Zain Bahrain

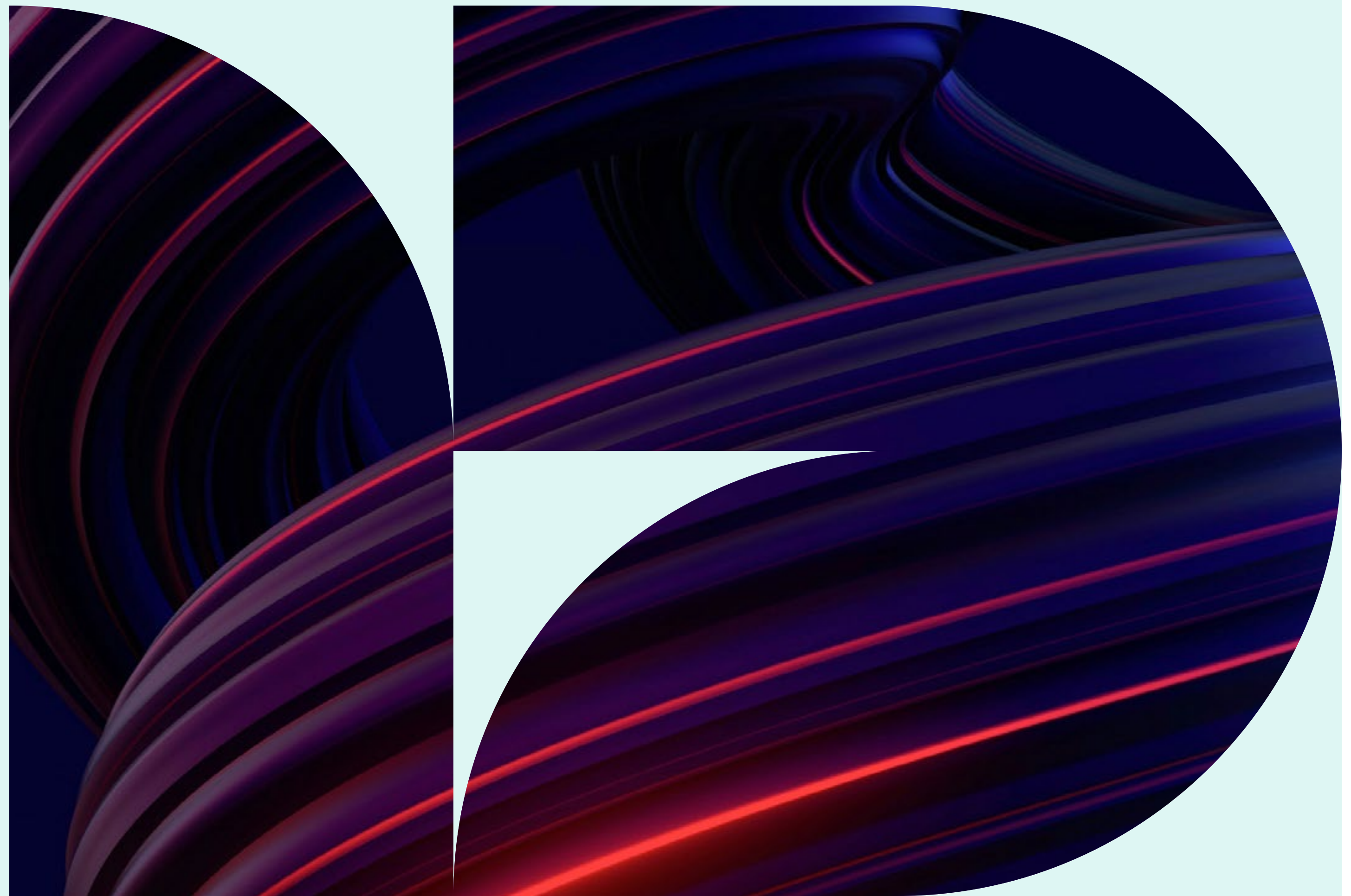
Challenges	Zain's Response
Spectrum Award/Auction in 700 MHz, 1400 MHz, 2300 MHz, 2500 MHz, and 3800 MHz bands for IMT	• The Telecommunications Regulatory Authority (TRA) has granted 840 MHz of spectrum, which mobile network operators (MNOs) have deployed to provide 2G/4G/5G services (3G services have been sunsetted). There is no urgent requirement for spectrum in the market. MNOs have so far lobbied for the award to be delayed or, if the Government mandates moving forward with a spectrum grant, for this to be done on a managed assignment basis. The Government and the TRA's final position are still being awaited.
Fiber Expropriation – preparing to negotiate with Bahrain Network (BNET) on fiber transfer	• Following the TRA's unfavourable decision on a Network-Right-of-Use Product offered by BNET and the subsequent commencement of arbitration proceedings, Zain was able to reach a settlement agreement with the TRA, secure the TRA's subsequent decision, and secure BNET's commitment to a replacement product. Zain has since signed an Asset Transfer Agreement (ATA) to transfer its fiber network to BNET in line with legislation.
Face validation (against photo on ID)	• The TRA issued a specification document allowing the use of facial recognition in SIM registration. Facial recognition registration became mandated for non-residents in Bahrain in August 2024. Zain Bahrain ensured the compliance with this obligation.

Zain Iraq

Challenges	Zain's Response
Acquiring 2600 MHz Spectrum: Today, Iraq has the least spectrum granted for IMT services. Iraq has awarded 304 MHz for IMT services (FDD and TDD bands) compared to over 840 – 2545 MHz of spectrum available in neighbouring countries. The limited bandwidth availability has a consequential impact on data throughput and service quality. There is a critical need to grant additional spectrum in the 2600 MHz band to alleviate congestion.	• Throughout the year, Zain has engaged in active discussions with the CMC Board of Commissioners and CMC Executive Management outlining reasons for the additional spectrum. The GSMA, an industry body representing over 1200 mobile ecosystem players, has also been engaged with CMC in a series of workshops, which are combined with advocacy reports and papers detailing the critical benefits of granting additional spectrum and approaches to spectrum pricing. Consequently, CMC has made a favourable decision to reserve 40 MHz in the 2600 MHz band for each operator. Further steps are now anticipated in respect of spectrum pricing.
900 MHz/2100 MHz interference: Zain has reported the interference during the shifting process of the 900 MHz band Refarming. (This process involves shifting the 900 MHz band to a different frequency, which can sometimes cause temporary interference with other services operating on nearby frequencies).	• Mobile System International (MSI) is a global provider of mobile communication solutions, and has been engaged for one month. • The engagement involves supporting Zain and Ooredoo. • The support is for a 4-month measurement campaign, and is being conducted across five cities. • The objective is to identify sources of interference and ensure compliance with spectrum frequency allocation as it is crucial for achieving a sustainable and thriving digital ecosystem. This will ensure that this valuable resource is used efficiently, equitably, and responsibly, benefiting both current and future generations.
Group Regulatory Compliance: Compliance is an important aspect of any organization, irrespective of the industry as it ensures the organization avoids penalties or reputational damage.	• Sustenance Phase commenced in May 2024 to ensure: › Maintenance of Regulatory Compliance Universe. › Management Reporting. › ISO 37301 Readiness Assessment. • Group Regulatory Compliance Program (RCP) Team is engaging with all divisions in Zain Iraq to provide evidence of compliance with all regulations.

Zain Jordan

Challenges	Zain's Response
Zain Challenges New Fiber-to-the-Home (FTTH) Infrastructure Fees	• The Ministry of Local Administration has imposed fees on FTTH infrastructure, including digging, poles, cabinets, and active lines. • Zain has taken legal action against these new regulations, filing a case in court. • Zain believes the fees are unfair or detrimental to the expansion of FTTH broadband services.
Telecommunications Regulatory Commission (TRC) Approves Technology Neutrality for Zain, Enabling 5G Expansion	• TRC grants Zain permission to implement technology neutrality across its frequencies: › This enables Zain to operate 5G services on various frequency bands. › Decision facilitates wider 5G coverage and enhanced network capabilities for Zain. › Represents a significant step in advancing 5G deployment in the region.
Group Regulatory Compliance: Compliance is an important aspect of any organization, irrespective of the industry as it ensures the organization can avoid penalties or reputational damage.	• Zain took steps to introduce its Regulatory Compliance Program in 2024 in Jordan to ensure compliance with laws, regulations, and other instruments issued by the National Regulatory Authority.



Zain Kuwait

Challenges	Zain's Response
Spectrum Award in 2300/2600 MHz band	• CITRA awarded the 2300/2600 MHz to the three MNOs as per normal allocation process, however, Zain Kuwait has been awarded 100 MHz in the upper band of 2.6GHz. • The new spectrum will help improve 5G QoS. • Zain Kuwait paid the acquisition fee of KWD 2 million and the annual fee is set at KWD 1million.
3G Sunset	• 3G shutdown is expected by Q4 2024 and by 2027 for 2G. The requested data on 2G and 3G handset users has been submitted to CITRA, complying with CITRA's 3G services shutdown process decision (Final 3G shutdown deadline is June 2025). • Since 3G requires more power compared to 2G and 4G, efforts are being made to optimize the network, reducing energy consumption, and minimizing the environmental impact of 3G infrastructure. Although 2G and 4G services still have environmental impacts, technological advancements and network optimizations have made them more energy-efficient than 3G.
Tower and Sites Regulation	• Increase of rental fees by the Government on spaces are negatively impacting the operation. • Ongoing lobbying with MoF and Municipality.
Telecom Tower Regulation	• Current regulation require MNOs to not have telecom towers 20 meters within any residential building, including schools and places of worship. • This has the potential to hinder network rollout and increase OPEX and CAPEX related to compliance with the new regulation. • CITRA requested MNOs to establish a task force to explore alternative solutions for the 20 meter distance.
Fixed Network Development Project The project led by Kuwait Authority of Partnership Projects (KAPP) is to establish a public-private partnership (PPP) to design, finance, build, operate, maintain, and transfer Kuwait's nationwide, high-speed fiber broadband network.	• KAPP announced a short list of four qualified bidders for the project: › 1. Etisalat + Gulf Investment Corporation › 2. Batelco › 3. Telecom Italia Mobile + Al Ghanim › 4. Brookfield Asset Management
Group Regulatory Compliance: Compliance is an important aspect of any organization, irrespective of the industry as it ensures the organization can avoid penalties or reputational damage.	• Sustenance Phase commenced in May 2024 to ensure: › Maintenance of Regulatory Compliance Universe. › Management Reporting. › ISO 37301 Readiness Assessment. • Group RCP Team is engaging with all divisions within Zain Kuwait to provide evidence of compliance with all regulations. • In Q3 2023, the RCP Portal went live in Kuwait.

Zain Saudi Arabia

Challenges	Zain's Response
600, 700, 3800-4000 MHz Auction • Spectrum auction to grant sub-1 GHz spectrum and extended C-band spectrum to operators	• CST conducted the auction in November 2024. Zain secured 2 x 15 MHz in the 600 MHz band at the reserve price. The spectrum acquisition will strengthen Zain Saudi's sub-1 GHz holdings, enabling the company to enhance its 5G indoor penetration.
Universal Service Fund (USF)	• The Saudi Government considers access to voice telephony and internet services essential for its development strategy. To achieve this, it established the Universal Access and Universal Service Policy and created the USF. The USF is responsible for financing projects that provide these services to underserved areas. • Zain emerged as the top bidder in five of the tendered projects, securing the majority of contracts. The primary goal of these projects is to expand broadband connectivity to rural areas, achieving speeds of up to 20 Mbps. This expansion will significantly improve internet access and connectivity in underserved regions.
Open Access Agreement	• The Communications and Information Technology Commission (CITC) announced the entry into force of the open access agreement between all six telecommunications companies in the Kingdom. This agreement aims to expand choices for subscribers, as they will be able to choose their broadband service provider independently of fiber infrastructure ownership, which will increase broadband subscriptions and improve service quality. • The initiative aims to utilize existing fiber-optic infrastructure in the Kingdom and encourage further investment to expand choices for subscribers. The program is also set to raise cooperation between companies and enhance competition to improve quality of services provided. • Providers are now selling 300 Mbps packages at the price of baseline packages of 100-200 Mbps as per CST request.

Zain Sudan

Challenges	Zain's Response
700 MHz Spectrum Usage Penalty Telecommunication and Post Regulatory Authority (TPRA) allocated 20 MHz in 700 MHz band only for trial in 2023	• Zain successfully lobbied to reduce the penalty from USD 3m to USD 1.13m • Active lobbying for 700 MHz penalty cancelation with the TPRA.
700 MHz Auction	• TPRA re-activated the auction process. • A public consultation was published to receive MNOs' views and comments.
Landing Station: Final approval and agreement sign-off pending environmental survey and other minor approvals (localities and power authorities).	• Delay with Sudan landing station and consortium (approvals from localities and electrical power authorities). • The delay will negatively impact the positive contribution to both revenue increase and cost reduction.
Microwave Links Fee and spectrum service fees	• TPRA has accepted Zain's request to reduce microwave links. • Zain succeeded in saving approximately USD 200K. • Ongoing lobbying with the TPRA to reduce spectrum service fees.
Student Stamp Fees decision	• Fees increased from 0.25% to 1% of Zain revenue, thus impacting Zain's profitability.
Cloud Based - Charging and Call Center	• After the shutdown, Zain switched to a cloud-based system from Zain Group. • The implementation was successful and endorsed by TPRA.
Group Regulatory Compliance: Compliance is an important aspect of any organization, irrespective of the industry as it ensures the organization can avoid penalties or reputational damage.	• The RCP implementation plan that had been delayed due to the conflict in Sudan, resumed in January 2024. • Training and workshops are ongoing. • Compliance instruction manuals are ongoing.

Zain South Sudan

Challenges	Zain's Response
Implementation of Automatic Tariff Exchange Rate Adjustment: Zain network has reached its capacity. National Communications Authority (NCA) offered the company the opportunity to acquire 800 MHz spectrum.	• Throughout 2024, Zain and other mobile network operators in South Sudan engaged in dialogue with the Bank of South Sudan, the National Communication Authority, and the Ministry of ICT and Postal Services on the critical challenges arising from the differences in the NCA-regulated rate governing the MNO tariffs, the Central Bank rate, and the Commercial Bank rate. Critical challenges and risks associated with the imbalance in exchange rates include rising operational costs, particularly for fuel and network infrastructure, revenue losses, and constrained investment in connectivity and digital transformation initiatives. Through active lobbying, the MNOs were able to (1) secure NCA approvals to adjust the regulated exchange rate by over 377% between January and December 2024, narrowing the gap between the rates (2) secure a consensus agreement between the Central Bank of Sudan and the NCA, formalised in a Memorandum of Understanding which will see the implementation of an automatic adjustment mechanism for the NCA exchange rate, allowing the latter to track and follow the Central Bank rate every 50 days.
International Roaming (ONA): NCA requested MNOs feedback regarding the implementation of the ONA via a questionnaire	• Roaming traffic over 30 days is considered as international roaming and not ONA roaming traffic. • Billing system still could not be updated to cater to the request of the regulation. • In October 2023, a questionnaire was provided to all MNOs, seeking their feedback regarding the ONA implementation. • Zain provided its feedback and is still awaiting the NCA response.
NCA Tariff adjustment: NCA exchange rate is at SSP 618.75 : USD 1, market exchange rate is now at SSP 1050 : USD 1.	• Zain will seek the NCA's feedback regarding the tariff adjustment in 2023 to match the current exchange rate set by the Central Bank. • Discussion put on hold due to the engagement with NCA regarding the 800 MHz spectrum acquisition.
Group Regulatory Compliance: Group and Zain South Sudan Phase 1 RCP Completion	• Group and Zain South Sudan collaborated on Phase 1 of the RCP. • Successful completion achieved by June 2024 deadline.