 10.5 tons of e-waste.
- Successful completion of the Girls for Tech initiative where 1,000 Bahraini girls aged 8 – 14 years were trained under the STEM program.

**Development:**

- Continuation of the developmental TALKS series, where prominent business leaders delivered inspirational speeches and interactive sessions to employees, with the hosting of a masterclass titled 'The Customer Journey' by Boris Najafov, author of the book "Your Call is Important to Us."
- Continuation of the "zWellness" program for employee well-being, with prominent Chef Fajer Al Mansoori, discussing healthy eating habits for boosting productivity, and a session titled, "Health, Happiness & High-performance" for all leaders at Zain Bahrain, designed in collaboration with Dr. Majdi Obaid's Academy.

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**For press inquiries, please contact:**

Karen Paes  
Gulf Marcom W.L.L  
[karen@gulfmarcom.com](mailto:karen@gulfmarcom.com)  
+973 36644021

**About Zain Bahrain:**

Zain Bahrain, a telecommunications industry innovator focused on enhancing customer experience, was awarded a mobile telecom license on 22 April 2003 and commenced commercial operations on 28 December 2003. The operation promptly placed Bahrain on the world telecom map through the introduction of many mobile technology innovations that continue to this day with nationwide high-speed 4G LTE and 5G services being offered through the Kingdom's most advanced mobile network. Zain Bahrain, listed on the Bahrain Bourse (Ticker: ZAINBH), is part of Zain Group, a leading telecommunications operator



across the Middle East and Africa, which provides mobile voice and data services to 48.5 million active customers as at 31 March, 2021. With a commercial presence in seven countries, Zain operates in Kuwait, Bahrain, Iraq, Jordan, Saudi Arabia, Sudan, and South Sudan. In Morocco, Zain has a 15.5% stake in 'INWI,' through a joint venture. For more information, please email [info@bh.zain.com](mailto:info@bh.zain.com) or visit: [www.bh.zain.com](http://www.bh.zain.com)