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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR IN ANY OTHER JURISDICTION AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES (AS DEFINED IN REGULATION S (**REGULATION S**) UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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NEITHER THE PROSPECTUS NOR ANY PART OR COPY OF IT MAY BE TAKEN OR TRANSMITTED, DIRECTLY OR INDIRECTLY, INTO CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN, OR TO ANY RESIDENT THEREOF, OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL.

THIS ELECTRONIC TRANSMISSION, THE PROSPECTUS AND THE GLOBAL OFFERING (AS DEFINED IN THE PROSPECTUS) ARE AVAILABLE ONLY TO INVESTORS WHO ARE EITHER: (1) "QUALIFIED INSTITUTIONAL BUYERS" (**QIBS**) AS DEFINED IN RULE 144A (**RULE 144A**) UNDER THE SECURITIES ACT OR (2) OUTSIDE OF THE UNITED STATES.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to Citigroup Global Markets Limited (**Citigroup**), Emirates NBD Capital Limited (**ENBD Capital Ltd**), J.P. Morgan Securities plc which conducts its UK investment banking activities as J.P. Morgan Cazenove (**J.P. Morgan Cazenove**) and Morgan Stanley & Co. International plc (**Morgan Stanley** and, together with Citigroup, ENBD Capital Ltd and J.P. Morgan, the **Joint Global Coordinators**), Barclays Bank PLC (**Barclays**) and Goldman Sachs International (**Goldman Sachs**) (together with the Joint Global Coordinators, the **Joint Bookrunners**), Liberum Capital Limited (**Liberum**, or, the **Co-Lead Manager**), Emirates NBD Capital PSC (**ENBD Capital PSC**) (together with the Joint Bookrunners and the Co-Lead Manager, the **Banks**) Evercore Partners International LLP (the **Financial Adviser**), the Company and the Selling Shareholders (as defined in the document below) that: (a) you are acting on behalf of, or you are either (i) an institutional investor outside the United States (as defined in Regulation S under the Securities Act), or (ii) in the United States and a QIB that is acquiring securities for your own account or for the account of another QIB; (b) if you are in any member state of the EEA, you are a qualified investor within the meaning of the Prospectus Directive (**Qualified Investors**); (c) additionally, if you are in the UK, you are: (i) a person having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**); (ii) a person falling within Article 49(2)(a) to (d) (high net worth entities) of the Order; or (iii) a person to whom it may otherwise lawfully be communicated (all such persons together being referred to as **Relevant Persons**); (d) the securities acquired by you in the Global Offering will not be or have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors; and (e) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave to the Group and to which this

document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located. For purposes of this document, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in an EEA Member State), and includes any relevant implementation measure in the Relevant Member State. Any investment or investment activity to which this document relates will be available only to Relevant Persons in the UK and Qualified Investors in any member state of the EEA other than the UK, and will be engaged in only with such persons.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholders, the Banks, the Financial Adviser, or any of their respective affiliates, directors, officers, employees, advisers or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked or attached document, you consent to receiving it in electronic form. A hard copy of the document will be made available to you only upon request.

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Restriction: Nothing in this electronic transmission constitutes, nor may be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

THE DOCUMENT CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Banks, the Financial Adviser or any of their respective affiliates, or any of their respective directors, officers, employees, advisers or agents, accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Global Offering. Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks by the FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks or the Financial Adviser accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Global Offering and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Banks and the Financial Adviser accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

The Banks and Evercore are acting exclusively for the Company and no one else in connection with the Global Offering. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Global Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to herein.

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Network

International Payment Solutions



NETWORK INTERNATIONAL

This document comprises a prospectus (the **Prospectus**) relating to Network International Holdings Limited (the **Company**, to be re-registered as a public limited company, Network International Holdings plc, prior to Admission) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the **FCA**) made under section 73A of the Financial Services and Markets Act 2000 (as amended) (the **FSMA**) and approved by the FCA under section 87A of the FSMA. The Prospectus will be made available to the public in accordance with Rule 3.2 of the Prospectus Rules. Capitalised terms used in this Prospectus which are not otherwise defined have the meanings given to them in the section headed “*Glossary*”.

Application will be made to the FCA for all of the ordinary shares of ten pence each in the capital of the Company (the **Ordinary Shares**) to be admitted to the premium listing segment of the Official List maintained by the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for all such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (the **Main Market**) (together, **Admission**). Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 am (London time) on 11 April 2019. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares on the London Stock Exchange will commence at 8:00 am (London time) on 16 April 2019 (the **Closing Date**) (or such later time and/or date as the Company and the Joint Global Coordinators may agree). **All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis and of no effect if Admission does not take place and will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. Prior to the Global Offering, there has been no public market for the Ordinary Shares.**

The Company and its directors, whose names appear on page 60 of this Prospectus (the **Directors**), accept responsibility for the information contained in this Prospectus and declare that, to the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Prospective investors should read the whole of this Prospectus, including the section headed “Risk Factors” beginning on page 29, for a discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares. The Ordinary Shares are only being offered, and this Prospectus is only being distributed, to those eligible investors who are permitted to purchase, Ordinary Shares under applicable law as set out in this Prospectus.



International Payment Solutions

Network International Holdings Limited

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 11849292, to be re-registered as a public limited company prior to Admission)

Global Offering of up to 299,950,000 Ordinary Shares of ten pence each at an Offer Price expected to be between 395 pence and 465 pence per Ordinary Share and admission to listing on the premium listing segment of the Official List maintained by the FCA and to trading on the Main Market of the London Stock Exchange.

Up to 299,950,000 Ordinary Shares with a nominal value of ten pence each (the **Offer Shares**) of the Company are being offered in this global offering (the **Global Offering**) by Emirates NBD Bank PJSC and WP/GA Dubai IV B.V. (the **Selling Shareholders**). The Global Offering includes up to 299,950,000 Ordinary Shares and, if the Over-allotment Option (as defined below) is exercised, up to 37,500,000 additional Ordinary Shares to be sold by the Selling Shareholders (the **Over-allotment Shares**). The Selling Shareholders have granted Citigroup (the **Stabilising Manager**) an over-allotment option (the **Over-allotment Option**) to purchase up to a maximum of 15 per cent. of the total number of Offer Shares (before exercise of the Over-allotment Option) and excluding the Cornerstone Shares (as defined in the document below) during the period commencing on the date of commencement of conditional dealings of the shares on the London Stock Exchange and ending no later than 30 calendar days thereafter at the initial offering price (the **Offer Price**) to cover over-allotments, if any, made in connection with the Global Offering and to cover any short positions resulting from stabilisation transactions.

The Global Offering comprises an offering of Ordinary Shares: (a) in the United States to qualified institutional buyers (each a **QIB**) as defined in, and in reliance on, Rule 144A (**Rule 144A**) under the US Securities Act of 1933 (the **Securities Act**); and (b) outside the United States to institutional investors in reliance on Regulation S (**Regulation S**) under the Securities Act. The Ordinary Shares have not been and will not be registered under the Securities Act and, subject to certain limited exceptions, may not be offered or sold within the United States. The Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A.

Sole Sponsor, Joint Global Coordinator and Joint Bookrunner

Citigroup

Joint Global Coordinators and Joint Bookrunners

ENBD Capital

J.P. Morgan Cazenove

Morgan Stanley

Barclays

Joint Bookrunners

Goldman Sachs

Co-Lead Manager

Liberum

Financial Adviser

Evercore

ISSUED ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Issued and fully paid

Ordinary Shares of	Number	Nominal value
GBP 0.10 each	500,000,000	GBP 50,000,000

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS PROSPECTUS CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS PROSPECTUS ALONE, BUT ONLY ON THE BASIS OF THIS PROSPECTUS AS FINALISED AND COMPLETED BY THE RELEVANT PRICING STATEMENT.

Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the acquisition of the Ordinary Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Ordinary Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

Prior to making any decision as to whether to invest in the Ordinary Shares, prospective investors should read this Prospectus in its entirety and, in particular, the section headed “Risk Factors” when considering an investment in the Company. In making an investment decision, each investor must rely on its own examination, analysis and enquiry of the Company, its subsidiaries (together with Company, the **Group**), and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (a) they have not relied on the Banks or the Financial Adviser (each as defined below) or any person affiliated with the Banks or the Financial Adviser in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (b) they have relied only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Banks or the Financial Adviser. Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

The **Group** will not receive any of the proceeds from the sale of the Ordinary Shares, all of which will be paid to the Selling Shareholders or to such third parties as they may direct on its behalf.

The Price Range and the Offer Size Range are indicative only: it may change during the course of the Global Offering and the Offer Price may be set within, above or below the Price Range and the Offer Size may be set above, within or, with the approval of the FCA, below the Offer Size Range. The amount to be raised and the number of Ordinary Shares to be sold pursuant to the Global Offering may be increased or decreased during the course of the Global Offering. A number of factors will be considered in determining the Offer Price, the Offer Size, the amount raised in the Global Offering and the basis of allocation, including the level and nature of demand for the Offer Shares during the book-building process, prevailing market conditions and the objective of establishing an orderly after-market in the Ordinary Shares. Unless required to do so by law or regulation, the Company does not envisage publishing any supplementary prospectus or an announcement triggering the right to withdraw applications for Offer Shares pursuant to section 87Q of FSMA on determination of the Offer Price. If the Offer Price is set within the Price Range, and the Offer Size is set within the Offer Size Range, respectively, a pricing statement containing the Offer Price and the Offer Size and containing any other outstanding information (the **Pricing Statement**) is expected to be published on or about 11 April 2019. If the Offer Price is set above the Price Range (or the Price Range is revised higher), or the number of Offer Shares to be sold by the Selling Shareholders is set above or below the Offer Size Range, then an announcement will be made via a Regulatory Information Service and prospective equity investors would have a statutory right to withdraw their application for Offer Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended and the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to purchase Offer Shares would be made clear in the Company’s announcement. Further details of how the Offer Price and the Offer Size are to be determined are contained within this Prospectus.

None of the Company, the Banks or the Financial Adviser or any of their respective representatives is making any representation to any prospective investor in the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such prospective investor under the laws applicable to such prospective investor. The contents of the Prospectus should not be construed as legal, financial or tax advice. Each prospective investor

should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Ordinary Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

None of the Company, the Selling Shareholders, the Banks or the Financial Adviser accepts any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholders, the Banks or the Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication, and no such information or publication is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future.

Citigroup Global Markets Limited (**Citigroup**) has been appointed as sole sponsor, joint global coordinator and joint bookrunner, and Emirates NBD Capital Limited (**ENBD Capital Ltd**), J.P. Morgan Securities plc (**J.P. Morgan**) and Morgan Stanley & Co. International plc (**Morgan Stanley**) have been appointed as joint global coordinators and joint bookrunners. Citigroup, ENBD Capital, J.P. Morgan and Morgan Stanley (together the **Joint Global Coordinators**) and, Barclays Bank PLC (**Barclays**) and Goldman Sachs International (**Goldman Sachs**) have been appointed as joint bookrunners (together with the Joint Global Coordinators, the **Joint Bookrunners**). Liberum Capital Limited, authorised and regulated by the Financial Conduct Authority (**Liberum**, or, the **Co-Lead Manager**), has been appointed as co-lead manager. Emirates NBD Capital PSC (**ENBD Capital PSC**) has been appointed as an Underwriter. Citigroup, ENBD Capital Ltd, J.P. Morgan, Morgan Stanley, Barclays, Goldman Sachs, Liberum, ENBD Capital PSC (together, the **Banks**) and Evercore Partners International LLP (the **Financial Adviser**), are acting exclusively for the Company and no one else in connection with the Global Offering, will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Global Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Prospectus. Each of Citigroup, J.P. Morgan, Morgan Stanley, Barclays and Goldman Sachs are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom and ENBD Capital Ltd is regulated by the Dubai Financial Services Authority. Liberum is authorised and regulated by the Financial Conduct Authority. The Financial Adviser is regulated by the Financial Conduct Authority. ENBD Capital PSC is regulated by the Central Bank of the UAE. The Banks and the Financial Adviser and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholders and any of their respective affiliates for which they would have received customary fees. Each of the Banks and the Financial Adviser and any of their respective affiliates may provide such services to the Company and/or the Selling Shareholders and any of their respective affiliates in the future.

In addition, the Margin Loan Facilities have been made available to WP/GA by the Margin Loan Lenders. In the event of Admission, the security to be granted by WP/GA in favour of the Margin Loan Lenders in connection with the Margin Loan Facilities will represent some or all of the Ordinary Shares that WP/GA will hold at Admission.

In connection with the Global Offering, the Banks, the Financial Adviser and any of their respective affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, dealing or placing by, the Banks and any of their affiliates acting as investors for their own accounts. In addition, certain of the Banks, the Financial Adviser or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Banks and Financial Adviser (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. In addition, in connection with the Global Offering, certain of the Banks may enter into financing arrangements with investors, such as share-swap arrangements or lending arrangements where securities are used as collateral, that could result in such Banks acquiring shareholdings

in the Company. None of the Banks or the Financial Adviser intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks or the Financial Adviser by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks or the Financial Adviser accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Global Offering and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Banks and the Financial Adviser accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

In connection with the Global Offering, the Stabilising Manager may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares up to a maximum of 15 per cent. of the total number of the Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares) or effect other transactions with a view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market for a period of no more than 30 calendar days after the date of commencement of conditional dealings of the shares on the London Stock Exchange. Such transactions may be effected on the London Stock Exchange, in the over-the-counter markets or otherwise. There is no obligation on the Stabilising Manager to undertake stabilisation transactions. Such transactions, if commenced, may be discontinued at any time without prior notice and must be brought to an end no later than 30 calendar days after the date of commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange (the **Stabilisation Period**). In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Offer Price. Save as required by law, the Stabilising Manager does not intend to disclose the extent of any stabilisation transactions under the Global Offering.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allocations and/or from sales of Shares effected by it during the Stabilisation Period, the Selling Shareholders have granted to it the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for up to a maximum of 15 per cent. of the total number of Offer Shares (excluding the Cornerstone Shares) at the Offer Price. The Over-allotment Option is exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be purchased on the same terms and conditions as the Ordinary Shares in the Global Offering and will form a single class for all purposes with the other Ordinary Shares.

NOTICE TO INVESTORS

The Ordinary Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in “*Details of the Global Offering—Selling Restrictions*”. Each purchaser of the Ordinary Shares will be deemed to have made the relevant representations described therein.

The distribution of this document and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders, the Banks or the Financial Adviser to permit a public offering of the Ordinary Shares or to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required, other than the United Kingdom. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, save for the United Kingdom, no actions have been taken to allow for a public offering of the Ordinary Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, Japan, the UAE or the United States. This Prospectus does not constitute an offer of, or the solicitation of an

offer to subscribe for or buy any of, the Ordinary Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Ordinary Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States. The Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to “qualified institutional buyers” in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Ordinary Shares and the distribution of this Prospectus, see “*Details of the Global Offering—Selling Restrictions*”.

The Ordinary Shares offered by this Prospectus have not been approved or disapproved by the United States Securities and Exchange Commission (the SEC), any State securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

GROUP’S WEBSITES

Information contained on the Group’s websites or the contents of any website accessible from hyperlinks on the Group’s websites are not incorporated into and do not form part of this Prospectus.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

The date of this Prospectus is 1 April 2019.

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SUMMARY INFORMATION

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A–E (A.1 to E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and issuer to which this Prospectus relates, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the annotation "Not Applicable".

Section A—Introduction and warnings		
Element	Disclosure requirement	Disclosure
A.1	Warning	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Ordinary Shares should be based on a consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company is not engaging any financial intermediaries for any resale of securities or final placement of securities after publication of the Prospectus.

Section B—Issuer		
Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	Network International Holdings Limited (the Company)
B.2	Domicile and legal form	<p>The Company is a private limited company, incorporated in England and Wales with its registered office in England. The Company was incorporated and registered as a private company limited by shares in England and Wales on 27 February 2019 with registered number 11849292 under the Companies Act 2006. The name of the Company was changed on 11 March 2019 from Network International Holdco Limited to Network International Holdings Limited. Prior to Admission, the Company will be re-registered as a public company limited by shares and renamed as Network International Holdings plc. The Company operates under the Companies Act 2006.</p>

Section B—Issuer

Element	Disclosure requirement	Disclosure
B.3	<p>Current operations and principal activities of the Company and the principal markets in which it competes</p>	<p>Network International is the leading enabler of digital commerce across the Middle East and Africa (MEA) region, which is the world’s most underpenetrated payments market. The Company and its subsidiaries (the Group) is the only pan-regional provider of digital payments solutions at scale, with presence across the entire payments value chain. The Group sits at the heart of the MEA payments ecosystem and operates a deeply entrenched network driving adoption of digital payments across the region. Over the past 20 years, the Group has built long-standing and trusted relationships with many of the leading merchants, financial institutions and card issuers operating in the MEA region through in-depth industry knowledge and local expertise, ongoing product innovation and high-quality, reliable service. The Group provides a full suite of technology-enabled payments solutions to merchants and financial institutions of all types and sizes, including acquiring and processing services and a comprehensive ever-evolving range of value added services.</p> <p>The Group delivers its products and services through its well-invested, secure, scalable and integrated omni-channel pan-regional technology platforms (Network One and Network Lite). The Group’s technology includes a number of proprietary elements, including N-Genius, the Group’s proprietary state-of-the-art payments operating platform. The Group’s platforms are designed to serve customers of varying levels of size and complexity, to enable merchant solutions customers to accept payments of almost any type across multiple channels and to enable the Group to efficiently process transactions for financial institutions. In addition, the Group provides issuer solutions services for financial institutions in more than 50 countries in the MEA region, supporting all elements of a card issuing life cycle, including core processing and card management solutions, a complementary product portfolio of card solutions and transaction-linked and strategic value added services and managed service capabilities. It also offers a wide and expanding range of value added services which can be rapidly rolled out across its customer base. As a result, the Group has the ability to profitably cater to a broad range of customers of varying levels of size and complexity. This flexible offering is well suited for the payments markets in the MEA region which are at a significantly earlier stage of development and penetration in terms of digital payments solutions with strong growth potential compared to more mature markets implying a strong market growth potential.</p> <p>The Group has leading market positions in both merchant solutions (by merchant acquiring volumes in 2017) and issuer solutions (by issuer billed volume on credit card POS and ATM transactions).</p> <p>The Group manages its business operations on a geographic basis, providing integrated merchant and issuer solutions products and services to its customers in the MEA region. The Group’s two business segments are the Middle East and Africa.</p> <ul style="list-style-type: none"> • Middle East: The Group’s largest segment by revenue is the Middle East, which serves customers across more than six countries and represented 75 per cent. of the Group’s total revenue in 2018. The Group’s key countries in the Middle East include the United Arab Emirates (UAE) (which represented 62 per cent. of the Group’s total revenue in 2018) and Jordan, with Saudi Arabia offering significant growth opportunities.

Section B—Issuer		
Element	Disclosure requirement	Disclosure
		<ul style="list-style-type: none"> Africa: The Group’s Africa segment provides services in more than 40 countries and represented 25 per cent. of the Group’s total revenue in 2018. The Group’s key countries in Africa include Egypt, Nigeria and South Africa. <p>The Group has demonstrated robust growth with revenue increasing by a compound annual growth rate (CAGR) of 13 per cent. from USD 235 million in 2016 to USD 298 million in 2018.</p>
B.4a	Significant recent trends affecting the Company and its industry	<p>The MEA digital payments industry is a large and fast-developing market. Whilst there is an ongoing global structural shift from cash to digital payment methods, including card-based payments, the progress of the move away from cash payments varies by country and region. Specifically, within the MEA region, cash payments still represent a large proportion of total payments implying a substantial opportunity for digital payment providers as the move from cash to digital payments continues.</p> <p>The global number of digital transactions has grown from 326 billion in 2012 to 504 billion in 2017, representing a CAGR of 9.1 per cent. This has been driven by growth across all major geographies, with the MEA region being one of the strongest engines of this development with a CAGR of 14.2 per cent.</p> <p>At this stage the MEA digital payments market remains highly underpenetrated and the overall market is still heavily reliant on cash payments. Specifically, the MEA region had the lowest global proportion of digital transactions by number of transaction in 2017 at 14 per cent. which is expected to increase to 20 per cent. in 2022. Whilst the Group’s countries of operations are not homogeneous and the specifics vary by country, these overall trends are relatively consistent across the majority of the MEA region. The MEA digital payments market growth is significant and sustainable, driven by several key trends, many of which can also be observed in markets which are more advanced in digital payments compared to the MEA region.</p> <p>Management believes that a confluence of the below themes will contribute to sustained growth in the MEA region:</p> <ul style="list-style-type: none"> Cash to Digital Payments Conversion in the World’s Most Underpenetrated Markets: the overall MEA population remains underbanked by global standards with a low proportion of the population with ready access to a bank account. The MEA region has a banked population of only 34 per cent. Given this level of underbanking, both in the MEA region as a whole as well as in the Group’s key countries of operations, there is also a very low number of cards per adult. This, in turn, drives a low number of point of sale (POS) and ATM transactions per adult on an annual basis. <p>Consumers are adopting card-based payment methods as they gain access to bank accounts supported by improving infrastructure. Additionally, rapid technology changes such as the use of robotics and automation and other technological advancements, allows for lower cost to access consumers, increasing stores of value and increased flexibility of payment methods. Over and above this, more advanced consumers are</p>

Section B—Issuer		
Element	Disclosure requirement	Disclosure
		<p>increasingly showing willingness to engage with new technologies and to change their traditional shopping habits in order to satisfy their desire for a seamless and safe transaction experience. One of the key drivers of the rise in digitisation, including e-commerce and m-commerce, is the rapid growth in internet and smartphone penetration that has been enabled by expanding global connectivity as more people gain access to the internet. As the level of internet penetration in the MEA region increases, it will support consumers' ability to shop online. The growing popularity of smartphones is expected to contribute to significant growth in mobile shopping and payments.</p> <p>There has been growth in companies offering alternative payment methods outside of (and in some cases as an extension to) the traditional card value chain. These include dedicated payments providers such as PayPal, but further extend to global tech giants such as Google, Apple and Amazon, as well as Alibaba (via Ant Financial/Alipay) and Tencent (via WeChat Pay). In most cases, their products are mobile wallet solutions which often rely on the traditional card-based payments value chain, for example to fund the wallet. Management believes that the overall rise of alternative payments is supportive of the overall structural movement from cash to digital payments in the MEA region as they increase consumers' comfort in adopting digital payments methods. The fragmented alternative payment landscape, however, drives scalability challenges for alternative payments providers beyond specific geographies. Additionally, the increase in alternative payments increases the complexity of the payments ecosystem which enhances the attractiveness of the Group's offering.</p> <p>Cash payments remain high in the MEA region. However, the proportion by number of transactions is estimated to have decreased from 92 per cent. in 2012 to 86 per cent. in 2017 and is expected to decrease further to 80 per cent. in 2022 as the drive to digital payments continues. The majority of this move away from cash is expected to be replaced by card payments increasing from a 5 per cent. share of number of transactions in 2012 to a 14 per cent. share in 2022. Alongside this, the number of cards in the MEA region is poised for solid growth, with a rapid rise in the number of cards in the MEA region which is forecast to grow at a 7.8 per cent. CAGR from 2017 to 2022. As a result, strong growth is expected in the number and value of card transactions in the MEA region.</p> <ul style="list-style-type: none"> • Expanding Payments Market: as merchants across the MEA region grow increasingly sophisticated and complex, the demand for value added services increase. These value added services are an important revenue opportunity for payments providers through cross-selling and upselling opportunities as well as overall higher usage of the providers' products. These also have the ability to increase customer loyalty due to enhanced reliance on the payments provider. • Increased Outsourcing by Banks: In the Group's markets, historically, the roles of both issuers and acquirers were performed by banks on an insourced basis whereby key

Section B—Issuer		
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		<p>services such as processing and selected value added services were performed internally by the issuer or acquirer using either self-developed software or utilising third party software in-house. However, for many banks, payment processing has come to be regarded as a “non-core” activity and outsourcing is seen by management of those companies as a way to increase their focus on their core business. This trend has been ongoing for some time in developed markets, however, and it remains relatively nascent in the MEA region, implying a large opportunity for the Group.</p> <ul style="list-style-type: none"> • Highly Attractive Macroeconomic and Socioeconomic Trends: Management believes that the economic environment in the MEA region is highly supportive of the Group and its business operations. The region has robust long-term economic fundamentals, underpinned by abundant natural resources. The MEA region has the advantage of a young and growing population with one of the fastest urbanisation rates in the world. Accelerated digitisation driven by an increase in consumer spending, a growing banking sector and financial inclusion as well as a young and tech-savvy population is unlocking new opportunities for consumers and businesses. The rising trend of digitisation and the associated decrease in cost of goods and services is supporting continued progress around financial inclusion. Most central banks and governments recognise the importance of digital payments as a key driver of their respective economies. Promotion by and support from the key policy makers is expected to play an important part in growing merchant acceptance of digital payment platforms.
B.5	Description of the Group and the Company position within the Group	<p>The Company was incorporated in anticipation of the Global Offering and Admission. The Company is the principal holding entity of the Group.</p> <p>The Group has recently adopted a revised corporate structure which is primarily driven by foreign ownership restrictions in the UAE, which require that at least 51 per cent. of the share capital of a UAE incorporated company (such as Network International LLC) be registered in the name of one or more UAE nationals or UAE entities wholly owned by UAE nationals.</p> <p>The Group’s structure can be broken down into the following key categories, with the financial position and results of operations of such entities being fully consolidated into the Group’s financial statements:</p> <ul style="list-style-type: none"> • Network International LLC Subsidiaries—this comprises Network International LLC and its subsidiaries. 49 per cent. of the legal interest in Network International LLC is held, indirectly, by the Company, with 51 per cent. held by the Local Sponsor (subject to Local Sponsor Documentation). The Network International LLC Subsidiaries account for 62 per cent. of the Group’s revenue for Fiscal Year 2018. The Group will retain full economic interest in its shares in these entities.

Section B—Issuer

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		<ul style="list-style-type: none"> Wholly Owned Group—this comprises subsidiaries in which the legal interest is indirectly or directly wholly owned by the Company or, in the case of Network International Egypt SAE, 98 per cent. indirectly owned by the Company and in the case of Diners Club Services Egypt SAE, 99 per cent. indirectly owned by the Company (accounting for 5 per cent. of the Group’s revenue for Fiscal Year 2018).¹ <p>The Company has put in place local sponsor documentation (the Local Sponsor Documentation) with Leaf Holding Limited (the Local Sponsor) and Links Commercial Brokers LLC (the Local Sponsor’s Shareholder) in order to protect the Company’s rights in the Network International LLC Subsidiaries and to ensure that the Company has the full benefit of, and control over, the operating businesses of Network International LLC and its wholly owned subsidiaries. The Local Sponsor Documentation includes, among other things, certain protections relating to profit distribution, management control, shareholder voting, distributions on liquidation and restrictions on share transfers.</p>																																								
B.6	Major shareholders	<p>Insofar as it is known to the Company as at the date of this Prospectus, the following persons will, at the times indicated, be directly or indirectly interested (within the meaning of the Companies Act 2006) in 3 per cent. or more of the Company’s issued share capital:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3" style="text-align: left; vertical-align: bottom;">Shareholder</th> <th colspan="2" style="text-align: center;">Interests in Ordinary Shares immediately before Admission</th> <th colspan="2" style="text-align: center;">Ordinary Shares to be sold in the Offer assuming no exercise of the Over-allotment Option⁽²⁾</th> <th colspan="2" style="text-align: center;">Interests in Ordinary Shares following Admission assuming no exercise of the Over-allotment Option⁽²⁾⁽³⁾</th> </tr> <tr> <th colspan="2" style="text-align: center;">Per cent. of total</th> <th colspan="2" style="text-align: center;">Per cent. of total</th> <th colspan="2" style="text-align: center;">Per cent. of total</th> </tr> <tr> <th style="text-align: center;">No.</th> <th style="text-align: center;">issued</th> <th style="text-align: center;">No.</th> <th style="text-align: center;">issued</th> <th style="text-align: center;">No.</th> <th style="text-align: center;">issued</th> </tr> </thead> <tbody> <tr> <td>Emirates NBD Bank PJSC</td> <td style="text-align: right;">255,000,000</td> <td style="text-align: right;">51 per cent.</td> <td style="text-align: right;">121,099,500</td> <td style="text-align: right;">24.22 per cent.</td> <td style="text-align: right;">133,900,500</td> <td style="text-align: right;">26.78 per cent.</td> </tr> <tr> <td>WP/GA Dubai IV B.V.⁽¹⁾</td> <td style="text-align: right;">245,000,000</td> <td style="text-align: right;">49 per cent.</td> <td style="text-align: right;">116,350,500</td> <td style="text-align: right;">23.27 per cent.</td> <td style="text-align: right;">128,649,500</td> <td style="text-align: right;">25.73 per cent.</td> </tr> <tr> <td>Mastercard Asia/Pacific Pte. Ltd. (the Cornerstone Investor)</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: right;">49,950,000</td> <td style="text-align: right;">9.99 per cent.</td> </tr> </tbody> </table> <p>(1) In the event of Admission, WP/GA Dubai IV B.V. is expected to grant security over all or some of its ordinary shares in connection with the Margin Loan Facilities (defined below).</p> <p>(2) Assumes that the Offer Price is set at the mid-point of the Offer Price Range and that the Offer Size is at the mid-point of the Offer Size Range.</p> <p>(3) Assumes that the Cornerstone Investor will acquire 9.99 per cent. of the Ordinary Shares.</p> <p>Immediately following Admission and assuming that the Offer Price is set at the mid-point of the Price Range and that the Offer Size is at the mid-point of the Offer Size Range, it is expected that approximately 26.78 per cent. of the Company’s issued ordinary share capital will be owned by Emirates NBD Bank PJSC (ENBD), 25.73 per cent. of the Company’s issued ordinary share capital will be owned by WP/GA Dubai IV B.V. (WP/GA) and 9.99 per cent. of the Company’s issued ordinary share capital will be owned by Mastercard Asia/Pacific Pte. Ltd (Mastercard).</p>	Shareholder	Interests in Ordinary Shares immediately before Admission		Ordinary Shares to be sold in the Offer assuming no exercise of the Over-allotment Option ⁽²⁾		Interests in Ordinary Shares following Admission assuming no exercise of the Over-allotment Option ⁽²⁾⁽³⁾		Per cent. of total		Per cent. of total		Per cent. of total		No.	issued	No.	issued	No.	issued	Emirates NBD Bank PJSC	255,000,000	51 per cent.	121,099,500	24.22 per cent.	133,900,500	26.78 per cent.	WP/GA Dubai IV B.V. ⁽¹⁾	245,000,000	49 per cent.	116,350,500	23.27 per cent.	128,649,500	25.73 per cent.	Mastercard Asia/Pacific Pte. Ltd. (the Cornerstone Investor)	—	—	—	—	49,950,000	9.99 per cent.
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¹ The Group is in the process of transferring the legal interest in 98 per cent. of the shares in Network International Egypt SAE from Network International LLC to a wholly owned subsidiary of the Company. The transfer of such legal interest is expected to be completed within one month of Admission, although the full economic interest in such shares are currently vested in the Company.

Section B—Issuer		
Element	Disclosure requirement	Disclosure
		<p>On Admission, there will be no differences between the voting rights enjoyed by such shareholders and those enjoyed by any other holder of Ordinary Shares in the Company.</p> <p>Save as set out above, the Company is not aware of any person who has, or will immediately following Admission have, a notifiable interest of 3 per cent. or more of the issued share capital of the Company.</p> <p>The Company entered into relationship agreements (the Relationship Agreements) with ENBD (the largest bank in Dubai, a large customer and the Group’s original parent) on 1 April 2019 and WP/GA (indirectly held by leading private equity firms with experience investing in global payments companies) on 1 April 2019. The Relationship Agreements have been entered into to ensure that the Company is capable at all times of carrying on its business independently of its controlling shareholders (as defined in the Listing Rules) and their associates. Under the Relationship Agreements, each of ENBD and WP/GA have agreed with the Company to, among other things: (i) conduct all transactions and arrangements with any member of the Group at arm’s length and on normal commercial terms; (ii) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (iii) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreement is not subject to any additional penalty or indemnity clauses.</p> <p>Under the Relationship Agreement with ENBD, ENBD has a right to nominate for appointment up to three non-executive directors to the board of directors of the Company (the Board) whilst its and its associates’ shareholding in the Company is greater than or equal to 20 per cent. and to nominate for appointment one non-executive director to the Board whilst its and its associates’ shareholding in the Company is greater than or equal to 10 per cent. (but is less than 20 per cent.). The first such appointees are Shayne Nelson and Suryanarayan Subramanian, whilst ENBD has the right to nominate an additional director to the Board.</p> <p>Under the Relationship Agreement with WP/GA, WP/GA has a right to nominate for appointment two non-executive directors to the Board whilst its and its associates’ shareholding in the Company is greater than or equal to 20 per cent. and to nominate for appointment one non-executive director to the Board whilst its and its associates’ shareholding in the Company is greater than or equal to 10 per cent. (but is less than 20 per cent.). The first such appointees are Daniel Zilberman and Aaron Goldman.</p> <p>Mastercard Asia/Pacific Pte. Ltd. (Mastercard), the Selling Shareholders and the Company entered into a cornerstone investment agreement on 25 March 2019 (the Cornerstone Agreement), pursuant to which Mastercard has agreed to invest USD 300 million in the Company by acquiring from the Selling Shareholders such number of Offer Shares in the Global Offering at the Offer Price as is calculated by dividing the sterling equivalent of USD 300 million (determined immediately prior to pricing) by the Offer Price. If the number of Offer Shares which would otherwise be</p>

Section B—Issuer

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		<p>acquired is greater than 9.99 per cent. of the Company’s issued share capital upon Admission, the Selling Shareholders may, in their discretion, reduce the number of Offer Shares to be acquired by Mastercard to that number of shares which is equal to 9.99 per cent. of the Company’s issued share capital.</p> <p>Mastercard’s obligation to purchase Offer Shares is conditional upon, among other things: (i) the Offer Price being within or below the Offer Price Range; (ii) the Underwriting Agreement having become unconditional in accordance with its terms and not having been terminated; (iii) achieving a minimum free float of 25 per cent. (for the purposes of Listing Rule 6.14) at Admission; and (iv) Admission. The Cornerstone Agreement may be terminated, among other things, if there is any material inaccuracy in or material omission from this prospectus which is materially adverse to Mastercard or if there is a breach of certain key warranties.</p> <p>Pursuant to the Cornerstone Agreement, Mastercard and the Company have agreed to work together in good faith to implement certain strategic commercial arrangements and to execute definitive agreements with respect to such arrangements.</p>																																																																								
B.7	Selected historical key financial information and description of significant changes	<p>The following tables set out selected consolidated information of the Group as of and for the three years ended 31 December 2016, 2017 and 2018, which has been extracted from the section headed “<i>Historical Financial Information</i>” of this document.</p> <p>CONSOLIDATED PROFIT OR LOSS</p> <p>The table below shows information from the Group’s consolidated profit or loss for each of 2016, 2017 and 2018.</p> <table border="0"> <thead> <tr> <th></th> <th align="center" colspan="3">For the year ended 31 December</th> </tr> <tr> <th></th> <th align="center"><u>2016</u></th> <th align="center"><u>2017</u></th> <th align="center"><u>2018</u></th> </tr> <tr> <th></th> <th align="center" colspan="3"><u>(USD’000)</u></th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td align="right">234,706</td> <td align="right">262,006</td> <td align="right">297,935</td> </tr> <tr> <td>Personnel expenses</td> <td align="right">(58,537)</td> <td align="right">(63,775)</td> <td align="right">(88,084)</td> </tr> <tr> <td>Selling, operating & other expenses</td> <td align="right">(68,144)</td> <td align="right">(72,070)</td> <td align="right">(85,455)</td> </tr> <tr> <td>Depreciation and amortisation</td> <td align="right">(22,147)</td> <td align="right">(24,423)</td> <td align="right">(34,572)</td> </tr> <tr> <td>Impairment losses on assets</td> <td align="right">(24,175)</td> <td align="right">—</td> <td align="right">(17,945)</td> </tr> <tr> <td>Share of profit from an associate</td> <td align="right">6,400</td> <td align="right">3,493</td> <td align="right">3,325</td> </tr> <tr> <td>Profit before interest and tax</td> <td align="right">68,103</td> <td align="right">105,231</td> <td align="right">75,204</td> </tr> <tr> <td>Net interest expense</td> <td align="right">(12,587)</td> <td align="right">(18,921)</td> <td align="right">(20,159)</td> </tr> <tr> <td>Gain on disposal of investment securities</td> <td align="right">—</td> <td align="right">—</td> <td align="right">2,648</td> </tr> <tr> <td>Profit before tax</td> <td align="right">55,516</td> <td align="right">86,310</td> <td align="right">57,693</td> </tr> <tr> <td>Taxes</td> <td align="right">(3,117)</td> <td align="right">(5,694)</td> <td align="right">(10,956)</td> </tr> <tr> <td>Profit from continuing operations</td> <td align="right">52,399</td> <td align="right">80,616</td> <td align="right">46,737</td> </tr> <tr> <td>Discontinued operations</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Loss from discontinued operations, net of taxes</td> <td align="right">(10,434)</td> <td align="right">(27,106)</td> <td align="right">(23,317)</td> </tr> <tr> <td>Net profit for the year</td> <td align="right"><u>41,965</u></td> <td align="right"><u>53,510</u></td> <td align="right"><u>23,420</u></td> </tr> </tbody> </table>		For the year ended 31 December				<u>2016</u>	<u>2017</u>	<u>2018</u>		<u>(USD’000)</u>			Revenues	234,706	262,006	297,935	Personnel expenses	(58,537)	(63,775)	(88,084)	Selling, operating & other expenses	(68,144)	(72,070)	(85,455)	Depreciation and amortisation	(22,147)	(24,423)	(34,572)	Impairment losses on assets	(24,175)	—	(17,945)	Share of profit from an associate	6,400	3,493	3,325	Profit before interest and tax	68,103	105,231	75,204	Net interest expense	(12,587)	(18,921)	(20,159)	Gain on disposal of investment securities	—	—	2,648	Profit before tax	55,516	86,310	57,693	Taxes	(3,117)	(5,694)	(10,956)	Profit from continuing operations	52,399	80,616	46,737	Discontinued operations				Loss from discontinued operations, net of taxes	(10,434)	(27,106)	(23,317)	Net profit for the year	<u>41,965</u>	<u>53,510</u>	<u>23,420</u>
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Taxes	(3,117)	(5,694)	(10,956)																																																																							
Profit from continuing operations	52,399	80,616	46,737																																																																							
Discontinued operations																																																																										
Loss from discontinued operations, net of taxes	(10,434)	(27,106)	(23,317)																																																																							
Net profit for the year	<u>41,965</u>	<u>53,510</u>	<u>23,420</u>																																																																							

Section B—Issuer

Element	Disclosure requirement	Disclosure			
		CONSOLIDATED FINANCIAL POSITION			
		The table below shows information from the Group's consolidated financial position for the year ended 31 December in each of 2016, 2017 and 2018.			
			As at 31 December		
		2016	2017	2018	
			(USD'000)		
		Assets			
		<i>Non-current assets</i>			
		Property and equipment	45,645	45,552	54,489
		Intangible assets and goodwill	387,577	401,810	409,007
		Investment in joint venture and associate	51,660	51,272	51,856
		Investment securities	8,187	11,648	246
		Long-term receivables	6,511	673	740
		Total non-current assets	499,580	510,955	516,338
		<i>Current assets</i>			
		Scheme debtors	169,322	247,106	222,693
		Trade and other receivables	52,638	59,403	73,848
		Restricted cash	3,948	98,197	71,896
		Cash and cash equivalents	87,646	100,769	60,275
		Assets held for sale	—	12,480	4,417
		Total current assets	313,554	517,955	433,129
		Total assets	813,134	1,028,910	949,467
		Liabilities			
		<i>Non-Current liabilities</i>			
		Borrowings	339,338	323,741	279,297
		Other long-term liabilities	10,988	12,379	24,693
		Deferred tax liabilities	4,281	1,851	2,324
		Total non-current liabilities	354,607	337,971	306,314
		<i>Current liabilities</i>			
		Merchant creditors	109,230	199,092	185,523
		Trade and other payables	74,152	108,865	116,575
		Borrowings	18,041	120,759	147,691
		Liabilities held for sale	—	6,206	1,668
		Total current liabilities	201,423	434,922	451,457
		Shareholders' equity			
		Share capital	13,615	13,615	13,615
		Statutory reserves	7,008	7,008	7,253
		Other reserves	(35,790)	(25,353)	(22,985)
		Retained earnings	270,109	259,147	195,028
		Equity attributable to equity holders	254,942	254,417	192,911
		Non-controlling interest	2,162	1,600	(1,215)
		Total shareholders' equity	257,104	256,017	191,696
		Total liabilities and shareholders' equity	813,134	1,028,910	949,467

Section B—Issuer

Element	Disclosure requirement	Disclosure		
		CONSOLIDATED CASH FLOW		
		The table below summarises information from the Group's consolidated cash flow for each of 2016, 2017 and 2018.		
			For the year ended 31 December	
			<u>2016</u>	<u>2017</u>
				<u>2018</u>
			(USD'000)	
		Operating Activities		
		<i>Net cash flows before settlement related balances</i>		
		86,391	103,859	104,234
		Changes in settlement-related balances ⁽¹⁾		
		736	(61,165)	12,685
		<i>Net cash flows from operating activities</i>		
		<u>87,127</u>	<u>42,694</u>	<u>116,919</u>
		Investing Activities		
		Purchase of intangible assets, property and equipment		
		(57,779)	(64,692)	(68,470)
		Sale of intangible assets and property and equipment		
		15,462	1,650	—
		Dividends received from an associate		
		2,042	2,723	2,741
		Interest received		
		725	637	1,644
		Disposal of investment securities		
		—	—	14,050
		Acquisition / (disposal) of subsidiaries		
		(234,238)	13,298	4,812
		<i>Net cash outflows from investing activities</i>		
		<u>(273,788)</u>	<u>(46,384)</u>	<u>(45,223)</u>
		Financing Activities		
		Proceeds from borrowing		
		350,000	—	—
		Repayment of borrowings		
		(82,825)	(16,336)	—
		Payment of dividends		
		(23,145)	(64,534)	(89,857)
		Payment of debt issuance fee		
		(11,357)	—	—
		Payment of lease liabilities		
		—	—	(2,298)
		<i>Net cash inflows/(outflows) from financing activities</i>		
		232,673	(80,870)	(92,155)
		Net increase/(decrease) in cash and cash equivalents		
		46,012	(84,560)	(20,459)
		Cash and cash equivalents at the beginning of the year		
		29,543	69,605	(19,990)
		Effect of movements in exchange rates on cash held		
		(5,950)	160	(40)
		Cash reclassified as part of held for sale		
		—	(5,195)	(1,977)
		Cash and cash equivalents at the end of the year*		
		<u>69,605</u>	<u>(19,990)</u>	<u>(42,466)</u>
		* Net of Revolving Credit Facility from banks.		
		(1) Changes in settlement-related balances reflects movement in scheme debtors, merchant creditors and restricted cash, and related parties payable.		

Section B—Issuer

Element	Disclosure requirement	Disclosure																																																
		<p>NON-IFRS FINANCIAL MEASURES</p> <p>UNDERLYING EBITDA</p> <p>The table below presents a reconciliation of the Group’s reported profit from continuing operations to Underlying EBITDA for each of 2016, 2017 and 2018.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="3" style="text-align: center; border-bottom: 1px solid black;">For the year ended 31 December</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">2016</th> <th style="text-align: center; border-bottom: 1px solid black;">2017</th> <th style="text-align: center; border-bottom: 1px solid black;">2018</th> </tr> <tr> <th></th> <th colspan="3" style="text-align: center; border-bottom: 1px solid black;">(USD’000)</th> </tr> </thead> <tbody> <tr> <td>Profit from continuing operations</td> <td style="text-align: right;">52,399</td> <td style="text-align: right;">80,616</td> <td style="text-align: right;">46,737</td> </tr> <tr> <td>Depreciation and amortisation</td> <td style="text-align: right;">22,147</td> <td style="text-align: right;">24,423</td> <td style="text-align: right;">34,572</td> </tr> <tr> <td>Impairment losses on assets</td> <td style="text-align: right;">24,175</td> <td style="text-align: right;">—</td> <td style="text-align: right;">17,945</td> </tr> <tr> <td>Net interest expense</td> <td style="text-align: right;">12,587</td> <td style="text-align: right;">18,921</td> <td style="text-align: right;">20,159</td> </tr> <tr> <td>Taxes</td> <td style="text-align: right;">3,117</td> <td style="text-align: right;">5,694</td> <td style="text-align: right;">10,956</td> </tr> <tr> <td>Gain on disposal of investment securities</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;">(2,648)</td> </tr> <tr> <td>Share of depreciation of an associate</td> <td style="text-align: right;">1,992</td> <td style="text-align: right;">2,765</td> <td style="text-align: right;">2,978</td> </tr> <tr> <td>Specially disclosed items affecting Underlying EBITDA</td> <td style="text-align: right; border-top: 1px solid black;">8,769</td> <td style="text-align: right; border-top: 1px solid black;">6,204</td> <td style="text-align: right; border-top: 1px solid black;">21,340</td> </tr> <tr> <td>Underlying EBITDA</td> <td style="text-align: right; border-top: 1px solid black;">125,186</td> <td style="text-align: right; border-top: 1px solid black;">138,623</td> <td style="text-align: right; border-top: 1px solid black;">152,039</td> </tr> </tbody> </table>		For the year ended 31 December				2016	2017	2018		(USD’000)			Profit from continuing operations	52,399	80,616	46,737	Depreciation and amortisation	22,147	24,423	34,572	Impairment losses on assets	24,175	—	17,945	Net interest expense	12,587	18,921	20,159	Taxes	3,117	5,694	10,956	Gain on disposal of investment securities	—	—	(2,648)	Share of depreciation of an associate	1,992	2,765	2,978	Specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340	Underlying EBITDA	125,186	138,623	152,039
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Section B—Issuer

Element	Disclosure requirement	Disclosure																																																															
		<p>SPECIALLY DISCLOSED ITEMS</p> <p>The table below represents a breakdown of the specially disclosed items for each of the years ended 31 December 2016, 2017 and 2018.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">For the year ended 31 December</th> </tr> <tr> <th style="text-align: center;">2016</th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2018</th> </tr> <tr> <th></th> <th colspan="3" style="text-align: center;">(USD'000)</th> </tr> </thead> <tbody> <tr> <td colspan="4">Items affecting Underlying EBITDA</td> </tr> <tr> <td>Reorganisation, restructuring and settlements⁽¹⁾</td> <td style="text-align: right;">897</td> <td style="text-align: right;">7,497</td> <td style="text-align: right;">3,375</td> </tr> <tr> <td>Share-based compensation⁽²⁾</td> <td style="text-align: right;">1,341</td> <td style="text-align: right;">(2,357)</td> <td style="text-align: right;">10,907</td> </tr> <tr> <td>M&A and IPO related costs⁽³⁾</td> <td style="text-align: right;">5,389</td> <td style="text-align: right;">441</td> <td style="text-align: right;">3,681</td> </tr> <tr> <td>Other one-off items⁽⁴⁾</td> <td style="text-align: right;">1,142</td> <td style="text-align: right;">623</td> <td style="text-align: right;">3,377</td> </tr> <tr> <td>Total specially disclosed items affecting Underlying EBITDA</td> <td style="text-align: right;">8,769</td> <td style="text-align: right;">6,204</td> <td style="text-align: right;">21,340</td> </tr> <tr> <td colspan="4">Items affecting Underlying Net Income</td> </tr> <tr> <td>Amortisation related to IT transformation⁽⁵⁾</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;">5,499</td> </tr> <tr> <td>Amortisation of acquired intangibles⁽⁶⁾</td> <td style="text-align: right;">3,503</td> <td style="text-align: right;">4,204</td> <td style="text-align: right;">4,204</td> </tr> <tr> <td>Amortisation of debt issuance costs⁽⁷⁾</td> <td style="text-align: right;">695</td> <td style="text-align: right;">738</td> <td style="text-align: right;">506</td> </tr> <tr> <td>Tax expense for legacy matters⁽⁸⁾</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;">4,364</td> </tr> <tr> <td>Total specially disclosed items affecting Underlying Net Income</td> <td style="text-align: right;">4,198</td> <td style="text-align: right;">4,942</td> <td style="text-align: right;">14,573</td> </tr> <tr> <td>Total specially disclosed items</td> <td style="text-align: right;">12,967</td> <td style="text-align: right;">11,146</td> <td style="text-align: right;">35,913</td> </tr> </tbody> </table> <p>(1) Includes non-recurring costs related to the reorganisation and restructuring of the Group (USD 0.9 million in 2016, USD 2.8 million in 2017 and USD 1.8 million in 2018) and settlements with third parties for various matters (nil in 2016, USD 4.7 million in 2017 and USD 1.6 million in 2018).</p> <p>(2) Cash or share based employee compensation costs for the incentive programme in relation to the Offering. For more details, please see 18.1(b) of “<i>Historical Financial Information</i>”.</p> <p>(3) Costs relating to acquisitions of EMP (including post-acquisition integration of the business) (USD 5.4 million in 2016, USD 0.4 million in 2017 and nil in 2018) and other non-recurring expenses in relation to the Offering (nil in 2016 and 2017, USD 3.7 million in 2018).</p> <p>(4) Comprised of items that do not fit into any of the categories above and includes provisions against unrecoverable balances and settlement accruals (USD 3.0 million in 2016, nil in 2017 and USD 3.9 million in 2018), and unrealised (gain) or loss on re-measurement of foreign currency denominated assets or liabilities (USD (1.9) million in 2016, USD 0.6 million in 2017 and USD (0.5) million in 2018).</p> <p>(5) Amortisation of capitalised costs associated with the Group’s IT transformation programme.</p> <p>(6) Amortisation charge on the intangible assets recognised in the Group’s consolidated financial position as part of the Group’s acquisition of EMP in 2016.</p> <p>(7) Amortisation of debt issuance costs related to loan availed for acquisition of EMP by the Group.</p> <p>(8) Includes payments made for settlement of legal cases in respect of EMP tax matters for periods prior to the date of acquisition by the Group and accruals, on a best estimate basis, for potential tax liabilities in respect of years for which assessments and tax audits are not closed yet for various jurisdictions.</p>		For the year ended 31 December			2016	2017	2018		(USD'000)			Items affecting Underlying EBITDA				Reorganisation, restructuring and settlements ⁽¹⁾	897	7,497	3,375	Share-based compensation ⁽²⁾	1,341	(2,357)	10,907	M&A and IPO related costs ⁽³⁾	5,389	441	3,681	Other one-off items ⁽⁴⁾	1,142	623	3,377	Total specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340	Items affecting Underlying Net Income				Amortisation related to IT transformation ⁽⁵⁾	—	—	5,499	Amortisation of acquired intangibles ⁽⁶⁾	3,503	4,204	4,204	Amortisation of debt issuance costs ⁽⁷⁾	695	738	506	Tax expense for legacy matters ⁽⁸⁾	—	—	4,364	Total specially disclosed items affecting Underlying Net Income	4,198	4,942	14,573	Total specially disclosed items	12,967	11,146	35,913
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Section B—Issuer																						
Element	Disclosure requirement	Disclosure																				
		<p>OTHER OPERATING DATA</p> <p>The Group monitors the following principal key performance indicators: total processed volumes (the aggregate monetary volume of purchases processed by the Group within its merchant solutions business line (TPV)) and the total number of cards hosted as well as the aggregate number of transactions processed and billed by the Group within its issuer solutions business line (Total Transactions).</p> <p>The table below shows certain unaudited operating data for each of 2016, 2017 and 2018.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="3" style="text-align: center;">As of and for the year ended 31 December</th> </tr> <tr> <th></th> <th style="text-align: center;">2016⁽¹⁾</th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2018</th> </tr> </thead> <tbody> <tr> <td>Total processed volumes (TPV) (<i>USD millions</i>)</td> <td style="text-align: right;">31,217</td> <td style="text-align: right;">36,207</td> <td style="text-align: right;">39,932</td> </tr> <tr> <td>Total number of cards hosted (<i>in millions</i>)</td> <td style="text-align: right;">11.0</td> <td style="text-align: right;">12.6</td> <td style="text-align: right;">13.6</td> </tr> <tr> <td>Number of transactions (<i>in millions</i>)</td> <td style="text-align: right;">414.5</td> <td style="text-align: right;">523.0</td> <td style="text-align: right;">681.4</td> </tr> </tbody> </table> <p>(1) 2016 figures include ten months of TPV and number of transactions for the erstwhile EMP business, following its acquisition by the Group with effect from 1 March 2016.</p> <p>Set out below is a description of significant changes to the Company’s financial condition and operating results during each of the periods covered in the tables above.</p> <p>The Group’s total revenue was USD 234.7 million in 2016, USD 262.0 million in 2017 and USD 297.9 million in 2018, representing a CAGR of 12.7 per cent. between 2016 and 2018. The increase in total revenue was principally due to increases in TPV driven by growth in payment transactions in key industry verticals and, in 2018, a significant increase in revenues from value added services.</p> <p>The increase in Underlying EBITDA between 2016 and 2017, and 2017 and 2018, was primarily driven by higher revenues across both segments reflecting growth in both merchant as well as issuer solutions. This increase is partially offset by an increase in the Underlying Personnel Costs and Selling, Operating & Other Expenses reflecting investments made to strengthen the capabilities in the business and to support future growth. The increase in the Underlying EBITDA of 2017 also reflected the full year impact of the EMP acquisition.</p> <p>Reflecting the above factors, the Group’s reported net profit for the year was USD 42.0 million in 2016, USD 53.5 million in 2017 and USD 23.4 million in 2018, an increase of USD 11.5 million, or 27.4 per cent. in 2017 and decrease of USD 30.1 million, or 56.3 per cent., in 2018.</p> <p>There has been no significant change in the Group’s financial or trading position since 31 December 2018, the date to which the Group’s Historical Financial Information was prepared.</p>		As of and for the year ended 31 December				2016⁽¹⁾	2017	2018	Total processed volumes (TPV) (<i>USD millions</i>)	31,217	36,207	39,932	Total number of cards hosted (<i>in millions</i>)	11.0	12.6	13.6	Number of transactions (<i>in millions</i>)	414.5	523.0	681.4
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B.8	Selected key pro forma financial information	Not applicable; there is no pro forma financial information.																				

Section B—Issuer		
Element	Disclosure requirement	Disclosure
B.9	Profit forecast and estimate	Not applicable; there is no profit forecast or estimate disclosed in the Prospectus.
B.10	Audit report qualifications	Not applicable; there are no qualifications in the accountants' reports on the historical financial information included in the Prospectus.
B.11	Insufficient working capital	Not applicable; in the opinion of the Company, taking into account the debt facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

Section C—Securities		
Element	Disclosure requirement	Disclosure
C.1	Type of securities being Admitted to Trading and Identification Number	<p>When admitted to trading, the Ordinary Shares will be registered with ISIN GB00BH3VJ782, SEDOL BH3VJ78 and LEI 213800XVRNKWENNLKK60. It is expected that the Ordinary Shares will be traded on the London Stock Exchange under the ticker symbol “NETW”.</p> <p>The Ordinary Shares will, on Admission, comprise the entire issued and to be issued Ordinary Share capital of the Company.</p>
C.2	Currency of securities	British pounds sterling.
C.3	Issued share capital	At the date of this Prospectus, the aggregate nominal amount of the issued Ordinary Shares is GBP 50,000,000 divided into 500,000,000 Ordinary Shares of ten pence each, which are issued fully paid.
C.4	Rights attaching to the securities	<p>The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.</p> <p>Subject to the provisions of the Companies Act 2006, any equity securities issued by the Company for cash must first be offered to Shareholders in proportion to their holdings of Ordinary Shares. The Companies Act 2006 and Listing Rules allow for the disapplication of pre-emption rights which may be waived by a special resolution of the Shareholders, whether generally or specifically, for a maximum period not exceeding five years.</p> <p>On a show of hands, every holder of Ordinary Shares in the capital of the Company (each, a Shareholder) who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Ordinary Share.</p> <p>Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding-up in proportion to their Shareholdings.</p> <p>Except in relation to dividends which have been declared and rights on a liquidation of the Company, the Shareholders have no rights to share in the profits of the Company.</p>

Section C—Securities		
Element	Disclosure requirement	Disclosure
C.5	Restrictions on free transferability of the Ordinary Shares	Not applicable; the Ordinary Shares are freely transferable and there are no restrictions on transfer.
C.6	Admission	Application will be made for all the Ordinary Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities and admitted to the premium listing segment of the Official List. No application has or is currently intended to be made for the Ordinary Shares to be admitted to listing elsewhere or to be traded on any other exchange.
C.7	Dividend policy	The Group has a progressive dividend policy, targeting a pay-out of no less than 15 per cent. of Underlying Net Income in early years post-IPO. The Group expects the first dividend to be paid in the half year in 2020, in respect of the period of the 2019 financial year post-listing.

Section D—Risks		
Element	Disclosure requirement	Disclosure
D.1	Key information on the key risks that are specific to the Company or its industry	<p>The Group may face new competitive pressure from both non-traditional payments processors and other parties entering the payments industry. If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability. Any delay in the delivery of new services or the failure to differentiate the Group’s services or to accurately predict and address market demand could render its services less desirable to its clients, or possibly even obsolete.</p> <p>A number of the services that the Group expects to be a source of future growth are new and address markets that are not yet fully developed. If these markets do not develop as expected, the Group’s development efforts could result in increased costs that could reduce its profitability in addition to a loss of revenue if new products do not perform as expected.</p> <p>The Group competes with other providers of digital payments services, some of which have significant resources and are present in the markets in which the Group operates. It also faces potential competitive pressure from non-traditional payments processors and other market participants that have significant financial resources. Accordingly, these competitors may be able to offer more attractive pricing to the Group’s current and prospective clients or other services that it does not provide.</p> <p>The Group is responsible for the security of the information provided to it by certain third parties, including merchants, third-party service providers and other agents as well as its financial institution customers. The loss or misuse of merchant or cardholder data for which the Group is responsible could result in significant fines and sanctions by the payment schemes, its financial institution customers or merchant solutions customers and, if its failure also breaches applicable law, governmental bodies. A significant cyber security breach could also result in payment schemes or financial institutions</p>

Section D—Risks

Element	Disclosure requirement	Disclosure
		<p>prohibiting the Group from processing transactions on their networks. The Group could also incur significant compensation costs and reputational damage. The Group could also be subject to liability for claims relating to misuse of personal information, such as its use for unauthorised marketing purposes or in violation of data privacy laws.</p> <p>It is possible that the Local Sponsor Documentation could be unilaterally challenged before a UAE court. There can be no certainty as to the approach that the UAE courts would take in relation to the application of UAE law or policies to the Local Sponsor Documentation. There could be a number of adverse implications for the Group if any aspect of the Local Sponsor Documentation were to be successfully challenged. There is the further risk that the Local Sponsor or other counterparties may intentionally breach the terms of the Local Sponsor Documentation (including by seeking to unilaterally terminate or amend the terms of such arrangements). If the Group were required or elected to replace the Local Sponsor, there can be no assurance that the Group would be able to find a viable alternative. In any of the foregoing situations, the Group may lose the full benefit of, and/or control over, the operating businesses of Network International LLC and its wholly owned subsidiaries.</p> <p>The Group is subject to the credit risk that its merchant solutions customers will be unable to satisfy obligations for which it may also be liable, including as a result of chargebacks or breach of payment scheme rules. If the Group is unable to collect such amounts from the merchant’s account or reserve account (if applicable), or if the merchant refuses or is unable, due to closure, bankruptcy or other reasons, to reimburse the Group for a chargeback, the Group bears the loss for the amount of the refund paid to the cardholder.</p> <p>The Group is subject to macroeconomic conditions that affect consumer, business and government spending and growth in its markets. These and other adverse conditions may result in reduced digital payments volumes and card transactions. In addition, adverse changes in the economic environment could result in a higher rate of bankruptcy filings by the Group’s merchants, resulting in lower revenue, credit risk losses and consequential reduction in earnings for it.</p> <p>The Group is exposed to risks relating to its ability to manage ongoing changes to its technology systems. The Group’s technology platforms were designed to replace multiple elements of the previous technology platforms with two platforms—Network One for customers with more sophisticated requirements and Network Lite for customers with more standardised requirements. The Group’s current licence for its existing system will expire on 31 December 2019 and the Group is scheduled to complete the migration to Network One before that time. A delay in the completion of these or similar projects, including an unsuccessful migration, could result in interruption of service, create reputational or relational risks for the Group with its clients and adversely affect the Group’s ability to execute its strategy.</p> <p>The Group may experience software defects, undetected errors and development delays, which could damage customer relations, decrease its potential profitability and expose it to liability. The integrity, reliability and operational performance of the Group’s IT</p>

Section D—Risks

Element	Disclosure requirement	Disclosure
		<p>infrastructure and systems are critical to its operations. The Group’s systems and its third-party providers’ systems may fail due to a number of factors, including factors beyond its control, which could interrupt its service, cause it to lose business and increase its costs.</p> <p>A substantial portion of the Group’s revenue is dependent on its continued membership in international payment schemes. The Group could lose its principal membership status in these payment schemes for a variety of reasons, including as a result of a significant cyber security breach. The Group must comply with any changes to payment scheme rules within the required time-frame or risk being fined or otherwise penalised for violation. Any changes in payment scheme rules or standards or the way they are implemented could increase the Group’s cost of doing business or limit its ability to provide transaction processing or value added services to or through its customers and have a material adverse effect on its business, financial condition and results of operations.</p> <p>The Group’s services to the Emirates NBD Group (Emirates NBD) have accounted for a significant portion of its revenues since its establishment and although the share of the portion of revenues has been decreasing, it expects they will continue to represent a significant portion of its revenues for the foreseeable future. Emirates NBD provides certain shared services such as data hosting, network security and finance, as well as HR support, including payroll and employment visa processing in the UAE, under the Emirates NBD Master Services Agreement and the Master Transitional Services Agreement. The Group also relies on Emirates NBD and various other financial institutions to provide clearing services in connection with all of its settlement activities. There can be no assurance that the Group will be able to achieve market terms on such services when renegotiating its service contracts with Emirates NBD, particularly in circumstances in which no unrelated third parties are able to offer a comparable service. Accordingly, if the Group’s relationship with Emirates NBD were to be adversely impacted or cease, whether as a result of commercial factors or if Emirates NBD is acquired by a third party, it could place certain of the Group’s material contracts at risk, negatively impact its operational capability and decrease its revenue, which could have a material adverse effect on the Group’s business, financial condition and results of operations.</p> <p>The Group is influenced by regulation, and any new laws and regulations or industry standards, or revisions made to existing laws, regulations or industry standards, affecting the digital payments industry and other industries in which it operates may have an unfavourable impact on its business, financial condition and results of operations. Changes to applicable rules and regulations, or interpretation or enforcement thereof, even if not directed at the Group, may require significant efforts to change its systems and products and may require changes to how it prices its services to customers, adversely affecting its business. Even an inadvertent failure to comply with laws and regulations could damage the Group’s business or its reputation.</p> <p>The Group is subject to the risks of political, social and economic instability associated with the markets in which it operates and serves</p>

Section D—Risks		
Element	Disclosure requirement	Disclosure
		<p>its customers. The Group is headquartered in Dubai and all of its operations are in the MEA and its growth strategy is focused on this region. While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the MEA region are not. In particular, since early 2011 there have been increased political risks in a range of countries in the MEA region. A general downturn or instability in certain sectors of the Middle Eastern or African economies could have an adverse effect on the Company's business.</p>
D.2	Key information on the key risks that are specific to the Ordinary Shares	<p>Prior to Admission, there has been no public trading market for the Ordinary Shares. Although the Company has applied to the FCA for admission to the premium listing segment of the Official List and has applied to the London Stock Exchange for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, could be sustained following the closing of the Global Offering. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.</p> <p>Securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions could reduce the market price of the Ordinary Shares regardless of the Group's results of operations. The trading price of its Ordinary Shares is likely to be volatile and subject to wide price fluctuations in response to various factors.</p> <p>The issue or sale, as applicable, of a substantial number of Ordinary Shares by the Company or the Selling Shareholders in the public market after the lock up restrictions in the Underwriting Agreement and related arrangements expire (or are waived by the Joint Global Co-ordinators), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.</p> <p>The Group may seek to raise additional financing in the future through public or private debt or equity financings as part of its growth strategy or as a result of unanticipated changes to its regulatory or competitive environment. In particular, it may seek to raise additional financing to:</p> <ul style="list-style-type: none"> • take advantage of expansion or growth opportunities; • acquire, form joint ventures with or make investments in complementary businesses or technologies; • develop new products or services; or • respond to competitive pressures. <p>Any additional financing may not be available on favourable terms or at all or may be subject to covenants or other restrictions, which could adversely affect the Group's ability to pay dividends or its future plans and ability to execute its strategy. As a result, the Company's shareholders may suffer dilution in their percentage ownership or the price of the Ordinary Shares may be adversely affected.</p>

Section E—Offer		
Element	Disclosure requirement	Disclosure
E.1	Net proceeds and estimated expenses	<p>Through the sale of the Offer Shares pursuant to the Global Offering, the Company expects the Selling Shareholders to raise in aggregate, subject to the Offer Size, net proceeds of up to GBP 1,290 million (assuming that the Offer Price is set at the mid-point of the Price Range and no exercise of the Over-allotment Option). On that basis, the aggregate underwriting commissions, expenses and any potential discretionary fee payable by the Selling Shareholders are estimated to be up to approximately GBP 30 million.</p> <p>The aggregate expenses of, or incidental to, Admission and the Global Offering to be borne by the Company are estimated to be approximately USD 15 million.</p> <p>No expenses will be charged to investors in connection with Admission or the Global Offering by the Company or the Selling Shareholders.</p>
E.2a	Reasons for the Global Offering, use of proceeds and estimated amount of proceeds	<p>The Global Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of their shareholding, while providing increased trading liquidity in the Ordinary Shares and raising the Group's international profile.</p>
E.3	Terms and conditions of the Global Offering	<p>Under the Global Offering, the Offer Shares are being sold: (a) in the United States to qualified institutional buyers (each a QIB) as defined in, and in reliance on, Rule 144A (Rule 144A) under the US Securities Act of 1933 (the Securities Act); and (b) outside the United States to institutional investors in reliance on Regulation S (Regulation S) under the Securities Act. None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this Prospectus nor any other offering material in relation to the Ordinary Shares may be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.</p> <p>The Global Offering comprises an offer of Ordinary Shares to be sold by the Selling Shareholders. In addition, further Ordinary Shares, representing 15 per cent. of the total number of Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares), are being made available by the Selling Shareholders (the Over-allotment Shareholders) pursuant to the Over-allotment Option. It is currently expected that the Offer Price will be within the Offer Price Range and the Offer Size will be within the Offer Size Range. The Offer Price Range is between GBP 3.95 and GBP 4.65 and the Offer Size Range is between 174,524,932 and 337,450,000 Ordinary Shares. The Offer Size Range has been determined to take into account, at a minimum, the minimum free float requirements of the FCA. The final Offer Price, the final number of Offer Shares, and the final maximum number of Over-allotment Shares will be determined following publication of this Prospectus, and is expected to be announced on or about 11 April 2019 and published in the Pricing Statement. A number of factors will be considered when setting the Offer Price and the Offer Size, including the level and nature of demand for Ordinary Shares and the objective of encouraging the development of an orderly after-market in the Ordinary Shares.</p>

Section E—Offer		
Element	Disclosure requirement	Disclosure
		<p>If the Offer Price is set above the Price Range (or the Price Range is revised higher), or the number of Offer Shares to be sold by the Selling Shareholders is set above the Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective equity investors would have a statutory right to withdraw their application for Offer Shares pursuant to section 87Q of FSMA.</p> <p>In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to subscribe for or purchase Offer Shares would be made clear in the accompanying announcement.</p> <p>The Over-allotment Option may be exercised, in whole or in part, at any time during the period commencing with the date of commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange and ending 30 calendar days thereafter.</p> <p>The Company, the Selling Shareholders, the directors of the Company (the Directors), Citigroup, Morgan Stanley, J.P. Morgan, Barclays, Goldman Sachs, Liberum and ENBD Capital PSC (together, the Underwriters) and ENBD Capital Ltd have entered into an underwriting agreement (the Underwriting Agreement) pursuant to which, on the terms and subject to certain conditions contained in the Underwriting Agreement which are customary in agreements of this nature, the Joint Bookrunners and Co-Lead Manager have severally agreed to use their reasonable endeavours to procure purchasers of the Offer Shares under the offer (excluding the Cornerstone Shares or, failing which, the Underwriters have agreed to purchase themselves the Offer Shares under the offer (excluding the Cornerstone Shares)). Allocations under the offer will be determined at the discretion of the Company and the Selling Shareholders (following consultation with the Joint Global Coordinators) after indications of interest from prospective investors have been received. The Underwriting Agreement provides for the Banks to be paid commissions based on the overall proceeds of the Global Offering excluding any proceeds resulting from the sale of Ordinary Shares to the Cornerstone Investor. The Company, the Selling Shareholders and the Directors have given the Banks certain customary representations, warranties and undertakings and additionally, in the case of the Company, indemnities.</p> <p>The Global Offering is conditional upon admission of the Ordinary Shares to the premium listing segment of the Official List maintained by the UK Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities (Admission), determination of the Offer Price and the Offer Size (and, accordingly, the execution of the Pricing Agreement) and the underwriting agreement becoming unconditional in all respects and not having been terminated in accordance with its terms.</p> <p>It is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange at 8:00 am (London time) on 11 April 2019. The earliest date for settlement of such dealings will be 16 April 2019. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a</p>

Section E—Offer		
Element	Disclosure requirement	Disclosure
		<p>“when issued basis”, will be of no effect if Admission does not take place, and will be at the sole risk of the parties concerned.</p> <p>Admission is expected to become effective, and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange, at 8:00 am (London time) on 16 April 2019.</p> <p>Mastercard Asia/Pacific Pte. Ltd. (Mastercard), the Selling Shareholders and the Company entered into a cornerstone investment agreement on 25 March 2019 (the Cornerstone Agreement), pursuant to which Mastercard has agreed to invest USD 300 million in the Company by acquiring from the Selling Shareholders such number of Offer Shares in the Global Offering at the Offer Price as is calculated by dividing the sterling equivalent of USD 300 million (determined immediately prior to pricing) by the Offer Price. If the number of Offer Shares which would otherwise be acquired is greater than 9.99 per cent. of the Company’s issued share capital upon Admission, the Selling Shareholders may, in their discretion, reduce the number of Offer Shares to be acquired by Mastercard to that number of shares which is equal to 9.99 per cent. of the Company’s issued share capital.</p> <p>Mastercard’s obligation to purchase Offer Shares is conditional upon, among other things: (i) the Offer Price being within or below the Offer Price Range; (ii) the Underwriting Agreement having become unconditional in accordance with its terms and not having been terminated; (iii) achieving a minimum free float of 25 per cent. (for the purposes of Listing Rule 6.14) at Admission; and (iv) Admission. The Cornerstone Agreement may be terminated, among other things, if there is any material inaccuracy in or material omission from this prospectus which is materially adverse to Mastercard or if there is a breach of certain key warranties.</p> <p>Pursuant to the Cornerstone Agreement, Mastercard and the Company have agreed to work together in good faith to implement certain strategic commercial arrangements and to execute definitive agreements with respect to such arrangements.</p>
E.4	Material interests to the Global Offering, including conflicting interests	<p>In connection with the Global Offering, the Banks and any of their respective affiliates, acting as investors for their own accounts, may purchase Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in Ordinary Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. In addition, certain of the Banks or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares.</p> <p>In addition, the Margin Loan Facilities have been made available to WP/GA by the Margin Loan Lenders. In the event of Admission, the security to be granted by WP/GA in favour of the Margin Loan Lenders in connection with the Margin Loan Facilities will represent some or all of the Ordinary Shares that WP/GA will hold at Admission.</p> <p>Emirates NBD Capital Limited, which is acting as a Joint Global Coordinator and Joint Bookrunner on the Global Offering, is an</p>

Section E—Offer		
Element	Disclosure requirement	Disclosure
		<p>affiliated entity of Emirates NBD Bank PJSC, one of the Selling Shareholders, Emirates NBD Capital PSC, which is acting as Underwriter on the Global Offering, is a wholly owned subsidiary of Emirates NBD Bank PJSC.</p> <p>Other than as disclosed above and in B.6, there are no other interests including conflicting interests that are material to the Global Offering.</p>
E.5	Offerors and any lock-up arrangement	<p>The Selling Shareholders are expected to sell such number of Ordinary Shares as will be announced following determination of the final Offer Price and Offer Size Range pursuant to the Global Offering. In addition, a number of Ordinary Shares representing up to 15 per cent. of the Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares) are being made available by the Over-allotment Shareholders pursuant to the Over-allotment Option.</p> <p>The Selling Shareholders have agreed that from the date of the Underwriting Agreement until the date falling 180 days from the date of Admission, they will not, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing. The lock-up period is subject to certain customary exceptions including, among others, (a) granting of any security, pledges or charges (a Security Interest) over, or in relation to, or assigning any rights in relation to, the Ordinary Shares to or for the benefit of one or more finance providers (a Margin Loan Lender) in connection with any facility granted to the Selling Shareholder (a Margin Loan Facility), (b) transferring, or disposing of, any Ordinary Shares pursuant to any enforcement of any Security Interest over, or in relation to, the Ordinary Shares granted to or for the benefit of a Margin Loan Lender in connection with any Margin Loan Facility, or (c) in the case of WP/GA, transferring Ordinary Shares to or for the benefit of certain of its indirect shareholders, in each such case provided that, prior to the transfer, the relevant transferee enters a deed of adherence, thereby agreeing to be bound by the same lock-up conditions. WP/GA may effect the transfer referred to in (c) (and will make all announcements required under the Disclosure and Transparency Requirements in connection with it) shortly following Admission.</p> <p>The Directors have agreed that, subject to customary exceptions, from the date of the Underwriting Agreement until the date falling 365 days from the date of Admission, they will not, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to,</p>

Section E—Offer		
Element	Disclosure requirement	Disclosure
		<p>Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing.</p> <p>The Company has agreed that, subject to customary exceptions, during the period of 180 days from the date of Admission, neither it nor any member of the Group will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing.</p> <p>The Cornerstone Investor has agreed, subject to customary exceptions, during the period of two years from the date of Admission, to a lock up of the shares acquired by it in the Global Offering.</p>
E.6	Dilution resulting from the Global Offering	Not applicable; as the Global Offering only comprises existing Ordinary Shares, existing Shareholders will not experience any dilution as a result of the Global Offering.
E.7	Estimated expenses charged to investors by the Company	Not applicable; there are no commissions, fees or expenses to be charged to investor by the Company or the Selling Shareholders under the Global Offering.

RISK FACTORS

Investing in and holding the Ordinary Shares involves financial risk. Prospective investors in the Ordinary Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Group and the Ordinary Shares which should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, the Group's business, financial condition, results of operations, prospects or the price of the Ordinary Shares could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Group and the Ordinary Shares. Additional risks and uncertainties not currently known to us or which the Group currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Group's business, results of operations, financial condition, prospects or the price of the Ordinary Shares.

Risks related to the Group's business, corporate structure and industry

If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability

The Group may face new competitive pressure from both non-traditional payments processors and other parties entering the payments industry, such as PayPal, Google, Apple, WeChat, Alibaba/Alipay, M-Pesa and Amazon, and in some cases payment schemes that are launching competing products. Although the Group currently works with some of these parties, these companies have significant financial resources, consumer awareness and scale and may introduce new products and services and may compete in one or more of the functions performed in processing digital payments transactions or otherwise disrupt the current payments processing value chain. In addition, payment schemes' ability to modify and enhance their rules at their sole discretion may provide them with an advantage in selling or developing their own services that may compete directly or indirectly with the Group's services. If these companies gain a greater share of total digital payments transactions or if the Group is unable to successfully react to changes in the industry spurred by the entry of these new market participants, it could have a material adverse effect on its business, financial condition and results of operations.

In addition to non-traditional payments processors, the digital payments market in which the Group operates is characterised by rapid technological change, new product and service introductions, including e-commerce services, mobile payments applications, alternative payments systems, pre-paid services, evolving industry standards, changing consumer needs and the entrance of non-traditional competitors. In order to remain competitive in this rapidly evolving market, the Group regularly initiates a number of projects to develop new and innovative services, such as N-Genius POS, N-Genius Online Gateway and QR payments, or integrates services into its platforms including, for example the Falcon Fraud Solution. These projects carry the risks associated with any development effort, including cost overruns, delays in delivery, performance problems and lack of market acceptance of new or innovated services. Any delay in the delivery of new services or the failure to differentiate the Group's services or to accurately predict and address market demand could render its services less desirable to its clients, or possibly even obsolete. The Group may also face difficulties in installing or integrating its new or innovated services on the platforms used by its customers or maintaining these services at the required level on an ongoing basis. Further, as the market for alternative payments processing products and services evolves, it may develop too rapidly or not rapidly enough for the Group to recover the costs it has incurred in developing new products and services.

In addition, the new or innovated services the Group develops are designed to process complex transactions and provide information on those transactions, all at very high volumes and processing speeds. Any failure to deliver an effective and secure service, or any performance issue that arises with a new or innovated product or service, could result in significant processing or reporting errors or other losses. Because of these factors, the Group's development efforts could result in increased costs that could reduce its profitability in addition to a loss of revenue if promised new products are not delivered in a timely manner or do not perform as anticipated.

Further, a number of the services that the Group expects to be a source of future growth (such as the development of the African payments market and growth in Saudi Arabia) are new and address markets that are not yet fully developed. The Group cannot be certain that these markets will develop as expected, that its new products or services will secure wide client or consumer acceptance or be consistent with developing industry-wide standards, that it will succeed in gaining a significant market share in these new markets or that the Group will fully recover the investments it has made to develop such products and services. For example, although e-commerce and engagement with mobile money are important elements of the Group's strategy, it cannot

make any assurances that such markets or the Group's services in these markets will develop as quickly or as successfully as currently expected. Moreover, if the Group fails to introduce products or services on a timely basis, this could also impact the Group's competitive position. If these markets do not develop as expected, the Group's development efforts could result in increased costs that could reduce its profitability in addition to a loss of revenue if new products do not perform as expected. If any of the above were to occur, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The digital payments industry is highly competitive, and the Group competes with certain firms that are larger and that have greater financial resources than it does

The digital payments industry is highly competitive. The Group competes with other providers of digital payments services, some of which have significant resources and are present in the markets in which the Group operates. It also faces potential competitive pressure from non-traditional payments processors and other market participants that have significant financial resources. Such competition could adversely affect the transaction fees and other fees the Group receives from merchants and financial institutions.

The Group competes in a relatively fragmented market, with a range of global, regional and country-specific competitors. The Group's principal merchant solutions competitors in the Middle East include regional players such as First Abu Dhabi Bank, Mashreq Bank, and Middle East Payment Services (MEPS) and country-specific players, as well as insourced operations at financial institutions. The Group's principal issuer solutions competitors in the Middle East also include global players such as FIS, TSYS and First Data, regional players such as S2M CSC, HPS and MEPS and country-specific players, as well as insourced operations at financial institutions. The Group's principal merchant solutions competitors in Africa include players such as Interswitch, FIS and the insourcing capabilities of both pan-African and regional African banks, while its issuer solutions competitors include players such as Interswitch, FIS, HPS, S2M, CSC and the insourcing capabilities of regional African banks, as well as country-specific players. For example, the Group lost a small contract with a South African retailer due to a broader re-platforming programme. In addition, the competition faced by the Group may increase as a result of consolidation within the industry. For example, in March 2019, FIS announced its intention to acquire Worldpay. See "*Industry Overview—Overview of Competition Dynamics*". With respect to the Group's issuer solutions, in addition to competition with other third-party payments processing companies, it also competes with the capabilities of many larger potential clients who can conduct their key payments processing applications in-house.

The Group may face new competitive pressure from both non-traditional payments processors and other parties entering the payments industry. See "*—If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability*" above.

Certain of the Group's competitors may have substantially greater financial, technological and marketing resources than it does or, in the case of certain markets, greater local knowledge and presence. In addition, its competitors that are financial institutions or are affiliated with financial institutions may not incur the costs it incurs for registration with certain payment schemes. Accordingly, these competitors may be able to offer more attractive pricing to the Group's current and prospective clients or other services that it does not provide. Competition could result in a loss of existing clients, and greater difficulty attracting new clients, particularly because of potential disadvantages associated with switching payments processing vendors, such as transition costs, business disruption and loss of accustomed functionality. Furthermore, if competition causes the Group to reduce the fees it charges in order to attract or retain clients, there is no assurance it can successfully control its costs in order to maintain its profit margins. One or more of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Real or perceived data breaches and unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise, could expose the Group to liability, protracted and costly litigation and damage its reputation

Under scheme rules and other regulations (which the Group refers to as **payment scheme rules**) as well as its agreements with its issuer clients, the Group is responsible for the security of the information provided to it by certain third parties, including merchants, third-party service providers and other agents (all of which the Group refer to as **associated participants**) as well as its financial institution customers. The Group requires this data in order to approve merchant and card accounts, process transactions and to help prevent fraud, all of which are fundamental to its business. This information includes confidential data such as names, addresses, credit or debit card numbers and bank account numbers. The Group processes the information and delivers its products and services through computer networks and telecommunications services operated by the Group and its

associated participants. The Group has ultimate liability to the payment schemes and their member financial institutions in its merchant solutions business and to its financial institution customers in its issuer solutions business for its failure and for the failure of its associated participants to protect this data in accordance with payment scheme and financial institution requirements. The loss or misuse of merchant or cardholder data by the Group or its associated participants could result in significant fines and sanctions by the payment schemes, its financial institution customers or merchant solutions customers and, if its failure also breaches applicable law, governmental bodies. A significant cyber security breach could also result in payment schemes or financial institutions prohibiting the Group from processing transactions on their networks, either temporarily or for a longer period of time or the loss of its financial institution sponsorship that facilitates its participation in certain payment schemes. In the event of a breach, the Group could also incur significant compensation costs and reputational damage. All of these factors would have a material adverse effect on the Group's business, financial condition and results of operations.

These concerns about security are increased when the Group transmits information over the internet. The techniques used by hackers and other cyber criminals to obtain unauthorised access, disable or degrade service or sabotage systems change frequently and are often difficult to detect. There is a risk that the Group may experience more frequent or more sophisticated such attacks in the future.

Moreover, although the Group has not been subject to any material breaches from any attacks to date, it and its associated participants could be subject to material breaches of security in the future. In such circumstances, the Group's encryption of data and other protective measures may not prevent unauthorised access, service disruption or system sabotage. Moreover, its associated participants may also have insufficient or ineffective protective measures over which it has no control. Although the Group has not incurred material losses or liabilities as a result of security breaches which its associated participants have experienced, any future breach of its system or that of an associated participant could be material and harm its reputation, deter clients and potential clients from using its services, increase its operating expenses, expose it to uninsured losses or other liabilities, disrupt its operations (including potential service disruptions), distract its management, increase its risk of regulatory scrutiny, subject it to lawsuits, result in material penalties and fines under applicable laws or by the payment schemes or its financial institution customers, and adversely affect its continued payment scheme registration and financial institution relationships.

The Group could also be subject to liability for claims relating to misuse of personal information, such as its use for unauthorised marketing purposes or in violation of data privacy laws. The Group generally requires that its agreements with third parties who have access to merchant and customer data include confidentiality obligations and minimum security system specifications, such as compliance with best practices like ISO 27001 and PCI-DSS, but it cannot be certain that these contractual requirements are always followed or that they will always prevent the unauthorised use or disclosure of data. In addition, the Group has agreed in certain agreements to take certain protective measures in its systems, including ensuring the confidentiality of merchant and consumer data, such as compliance with PCI-DSS, ISO 27001, PCI PIN security and other industry standards. The costs of systems and procedures associated with such protective measures may increase and could adversely affect the Group's ability to compete effectively. Any failure to adequately enforce or provide these protective measures could result in liability, protracted and costly litigation and, with respect to misuse of personal information of the Group's merchants and consumers, loss of clients and reputational harm.

The Group cannot make any assurances that its systems or arrangements with associated participants or other third parties will prevent the unauthorised use or disclosure of data or that it would be reimbursed by associated participants or other third parties in the event of any unauthorised use or disclosure of data by them. Any such unauthorised use or disclosure of data could result in protracted and costly litigation, which could have a material adverse effect on the Group's business, financial condition and results of operations. See also "*The Group derives a material portion of its revenue from services provided to Emirates NBD and also relies on Emirates NBD for certain shared services*" below.

The Group is also vulnerable to systems failure and software defects which could impact its ability to ensure the security or integrity of the information provided to it. See "*The Group may experience software defects, undetected errors and development delays, which could damage customer relations, decrease its potential profitability and expose it to liability*" and "*The Group's systems and its third-party providers' systems may fail due to a number of factors, including factors beyond its control, which could interrupt its service, cause it to lose business and increase its costs*" below.

The Local Sponsor Documentation may be subject to challenge under UAE law

The laws of the UAE contain local ownership requirements which provide that a UAE company, such as Network International LLC and Network International LLC's UAE incorporated subsidiaries, must be majority (i.e. 51 per cent. or greater) owned by UAE nationals or UAE entities wholly owned by UAE nationals. The Company is not considered a UAE national for these purposes.

With respect to Network International LLC's business, to which the UAE Ownership Requirement applies (which, together with Network International LLC's subsidiaries, collectively accounted for 62 per cent. of the Group's revenues for the year 2018), a corporate structure has been implemented pursuant to which 49 per cent. of Network International LLC's outstanding share capital is owned indirectly by the Company and the remaining 51 per cent. of its outstanding share capital is owned by the Local Sponsor.

In order to protect the Group's interests and ensure that the Group has the full benefit of, and control over, the operating business of Network International LLC and its wholly owned subsidiaries, the Group has put in place the Local Sponsor Documentation with the Local Sponsor and the Local Sponsor's Shareholder.

Whilst there are no judicial precedents to this effect, it is possible that the Local Sponsor Documentation could be unilaterally challenged before a UAE court on the basis of UAE Federal Law no. 17 of 2004 in respect of Commercial Concealment (the **Concealment Law**) or other general public policy related provisions under other UAE legislation, and that a UAE court could decide that the Local Sponsor Documentation is in breach of the Concealment Law or otherwise in violation of public policy, morals or other UAE law.

The prevailing view amongst legal practitioners in the UAE is that the restrictions under the Concealment Law only apply to activities which are strictly reserved for UAE nationals and/or entities wholly owned by UAE nationals under UAE law and licensing requirements, and do not apply to sponsor arrangements in respect of entities subject to the UAE Ownership Requirement if the activities conducted by such entities (including the activities carried on by Network International LLC and its subsidiaries in the UAE) are not strictly reserved for UAE nationals and/or entities wholly owned by UAE nationals.

As at the date of this Prospectus, to the Group's knowledge, the provisions of the Concealment Law have not been enforced against any UAE company, nor is the Group aware of such arrangements having been unilaterally or in any other manner challenged, by the Government of the UAE or any Emirate thereof. However, there can be no certainty as to the approach that the UAE courts would take in the event of any enforcement action being taken in relation to the application of the Concealment Law or other laws or policies to the Local Sponsor Documentation. For example, the Group cannot be certain that the enactment of UAE Federal Law no. 19 of 2018 in respect of Foreign Direct Investment (the **FDI Law**) will not lead to the UAE Courts and/or the UAE authorities being more inclined to apply the Concealment Law to the Local Sponsor Documentation if the Group is not eligible for licensing under the FDI Law. Given that the activity of "payment systems" is listed in the FDI Law as an activity which will not be eligible for licensing under the FDI Law (unless otherwise resolved by the UAE Cabinet), whilst there is no definition of "payment systems" under the FDI Law, there is a risk that the Group's activities may be deemed to include "payment systems" and may therefore not be eligible for licensing under the FDI Law. In such circumstances, the Company will continue to rely on the Local Sponsor Documentation, with the risk (as described above) that such Local Sponsor Documentation may be subject to challenge. See "*The Group's Corporate Structure—Ownership Requirements in the UAE—The FDI Law*".

There could be a number of adverse implications for the Group if any aspect of the Local Sponsor Documentation were to be successfully challenged in respect of Network International LLC and its subsidiaries, including, among others:

- the Local Sponsor Documentation being deemed void, which would result in:
 - the loss of the right to claim the full economic benefit of the operating businesses of Network International LLC and its wholly owned subsidiaries;
 - the loss of the right to maintain full and sole management control over Network International LLC and its subsidiaries;
 - the loss of the right to acquire the shares held by the Local Sponsor in Network International LLC or to require the shares held by the Local Sponsor in Network International LLC to be transferred to a third party;

- the loss of the right to acquire the shares held by the Local Sponsor's Shareholder in the Local Sponsor or to require the shares held by the Local Sponsor's Shareholder in the Local Sponsor to be transferred to a third party;
- the loss of the Group's right to be appointed as a proxy for the Local Sponsor and the Local Sponsor's Shareholder during shareholder meetings of Network International LLC and the Local Sponsor respectively, which would result in the Group losing control over the Local Sponsor's shares in Network International LLC and the Local Sponsor's Shareholder's shares in the Local Sponsor; and/or
- the loss of the right to prevent the Local Sponsor and the Local Sponsor's Shareholder from selling or transferring their shares in Network International LLC and the Local Sponsor respectively;
- the suspension of operating licences of Network International LLC and its UAE subsidiaries by the UAE authorities (which could require the Group to close, liquidate or suspend the operations of Network International LLC, the affected subsidiaries and related activities carried out by them);
- the Group having to adopt an alternative ownership or operating structure that could be disadvantageous to the Company and the affected subsidiaries; or
- the imposition of material fines.

While the Group is not aware of arrangements such as those under the Local Sponsor Documentation ever having been successfully challenged in the Dubai Courts (being the most likely courts in the UAE which would have jurisdiction to hear any disputes concerning the Local Sponsor Documentation) and believes that it is unlikely that such courts would give a broad application of the Concealment Law, as this would likely have a severe adverse effect on foreign investment in the UAE, the possibility of a successful claim cannot be completely excluded. The occurrence of one or more such events could have a material adverse effect on the Group's business and financial condition, results of operations.

The Group is subject to counterparty risks associated with its ownership structure in the UAE

While the Company is not aware of any circumstances in which the Local Sponsor or the Local Sponsor's Shareholder would wish to do so, there is a risk that the Local Sponsor or the Local Sponsor's Shareholder may intentionally breach the terms of the Local Sponsor Documentation (including by seeking to unilaterally terminate or amend the terms of such arrangements). In addition, the power of attorney granted to Network International Holding 1 Limited (a wholly owned subsidiary of the Company) to exercise the Local Sponsor's rights in relation to Network International LLC, although expressed as irrevocable, could also be unilaterally revoked by the Local Sponsor, thereby potentially hindering the Company's authority to exercise the Local Sponsor's rights on its behalf. In any of the foregoing situations, the Group may lose the full benefit of, and/or control over, the operating businesses of Network International LLC and its wholly owned subsidiaries, which would have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may face difficulties if it chooses, or is required, to replace the Local Sponsor

If the Group were required or elected to replace the Local Sponsor, or were the Local Sponsor to cease to be held 100 per cent. by UAE nationals, the Group would have to find another entity or individual to which it could transfer the interests of the Local Sponsor. Although there are a number of service providers in the UAE offering local sponsor services and, through its years of operation in the UAE, Network International LLC has long-standing relationships with prominent UAE nationals, there can be no assurance that the Group would be able to find a viable alternative, which could have a material adverse effect on the Group's ability to continue to hold its indirect interest in and/or maintain control over the operating businesses of Network International LLC and its wholly owned subsidiaries. This could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to the credit risk that its merchant solutions customers will be unable to satisfy obligations for which it may also be liable

The Group is subject to the credit risk that its merchant solutions customers will be unable to satisfy obligations for which it may also be liable, including as a result of chargebacks or breach of payment scheme rules. In the event that a dispute between a cardholder and a merchant (whether because the cardholder did not receive the goods or services, or felt that the goods or services were not fit for purpose, or because a fraudulent transaction was made using the cardholder's card or card details) is not resolved in favour of the merchant, the transaction is normally "charged back" to the merchant and the purchase price is credited or otherwise refunded

to the cardholder. If the Group is unable to collect such amounts from the merchant's account or reserve account (if applicable), or if the merchant refuses or is unable, due to closure, bankruptcy or other reasons, to reimburse the Group for a chargeback, the Group bears the loss for the amount of the refund paid to the cardholder. The Group's risk of chargebacks is typically greater with those merchants that promise future delivery of goods and services (such as airlines and tour companies) rather than delivering goods or rendering services at the time of payment. In addition, the Group's associated participants are also liable for any fines or penalties that may be assessed by the payment schemes. In the event that the Group is not able to collect such amounts from its merchants or associated participants, due to insolvency, bankruptcy or any other reason, it is generally liable for any such charges. While the Group has historically experienced very low losses from chargebacks (with losses for the last three years of 0.01 per cent. of TPV), and notwithstanding the Group's procedures for acceptance of new merchants and screening for credit risk, it is possible that a default on such obligations by one or more of its merchants could have a material adverse effect on its business, financial condition and results of operations.

The Group may fail to successfully execute its strategy, including expanding its share of its existing digital payments markets, developing new capabilities and expanding into new geographies in the MEA region

The Group's future growth and profitability depend upon the growth of the markets in which it currently operates, the future expansion of those markets, its ability to develop new products and services that are commercially successful and its ability to increase its penetration and service offerings within these markets, as well as the emergence of new markets for its services and its ability to penetrate these new markets. It may be difficult to attract new clients because of potential disadvantages associated with switching payments processing vendors, such as transition costs, business disruption and loss of accustomed functionality. The Group seeks to overcome these factors by making investments to enhance the functionality of its software and differentiate its services. However, there can be no assurance that its efforts will be successful, and this resistance may adversely affect its growth. In particular, the Group's growth strategy in the MEA region will depend on its ability to expand across the merchant acquiring and payments value chain and successfully cross-sell existing and new products to current and future customers, all of which is subject to uncertainty. Moreover, as the Group pursues further expansion into Africa, including into certain markets in which it has limited or no operating experience and faces additional cultural and language challenges, the Group cannot assure you that it will be able to successfully expand in any such markets due to the competition it expects to face from incumbent providers, including, in particular, larger pan-African banks with extensive cross-border operations, its relative lack of experience in new markets and the multitude of risks associated with global operations, including political uncertainty and potential lack of appropriate regulatory approval. The Group's expansion into new product markets is also dependent upon its ability to adapt its existing technology and offerings and to develop new or innovative applications to meet the particular service needs of each new market.

In particular, the Group's growth strategy is subject to the general risks of investing in emerging markets as further described below under "*—Risk factors relating to the Middle East and Africa—The Group is subject to the risks of political, social and economic instability associated with the markets in which it operates and serves its customers*" and "*—Risk factors relating to the Middle East and Africa—Investments in emerging markets are subject to greater risks than those in more developed markets*" below. Accordingly, the Group's business, prospects, financial condition and results of operations may be adversely affected by changes in the economic and social conditions, political structure, legal or regulatory environment in the countries in which it operates. In particular, operations in financial services, including payments, may be subject to additional risks including money laundering, bribery and corruption and terrorist financing. Although these risks are not unique to the Group, expanding its business operations into emerging markets is inherently more challenging than expanding in developed markets, and the Group's business may be more volatile than businesses in more developed markets. In order to effectively implement its growth strategy, the Group will need to anticipate and react to market changes and devote appropriate financial and technical resources to its development efforts, including understanding the specific challenges of its MEA target markets, and there can be no assurance that it will have the necessary financial or technical resources or be successful in these efforts.

Finally, the Group's strategy involves expanding into new and existing digital payments markets, including through organic growth and strategic transactions. The success of the strategic transactions strategy depends on the ability of the Group to identify suitable targets, to accurately assess the value, strengths, weaknesses, contingent or other liabilities and potential profitability of such transactions, negotiate acceptable terms and to successfully integrate such businesses. There can be no assurance that the Group will be able to identify and to execute future strategic transactions on appropriate terms and at an acceptable cost. If the Group is unable to successfully expand into these markets, including due to local or international competitors, regulatory

restrictions or requirements, technological limitations or otherwise, it may not be able to successfully implement its growth strategy.

The Company's strategic partner arrangement with Mastercard limits its ability to enter into similar arrangements with other international payment schemes, such as Visa and American Express, which could result in more limited opportunities for strategic partnerships in the future

Under the terms of the cornerstone investment agreement entered into between Mastercard Asia/Pacific Pte. Ltd. (**Mastercard**), the Selling Shareholders and the Company on 25 March 2019 (the **Cornerstone Agreement**), the Company and Mastercard have agreed to work together in good faith to implement certain strategic commercial arrangements, and to execute definitive agreements with respect to such arrangements. While the Company retains its ability to enter into commercial arrangements with other payment schemes in the ordinary course of business and continues to be able to offer other payment schemes to customers based on their preferences, the arrangements include the Company's commitment to position Mastercard as a preferred scheme partner to prospective issuing customers. They also include Mastercard's commitment to steer acquiring processing customers to the Company to increase the adoption of card and digital payments. See "*Additional Information—Material Contracts—Cornerstone Investment Agreement*" for further details of the Cornerstone Agreement and the scope of the commercial arrangements. The Cornerstone Agreement provides that the Company shall not enter into a similar strategic partner arrangement with any competing international payment scheme during the term of the commercial agreements or for so long as Mastercard holds at least 70 per cent. of the shares acquired by it from the Selling Shareholders in the Global Offering. Although Management believes such arrangements are in the Group's best interests, such restrictions could potentially have an adverse effect on the Group's business and future prospects if such initiatives are not successful, they may limit or affect the Group's ability to enter into similar strategic partnerships with competing payments schemes and / or they may otherwise limit the Group's ability to pursue similar opportunities with other payments schemes in the future. Moreover, there can be no assurance that the Company and Mastercard will be able to agree the terms of the proposed commercial arrangements, which may have a material adverse effect on the Group's future prospects and its strategy.

After the Global Offering, the Group's existing shareholders will continue to be able to exercise significant influence over it, its management and its operations

As at the date of this Prospectus, the Group's existing shareholders hold, directly and indirectly, 100 per cent. of its issued share capital. Immediately following the Global Offering, and assuming that the Offer Size is at the mid-point of the Offer Size Range, no exercise of the Over-allotment Option, and that Mastercard acquires 9.99 per cent. of the Ordinary Shares, Emirates NBD will hold, directly and indirectly, 26.78 per cent., and WP/GA Dubai IV B.V. (**WP/GA**) will hold, directly 25.73 per cent. of the Ordinary Shares. As a result, these shareholders individually or together will be able to exercise influence over the Group's management and operations and over its shareholders' meetings, such as in relation to the payment of dividends, substantial mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to its Board of Directors (the **Board**) and other matters. The Group cannot assure you that the interests of its existing shareholders will coincide with the interests of purchasers of the Ordinary Shares.

The Company entered into the Relationship Agreements with Emirates NBD Bank PJSC (**ENBD**) on 1 April 2019 and WP/GA on 1 April 2019. The Relationship Agreements have been entered into to ensure that the Company is capable at all times of carrying on its business independently of its controlling shareholders (as defined in the Listing Rules) and their associates. In particular, the Relationship Agreement contains undertakings from each of ENBD and WP/GA to, among other things: (i) conduct all transactions and arrangements with any member of the Group at arm's length and on normal commercial terms; (ii) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and (iii) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. The Relationship Agreements are not subject to any additional penalty or indemnity clauses. See "*Additional Information—Material contracts—Relationship Agreements with ENBD and WP/GA*" for a more detailed description of the Relationship Agreements.

Furthermore, the Group's existing shareholders' significant ownership may:

- delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company);

- deprive shareholders of an opportunity to receive a premium for their Ordinary Shares as part of a sale of the Company; and
- affect the liquidity of the Ordinary Shares,

each of which could have a material adverse effect on the market price of the Ordinary Shares.

In addition, WP/GA (as borrower) on 15 March 2019 entered into a binding commitment with Barclays Bank PLC and Goldman Sachs International (with Goldman Sachs International having the right to procure that one of its affiliates performs its obligations under the binding commitment) (as original lenders) (the **Margin Loan Lenders**) under which the Margin Loan Lenders agree, in the event of Admission, and subject to the satisfaction of certain conditions, to make available to WP/GA, two margin loan facilities up to a maximum aggregate principal amount of the GBP equivalent of USD 300 million (the **Margin Loan Facilities** and each a **Margin Loan Facility**). In the event of Admission, the security to be granted by WP/GA in favour of the Margin Loan Lenders in connection with the Margin Loan Facilities will represent some or all of the Ordinary Shares that WP/GA will hold at Admission. Any enforcement of this security by the Margin Loan Lenders following Admission could have a significant impact on the Company's ordinary shareholding structure. The enforcement of security, in whole or in part, by the Margin Loan Lenders would reduce WP/GA's ordinary shareholding in the Company's share capital. The participation in the Margin Loan Facilities by Barclays Bank PLC and Goldman Sachs International (with Goldman Sachs International having the right to procure that one of its affiliates performs its obligations under the binding commitment) will be 50 per cent. and 50 per cent., respectively. In certain circumstances (in particular, if in the event of Admission, the security comprises Ordinary Shares that represent 30 per cent. or more of the ordinary share capital of the Company at that time), the enforcement of that security may trigger an obligation on the relevant Margin Loan Lenders to make a mandatory offer pursuant to Rule 9 of the City Code. Rule 9.1 of the City Code states that, except with the consent of the Takeover Panel, when any person, together with any concert parties, is interested in shares which carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any concert party, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person shall make a mandatory cash offer for such company. However, the City Code also provides that, where shares are charged as security for a loan and, as a result of enforcement, the lender would otherwise incur an obligation to make a mandatory cash offer, the Takeover Panel will not normally require such an offer if sufficient interests in shares are disposed of within a limited period to persons unconnected with the lender, so that the percentage of shares carrying voting rights in which the lender, together with any persons acting in concert with it, is interested is reduced to the percentage held by those persons prior to the triggering acquisition being made. Any such disposal, or the perception that such disposal may occur, may depress the market price of the Ordinary Shares and could impair the Group's ability to raise capital through the sale of additional equity securities. In addition, in giving its consent, the Takeover Panel will require that, until such time as the interests in shares are disposed of, appropriate restrictions are imposed on the exercise of voting rights attaching to the shares in which the lender or persons acting in concert with the lender are interested.

The Group is subject to macroeconomic conditions that affect consumer, business and government spending and growth in its markets

The digital payments industry in which the Group operates depends heavily upon the overall level of consumer, business, and government spending, which in turn depend significantly on global and regional economic conditions in the MEA region. In particular, although the Group's strategy is to further expand its business in the MEA region, it currently generates a substantial portion of its revenues from a limited number of markets (with the UAE accounting for 62 per cent. of its revenues in 2018). Adverse changes or uncertainty about any number of macroeconomic factors, including political and social conditions, economic growth rates, interest rates, unemployment, asset values and financial market conditions, government spending, oil prices and consumer and business sentiment in the Group's markets may adversely affect overall spending levels, retail spending and trade. In addition to general economic conditions, additional factors such as the actual or perceived risk of health and safety hazards, including terrorist attacks or natural catastrophes, could adversely affect tourism and general spending. See also "*—Risk factors relating to the Middle East and Africa*" below. These and other adverse conditions may result in reduced digital payments volumes and card transactions. In addition, adverse changes in the economic environment could result in a higher rate of bankruptcy filings by the Group's merchants, resulting in lower revenue, credit risk losses and consequential reduction in earnings. See "*—The Group is subject to the credit risk that its merchant solutions customers will be unable to satisfy obligations for which it may also be liable*" above. Furthermore, credit card issuers may reduce credit limits and be more selective with respect to whom they issue credit cards. The Group also has a certain amount of

fixed and other costs, including rent and salaries and, potentially, higher debt service costs in the future, which could limit its ability to quickly adjust costs and respond to changes in its business and the economy. Accordingly, any material decline in the overall macroeconomic environment in the Group's markets could have a material adverse effect on its business, financial condition and results of operations.

The Group is exposed to risks relating to its ability to manage ongoing changes to its technology systems

The Group's operations are dependent on its technology platform and global payments network, which are subject to constant change and upgrades in line with technological developments and industry practice, including as a result of mandatory payment scheme and regulatory changes as well as in line with product and service innovation. For example, over the last several years, the Group has been migrating its longstanding card management systems, to Network One, as part of a transformation project to upgrade its systems. The Group's technology platforms were designed to replace multiple elements of the previous technology platforms with two platforms—Network One for customers with more sophisticated requirements and Network Lite for customers with more standardised requirements. The Group's current licence for its existing system will expire on 31 December 2019 and while the Group is scheduled to complete the migration to Network One before that time, if the Group is unable to complete the migration by this date, it will need to incur the incremental cost of renewing the existing licence. A delay in the completion of these or similar projects, including an unsuccessful migration, could result in interruption of service, create reputational or relational risks for the Group with its clients and adversely affect the Group's ability to execute its strategy. There is also a possibility that the Group's clients will use the migration as a reason to renegotiate their contracts to their benefit or to invite other companies to tender for their business, which could have an adverse impact on the profitability of the business.

Furthermore, the Group has recently launched a number of new products, including N-Genius POS, a new POS payments platform. If any unanticipated difficulties arise with the deployment of these products or if financial institutions, merchant solutions customers or consumers have difficulties or complaints in using them, it could adversely affect the Group's ability to implement its strategy.

There is a further risk that regulatory or payment scheme rule changes could require additional changes or modifications to be made to the Group's systems, which could increase the amount of work required and cause further delays. If the Group is unable to manage upgrades, developments or changes within its technology systems and networks, its business could be subject to operational disruption, reputational damage, regulatory scrutiny and significant additional costs which could have a material adverse effect on the Group's business, financial condition and results of operations, which could impact its revenue or profitability and have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may experience software defects, undetected errors and development delays, which could damage customer relations, decrease its potential profitability and expose it to liability

The Group's products are based on sophisticated software and computing systems that may encounter delays relating to development or upgrades and the underlying software may contain undetected errors, viruses or defects. Defects in the Group's software products and errors or delays in its processing of electronic transactions could result in additional development costs, diversion of technical and other resources from its other development efforts, loss of credibility with current or potential customers, harm to its reputation and exposure to liability claims. In particular, the Group recently developed a significant technology upgrade (to Network One and Network Lite) that is central to the Group's strategy. See "*The Group is exposed to risks relating to its ability to manage ongoing changes to its technology systems*" above, and "*Business—Technology*" below for further discussion regarding the Group's technology environment. In addition, the Group relies on technologies and software supplied by third parties that may also contain undetected errors, viruses or defects that could have a material adverse effect on its business, financial condition and results of operations.

The Group's systems and its third-party providers' systems may fail due to a number of factors, including factors beyond its control, which could interrupt its service, cause it to lose business and increase its costs

The integrity, reliability and operational performance of the Group's IT infrastructure and systems are critical to its operations. The most significant of these are the systems it uses to operate its merchant solutions and issuer solutions, which generated 45.8 per cent. and 52.7 per cent., respectively, of its revenue in 2018. The Group also depends on the efficient and uninterrupted operation of numerous other systems, software, data centres and telecommunications networks, as well as the systems of third parties, including Etisalat, Visa and Mastercard, in order to provide services to its clients. In particular, the Group has experienced high growth rates in payment transaction volumes over the past years and expects growth to continue for the coming years. However, despite

the implementation of architectural changes to safeguard sufficient future processing capacity on the Group's payments systems, in the long-term, these systems could potentially reach the limit of the number of transactions they are able to process, resulting in longer processing time or even downtime. The Group's efforts to safeguard sufficient future processing capacity are time-consuming, involve significant technical risk and may divert the Group's resources from new features and products, and there can be no guarantee that these efforts will succeed. A failure to adequately scale the Group's payments systems could therefore materially and adversely affect its business, financial condition and results of operations.

The Group's systems and those of its third-party service providers, including data centre facilities and cloud storage services are subject to the risk of both limited and significant service interruptions. The Group has in the past experienced limited system outages, due to various factors including large one-off unexpected increases in demand for payments services, as well as, particularly in less developed markets in Africa, outages in local telecommunications networks, and although the Group has not experienced any outages that have had a material impact on its business to date, its systems and operations and those of its third-party providers could be exposed to damage or interruption from these and other factors including hardware and software defects or malfunctions, and other events such as human error, fire, natural disaster, power loss, telecommunications failure, terrorist acts, war, unauthorised entry, fraud or sabotage, security breach, computer viruses, other defects and development delays. See also "*—Real or perceived data breaches and unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise, could expose the Group to liability, protracted and costly litigation and damage its reputation*" above. If third parties cease to provide the facilities, components or services the Group relies on, breach their agreements with the Group, or fail to meet the Group's requirements due to financial or regulatory issues, labour issues, or other problems, the Group's operations could be disrupted or otherwise negatively affected.

A system outage or data loss could have a material adverse effect on the Group's business, financial condition and results of operations. The Group's merchant solutions customers and issuer solutions customers may require it to maintain a certain level of systems availability, and failure to maintain agreed levels of service availability or to reliably process the transactions of its customers could result in financial or other penalties and customers switching to a different provider.

Losses in customers due to performance issues, system interruptions or other failures could result in a loss of revenue, payment of damages or fines imposed by payment schemes, reputational harm, and additional operating expenses in order to remediate the failures, and exposure to other losses or other liabilities, including those incurred in resolving backlog issues once systems are restored, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

A substantial portion of the Group's revenue is dependent on its continued membership in international payment schemes

The vast majority of the transactions the Group processes are through international payment schemes. In order to access these international payment schemes to provide merchant acquiring and issuer processing services, the Group must have relevant geographically-based memberships required by the schemes. The Group is a principal member of Visa, Mastercard, American Express, JCB, Discover and UnionPay International as an acquirer, and is also a principal member as an issuer and is on the advisory board of UnionPay International. In addition, the Group owns the Diners Club franchise in the UAE, Egypt, Jordan and Lebanon. Furthermore, although the Group's issuer solutions business does not require it to have the relevant operating licence or scheme membership, its issuer solutions customers are required to have such membership. As a result, the Group's business would be adversely affected if any of its issuer solutions customers were to lose membership status in the payment schemes for any reason.

As part of the Group's registration with its member payment schemes and agreements with its issuing customers, the Group and its merchant solutions customers are subject to detailed operating rules, including mandatory IT systems requirements that could subject the Group and its merchant solutions customers to a variety of fines and penalties for breaches of those operating rules, as well as suspension and termination of its membership in the event of significant breaches. The Group could lose its principal membership status in these payment schemes for a variety of reasons, including as a result of a significant cyber security breach. See, for example, "*—Real or perceived data breaches and unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise, could expose the Group to liability, protracted and costly litigation and damage its reputation*" above. Any material fines or other sanctions imposed on the Group, particularly if they result in it ceasing to provide services through a particular payment scheme, whether temporarily or permanently, could significantly adversely affect its reputation and have a material adverse effect on its business, operating results and financial condition.

In particular, all payment scheme rules to which the Group is subject, as well as certain of its issuer solutions customers require it to comply with the Payment Card Industry Data Security Standards (PCI DSS) by eliminating identified security control deficiencies. The Group cannot be certain that it will be able to address all new security issues that arise in a manner that will ensure its continued PCI DSS compliance. Any temporary or longer-term inability to maintain PCI DSS certification could adversely impact the Group's ability to procure new issuer or merchant solutions customers and retain existing customers, and could result in its suspension from membership with payment schemes or termination of existing processing agreements, all of which would have a material adverse effect on its business and future financial performance.

Payment scheme rules are established, interpreted, enforced and changed from time to time by each scheme as it may determine in its sole discretion and with or without advance notice to its participants. The Group must comply with any changes to payment scheme rules within the required time-frame or risk being fined or otherwise penalised for violation. Any changes in payment scheme rules or standards or the way they are implemented could increase the Group's cost of doing business or limit its ability to provide transaction processing or value added services to or through its customers and have a material adverse effect on its business, financial condition and results of operations.

Under the terms and conditions of its membership with payment schemes, the Group is also liable for the non-compliance of its merchant solutions customers. Although the Group has not been subject to any significant fines or penalties to date, if a merchant solutions customer of the Group fails to comply with the applicable requirements of any of its member payment schemes, the Group could be subject to a variety of fines or penalties that may be levied by the payment schemes. While the Group is generally indemnified for any such fines against its merchant solutions customers, if the Group cannot collect such amounts from the applicable customer, it could end up bearing such fines or penalties, resulting in lower earnings for the Group, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group derives a material portion of its revenue from services provided to Emirates NBD and also relies on Emirates NBD for certain shared services

The Group's services to Emirates NBD have accounted for a significant portion of its revenues since its establishment and although the share of the portion of revenues has been decreasing, it expects they will continue to represent a significant portion of its revenues for the foreseeable future. The Group's revenue from Emirates NBD accounted for 16.2 per cent. of its total revenues for the year ended 31 December 2018. If Emirates NBD were to terminate, or reduce the transaction volume or scope of payments processing activities with the Group, the Group's material agreements with Emirates NBD, or if its relationship with Emirates NBD were to change as a result of its acquisition by a third party or otherwise, its revenues could be materially reduced. The Group has contracted with Emirates NBD (with whom the Group has worked with over 15 years) for a five-year period between 2019 and 2023 for issuer solutions services under the Emirates NBD Master Services Agreement, which from 2019 introduced certain relationships between volume and pricing in line with market pricing. The Group also receives certain shared services such as data hosting, network security and finance, as well as HR support, including payroll and employment visa processing in the UAE, under the Emirates NBD Master Services Agreement and the Master Transitional Services Agreement. See "*Additional Information—Material contracts—Emirates NBD Master Services Agreement*" and "*Additional Information—Material contracts—Master Transitional Services Agreement*". Under this agreement, Emirates NBD hosts the Group's financial systems on Emirates NBD's server and while a disentanglement of this arrangement is underway and while the majority shareholder's systems administrators are restricted by the Emirates NBD Master Services Agreement and the Master Transitional Services Agreement from accessing the Group's data, there is still a risk that the majority shareholder's systems administrators can access the Group's financial data or see components of customer data (including merchant transactions and digital payment data), which may result in a breach of the Group's contractual or legal data protection obligations. Moreover, there could be operational disruption if the shift to in-house or service providers is not properly managed. The Group also relies on Emirates NBD and various other financial institutions to provide clearing services in connection with all of its settlement activities. There can be no assurance that the Group will be able to achieve market terms on such services when renegotiating its service contracts with Emirates NBD, particularly in circumstances in which no unrelated third parties are able to offer a comparable service. See also "*—Increased merchant or financial institution attrition and decreased transaction volume could cause the Group's revenue to decline*" below. Accordingly, if the Group's relationship with Emirates NBD were to be adversely impacted or cease, whether as a result of commercial factors or if Emirates NBD is acquired by a third party, it could place certain of the Group's material contracts at risk, negatively impact its operational capability and decrease its revenue, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's growth depends in part on the success of its strategic relationships with third parties

The Group anticipates that the growth of the business will continue to depend on third-party relationships. In addition to growing the Group's third-party partner ecosystem, the Group intends to pursue additional relationships with other third parties. Identifying, negotiating and documenting relationships with third parties require significant time and resources as does integrating third-party content and technology. These third-party providers may choose to terminate their relationship with the Group or to make material changes to their businesses, products or services. The Group's competitors may be effective in providing incentives to third parties to favour their products or services or to prevent or reduce volumes in the Group's platforms. In addition, these providers may not perform as expected under the Group's agreements or under their agreements with customers, and the Group or the customers may in the future have disagreements or disputes with such providers. While Management believes that there are viable alternatives for all of the Group's suppliers and its arrangements with its suppliers are under long-term contracts which are typically negotiated well in advance to minimise the risk to the Group and allow replacements to be sought if necessary, if the Group loses access to products or services from a particular supplier, or experiences a significant disruption in the supply of products or services from a current supplier, especially a single-source supplier, it could have a material short-term adverse effect on the Group's business and operating results as the Group sources alternative providers and any disruption due to the transition to a new provider (particularly with respect to the Group's IT infrastructure).

The Group is subject to potential credit risk from payment schemes, as well as short-term credit risk from its settlement banks, and any significant delays or payment defaults could lead to material losses

The Group is subject to the short-term credit risk that either a payment scheme, or a settlement bank, fails to pay it amounts that it may be obligated to pre-pay or credit its merchant solutions customers. In particular, in the UAE, the Group typically remits funds to merchants in advance of receipt of funds from the card issuers (paying via the payment schemes). The Group generally only receive payments from the payment schemes two business days after the transaction, while it generally settles with merchants on the business day after the transaction (and for a limited number of merchants on a weekly or monthly basis). This practice leads to short-term financing requirements, particularly during weekends and holiday periods. Although the Group has in place an AED 600 million committed unsecured revolving credit facility (the **Overdraft Revolving Credit Facility**) to meet these settlement related requirements, in case of any delays in settlement payment by the schemes or settlement banks, the amount available under the Overdraft Revolving Credit Facility could be insufficient to fund all of the Group's obligations during the period. If a non-payment exceeding the amount of the Overdraft Revolving Credit Facility were to occur, its liquidity could be impacted and, could result in a default on its obligations to its merchant solutions customers, resulting in financial, reputational and customer loss.

Fraud could have an adverse effect on the Group's operating results and financial condition

The Group could have potential liability for fraudulent digital payments transactions or credits initiated by merchants, consumers or others. Examples of fraud could include organised criminal activity or merchant fraud, such as when a merchant, consumer or other party knowingly uses a stolen or counterfeit credit or debit card, card number, or other credentials to record a false sale or credit transaction, or when a merchant or other party processes an invalid card, or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction.

In addition, actual or perceived prevalence of fraud in using cards or other payments systems may negatively impact the adoption of non-cash payment methods, particularly in the Group's most underdeveloped payments markets in Africa, which could adversely affect both the Group's merchant solutions and issuers solutions business lines and could negatively impact the Group's growth and profitability.

While the Group has a dedicated team working collaboratively with law enforcement to thwart these efforts, criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting credit and debit cards and fraud. There is also a risk the Group's employees could engage in or facilitate fraudulent activity on their own behalf or on behalf of others.

If the levels of fraudulent payment card transactions become excessive, they could potentially result, and have in the past resulted, in the Group and the related merchants becoming subject to review by the scheme programmes. Such a review can result in fines and penalties and ultimately losing the right to process payment cards by the payment schemes, which could materially and adversely affect its business, financial condition and results of operations. Moreover, failure to effectively manage risk and prevent fraud could increase the Group's chargeback liability or cause it to incur other liabilities. It is possible that incidents of fraud could increase in

the future. Increases in chargebacks or other liabilities could have a material adverse effect on the Group's operating results and financial condition.

In addition, financial services regulators may implement new requirements on direct acquirers and acquirer processors intended to reduce fraud, including online fraud, which could impose significant costs, require the Group to change its business practices, or reduce the ease of use of its products, which may materially and adversely affect its business, financial condition and results of operations.

The Group has taken measures to detect and reduce the risk of fraud, but these measures need to be continually improved and may not be effective against new and continually evolving forms of fraud or in connection with new product offerings. If these measures do not succeed, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

A decline in the use of credit and debit cards as a payments mechanism by consumers or adverse developments with respect to the digital payments industry in general could have a material adverse effect on the Group's business, financial condition and results of operations

If consumers do not continue to use credit or debit cards as a payments mechanism for their transactions or if there is a change in the mix of payments between cash, alternative currencies, credit and debit cards or new payments systems which is adverse to the Group, it could have a materially adverse effect on its business, financial condition and results of operations. A potential tightening of credit underwriting criteria by financial institutions may make it more difficult or expensive for consumers to gain access to credit facilities such as credit cards. Moreover, if there is an adverse development in the digital payments industry in general, such as new legislation or regulation that makes it more difficult for the Group's clients to do business or which results in financial institutions seeking to charge their customers additional fees for card usage, cardholders may reduce their reliance on cards, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Increased merchant or financial institution attrition and decreased transaction volume could cause the Group's revenue to decline

Organic growth in the Group's business is derived primarily from acquiring both new relationships with financial institutions as well as new merchant solutions customer relationships. The Group relies on its financial institution customers as a significant source of new merchant relationships. The Group cannot predict the level of attrition and decreased transaction volume in the future and its revenue could decline as a result of higher than expected attrition, which could have a material adverse effect on its business, financial condition and results of operations.

The Group also achieves organic growth by offering new or enhanced products and services to existing merchant solutions customers, cross-selling its existing products and services into existing relationships, and the general growth in the digital payments industry through increased usage of digital payments in consumer spending. The Group experiences attrition in merchant solutions customers and in the volume of credit and debit card transactions as a result of several factors, including:

- business closures and customer consolidations;
- inability to renew contracts on acceptable terms or at all or termination of such contracts;
- account closures that the Group initiates for various reasons, such as heightened credit risks or contract breaches by merchants;
- reductions in its merchant solutions' sales volumes or in credit and other card usage; and
- transfers of merchants' and financial institution accounts to competitors.

Furthermore, financial institution attrition could also be caused by a variety of factors including competition, see "*—The digital payments industry is highly competitive, and the Group competes with certain firms that are larger and that have greater financial resources than it does*" above, technological changes, see "*—If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability*" above, or other factors, see "*Industry Overview*". In addition, any turmoil affecting the banking system or financial markets in the MEA region could cause additional consolidation of the financial services industry, significant financial service institution failures or new regulations, any of which could result in financial institution attrition.

The Group could also experience significant attrition in the future as a result of service delivery interruptions (see “—*The Group’s systems and its third-party providers’ systems may fail due to a number of factors, including factors beyond its control, which could interrupt its service, cause it to lose business and increase its costs*” above) or other events which materially negatively affect its reputation and could have a material adverse effect on the Group’s business, financial condition and results of operations (see, for example, “—*Real or perceived data breaches and unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise, could expose the Group to liability, protracted and costly litigation and damage its reputation*” above).

The Group may require additional financing in the future, which may not be available to it on commercially reasonable terms, or at all

The Group may seek to raise additional financing in the future through public or private debt or equity financings as part of its growth strategy or as a result of unanticipated changes to its regulatory or competitive environment. In particular, the Group may seek to raise additional financing to:

- take advantage of expansion or growth opportunities;
- acquire, form joint ventures with or make investments in complementary businesses or technologies;
- develop new products or services; or
- respond to competitive pressures.

Any future equity financing could lead to dilution for existing shareholders. Any additional financing may not be available on favourable terms or at all or may be subject to covenants or other restrictions, which could adversely affect the Group’s ability to execute its strategy and pay dividends to its Shareholders, as well as have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

The Group’s outstanding debt could have an adverse effect on its financial condition

The Group has outstanding debt and significant debt service obligations. Its material debt obligations include a syndicated amortising term loan facility of USD 350 million (with an outstanding balance of USD 334 million as of 31 December 2018) and a committed, unsecured overdraft revolving credit facility. As of December 31, 2018, the Group’s total consolidated debt was USD 437.4 million, including USD 102.7 million for the overdraft facilities to meet the Group’s acquiring settlement needs that are based on timing difference.

The Group’s indebtedness could negatively impact the Group’s performance and shareholders’ cash flows. For example, it could require the Group to dedicate a large portion of its cash flow from operations to fund payments on its debt, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes or increase the Group’s vulnerability to adverse general economic or industry conditions, particularly if interest rates were to materially increase.

There can be no assurance that the Group’s business will generate sufficient cash flow from operations or that future borrowings will be available in an amount sufficient to enable it to repay its existing credit facilities, to service its indebtedness or to fund its liquidity needs. If the Group is unable to meet its debt service obligations it may attempt to restructure or refinance existing debt, sell certain of its assets or seek additional funding. However, there can be no assurance that the Group will be able to do so on satisfactory terms, if at all. In addition, although the Group is currently in compliance with its respective obligations and covenants under its current debt funding arrangements, and the Group is not aware of any circumstances which indicate that any of these obligations will be breached for at least the next 12 months, there can be no assurance that the Group will not have instances of breaches in the longer term, nor that, in such circumstances, the Group would be able to obtain a waiver from the relevant lenders for such a breach, to restructure or amend the terms of the relevant financing agreements or to obtain alternative financing on acceptable terms or at all. Failure to successfully restructure or refinance existing debt or to obtain future financing could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations.

The Group’s consolidated statement of financial position includes significant amounts of intangible assets in connection with capitalised capital expenditure and faces the risk of impairment of a significant portion of these assets

The Group’s consolidated statement of financial position includes goodwill and intangible assets that represent 43 per cent. of its total assets at 31 December 2018. These assets consist primarily of investment made in acquiring and developing intangible assets including software which is essential for running the business

operations. These assets also include goodwill and other acquired intangible assets related to entities acquired by the Group. The Group will continue to explore opportunities for inorganic expansion in the future through additional acquisitions, which may result in its recognition of additional goodwill and other intangible assets. Under current accounting standards, the Group is required to amortise certain intangible assets over the useful life of the asset, while goodwill and certain other intangible assets like brands are not amortised. On an annual basis, the Group assesses whether there is any indication of impairments in the carrying value of goodwill and certain other intangible assets. If the carrying value of the asset is determined to be impaired, then it is written down to fair value by a charge to the statement of profit or loss. An impairment of a significant portion of goodwill or intangible assets could have a material adverse effect on the Group's business, its financial condition, results of operations and the future prospects.

The Group may not have adequate insurance

Although the Group seeks and will continue to seek to ensure that it is appropriately insured and currently maintains insurance policies covering cybercrime, business interruption, directors and officers, and commercial crime, it cannot be certain that any of its existing insurance policies will be renewed on equivalent terms or at all or that it will be able to obtain, or increase the amount of, insurance for any new risks that it may face in the future on terms that are acceptable to it. Accordingly, there is a risk that the Group may be unable to obtain the insurance cover it desires at premiums which it believes to be reasonable. If the Group experiences an insured event, it cannot be certain that the proceeds of insurance which it receives will fully cover its loss. For example, companies engaged in the payments processing industry may be sued for substantial damages in the event of an actual or alleged breach of data security (see “—*Real or perceived data breaches and unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise, could expose the Group to liability, protracted and costly litigation and damage its reputation*” above) or the Group's properties (such as its network and data centres) could suffer physical damage from fire or other causes, resulting in losses (including loss of future income) that may not be fully compensated by insurance. Furthermore, the Group's insurance policies may be subject to deductibles or exclusions that could materially reduce the amount it recovers and, in certain circumstances, the policies could be void or voidable at the option of the insurer. In addition, the Group's insurers or its reinsurers may become insolvent and therefore not be able to satisfy any claim in full or at all.

Certain types of risks and losses (for example, losses resulting from acts of war or certain natural disasters) are not economically insurable or generally insured. If the Group experiences an uninsured or uninsurable loss in the future, it could incur significant expenditures, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to consolidation of financial institutions in its principal markets which may negatively impact its business

The Group currently provides issuer solutions to more than 220 banks and its processing revenue accounts for a significant proportion of its total revenue. Historically, the banking industry has been the subject of consolidation, regardless of overall economic conditions. Since the global financial crisis of the late 2000s, there have been multiple bank failures and government-encouraged consolidation worldwide. In the UAE, for example, Emirates NBD was subsequently instructed to take over Dubai Bank in 2011 and First Gulf Bank and National Bank of Abu Dhabi merged to form First Abu Dhabi Bank in 2017, which is the largest bank in the UAE. First Gulf Bank migrated from the Group to a competitor in late 2018 following the loss of the contract. In addition, in January 2019, a three way merger between Abu Dhabi Commercial Bank, Union National Bank and Al Hilal Bank in Abu Dhabi was announced, and in December 2018, a merger between Diamond Bank and Access Bank in Nigeria was announced. The Group cannot exclude the possibility of further consolidation in the banking industry in the MEA region, particularly given the large number of banks currently serving certain of its markets. Larger banks with greater transaction volumes resulting from any future consolidation may demand lower fees or decide to perform in-house some or all of the services which the Group currently provides or could provide, which could result in lower revenue and earnings for the Group, which could have a material adverse effect on the Group's business, financial condition and results of operations. The Group's bank alliances and other strategies could also be negatively impacted as a result of consolidations, especially if the banks involved operate competing merchant solutions businesses.

If the Group cannot pass along increases in interchange and other fees from payment schemes to its merchants, its operating margins would be reduced

The Group pays payment scheme membership, franchise and processing fees for payments services as well as card issuer fees (known as **interchange fees**) for each transaction that it processes through the payment schemes. From time to time, the payment schemes increase the interchange fees and other fees that they charge payments processors and, in cases in which the Group is a licensed member of a payment scheme, its financial institution sponsors. The Group has the right to pass any increases in interchange and other fees on to its merchant solutions customers and they have consistently done so in the past. While the Group has historically passed along the majority of these fee increases to its merchant solutions customers through corresponding increases in its processing fees, there is a risk that it may be unable to pass through these and other fee increases in the future, for example as a result of increased competitive pressure or the introduction of applicable regulation, which could have a material adverse effect on its direct acquiring margins, financial condition and its results of operations.

The Group has experienced rapid growth and changes in its business, and if it cannot adequately manage its growth or change, its results of operations will suffer

The Group has experienced rapid growth in its operations in terms of the number of digital payments it processes on a daily basis, and it expects continued growth in transaction volume. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Results of Operations*”. The Group’s growth strategy may not adequately budget for growth-related costs and associated risks, and its IT systems and infrastructure, procedures and managerial controls may prove to be inadequate to support further expansion in its operations. Any delay in implementing, or transitioning to, new or enhanced IT systems and infrastructure when needed may also adversely affect the Group’s ability to process digital payments transactions, settle with its merchant solutions customers, record and report financial and management information on a timely and accurate basis, or otherwise manage its products and services. In particular, the Group is engaged in a significant refresh of its main technology platform. See “—*The Group is exposed to risks relating to its ability to manage ongoing changes to its technology systems*” above.

There is also a risk that, due to the pace of change in the Group’s business and operating environment, its management and employees will not have the capacity to appropriately engage with all required change initiatives across the business. In addition, although the pace of regulatory change in the principal jurisdictions in which the Group operates has not been significant to date, there have been substantial changes in certain jurisdictions which if implemented in its markets, could have a material impact on its operations and its level of risk. If the Group does not effectively manage its growth and/or the demands of a changing environment, the quality of services and products it offers to its customers could decline, which could harm its reputation, reduce its profitability and have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group is exposed to risks associated with acquisitions, partnerships and joint ventures

Acquisitions, partnerships and joint ventures are part of the Group’s growth strategy. The Group evaluates, and expects in the future to evaluate, potential strategic acquisitions of, partnerships and joint ventures with complementary businesses, services or technologies. However, the Group may not be able to successfully identify suitable acquisition, partnership or joint venture candidates in the future sufficient to meet its growth strategy, or it may not be able to successfully execute its growth strategy and hence, may not be able to derive the anticipated benefits.

The acquisition of businesses involves a number of risks. Core risks are in the areas of valuation (negotiating a fair price for the business based on inherently limited diligence) and integration (managing the complex process of integrating the acquired company’s staff, products, technology and other assets to realise the projected value of the acquired company and the synergies projected to be realised in connection with the acquisition). In addition, international acquisitions often involve additional or increased risks including, for example: managing geographically separated organisations, systems and facilities; integrating personnel with diverse business backgrounds and organisational cultures; complying with additional regulatory requirements; exchange rate fluctuations; enforcement of intellectual property rights in different countries; difficulty entering new markets; the assumption of unforeseen liabilities and increased costs; and general economic and political conditions. If the integration and conversion process does not proceed smoothly, the following factors, among others, could

reduce the Group's revenue and earnings, increase its operating costs, and result in a loss of projected synergies:

- if the Group is unable to successfully integrate factors of interest to the management and employees of the acquired business, it could lose employees to its competitors in the region, which could significantly affect its ability to operate the business and complete the integration;
- if the integration process causes any delays with the delivery of the Group's services, or the quality of those services, it could lose customers including those of an acquired entity to its competitors, which would reduce its revenue and profit;
- if the acquired businesses do not achieve anticipated revenue, profitability and return on investment; and
- the acquisition and the related integration could divert the attention of the Group's management from other strategic matters including possible acquisitions and alliances and planning for new product development or expansion into new digital payments markets.

In addition, the purchase price for any acquisition undertaken by the Group would be paid for in cash, with its shares, with the proceeds from the incurrence of debt, or through a combination of these three sources, which would impact the liquidity of the Group and could be dilutive to its shareholders. See "*—The Group may require additional financing in the future, which may not be available to it on commercially reasonable terms, or at all*" above.

Investments in which the Group does not have a controlling interest are subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Group does not agree or that the controlling shareholders or the management of the company may take risks or otherwise act in a manner that does not serve the Group's interests. The Group's equity investments in such companies may also be diluted if it does not partake in future equity or equity-linked fundraising opportunities.

The Group's risk management policies and procedures may not be fully effective in mitigating its risk exposure against all types of risks

The Group's risk management policies and procedures may not be fully effective to identify, monitor and manage its risks, particularly given the heightened risks of operating in a number of emerging markets in the MEA region (see "*—Risk factors relating to the Middle East and Africa—Investments in emerging markets are subject to greater risks than those in more developed markets*" below). The Group has identified certain operational controls at a limited number of its newly-established or acquired operations for remediation, certain of which it only expects to remediate following Admission, and there can be no assurance that such remediation efforts will be completed within the timeframe set by the Group or that any delay will not lead to adverse consequences. Some of its risk evaluation methods depend upon information provided by others and public information regarding markets, clients or other matters that are otherwise inaccessible by it. In some cases, however, that information may not be accurate, complete or up to date. If the Group's policies and procedures are not fully effective or it is not always successful in capturing all risks to which it is or may be exposed, it may suffer harm to its reputation or be subject to litigation or regulatory actions that could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Group's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**). Effective internal control over financial reporting is necessary for the Group to provide reliable reports and prevent fraud. The Group seeks to mitigate the risk of fraud through its management structure and regular financial review with an extensive use of business systems. Moreover, the Group's internal controls in certain jurisdictions, in which they have recently expanded operations may require more extensive updates than those in other jurisdictions. This structure or review may not identify fraud that may have a material adverse effect on the Group's reputation and results of operations. Internal control systems provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of such inherent limitations in control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Failure to maintain effective internal controls over financial reporting could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is influenced by regulation, and any new laws and regulations or industry standards, or revisions made to existing laws, regulations or industry standards, affecting the digital payments industry and other industries in which it operates may have an unfavourable impact on its business, financial condition and results of operations

The Group's business is impacted by laws, regulations and standards that affect it and its industry in the countries in which it operates, some of which are discussed under "*Business—Regulation*". In addition, the number of new and proposed regulations impacting the payments business has increased significantly in recent years. In particular, payment schemes are not currently subject to regulation in the UAE. It is however anticipated that regulations governing payment schemes may be passed by the UAE Central Bank in the near future. The implications of any such potential future regulations on the Group's business are currently unknown. The Group has been involved in ongoing discussions with the UAE Central Bank as to its pending application to be regulated as a non-issuing payments service provider under the Regulatory Framework for Stored Values and Electronic Payment Systems in the UAE in relation to the stored value component of its business. While, pursuant to its discussions with the UAE Central Bank, the Group does not currently believe that it will be required to be licensed as an acquirer in the UAE under the existing regulatory framework, there can be no assurance that changes in the interpretation of the existing regulations, the implementation of future regulations or changes in the interpretation of future regulations will not result in the Group becoming subject to additional licensing requirements to carry out its activities in the UAE.

Moreover, the Group is affected by laws, regulations and guidelines in its other principal markets, principally including Jordan, Egypt, Nigeria and South Africa. Jordan, Nigeria and South Africa all have regulatory frameworks for their payments industries, for example through the central bank in the case of Nigeria and through a payments platform management body (the PASA) in the case of South Africa. While the Group is not currently licensed by the Central Bank of Jordan, Jordan introduced regulations, which will regulate the provision of payments services and the operation and management of digital payments platform in Jordan. The Group's activities as a direct merchant acquirer and the operator of JONET, the principal ATM switch in Jordan, are scheduled to become regulated in the next few months. The Group is currently in dialogue with the Central Bank of Jordan regarding the submission of its application for licensing. Furthermore, as various jurisdictions tighten the regulations regarding the use of their citizens' personal data, it may require the Group to amend or limit the use of its data processing centres, which are currently located in Egypt and the UAE. For example, South Africa has a data protection law called the Protection of Personal Information Act. Furthermore, Egypt has recently approved a draft of a data protection law (yet to be enacted). While the Group has taken steps to ensure compliance with current legislation and prepare for the implementation of possible future legislation, these frameworks or others could prevent the Group from pursuing certain opportunities or could force the Group to incur additional costs in reformatting or encrypting customer data, establishing new data centres or otherwise, thereby decreasing the Group's profitability. Failure to comply with regulations or guidelines may result in the suspension or revocation of registration, the limitation, suspension or termination of service, and the imposition of civil and criminal penalties, including substantial fines, or may cause customers or potential customers to be reluctant to do business with the Group, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes to applicable rules and regulations, or interpretation or enforcement thereof, even if not directed at the Group, may require significant efforts to change its systems and products and may require changes to how it prices its services to customers, adversely affecting its business. Even an inadvertent failure to comply with laws and regulations could damage the Group's business or its reputation. Furthermore, the Group is subject to tax laws in the UAE and in certain jurisdictions outside of the UAE where it conducts business, see "*—Changes in tax laws or their interpretations, or becoming subject to new taxes in the MEA region that cannot be passed through to the Group's merchants, could reduce its profitability*" below. Changes in such laws or their interpretations could also reduce the Group's after tax profit.

Historically, the Group has experienced difficulty in repatriating funds from Egypt and Nigeria and may in the future experience difficulty in repatriating funds from various jurisdictions, including Egypt and Nigeria

Historically, the Group has experienced difficulty in repatriating funds from Egypt and Nigeria, and it may in the future experience difficulty in repatriating funds from various other jurisdictions. Amounts repatriated from Egypt and Nigeria were 8.8 per cent. of the Group's total cash balance as at 31 December 2018. Although the Group has generally been able to use funds generated in such jurisdictions for expenses incurred in such jurisdictions, the Group may seek to deploy such funds for other purposes, including costs in other markets or dividends. Several countries in which the Group operates have implemented currency control restrictions and, in particular, rules surrounding the repatriation of dividends to foreign investors. There can be no guarantee that

existing legislation will not have an adverse impact on the Group's cash position to the extent that it is prevented from receiving dividends from its subsidiaries. Moreover, the Group's ability to repatriate funds may change due to changes in the local regulatory environment. If the Group is unable to repatriate funds from these or other jurisdictions, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates JONET ATM switch and any failure of or disruption to the JONET ATM switch could adversely affect the Group's business

The Group operates the JONET ATM switch in Jordan. The JONET ATM switch is the principal ATM switch in the country and allows Jordan's banks to ensure that each cash machine supports every card type and every payment scheme brand, whether the card was issued in Jordan or abroad. A disruption of the JONET ATM switch could impact the Group's ability to obtain or provide information or cause funds to be moved in a manner to successfully deliver its products and services. Such a disruption could lead to the inability for the Group to deliver products and services, reputational damage, lost clients and lost revenue, loss of clients' and their customers' confidence, as well as additional costs, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group relies on key management personnel, and its business may be adversely affected by loss of such personnel or by any inability to recruit, train, retain and motivate key employees

The Company believes that its management teams contribute significant experience and expertise to the management and growth of its business. The continued success of its business and its ability to execute its business strategies in the future will depend in large part on the efforts of the Group's key personnel. There is a shortage of skilled personnel in the digital payments industry in the countries in which the Group operates (including in the UAE), which Management believes is likely to continue. As a result, the Group may face increased competition for skilled employees in many job categories from local and regional finance and technology companies, including other merchant solutions and issuer solutions companies and this competition is expected to intensify.

Furthermore, the Group may need visas in various countries in order to recruit and retain the most competitive employees for various positions. As various countries in which the Group operates seek to increase the employment and hiring of local employees, the Group may be unable to obtain the requisite visas for its current or prospective employees from the respective governments in a timely manner or at all.

In addition, if the Group expands its business through acquisitions, the Group may be unable to retain and integrate skilled employees from acquired companies or businesses.

The Group's inability to successfully integrate, recruit, train, retain and motivate key skilled employees could have a material adverse effect on its business, financial condition and results of operations.

Because the Group has historically operated as a private company, it has limited experience complying with public company obligations and fulfilling these obligations will be expensive and time consuming and may divert its management's attention from the day-to-day operation of its business

Historically, the Group has operated as a privately-owned company and, accordingly, has limited experience complying with the increasingly complex laws and regulations pertaining to public companies. In particular, the significant regulatory oversight and reporting obligations imposed on public companies will require substantial attention from the Group's senior management and may divert their attention away from the day-to-day management of its businesses, which could have a material adverse effect on its business, financial condition and results of operations. Similarly, corporate governance obligations, including with respect to the development and implementation of appropriate corporate governance policies, and concurrent service on the Group's Board of Directors and possibly multiple board committees, will impose additional burdens on its management.

In preparation for the Global Offering, the Group has implemented a number of corporate governance and other policies, processes, systems and controls to comply with the requirements for a publicly listed company on the LSE. While Management believes it will be in full compliance with these requirements from Admission, it does not have a track record on which it can assess the performance of these policies, processes, systems and controls or an analysis of their outputs. Any material inadequacies, weaknesses or failures in the Group's policies, processes, systems and controls could have a material adverse effect on its future business operations and prospects. In addition, in the event of noncompliance with corporate governance and other requirements,

there may be further consequences affecting the Group's licences or other regulatory matters and such noncompliance could lead to penalties or suspension of its listing.

In addition, as a public company the Group will incur significant legal, accounting and other expenses that it did not incur as a private company. The Group will also incur material costs associated with its public company reporting requirements and expects that being a public company will make it more expensive for it to hire directors. Further, the Group may need to hire additional accounting, financial and compliance staff with appropriate public company experience and technical accounting knowledge. The Group cannot predict or estimate the amount of additional costs that it may incur or the timing of such costs. Any of these expenses could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as regulatory and governing bodies provide new guidance. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Group intends to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of its management's time and attention from revenue-generating activities to compliance activities. If the Group's efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against the Group and its business, financial condition, results of operations and cash flow could be materially and adversely affected.

The Group's future results may differ materially from what is expressed or implied by the financial targets presented in this Prospectus, and investors should not place undue reliance on these targets

The financial targets set forth in this Prospectus are the Group's expectations for the medium term. The Group's actual results may differ materially from what is expressed or implied by the medium-term financial targets. These targets may not be achievable in the short term or at any time. These financial targets are based upon a number of assumptions, which are subject to significant business, operational, economic and other risks, many of which are outside of the Group's control. While the Group has detailed the key assumptions which management has made when setting its medium-term targets, these assumptions may not continue to reflect the commercial, regulatory and economic environment in which the Group operates. Accordingly such assumptions used for settling the Group's financial targets may change or may not materialise at all. In addition, unanticipated events may have a material adverse effect on the actual results that the Group achieves in future periods whether or not its assumptions otherwise prove to be correct. As a result, the Group's actual results may vary materially from these targets and investors should not place undue reliance on them. See "Business—Principal Activities" for a description of the Group's medium-term financial targets and the assumptions underlying these targets.

The costs and effects of pending and future litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect the Group's business, financial position and results of operations

The Group is involved in various litigation matters and from time to time may in the future be involved in governmental or regulatory investigations or similar matters arising out of its current or future business. For example, the Company and a Middle Eastern telecommunications company recently agreed to settle (subject to final execution of documentation) an ongoing discussion since 2017 regarding the amount of payments of certain commissions for approximately AED 9.8 million. The Group's insurance or indemnities may not cover all claims that may be asserted against it, and any claims asserted against it, regardless of merit or eventual outcome, may harm its reputation. Furthermore, there is no guarantee that the Group will be successful in defending itself in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending litigation or future litigation or investigation significantly exceed the Group's insurance coverage, they could have a material adverse effect on its business, financial condition and results of operations.

The Group is subject to certain economic and trade sanction laws and regulations as well as anti-money laundering laws and regulations, and if it fails to comply, it could be exposed to fines, sanctions and other penalties or governmental investigations, which may impact its business

The Group is subject to a wide range of anti-money laundering laws and regulations and trade and economic sanctions programmes. If the Group is found to have failed to comply with any of these laws, it may be exposed to material fines, sanctions and other penalties or governmental investigations. Although the Group seeks to fully comply with trade and economic sanctions programmes and anti-money laundering laws and regulations that may be applicable to it (see “*Business—Regulation—Anti-Money Laundering and Counter Terrorism Regulation*”), it conducts business with financial institutions and/or payment schemes that may have customers in or operate in countries (such as Iran and Syria, where the Group has no operations or customers) whose nationals may engage in transactions in countries that are the targets of sanctions by the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury, the US Department of State, the EU and similar regulations in other countries. In particular, in countries such as Libya, where the Group is acting as an issuer or acquirer processor, the responsibility for know-your-client and anti-money laundering and anti-terrorist financing screening and monitoring of merchants or consumers (including consumer spending) rests with the Group’s financial institution customer. Accordingly, although the Group has policies and procedures to not engage in transactions with targets of such international sanctions, because the Group processes transactions on behalf of these financial institutions and/or payment schemes, it may incur the risk of indirect contact with targets of trade and economic sanctions.

Although the Group has policies and procedures that it believes are sufficient to comply with currently applicable anti-money laundering, anti-corruption and sanctions rules and regulations, and best practices, it cannot guarantee that such policies and procedures completely prevent situations of money laundering or corruption, including actions by the Group’s employees, agents, merchants, third-party suppliers or other related persons for which the Group might be held responsible. Such events may have severe consequences, including litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences, which could have a material adverse effect on the Group’s business, financial condition and results of operations. A failure to adopt effective measures against fraud, money laundering, corruption and terrorism financing may lead to regulatory proceedings and penalties by supervisory authorities.

The Group’s payment platforms may be used for illegal or improper purposes, and the Group may be subject to penalties or legal or regulatory actions and reputational damage

The Group’s payments platforms may be subject to potentially illegal or improper uses, including money laundering, terrorist financing, circumvention of sanctions, illegal online gambling, fraudulent sales of goods or services, illicit sales of prescription medications or controlled substances, piracy of software, movies, music, and other copyrighted or trademarked goods (in particular, digital goods), bank fraud, child pornography, human trafficking, prohibited sales of alcoholic beverages or tobacco products, online securities fraud, or to facilitate other illegal activity. Certain activities that may be legal in one country may be illegal in another country, and a merchant may intentionally or inadvertently be found responsible for importing or exporting illegal goods, which may result in liability for the Group. Changes in law have increased the penalties for intermediaries providing payments services for certain illegal activities and additional payments-related proposals are under active consideration by government authorities. In addition, the Group may be held liable by merchants or payment schemes or other related third parties arguing that any failure to prevent the use of the Group’s payments services for illegal purposes constitutes a breach of the Group’s duty of care *vis-à-vis* such merchants or third parties. Intellectual property rights owners or government authorities may seek to bring legal or regulatory action against providers of payments solutions, including the Group, that are peripherally involved in the sale of infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume or increased costs may materially and adversely affect the Group’s business, financial condition and results of operations.

The Group is dependent on third-party vendors to provide certain licences, products and services and its business and operations could be disrupted by any problems with its significant third-party vendors

The Group utilises a number of third-party suppliers and service providers to supply certain of the IT hardware, software and other components used in the development and operation of the Group’s services and products. Among material suppliers are Emirates NBD and Openway. In addition, the Group’s mobile digital payments solutions require the use of third-party technology, including technology owned by international payment scheme operators. The Group relies upon these suppliers to produce and deliver products on a timely basis and at an acceptable cost or to otherwise meet the Group’s product demands. The Group has in the past experienced

disruptions to operations as a result of services provided by third parties, including disruptions to its platforms resulting in downtime in the use of products. Disruptions to the business, financial stability or operations of these suppliers and service providers, including due to strikes, labour disputes or other disruptions to the workforce, or to their willingness and ability to license, produce or deliver the products and provide the services the Group requires in accordance with the Group and its customers' requirements, could affect the Group's ability to fulfil customer demand on a timely basis, which could materially harm its revenues and results of operations. If these suppliers and service providers were unable to continue providing their products or services in the manner expected or at all, or if they simply denied the Group access to their products or services for any reason, the Group could encounter difficulty finding alternative suppliers. Even if the Group was able to secure alternative suppliers in a timely manner, the Group's costs could increase significantly. Any of these events could adversely affect the Group's business, financial condition, results of operations and prospects.

The Group may be unable to adequately protect or enforce its intellectual property rights, or third parties may allege that the Group is infringing their intellectual property rights

The protection of such intellectual property, including the Group's platforms, trademarks, copyrights, domain names, trade dress, and trade secrets, is important to the success of its business. The Group seeks to protect its intellectual property rights by relying on applicable laws and regulations in the relevant markets, as well as a variety of administrative procedures. The Group also relies on contractual restrictions to protect its proprietary rights when offering or procuring products and services, including confidentiality and invention assignment agreements entered into with its employees and contractors and confidentiality agreements with parties with whom it conducts business. Any failure to adequately protect or enforce the Group's intellectual property rights, or significant costs incurred in doing so, could diminish the value of its intangible assets and materially and adversely affect its business, financial condition and results of operations.

As the number of products in the technology and payments industries increases and the functionality of these products further overlaps, the Group may become increasingly subject to the risk of intellectual property infringement and other claims. Litigation may be necessary to determine the validity and scope of the patent and other intellectual property rights of others. The ultimate outcome of any allegation is often uncertain and, regardless of the outcome, any such claim, with or without merit, may be time-consuming, result in costly litigation, divert management's time and attention from the Group's business, and require the Group to, among other things, stop providing transaction processing and other payment-related services or redesign, stop selling its products or services, pay substantial amounts to satisfy judgments or settle claims or lawsuits, pay substantial royalty or licensing fees, or satisfy indemnification obligations that the Group has with certain parties with whom the Group has commercial relationships. The Group's failure to obtain necessary license or other rights, or litigation or claims arising out of intellectual property matters, may materially and adversely affect its business, financial condition and results of operations.

The Group may be subject to scrutiny under antitrust and competition laws

The Group may be subject to scrutiny by various government agencies in relevant markets, including antitrust and competition laws in certain jurisdictions. Other companies and government agencies may in the future allege that the Group's actions violate the antitrust or competition laws of the relevant markets, or otherwise constitute unfair competition. An increasing number of governments are regulating competition law activities. The Group's business agreements or arrangements with merchants or other companies could give rise to regulatory action or antitrust litigation. Some regulators may perceive the Group's business to be used so broadly that otherwise uncontroversial business practices could be deemed anticompetitive. Any claims or investigations, even if without foundation, may be very expensive to defend or respond to, involve negative publicity and substantial diversion of management time and effort, and could result in reputational harm, significant judgments against the Group, or require the Group to change its business practices, which may materially and adversely affect its business, financial condition and results of operations.

Changes in tax laws or their interpretations, or becoming subject to new taxes in the MEA region that cannot be passed through to the Group's merchants, could reduce its profitability

The Group is subject to tax laws in a number of the jurisdictions where it does business. Although the UAE currently does not have any corporate tax, there have been periodic discussions about the introduction of corporate tax in the UAE. Moreover, Value Added Tax (VAT) was added in the UAE and in Saudi Arabia on 1 January 2018 at a rate of 5 per cent. The VAT will increase the costs to consumers on the purchase of certain products and may decrease consumer spending as a result, which could adversely affect the Group's revenues.

The Group continues to engage with relevant tax authorities across its jurisdictions of operation. As the Group operates in a number of emerging markets (through its legal presence or customer relations), the application of tax laws can be subject to a degree of uncertainty and interpretive discretion by tax authorities. Accordingly, the Group may be subject to additional material tax assessments in the future and which may also be subject to lengthy audit and review processes.

Changes in tax laws or in their interpretation or increases in the Group's effective tax rates due to shifts in the Group's geographic mix could decrease the profitability of the Group, and have a material adverse impact on its business, financial condition and results of operations.

The Company may be classified as a passive foreign investment company, which could result in adverse United States federal income tax consequences to United States investors

The Company believes that it was not a passive foreign investment company (**PFIC**) for US federal income tax purposes in its last taxable year, and does not expect to become a PFIC for the current year or any future taxable year. There can be no assurances, however, that the Company will not be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company were a PFIC in any taxable year, materially adverse US federal income tax consequences could result for US shareholders. Prospective investors should refer to the discussion under "*Taxation—US Federal Income Taxation*" and consult their tax advisers with respect to the consequences of owning shares in a PFIC.

Risk factors relating to the Middle East and Africa

The Group is subject to the risks of political, social and economic instability associated with the markets in which it operates and serves its customers

The Group is headquartered in Dubai and all of its operations are in the MEA and its growth strategy is focused on this region. While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the MEA region are not. In particular, since early 2011 there have been increased political risks in a range of countries in the MEA region, including Algeria, Bahrain, Egypt, Libya, Morocco, Niger, Nigeria, Oman, Saudi Arabia and Tunisia. These risks have ranged from public demonstrations to, in extreme cases, armed conflict and civil war and have given rise to a number of regime changes and increased political uncertainty across the region. In particular, the armed conflicts in Syria, Iraq and Yemen have the potential to further destabilise the region, further increase uncertainty and have a material negative impact on the regional economy. In mid-2017, Bahrain, Saudi Arabia, the UAE and certain other countries imposed sanctions on Qatar which remain in place. The Company's business may be affected by the financial, political and general economic conditions prevailing from time to time across the MEA region. It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Company would be able to sustain its current profit levels if adverse political events or circumstances were to occur. A general downturn or instability in certain sectors of the Middle Eastern or African economies could have an adverse effect on the Company's business. Investors should also note that the Company's business could be adversely affected by political, economic or related developments both within and outside the MEA region because of inter-relationships within the global financial markets.

Significant political, social and economic instability in one or more of the Group's markets could have a material adverse effect on the Group's business, financial condition and results of operations.

Investments in emerging markets are subject to greater risks than those in more developed markets

You should also be aware that investments in emerging markets, such as the MEA region, are subject to greater risks than those in more developed markets, including risks such as:

- political, social and economic instability;
- exposure to local economic and social conditions, including logistical and communication challenges;
- exposure to local political conditions, including political disputes, requirements to expend a portion of funds locally and governmental industrial cooperation requirements, coups, the risk of seizure of assets by a foreign government, increased risk of fraud and political corruption, terrorism, acts of war or similar events;

- exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices, including grants, adjudications, concessions, among others;
- war, terrorism, rebellion or revolution;
- drought, famine, disease outbreaks and other complications due to natural or manmade disasters;
- governments' actions or interventions, including tariffs, protectionism, subsidies and other forms of exchange controls, expropriation of assets and cancellation of contractual rights;
- boycotts and embargoes that may be imposed by the international community on countries in which the Group operates;
- changes in taxation and other laws and regulations;
- exposure to different effective tax rates in each country in which the Group conducts business such that changes in its mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on its profitability;
- arbitrary or inconsistent government action, including capricious application of tax laws and selective tax audits;
- controls on the repatriation of profits and/or dividends, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries;
- difficulties and delays in obtaining new permits, licences and consents for business operations or renewing existing ones;
- difficulties or an inability to obtain legal remedies in a timely manner;
- compliance with a variety of US and other foreign laws, as well as European laws affecting the activities of European companies abroad, including:
 - compliance (historical and future) with the requirements of applicable anti-bribery laws, including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act of 1977; and
 - compliance (historical and future) with sanctions and export control provisions (including the US Export Administration Regulations) in several jurisdictions, including the European Union, the United Kingdom, the United States and China; and
- potential lack of reliability as to title to real property in certain jurisdictions.

Although the MEA region have enjoyed significant economic growth over the last several years, there can be no assurance that such growth will continue. Moreover, while certain government's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained.

Accordingly, you should exercise particular care in evaluating the risks involved and must decide whether, in the light of those risks, your investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

The economy of a number of the Group's markets in the MEA region are highly dependent upon hydrocarbon revenue

In 2018, the Group generated 62 per cent. of its revenue from the UAE, and 75.1 per cent. from the Middle East. The UAE's economy as well as number of other economies within the Middle East and certain countries in Africa, including Nigeria are highly dependent upon hydrocarbon-related revenue. Oil and gas prices fluctuate in response to changes in many factors, including, but not limited to:

- economic and political developments in oil producing regions, particularly in the Middle East;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;

- other actions taken by major crude oil and gas producing or consuming countries;
- prices and availability of alternative fuels;
- global economic and political conditions;
- prices and availability of new technologies; and
- global weather and environmental conditions.

Oil prices declined significantly beginning in June 2014, and although prices have recovered in 2018, they have remained volatile with periodic declines since October 2018. If oil prices decline again, this is likely to have an adverse effect on the GDP and other economic indicators of oil producing markets, including the UAE, Saudi Arabia and Nigeria, and may also negatively impact consumer confidence and purchasing power, resulting in lower overall expenditure which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business may be adversely affected if the UAE dirham/ US dollar peg were to be removed or adjusted

Currently, the UAE dirham remains pegged to the US dollar. However, there can be no assurance that the UAE dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that negatively impacts the level of economic activity in the UAE or negatively impacts the attractiveness of the UAE as a tourist destination, both of which are important factors that drive the level of payments activity. Any such de-pegging or adjustment could have a material adverse effect the Group's business, financial condition and results of operations.

Local currency fluctuations could affect the Group's cash flows which could, in turn, impact its ability to pay certain obligations as cash flows are generated in local currencies

Each of the Group's subsidiaries earns its revenue and incurs operating expenses principally in the local currency of the markets in which it operates. The Group's operating results, as presented in US dollars, are affected by exchange rate fluctuations between the US dollar and a number of local currencies. In addition, the Group has incurred indebtedness in US dollars and UAE dirham. Although substantially all of the Group's revenues are currently in US dollars or currencies pegged to the US dollar, volatility in the exchange rate of a local currency against the US dollar can result in gains or losses. Although the UAE dirham has been pegged to the US dollar at 3.6725 dirhams per dollar since November 1997, there can be no assurance this will continue to be the case due to economic, geopolitical or other factors that impact the UAE. Any negative effect of local currency fluctuations on the Group's cash flows could adversely impact its ability to pay certain obligations, which could adversely affect its business, financial condition and results of operations.

Risks related to the Global Offering

There is no existing market for the Ordinary Shares and an active trading market for the Ordinary Shares may not develop or be sustained

Prior to Admission, there has been no public trading market for the Ordinary Shares. Although the Company has applied to the FCA for admission to the premium listing segment of the Official List and has applied to the London Stock Exchange for admission to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, could be sustained following the closing of the Global Offering. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such Ordinary Shares in the public markets, including following the expiry of the lock-up period, or the perception that these sales could occur

As at the date of this Prospectus, the Group's existing shareholders hold, directly and indirectly, 100 per cent. of its issued share capital. Immediately following the Global Offering, and assuming that the Offer Size is at the mid-point of the Offer Size Range, no exercise of the Over-allotment Option, and that Mastercard acquires 9.99 per cent. of the Ordinary Shares, Emirates NBD will hold, directly and indirectly, 26.78 per cent. and WP/GA will hold, directly 25.73 per cent. of the Ordinary Shares. Figures/assumptions regarding exercise of over-allotment option to be included in due course.

The Company, the Selling Shareholders and the Directors are subject to restrictions on the issue of Ordinary Shares or the sale and/or transfer, as applicable, of their respective holdings in the Company's issued share capital. The issue or sale, as applicable, of a substantial number of Ordinary Shares by the Company, the Selling Shareholders or the Directors in the public market after the lock-up restrictions in the Underwriting Agreement and related arrangements expire (or are waived by the Joint Global Coordinators), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

In addition, the enforcement of the security over certain of the Company's Ordinary Shares granted by WP/GA in connection with the Margin Loan Facilities would reduce WP/GA's ordinary shareholding, may have a significant impact on the Company's ordinary shareholding structure and corporate governance and may also depress the market price of the Ordinary Shares and impair the Group's ability to raise capital through the sale of additional equity securities.

The Group's stock price may fluctuate significantly, which could cause the value of your investment to decline, and you may not be able to sell your shares at or above the initial public offering price

Securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions could reduce the market price of the Ordinary Shares regardless of the Group's results of operations. The trading price of the Group's Ordinary Shares is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- market conditions in the broader stock market;
- actual or anticipated fluctuations in the Group's quarterly financial and operating results;
- the introduction of new services by the Group, its competitors or its clients;
- strategic actions by competitors (including acquisitions and restructurings);
- operating share price performance of other companies that investors may consider comparable to the Group;
- issuance of new or changed securities analysts' reports or recommendations;
- speculation about the Group in the press or the investment community;
- investor perceptions of the Group and the industries in which it or its clients operate;
- sales, or anticipated sales, of large blocks of the Group's Ordinary Shares, including those by its existing shareholders;
- additions or departures of key personnel;
- regulatory or political developments;
- litigation and governmental investigations; and
- changing economic conditions.

The Company is a holding company with no business operations of its own and depends on its subsidiaries for cash, including in order to pay dividends

The Company is a group holding company with no independent operations and is dependent on earnings and distributions of funds from its operating subsidiaries for cash, including in order to pay dividends to Shareholders.

As a matter of English law, the Company can pay dividends only to the extent that it has sufficient distributable reserves available, which depends upon the Company receiving cash from its operating subsidiaries in a manner which creates distributable reserves. The Company's ability to pay dividends to Shareholders therefore depends on its future Group profitability, the ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Company, general economic conditions and other factors the Directors deem significant. The Group's distributable reserves can be affected by reductions in profitability as well as by impairment of assets.

Shareholders in the United States and other jurisdictions may not be able to participate in future equity offerings

The Company's Articles of Association (the **Articles**) provide for pre-emption rights to be granted to Shareholders in the Company, unless such rights are disapplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights, unless either the Shares and any other securities that are offered and sold are registered under the Securities Act, or the Ordinary Shares and such other securities, are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable Shareholders in the United States or other jurisdictions to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

Not all rights available to shareholders under US law will be available to holders of the Ordinary Shares

Rights afforded to shareholders under English law differ in certain respects from the rights of shareholders in typical US companies. The rights of holders of the Ordinary Shares are governed by English law and the Articles. In particular, English law currently limits significantly the circumstances under which the shareholders of English companies may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company.

Overseas shareholders may be subject to exchange risk

The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in GBP. An investment in Ordinary Shares by an investor whose principal currency is not GBP exposes the investor to foreign currency exchange rate risk. Any depreciation of GBP in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in foreign currency terms.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Information

The Group's consolidated financial information as of and for the three years ended 31 December 2016, 2017 and 2018 (collectively the **Historical Financial Information**) has been included in this Prospectus beginning on page F-1. The Historical Financial Information has been prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union (**IFRS**). The Group's Historical Financial Information has been prepared in accordance with the requirements of the Prospectus Directive.

The Group's financial year follows the calendar year and runs from 1 January to 31 December. The Historical Financial Information in "*Historical Financial Information*" is covered by the accountants' report preceding it, which was prepared in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom.

The Historical Financial Information and other financial information in this Prospectus relates to:

- (i) Network International LLC;
- (ii) the Network International LLC Subsidiaries (together with Network International LLC, the **UAE Entities**); and
- (iii) the subsidiaries of Network International Holding 2 Limited (the **Non-UAE Entities**) (the **Original Group**).

On 29 March 2019, the Company became the parent of the Group following the Pre-IPO Reorganisation, with Network International Holding 1 Limited and Network International Holding 2 Limited having been previously established as intermediate holding companies for the UAE Entities and the Non-UAE Entities, respectively. The Company, Network International Holding 2 Limited and Network International Holding 1 Limited, which have been incorporated for the purposes of the Pre-IPO Reorganisation, have no assets or liabilities other than the Original Group. No historical financial information on the Company, Network International Holding 1 Limited or Network International Holding 2 Limited has been included in this Prospectus. Therefore, references in this Prospectus to the "Group" or "Network International" in the context of historical financial information or other financial information relate to the Original Group, prior to the effect of any steps in connection with the Pre-IPO Reorganisation. For further information on the Group's corporate structure and the Pre-IPO Reorganisation, please see "*The Group's Corporate Structure*" and "*Additional Information—Pre-IPO Reorganisation*" below.

The Group completed the acquisition of Emerging Markets Payments (**EMP**) with effect from 1 March 2016, and therefore the Company's consolidated financial results for the year ended 31 December 2016 include only ten months of the financial results of EMP. The reduced period of financial results for EMP in the Group's consolidated results in that year affects the comparability of the Group's consolidated results for the year ended 31 December 2016 with the results for subsequent comparative periods. The Prospectus also includes financial information (and the accountant's report thereon) of EMP for the year ended 31 December 2016 (the **2016 Standalone EMP Financial Information**) reflecting the full year of EMP's 2016 operations (including the two-month period of EMP prior to the acquisition of EMP by the Company and consolidation into the Company's Historical Financial Information). See "*Historical Financial Information*".

The Company was recently incorporated and as at the date of this Prospectus has no historical operations of its own. Therefore, this Prospectus does not present any standalone, unconsolidated financial information for the Company.

Non-IFRS Information

The Prospectus contains certain financial measures that are not defined or recognised under IFRS, including, Underlying EBITDA, Underlying EBITDA Margin Excluding Share of an Associate, Underlying Net Income, Underlying Effective Tax Rate, IT Transformation Capital Expenditure, Underlying Free Cash Flow and Constant Currency Organic Revenues (collectively, the **Non-IFRS Measures**).

The Company has presented these Non-IFRS measures because it considers them an important supplemental measure of its underlying performance. For a reconciliation of the Non-IFRS Measures to the IFRS measures included in the Historical Financial Information, see "*Selected Financial Information and Operating Data—Non-IFRS Financial Measures*".

The term “specially disclosed items” as used in this Prospectus refers to income or expenses that have been recognised in the profit or loss statement which Management believes, due to their nature should be disclosed separately to give a more comparable view of the year-on-year underlying financial performance.

The Non-IFRS Measures alone do not provide a sufficient basis to compare the Group’s performance with that of other companies and should not be considered in isolation or as a substitute for total revenue or any other measure as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, these measures should not be used instead of, or considered as an alternative to, the Group’s historical financial results.

The Group’s presentation of the Non-IFRS Measures should not be construed as an implication that its future results will be unaffected by non-recurring items. The Group encourages you to evaluate these items and the limitations for purposes of analysis in excluding them.

Currency Presentation

Unless otherwise indicated, all references in this document to:

- **Egyptian pound** are to the lawful currency of Egypt;
- **Jordanian dinar** are to the lawful currency of Jordan;
- **Nigerian naira** are to the lawful currency of Nigeria;
- **South African rand** are to the lawful currency of South Africa;
- **UAE dirham** or **AED** are to the lawful currency of the United Arab Emirates;
- **UK pound sterling** or **GBP** are the lawful currency of the United Kingdom; and
- **US dollars** or **USD** are to the lawful currency of the United States.

The UAE dirham has been pegged to the US dollar at its current rate since November 1997. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = USD 1.00 and all translations of dirham numbers to US dollars in this Prospectus have been made at that rate or at the approximate rates of AED 3.6725 = USD 1.00.

Rounding

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

Definitions

Unless the context otherwise requires, all references in this Prospectus to the **Company** are to Network International and all references in this Prospectus to the “Group”, “its” and “it” refer, collectively, to the Company and its subsidiaries. Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in the section headed “*Glossary*”.

Market, Economic and Industry Data

This Prospectus contains historical market, economic and industry data and forecasts which have been obtained from industry publications, market research and other publicly available information. Certain information regarding market size, market share, market position, growth rates and other industry data pertaining to the Group and its business contained in this Prospectus consist of estimates based on data compiled by professional organisations and on data from other external sources. The Company confirms that all such third-party information contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by such third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Whilst the Directors believe the third-party information included therein to be reliable, the Company has not independently verified such third-party information.

In some cases there is no readily available external information (whether from trade and business organisations and associations, government bodies or other organisations) to validate market related analyses and estimates, requiring the Group to rely on internally developed estimates.

In addition, Edgar, Dunn & Company (**EDC**), an independent and global strategy consulting firm specialising in payments and digital financial services of 3 St Helen's Place, London, EC3A 6AB, United Kingdom, has prepared, at the request of the Company for the purposes of this Prospectus, a report into market and industry information, consisting of the following components:

- (a) Market Sizing Report, dated 11 January 2019;
 - (b) Market Attractiveness Report, dated 25 January 2019;
 - (c) Competitive Assessment, dated 31 January 2019; and
 - (d) Technology Trends Analysis, dated 11 January 2019,
- (together, the **EDC Report**). EDC has no material interest in the Company.

Where third-party information has been used in this Prospectus, the source of such information has been identified. Where the Group has relied upon internally developed estimates, the information is identified as Company estimates or beliefs. All other market and industry information in this Prospectus is extracted from the EDC Report.

The Group does not intend, and does not assume any obligation, to update industry or market data set forth in this Prospectus. Because market behaviour, preferences and trends are subject to change, prospective investors should be aware that market and industry information in this Prospectus and estimates based on any data therein may not be reliable indicators of future market performance or the Group's future results of operations.

Information Not Contained in this Prospectus

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

Information Regarding Forward-Looking Statements

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on Management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "targets", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of Management or the Company concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates. In particular, the statements under the headings "*Summary Information*", "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" regarding the Company's strategy, targets and expectations in respect of the Group's expected revenue, profit, growth, accounting tax rates, and capital expenditure upon the operating results of the Group as well as other expressions of the Group's targets and expectations and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts, involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Group's actual results to so vary include, but are not limited to:

- the Group may face new competitive pressure from both non-traditional payments processors and other parties entering the payments industry;
- a number of the services that the Group expects to be a source of future growth are new and address markets that are not yet fully developed; and

- the Group competes with other providers of digital payments services, some of which have significant resources and are present in the markets in which the Group operates.

For more information regarding these uncertainties, please see “*Risk Factors*” above.

Subject to the requirements of the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Listing Rules, or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in the Company’s expectations or to reflect events or circumstances after the date of it.

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

No Incorporation of Website Information

Neither the contents of the Company’s website, any website mentioned in this Prospectus nor any website directly or indirectly linked to these websites have been verified and they do not form part of this Prospectus, and investors should not rely on such information.

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Rohinton Kalifa—Independent Chairman Simon Haslam—Chief Executive Officer Darren Pope—Senior Independent Non-Executive Director Victoria Hull—Independent Non-Executive Director Habib Al Mulla—Independent Non-Executive Director Shayne Nelson—Non-Executive Director Suryanarayan Subramanian—Non-Executive Director Aaron Goldman—Non-Executive Director Daniel Zilberman—Non-Executive Director
Business address of each of the Directors	P.O. Box 4487, Dubai, United Arab Emirates
Registered office of the Company	Suite 1, 3rd Floor 11–12 St James’s Square London, SW1Y 4LB United Kingdom
Headquarters of the Group	Level 1, Network Building Al Barsha 2 Dubai United Arab Emirates
Company Secretary	Jaishree Razzaq
Sole Sponsor, Joint Global Coordinator and Joint Bookrunner	Citigroup Global Markets Limited Citigroup Centre, 33 Canada Square, Canary Wharf London, E14 5LB United Kingdom
Joint Global Coordinators and Joint Bookrunners	Emirates NBD Capital Limited Dubai International Finance Centre The Gate Building—West wing—12th Floor United Arab Emirates J.P. Morgan Securities plc 25 Bank St, Canary Wharf London E14 5JP United Kingdom Morgan Stanley & Co. International plc 25 Cabot Square, Canary Wharf London E14 4QA United Kingdom
Joint Bookrunners	Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB United Kingdom Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom

Co-Lead Manager	Liberum Capital Limited Ropemaker Place 25 Ropemaker Street London EC2Y 9LY United Kingdom
Underwriter	Emirates NBD Capital PSC P.O. Box 2336 Dubai United Arab Emirates
Financial Adviser to the Company . . .	Evercore Partners International LLP 15 Stanhope Gate London W1K 1LN United Kingdom
Legal advisers to the Company as to English and US law	Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom
Legal advisers to the Company as to UAE law	Al Tamimi & Company The MAZE Tower 15th Floor Sheikh Zayed Road P.O. Box 9275, Dubai, United Arab Emirates
Legal Advisers to the Banks as to English law	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ United Kingdom
Legal Advisers to the Banks as to US law	Clifford Chance Europe LLP 1 rue d’Astorg Paris 75008 France
Auditors	KPMG LLP 15 Canada Square London E14 5GL United Kingdom
Reporting Accountants	KPMG Lower Gulf Limited Level 13, Boulevard Plaza Tower One Mohammed Bin Rashid Boulevard, Downtown Dubai, United Arab Emirates Pricewaterhouse Coopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
Registrar	Link Market Services Limited (trading as Link Asset Services) The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected Timetable of Principal Events

Each of the times and dates in the table below is indicative only and may be subject to change without further notice. References to time and date are to time and date in London, United Kingdom unless otherwise stated.

Event	Time and date
Latest time and date for receipt of indications of interest under the Global Offering	3:00 pm on 10 April 2019
Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Ordinary Shares in the Global Offering ⁽¹⁾	7:00 am on 11 April 2019
Commencement of conditional dealing in Ordinary Shares on the London Stock Exchange	8:00 am on 11 April 2019
Admission and commencement of unconditional dealings in Ordinary Shares on the London Stock Exchange	8:00 am on 16 April 2019
CREST accounts credited in respect of Ordinary Shares acquired in the Global Offering in uncertificated form	8:00 am on 16 April 2019
Share certificates despatched	Within ten business days of Admission

Note:

(1) The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this document, but it will be published on the Company's website at www.network.ae. If the Offer Price is set above the Price Range (or the Price Range is revised higher), or the Offer Size is set above or below the Offer Size Range, then an announcement will be made via a Regulatory Information Service and prospective equity investors would have a statutory right to withdraw their application for Offer Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. The expected date of publication of the Pricing Statement would be extended and the arrangements for withdrawing offers to purchase Shares would be made clear in the accompanying announcement.

It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.

Offer Statistics

Offer Price Range (per Ordinary Share) ⁽¹⁾	GBP 3.95 to GBP 4.65
Number of Ordinary Shares in issue immediately prior to Admission	500,000,000
Expected minimum number of Ordinary Shares in the Global Offering (assuming no exercise of the Over-allotment Option) ⁽²⁾⁽³⁾	174,524,932
Expected maximum number of Ordinary Shares in the Global Offering (assuming no exercise of the Over-allotment Option) ⁽²⁾⁽⁵⁾	299,950,000
Number of Ordinary Shares expected to be sold to the Cornerstone Investor ⁽⁴⁾⁽⁶⁾⁽⁹⁾	49,950,000
Indicative number of Ordinary Shares in the Global Offering as a percentage of total number of Ordinary Shares in issue immediately following Admission ⁽²⁾	Between 34.90 per cent. and 59.99 per cent.
Number of Ordinary Shares subject to the Over-allotment Option ⁽⁴⁾⁽⁷⁾	37,500,000

Estimated gross proceeds of the Global Offering receivable by the Selling Shareholders (assuming no exercise of the Over-allotment Option) ⁽⁴⁾⁽⁸⁾⁽⁹⁾	GBP 1,021,035,000
Estimated net proceeds of the Global Offering receivable by the Selling Shareholders (assuming no exercise of the Over-allotment Option) ⁽⁴⁾⁽⁸⁾⁽⁹⁾	GBP 998,863,125
Estimated market capitalisation of the Company at the Offer Price ⁽⁹⁾⁽¹⁰⁾	GBP 2,150,000,000
Expenses charged to the purchasers of Ordinary Shares by the Company or the Selling Shareholders	nil

Notes:

- (1) It is currently expected that the Offer Price will be set within the Offer Price Range. The Company expects to publish the Pricing Statement containing the Offer Price and the Offer Size on or around 11 April 2019.
- (2) It is currently expected that the Offer Size will fall within the Offer Size Range, such that the total number of Ordinary Shares comprised in the Global Offering represents between 174,524,932 and 299,950,000, being 34.90 per cent. and 59.99 per cent., respectively, of the total number of Ordinary Shares in issue immediately following Admission (assuming no exercise of the Over-allotment Option). However, the Company does not know with certainty the exact number of Ordinary Shares that will be sold by the Selling Shareholders and the number of Ordinary Shares comprised in the Global Offering may represent a higher or lower number than that indicated.
- (3) Calculated on the assumption that the total number of Ordinary Shares subject to the Global Offering represents 34.90 per cent. of the total number of Ordinary Shares in issue immediately following Admission.
- (4) Assuming the Offer Size is set at the mid-point of the Offer Size Range.
- (5) Calculated on the assumption that the total number of Ordinary Shares subject to the Global Offering represents 59.99 per cent. of the total number of Ordinary Shares in issue immediately following Admission.
- (6) Assuming the Cornerstone Investor acquires 9.99 per cent. of the Ordinary Shares. Mastercard (the **Cornerstone Shareholder**), the Selling Shareholders and the Company have entered into the Cornerstone Agreement pursuant to which Mastercard has irrevocably agreed to invest USD 300 million in the Company by acquiring from the Selling Shareholders such number of Offer Shares in the Global Offering at the Offer Price as is calculated by dividing the sterling equivalent of USD 300 million (determined immediately prior to pricing) by the Offer Price (the **Cornerstone Shares**). If the number of Cornerstone Shares which would otherwise be acquired is greater than 9.99 per cent. of the Company's issued share capital upon Admission, the Selling Shareholders may, in their discretion, reduce the number of Cornerstone Shares to be acquired by Mastercard to that number of shares which is equal to 9.99 per cent. of the Company's issued share capital. For more information, see "*Details of the Global Offering—Cornerstone Investor*".
- (7) The maximum number of Ordinary Shares subject to the Over-allotment Option is, in aggregate, equal to 15 per cent. of the maximum number of Ordinary Shares comprised in the Global Offering (prior to the utilisation of the Over-allotment Option and excluding the Cornerstone Shares).
- (8) The Company will not receive any of the net proceeds from the sale of Ordinary Shares in the Global Offering.
- (9) Assuming the Offer Price is set at the mid-point of the Offer Price Range.
- (10) The market capitalisation of the Company at any given time will depend on the price of the Ordinary Shares at the time. There can be no assurance that the market price of an Ordinary Share will be equal to or exceed the Offer Price.

OVERVIEW OF THE PAYMENTS VALUE CHAIN

The global card payments value chain involves several key roles, which can be independently performed or combined in multiple ways by various payments market participants, including financial institutions, payment schemes and payments processors, as well as emerging players:

- **Cardholders:** Buy goods or services from merchants. These purchases can be made across a variety of channels. Historically, most transactions have taken place in-store via cash payments. However, with changing consumer behaviour, technology and increasing card penetration, transactions are increasingly shifting towards digital payments including online and mobile channels.
- **Merchants:** Accept payment in stores, online including via mobile devices, and deliver goods or services to the cardholder.
- **Merchant acquirers or direct acquirers:** Merchant acquirers contract directly with merchants to facilitate card and alternative forms of payments and payment-related value added services. In order to enable card payments through the payment schemes, a merchant acquirer must typically hold the relevant local operating licence from the payment scheme, which in turn requires the merchant acquirer to comply with the scheme's operating regulations, including data and information security standards. The merchant acquirer assumes the financial risk of chargebacks due to delivery of product or service disputes and may vary pricing and/or terms to the merchant depending on the merchant's risk profile. Given the risk assumed by the merchant acquirer, a fee is charged by the merchant acquirer to the merchant.
- **Acquirer processors:** Companies who offer payments transaction processing services for merchant acquirers by obtaining payments authorisations via the credit and debit card schemes (known as "front-end" processing), and ensuring that each transaction is appropriately cleared and settled into the merchant's bank account (known as "back-end" processing).
- **Point of sale service or online payment gateway providers:** Companies specialising in managing point of sale (POS) machines for in-store and online payment gateways for e-commerce merchants, allowing merchants—with the support of merchant acquirers—to accept card payments.
- **Payment schemes:** The role of payment schemes is to connect card issuers and merchant acquirers seamlessly and to process, route and verify transactions as quickly and securely as possible. The three largest card schemes—Visa, Mastercard, and UnionPay—operate solely as schemes, independent from banks. The other card schemes—American Express, Diners Club, Discover and JCB—operate as card-issuing banks and card schemes, and license their brand to third-party issuers who issue cards tied to those schemes.
- **Issuer processors:** Companies who offer payments transaction services for card issuers, including account opening, card issuance, hosting, settlement, reconciliation, chargebacks and ATM usage. Issuer processors process each card transaction for the card issuer and accumulate card transactions. Associated services include hosting and management of issuer solutions customers' portfolios of card product solutions, improving flexibility and the ability to manage operational risk and reducing issuer solutions customers' costs of product development, up-front infrastructure costs, time to market and card maintenance costs.
- **Financial and non-financial card issuers:** Card issuers are institutions that provide the cardholder with their debit and credit cards. They bear the responsibility of approving the cardholder and billing and collecting owed funds from the cardholders.

Overview of the Mechanics of a Transaction

A typical card-based payment transaction consists of the following steps:

1. The cardholder presents his or her card to the merchant as payment for the good or service.
2. The card connects with the POS terminal at the merchant location, which takes the relevant account information contained on the card's chip or magnetic stripe. This can be done via various mechanisms including the chip and pin method or contactless payment. This payment method differs slightly in an e-commerce transaction, for which the POS device is replaced by a virtual terminal application wherein the cardholder enters his or her card number into the check-out page of the online gateway. Mobile purchases, including in-app purchases, also include a virtual terminal application to complete the transaction.

3. The merchant acquirer then receives the customer's card details and transaction information, which are transmitted from the POS or the merchant acquirer's processor. In an e-commerce transaction, the information is encrypted and then transmitted to the merchant acquirer or merchant acquirer's processor via the online payment gateway.
4. The merchant acquirer or the merchant acquirer's processor identifies the appropriate payment scheme affiliated with the card—such as Visa, Mastercard, American Express and Diners Club—and forwards the card details to the appropriate scheme.
5. The payment scheme receives the request for payment authorisation and routes the transaction to the relevant identified card issuer or its issuer processor.
6. The card issuer or its issuer processor receives the request and then assesses the potential risk of fraud for the transaction and verifies that the cardholder has sufficient funds or credit to cover the value of the transaction.
7. The card issuer or its issuer processor approves or declines the transaction with the response then sent back to the payment scheme.
8. Assuming the transaction was approved, the payment scheme receives the approval and forwards the authorisation to the merchant acquirer or merchant acquirer's processor.
9. The merchant acquirer or merchant acquirer's processor sends the authorisation back to the POS device at the business location, which provides an approval confirmation and prints a receipt for the cardholder. In an e-commerce transaction, the authorisation is sent to the online storefront, which communicates the approval to the consumer on the screen of their computer or device and may provide the receipt for printing online or via email.
10. The merchant acquirer ultimately receives the funds from issuers through the schemes and settles funds on to the merchant's bank account. The settlement process typically occurs within a few working days following the initial transaction, whereas the wider authorisation process, as described by the steps above, occurs rapidly, at the time of sale.

In certain cases, the merchant acquirer may be asked to process refunds or chargebacks. A refund is required when a merchant wishes to return money to a consumer (for instance, in the case of returned goods). In this case, the merchant acquirer submits similar information to that set out above, except the value transfer flows from the merchant to the consumer's account at the issuing bank. A chargeback takes place if a consumer challenges whether a transaction is legitimate, either because they did not receive the goods or services, or they felt that the goods or services were not fit for purpose, or because a fraudulent transaction was made using their card or card details. In that case, the authorising entity (card issuer or its issuer processor) may be entitled to charge back the transaction to the merchant acquirer and the merchant on behalf of the consumer. When a chargeback is received by the merchant acquirer, it reviews the authorising entity's right to raise the chargeback and, if it is legitimate, the merchant acquirer debits the merchant's account. If the merchant acquirer believes that the chargeback is not legitimate, it will re-present the transaction to the authorising entity for which it may charge an additional fee. A potential risk for the merchant acquirer arises in this scenario if the merchant becomes insolvent between the date of the transaction and the date of the chargeback and is unable to reimburse the merchant acquirer.

Fee Structures for Value Chain Participants

On a simplified basis, the fees for various players include:

- fees for usage of an online payment gateway or POS software and the cost for the purchase, lease or rental of POS devices;
- merchant service charges charged to a merchant by merchant acquirers. This represents the total fees charged to the merchant by all participants in the value chain. The merchant acquirer will retain the net amount after deducting the interchange and scheme fees;
- interchange fees represent the amount payable to the card issuer, paid by the merchant acquirer out of the merchant service charge. The fee typically represents the largest portion of transaction costs paid by merchants;
- payment scheme fees charged to the merchant acquirer by the schemes for use of their network;

- acquirer processing fees represent a cost of goods sold to merchant acquirers if they outsourced their transaction processing to acquirer processors;
- issuer processing fees to the card issuer by the issuer processor, normally driven by number of cards hosted and billed, and/or number of processed transactions and billed; and
- fees from providing value added services to both merchant customers and financial institution customers—examples include digital onboarding, e-receipt, loyalty programmes, dynamic currency conversion, 3D secure and tokenisation.

INDUSTRY OVERVIEW

Introduction to the Group's Addressable Market and Key Trends in the Payments Industry

The MEA region digital payments industry is a large and fast-developing market. Whilst there is an ongoing global structural shift from cash to digital payment methods, including card-based payments, the progress of the move away from cash payments varies by country and region. Specifically, within the MEA region, cash payments still represent a large proportion of total payments implying a substantial opportunity for digital payment providers as the move from cash to digital payments continues. The key drivers of this shift are set out in more detail in this section.

Within the payments industry, card-based payments systems and transactions represent a crucial aspect of the overall global consumer payments ecosystem. Within this, the penetration of card payments generally represents the key driver of the digital payments industry. As such, the following overview mainly focuses on card-based payments. Behind each credit or debit card transaction, there is a complex payments infrastructure that involves multiple parties ensuring that each transaction is processed correctly.

The global number of digital transactions has grown from 326 billion in 2012 to 504 billion in 2017, representing a compound annual growth rate (CAGR) of 9.1 per cent. This has been driven by growth across all major geographies, with the MEA region being one of the strongest engines of this development with a CAGR of 14.2 per cent.³ This strong growth is forecast to continue with global digital transaction numbers expected to grow at a 6.9 per cent. CAGR from 2017 to 2022, reaching 771 billion in 2022. The MEA region is expected to continue growing at a higher growth rate with a CAGR of 9.8 per cent. from 2017 to 2022. This increase in numbers of transactions translates into a rising value of digital payments in the MEA region, which is set to grow from USD 6.5 trillion in 2017 to USD 8.9 trillion in 2022. The Group's addressable markets are expected to grow from USD 4.4 billion in 2015 to USD 6.2 billion in 2019 at a CAGR of 9 per cent.

As demonstrated below, there is a relationship between cash usage and personal consumption which can be seen in a number of markets. The lower relative personal wealth in many of the markets in which the Group operates suggests that the movement to digital payments is still to play out. For example, other emerging countries have recently experienced a strong increase in their digital payments' share of transactions between 2012 and 2017 with growth accelerating from 14 per cent. to 45 per cent. in China and from 2 per cent. to 9 per cent. in India.

³ Note on data presented:

Population and internet penetration data presented is based on the entire population of the wider MEA countries, which includes Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Egypt, Ethiopia, Gabon, Guinea, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Oman, Qatar, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Swaziland, Syria, Tanzania, Togo, Tunisia, Uganda, United Arab Emirates, West Bank and Gaza, Yemen, Zambia, Zimbabwe.

All other MEA regional data, except e-commerce and m-commerce data, is based on available country data for the following countries in the Middle East and Africa: Algeria, Angola, Bahrain, Egypt, Jordan, Ghana, Kenya, Kuwait, Lebanon, Mauritius, Morocco, Nigeria, Oman, Saudi Arabia, South Africa, Tunisia, United Arab Emirates.

MEA e-commerce and m-commerce data is based on a reduced number of countries (Egypt, Jordan, Kenya, Kuwait, Morocco, Nigeria, Qatar, Saudi Arabia, South Africa, United Arab Emirates) due to limited available data.

Data on the Group's addressable markets includes key countries of Egypt, Jordan, Nigeria, Saudi Arabia, South Africa, United Arab Emirates. Data on digital payments as prepared by EDC defined as payments cards (only POS), cheques, credit transfer and direct debit.

Share of digital transactions as a percentage of personal consumption levels (2017)



Source: Edgar, Dunn & Company.

At this stage the MEA digital payments market remains highly underpenetrated and the overall market is still heavily reliant on cash payments. Specifically, the MEA region had the lowest global proportion of digital transactions by number of transaction in 2017 at 14 per cent. which is expected to increase to 20 per cent. in 2022. Whilst the Group's countries of operations are not homogeneous and the specifics vary by country, these overall trends are relatively consistent across the majority of the MEA region. The MEA digital payments market growth is significant and sustainable, driven by several key trends, many of which can also be observed in markets which are more advanced in digital payments compared to the MEA region.

Management believes that a confluence of the below themes will contribute to sustained growth in the MEA region:

- cash to digital payments in the world's most underpenetrated markets;
- expanding payments market;
- increased outsourcing by banks; and
- highly attractive macroeconomic and socioeconomic trends.

Cash to Digital Payments Conversion in the World's Most Underpenetrated Markets

Historically, the MEA region has been heavily reliant on cash as a means of payment, and has also experienced low payment activity in terms of annual number of transactions as compared to other regions. As of 2017, only 14 per cent. of all payments transactions (by number) were digital in the MEA region, which is significantly lower than in other regions such as North America and Europe with 74 per cent. and 51 per cent. digital transactions, respectively.

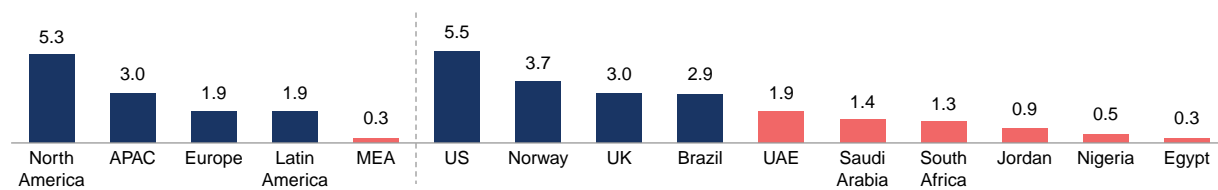
The MEA Region is the Most Underpenetrated Digital Payments Region

The underpenetration of digital payments is driven by several important factors. The overall MEA population remains underbanked by global standards with a low proportion of the population with ready access to a bank account. The MEA region has a banked population of only 34 per cent. This level of underpenetration is more significant than can be seen in other emerging markets such as the Asia-Pacific (APAC) region (70 per cent.) and Latin America (54 per cent.) and is significantly less penetrated than developed regions, such as Europe and North America, which have a banking penetration of 83 per cent. and 94 per cent., respectively.

Given this level of underbanking, both in the MEA region as a whole as well as in the Group's key countries of operations, there is also a very low number of cards per adult. This, in turn, drives a low number of POS and ATM transactions per adult on an annual basis. Here the MEA region is, once again, the lowest global region in

term of transactions per adult per annum. Furthermore, the overall payments infrastructure in the MEA region is less developed with a lower number of POS and ATMs per capita than in developed markets as well as lower numbers than in other emerging market regions.

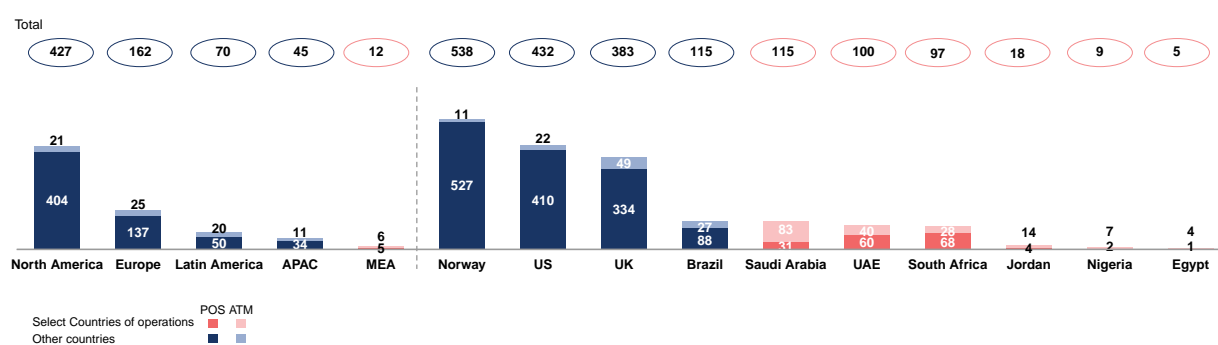
Cards per Adult (2017)



Source: Edgar, Dunn & Company.

As shown in the chart above, the MEA region has the fewest number of cards per adult, and has a growth potential (defined as the population-weighted average of North America and Europe divided by the MEA metric) of nine times its current number.

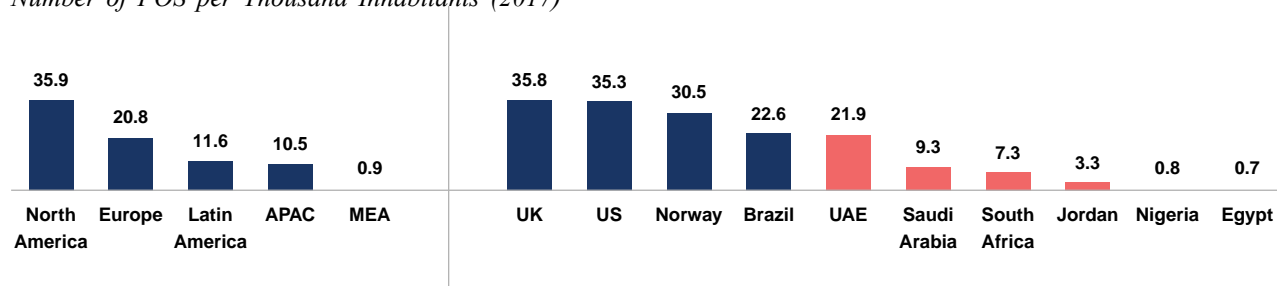
POS and ATM Transactions per Adult per Annum (2017)



Source: Edgar, Dunn & Company.

The MEA region has the fewest POS and ATM transactions per adult per annum, with a growth potential of 22 times its current number.

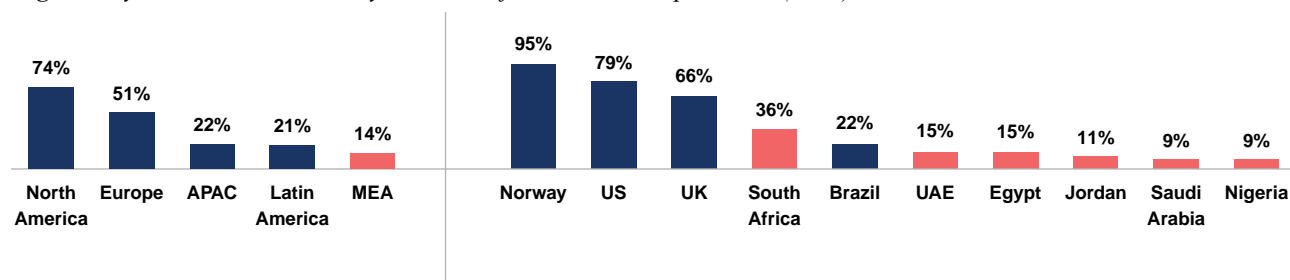
Number of POS per Thousand Inhabitants (2017)



Source: Edgar, Dunn & Company.

The MEA region has the fewest POS per thousand inhabitants, with a growth potential of thirty times its current number.

Digital Payments Transactions by Number of Transactions, per cent. (2017)



Source: Edgar, Dunn & Company.

As shown in the chart above, the MEA region has the lowest number of digital transactions by number of transactions, and has a growth potential of four times its current volume.

Multiple Drivers of Digital Payments Adoption

As previously set out, cash payments currently represent the vast majority of transactions in the MEA region. However, the share of digital payments is increasing as consumers adopt card-based payment methods as they gain access to bank accounts supported by improving infrastructure. Additionally, rapid technology changes such as the use of robotics and automation and other technological advancements, allows for lower cost to access consumers, increasing stores of value and increased flexibility of payment methods. Over and above this, more advanced consumers are increasingly showing willingness to engage with new technologies and to change their traditional shopping habits in order to satisfy their desire for a seamless and safe transaction experience.

One of the key drivers of the rise in digitisation, including e-commerce and m-commerce, is the rapid growth in internet and smartphone penetration that has been enabled by expanding global connectivity as more people gain access to the internet. The MEA region has a low internet penetration rate of 29 per cent. in 2017. This level is significantly lower than in other geographies such as North America and Europe which have internet penetration levels of 78 per cent. and 77 per cent. respectively. As the level of internet penetration in the MEA region increases, it will support consumers' ability to shop online. The growing popularity of smartphones is expected to contribute to significant growth in mobile shopping and payments.

In some specific areas, the widespread adoption of e-commerce and m-commerce is currently restricted by the logistics networks available. Nevertheless, the MEA region is projected to exhibit significant e-commerce growth, with e-commerce sales expected to grow at a 19.9 per cent. CAGR in the MEA region between 2017 and 2022 to reach USD 80 billion in 2022, compared to USD 1.3 trillion for North America and USD 1.1 trillion for Europe. The MEA region is also expected to see strong m-commerce value growth expansion from USD 14.2 billion in 2017 to USD 57.8 billion in 2022, representing a CAGR of 32 per cent.

Digital payments adoption, as set out above, improves economic development, which again leads to further increases in digitisation and has significant benefits for the various stakeholders in the payments industry, as set out below:

- *Banks*: typically experience increased customer engagement, an enhanced asset base and cost efficiencies as digital payments improve record-keeping.
- *Governments*: typically gain fiscal benefits and improved financial transparency as digital payments are easier to observe, track and analyse.
- *Merchants*: typically experience increased conversion, reduced complexity and lower risk as they become less cash-dependent.
- *Consumers*: typically receive a more seamless experience with higher reliability, as well as improved security as they do not have to carry cash and can easily track their spending.

Alternative Payments Methods are an Accelerator of Digitalisation

Recently, there has been growth in companies offering alternative payment methods outside of (and in some cases as an extension to) the traditional card value chain. These include dedicated payments providers such as PayPal, but further extend to global tech giants such as Google, Apple and Amazon, as well as Alibaba (via Ant Financial/Alipay) and Tencent (via WeChat Pay). Multiple underlying technologies support this growth, including QR codes, SMS-based payment methods and online authentication. In most cases, their products are

mobile wallet solutions which often rely on the traditional card-based payments value chain, for example to fund the wallet. Others bypass this value chain and offer account-to-account based payment methods. There are a range of other such providers offering similar alternative payment methods, albeit on a smaller scale (Klarna and Trustly in Europe are examples, as are M-Pesa, KongaPay and CashU in the MEA region).

M-Pesa has been highly successful in Kenya since its launch in 1997, reflecting a first-mover advantage. However, it has faced challenges in expanding beyond Kenya, and remains predominantly focused on peer-to-peer transactions with limited merchant take-up. Today, bank accounts in Kenya outnumber mobile money accounts by more than 30 per cent., whereas there were more mobile money accounts in Kenya during the period from 2010 to 2015, according to the Consultative Group to Assist the Poor. Beyond this, alternative payments volumes still remain relatively small compared to the total payments flowing via card schemes.

Moreover, Management believes that the overall rise of alternative payments is supportive of the overall structural movement from cash to digital payments in the MEA region as they increase consumers' comfort in adopting digital payments methods. The fragmented alternative payment landscape, however, drives scalability challenges for alternative payment providers beyond specific geographies. Additionally, the increase in alternative payments increases the complexity of the payments ecosystem which enhances the attractiveness of the Group's offering.

Strong Growth in Card Usage

As summarised above, cash payments remain high in the MEA region. However, the proportion by number of transactions is estimated to have decreased from 92 per cent. in 2012 to 86 per cent. in 2017 and is expected to decrease further to 80 per cent. in 2022 as the drive to digital payments continues. The majority of this move away from cash is expected to be replaced by card payments increasing from a 5 per cent. share of number of transactions in 2012 to a 14 per cent. share in 2022. Alongside this, the number of cards in the MEA region is poised for solid growth, with a rapid rise in the number of cards in the MEA region, which is forecast to grow at a 7.8 per cent. CAGR from 2017 to 2022.

The overall number of card transactions (POS only) in the MEA region is forecast to grow from 4.8 billion in 2017 to 8.0 billion in 2022 representing a CAGR of 10.9 per cent. As a result of these aspects, strong growth is expected in the number and value of card transactions in the MEA region. The overall value of MEA card transactions (POS only) is expected to grow in the coming years from USD 286 billion in 2017 to USD 507 billion in 2022, representing a CAGR of 12.1 per cent.

Expanding Payments Market—Increased Demand for Value Added Services

As the retail segment across the MEA region grows increasingly sophisticated and complex, an expanding range of value added services is being offered by payments providers to facilitate merchant and issuer needs, addressing the key customer needs for increased efficiency, improved conversion and lower complexity.

Payment providers offer value added services to enhance connections between issuers and their customers, including, for example, providing fast set-up to accelerate customers' digital payments acceptance and streamlined checkout as a result of a digitised front-end. Payments providers also use value added services to assist their customers in driving repeat sales by enabling customer retention programmes and providing analytics solutions that are designed to be tailored and accessible as well as offering comprehensive fraud and security solutions to protect them.

Value added services are an important revenue opportunity for payments providers through cross-selling and upselling opportunities as well as overall higher usage of the providers' products. These also have the ability to increase customer loyalty due to enhanced reliance on the payments provider. Furthermore, payment providers can also leverage efficiencies in the offering of these products, whereby products once developed can be rapidly deployed to a large number of customers.

Overall, Management believes that the demand for value added services will continue to increase as merchants and financial institutions will look to enhance their offering and efficiency. Management expects the demand for value added services to increase in MEA in line with trends already witnessed in more developed markets as they offer clear benefits for merchants and issuers such as increased efficiency, improved conversion and lower complexity.

Increased Outsourcing by Banks

In the Group's markets historically the roles of both issuers and acquirers were performed by banks on an insourced basis whereby key services such as processing and selected value added services were performed

internally by the issuer or acquirer using either self-developed software or utilising third party software in-house. However, for many banks, payment processing has come to be regarded as a “non-core” activity and outsourcing is seen by management of those companies as a way to increase their focus on their core business. This trend has been ongoing for some time in developed markets, however, and it remains relatively nascent in the MEA region, implying a large opportunity for the Group.

In developed markets, there has been a structural shift in the approach to processing and valued added services with issuers and acquirers seeking to outsource and leverage third-party companies due to several important factors. One of the key factors is the increasing complexity in the industry. Financial institutions are looking to third parties with specific expertise to assist them in meeting increasing and complex demands of consumers and merchants whilst reducing the high capital investment levels required to develop their own technology and avoiding distraction from their core business. Other key drivers include the overall increased focus on regulatory compliance, speed to market, and economies of scale from high volumes of digital payments. There are several examples of North American and European banks having outsourced their payment processing capabilities, such as Bank of America (United States), which has outsourced its processing to TSYS since 2005.

Management believes that banks in the MEA region will follow the model taken by developed market operators due to significant benefits for issuers and acquirers to moving to an outsourced operational model:

- enhanced capital allocation;
- increased speed to market;
- enhanced flexibility and agility;
- newer and superior products;
- more regular upgrade cycles;
- improved security; and
- ability to assist with regulatory requirements.

The overall move to outsourcing is a key trend in global digital payments. For example, within selected developed markets there has been significant move to operating on an outsourced basis. Key financial institutions such as Bank of America, Capital One, Santander, Deutsche Bank, Intesa Sanpaolo, UniCredit and HSBC have outsourced some of their processing and acquiring business, leading to increased activity of independent players. At this stage, the number of independent providers in the MEA region is relatively small and Management believes that consolidation within this group could arise in the coming years.

The start of this relatively nascent trend can also be seen within the MEA market where the share of total processing by number of transactions that has been outsourced is approximately 18 per cent. with approximately 82 per cent. still operating on an insourced basis in 2017. This implies that there is a substantial opportunity for the Group with regards to the processing still conducted on an insourced basis.

As at the date of this document, a total of more than 220 banks have already outsourced their processing to the Group, representing approximately 20 per cent. of banks in the MEA region based on Moody’s Analytics Bankfocus, and allowing the Group to benefit from first mover advantage and the follow-on effects from its leadership.

Highly Attractive Macroeconomic and Socioeconomic Trends

Overall, Management believes that the economic environment in the MEA region is highly supportive of the Group and its business operations. The region has robust long-term economic fundamentals, underpinned by abundant natural resources. The MEA region has the advantage of a young and growing population with one of the fastest urbanisation rates in the world. Accelerated digitisation driven by an increase in consumer spending in the past few years, a growing banking sector and financial inclusion as well as a young and tech-savvy population is unlocking new opportunities for consumers and businesses. Within the region, there are distinct variances by country and, as such, all countries are not homogeneous.

Real GDP Growth

Both the Middle East and Africa are expecting sustained macroeconomic growth. According to the International Monetary Fund (IMF), the real GDP CAGR from 2017 to 2022 is expected to be 3.1 per cent. (nominal GDP CAGR of 7.5 per cent. over the same period) in the key countries of Africa and 2.6 per cent. (nominal GDP CAGR of 5.4 per cent. over the same period) in the key countries of the Middle East.

Specifically, the real GDP CAGR over the same period for the Group's key countries of operations are forecast by the IMF to grow at the following rates: 3.3 per cent. in the UAE, 2.7 per cent. in Jordan, 2.1 per cent. in Saudi Arabia, 5.7 per cent. in Egypt, 2.2 per cent. in Nigeria and 1.5 per cent. in South Africa.

Financial Inclusion

The rising trend of digitisation and the associated decrease in cost of goods and services is supporting continued progress around financial inclusion. In Africa, the launch and growth of digital financial services has led to an unprecedented increase in the number of people enjoying access to formal financial services.

Most central banks and governments recognise the importance of digital payments as a key driver of their respective economies. Promotion by and support from the key policy makers is expected to play an important part in growing merchant acceptance of digital payment platforms.

For example, the UAE government has sought to be at the forefront of e-governance through the provision of high quality customer focused e-services for individuals, businesses and government departments. Under this programme, the UAE government has launched an m-Pay application which allows its users to pay utility bills (e.g. electricity and water), top up SALIK (toll road) and NOL (public transportation) cards, pay traffic fines and settle mobile telephone bills. The value and quantum of services that can be paid online is expected to continue to proliferate.

Similarly, Nigeria has been at the forefront of financial inclusion in Africa. The Nigerian government set out a National Financial Inclusion Strategy (NFIS) in 2012 with aims to increase the overall financial inclusion rate to 80 per cent. of the adult population by 2020 and the Central Bank of Nigeria has launched "Cash-less Nigeria" which set limits on the total amount of cash withdrawals by consumers.

SAMA in Saudi Arabia, the Central Bank of Egypt and the government of South Africa have also introduced regulatory initiatives that will drive the level of digital payments. Further details of these are set out later in this section.

Large and Growing Population

According to the United Nations, the Middle East and Africa combined had a population of 1.5 billion people, which is expected to grow by a 2.3 per cent. CAGR between 2017 and 2022. The expected population growth in the MEA region is more than two times that of the relatively fast-growing APAC region (excluding China), which is expected to grow at a 1.0 per cent. CAGR over the same period. Other regions such as Latin America, Europe and North America, are only expected to grow at 0.9 per cent., 0.1 per cent., and 0.7 per cent. respectively.

Young Population

The MEA region is characterised by a young and growing population. For example, according to the United Nations, the population under 25 represents 58 per cent. of the population in the MEA region in 2017 and is expected to reach 1 billion by 2025. Specifically, the proportion of the population under the age of 25 in 2017 for the Group's key countries of operations is as follows: 25 per cent. in the UAE, 54 per cent. in Jordan, 40 per cent. in Saudi Arabia, 50 per cent. in Egypt, 63 per cent. in Nigeria and 47 per cent. in South Africa. To put this in context, this compares to 42 per cent. on a global basis, but only 26 per cent. for the European Union. Management believes that this young population is more likely to adopt digital payment methods than older demographics, driving digital payments growth.

Large Middle Class

According to Fraym, the middle class population in Africa includes approximately 330 million persons in 2017. Linked to the growth in middle class, consumer spending in Africa is expected to grow and creates an incentive for African firms to upgrade their production processes and expand their businesses to match the increased consumer demand. This trend is expected to be supportive of the movement away from cash payments.

Rapid Urbanisation

According to the United Nations, 47 per cent. of the population in the MEA region live in urban areas, compared to 74 per cent. in Europe and 55 per cent. globally, and the region's urban population is expected to reach roughly 900 million by 2025, with approximately an additional 200 million people moving to cities.

Urbanisation has a strong correlation with the rate of GDP growth, because productivity in cities is more than double that in the countryside. Higher productivity translates into higher incomes and cities offer better access to infrastructure, education, and new markets, resulting in more rapid growth in consumption by households and businesses.

Regional Dynamics

While the above trends occur to various degrees in many of the countries in the MEA region, there are distinctions between regions and countries that affect the payments markets in each.

Middle East

The Middle East has a varied acquiring and processing landscape. In most markets, the predominant model sees competition amongst a few large banks, although there are a number of markets with “specialised” domestic acquiring entities. As set out in the country-specific sections below, governments are increasingly supportive of digital payment methods, with a large number of ongoing initiatives to encourage digital payments adoption. Other key regional trends include low current penetration and high forecast growth in e-commerce implying a substantial and growing total addressable market. Across the Middle East, personal consumption spending is expected to grow at a compound annual growth rate (CAGR) of 10.9 per cent. between 2017 and 2022.

Within the Middle East, the Group offers a full range of solutions to both merchants and issuers. The UAE and Jordan represent the most important markets for the Group in the Middle East.

UAE

	2017 ⁽¹⁾	Forecast 2022 ⁽¹⁾	Forecast change 2017–22 ⁽²⁾
Population (millions)	9.4	10.1	1.4 per cent. (CAGR)
Population <25 (per cent. of total population)	25.3 per cent.	25.6 per cent.	0.3 per cent. increase
Real GDP (USD billions) <i>(nominal terms)</i>	382.6 <i>(382.6 in nominal terms)</i>	449.6 <i>(512.7 in nominal terms)</i>	3.3 per cent. (CAGR) <i>(6.0 per cent. (CAGR) in nominal terms)</i>
Real GDP per capita (USD) <i>(nominal terms)</i>	40,699 <i>(40,699 in nominal terms)</i>	44,680 <i>(50,958 in nominal terms)</i>	1.9 per cent. (CAGR) <i>(4.6 per cent. (CAGR) in nominal terms)</i>
Bank account adult penetration . . .	87.4 per cent.	N/A	N/A
Cash share of total transactions volume	84.6 per cent.	75.2 per cent.	9.5 per cent. reduction

(1) The 2017 and 2022 GDP data is based on the IMF database published in October 2018.

(2) CAGR is based on GDP data according to the IMF database published in October 2018 and the January 2019 update.

Source: United Nations, IMF, Edgar, Dunn & Company.

The UAE, which is the Group’s largest country of operations, has many similarities to traditional developed markets such as developed infrastructure, high real GDP per capita and spending power. The country benefits from many positive payments trends, including increasing consumer trust in financial cards, a strong and diversified economy and a solid operational framework. This positive momentum is further supported by other important factors such as the presence of a large number of expatriate workers and the upcoming Expo 2020.

Multiple macroeconomic factors are expected to drive growth and boost consumer spending. The UAE’s strong macroeconomic health led to a significant influx of expatriates from all over the world mostly focused on the two main cities, Dubai and Abu Dhabi. In Dubai, for example, according to the Dubai Statistics Center, the expatriate population represented 91.8 per cent. of the total population in 2017. The UAE has the ninth highest net migration rate in the world, according to the Central Intelligence Agency, supported by positive macroeconomic trends and the UAE’s strategic location. In the third quarter of 2018, Dubai’s resident population grew by 7.7 per cent. year-on-year, according to the Dubai Statistics Center.

Household consumption growth is expected to remain robust over the coming years, supported by low interest rates, supportive liquidity conditions and continued tourism which is expected to bolster the retail sector. The increase in income levels with more cash grants, subsidies and higher salaries of UAE citizens as well as the recent immigration reforms (offering residency after retirement to expatriates and long-term visas for investors,

entrepreneurs and specialised talents) is expected to positively impact long-term growth. The UAE will also continue to benefit from positive tourism industry trends. According to World Travel & Tourism Council (WTTC), the UAE travel and tourism sector's contribution to the national GDP is projected to grow at 4.9 per cent. in 2018, and is forecast to rise at a CAGR of 3.8 per cent. by 2028. Spending on personal consumption in the UAE is expected to grow at a CAGR of 1.4 per cent. between 2017 and 2022. As with many economies around the world, e-commerce is becoming one of the fastest growing markets and retail formats in the UAE. The UAE is ranked as one of the largest e-commerce markets in the MEA region, with internet penetration at 95 per cent. of the population in 2017. This results in the highest proportion of e-shoppers in the MEA region with 91 per cent. of the population having made online purchases in 2017. E-commerce registered significant growth, rising from USD 3.0 billion in 2012 to USD 7.0 billion in 2017, at a CAGR of 18.3 per cent., and is expected to grow at a CAGR of 23.9 per cent. between 2017 and 2022. However, there is still significant room for growth with e-commerce representing 5.0 per cent. of total retail in the UAE in 2017 compared to 8.4 per cent. and 17.6 per cent. of total retail in the United States and United Kingdom respectively in the same period.

Furthermore, cash-on-delivery still represented 21 per cent. of e-commerce transactions in the UAE in 2017, over twice that of more developed geographies such as Europe where cash on delivery represented only 9 per cent. of e-commerce transactions in 2017. The cash-on-delivery rate is expected to continue to decrease to be replaced digital payment methods such as credit cards.

Overall, the share of digital payments by number of transactions is expected to increase significantly from 15.4 per cent. in 2017 to 24.8 per cent. by 2022.

One of the key drivers of this shift is the overall “smart government” movement which is encouraging a move to mobile and digital interactions, including digital payments for government services.

Jordan

	2017 ⁽¹⁾	Forecast 2022 ⁽¹⁾	Forecast change 2017–22 ⁽²⁾
Population (millions)	9.7	10.4	1.4 per cent. (CAGR)
Population <25 (per cent. of total population)	54.5 per cent.	52.2 per cent.	2.3 per cent. reduction
Real GDP (USD billions) (nominal terms)	40.1 (40.1 in nominal terms)	45.8 (51.6 in nominal terms)	2.7 per cent. (CAGR) (5.1 per cent. (CAGR) in nominal terms)
Real GDP per capita (USD) (nominal terms)	4,136 (4,136 in nominal terms)	4,401 (4,955 in nominal terms)	1.3 per cent. (CAGR) (3.7 per cent. (CAGR) in nominal terms)
Bank account adult penetration	42.0 per cent.	N/A	N/A
Cash share of total transactions volume	88.9 per cent.	N/A	N/A

(1) The 2017 and 2022 GDP data is based on the IMF database published in October 2018.

(2) CAGR is based on GDP data according to the IMF database published in October 2018 and the January 2019 update.

Source: United Nations, IMF, Edgar, Dunn & Company.

Jordan is expected to witness significant economic growth in the coming years. Real GDP is expected to rise by a 2.7 per cent. CAGR between 2017 and 2022 (nominal GDP CAGR of 5.1 per cent. over the same period). Jordan's current population of 9.7 million people is expected to grow by a CAGR of 1.4 per cent. over the same period, and 54.5 per cent. of the population is currently under the age of 25.

Given the low level of bank account ownership and card penetration (in 2017, 42 per cent. of the population over the age of 15 had a bank account and 31 per cent. used a debit card), the Central Bank of Jordan has placed financial inclusion high on its agenda, and is leading the development and implementation of a National Financial Inclusion Strategy. It has also embarked on a comprehensive reform process to increase access to financial services and to enhance the safety and efficiency of the domestic payments system. For example, customers will be able to use any digital wallet within the ecosystem to pay bills and make or receive payments to or from any bank account or pre-paid card in Jordan.

The overall trends in digital payments are expected to be supported by the e-government initiatives in the country. The Jordan Economic Growth Plan 2018–22 targets 12 per cent. annual growth in the information and communications technology (ICT) sector during the period, according to Oxford Business Group. Planned improvements to Jordan's business environment entail launching new online business licensing and other

services, whilst efforts to crack down on corruption and boost government revenue inflows will depend on expansion of e-government services, particularly in the area of digital payments platforms. Furthermore, the REACH2025 national digitisation strategy, launched in 2016 and scheduled to run until 2025, highlights e-government service delivery as a critical pillar for Jordan's ongoing digital transformation.

Saudi Arabia

	2017 ⁽¹⁾	Forecast 2022 ⁽¹⁾	Forecast change 2017–22 ⁽²⁾
Population (millions)	32.9	35.8	1.7 per cent. (CAGR)
Population <25 (per cent. of total population)	40.0 per cent.	37.3 per cent.	2.7 per cent. reduction
Real GDP (USD billions) (nominal terms)	686.7 (686.7 in nominal terms)	761.2 (860.3 in nominal terms)	2.1 per cent. (CAGR) (4.6 per cent. (CAGR) in nominal terms)
Real GDP per capita (USD) (nominal terms)	20,849 (20,849 in nominal terms)	21,265 (24,032 in nominal terms)	0.4 per cent. (CAGR) (2.9 per cent. (CAGR) in nominal terms)
Bank account adult penetration . . .	72.0 per cent.	N/A	N/A
Cash share of total transactions volume	91.3 per cent.	85.8 per cent.	5.5 per cent.

(1) The 2017 and 2022 GDP data is based on the IMF database published in October 2018.

(2) CAGR is based on GDP data according to the IMF database published in October 2018 and the January 2019 update.

Source: United Nations, IMF, Edgar, Dunn & Company.

Saudi Arabia is expected to demonstrate strong growth in the coming years. Real GDP is expected to rise by 2.1 per cent. CAGR from 2017 to 2022 (nominal GDP CAGR of 4.6 per cent. over the same period). Saudi Arabia's current population of 32.9 million people is expected to grow by 1.7 per cent. over the same period, and 40.0 per cent. of the population is currently under the age of 25. Personal consumption expenditure represented USD 13,776 per capita in 2017, and is expected to grow at an average rate of 2.4 per cent. between 2017 and 2022. The household spending is strongly supported by the recent Saudi government reforms, now prioritising growth, as illustrated by the expansionary nature of the 2018 budget and the adoption of various stimulus measures (including special bonuses to civil servants and cash transfers to vulnerable households), boosting private consumption.

As part of these reforms, the government also seeks to promote the development of a variety of digital services. These changes will make it easier for international investment as well as diversifying Saudi Arabia's overall economy, with a lower reliance on natural resources, which will have a positive impact on the overall macroeconomic environment and digital industries.

The e-commerce market in Saudi Arabia has grown rapidly at a CAGR of 26.3 per cent. since 2012 to reach USD 8.4 billion in 2017. This growth was assisted by the rise in internet penetration. The government has also been taking steps to develop the e-commerce market. The Ministry of Commerce and Investment introduced the first draft of the e-Commerce Law in February 2015 to increase the competitiveness in the e-commerce market, as well as to enhance customers' trust in online purchases. Banks have also started to offer a wider range of Sharia-compliant credit cards to enhance credit card penetration in the country. Contactless technology is also slowly being adopted in Saudi Arabia, aided by government initiatives.

Moreover, to encourage the use of digital payments, the Saudi Arabian Monetary Agency (**SAMA**) undertook a number of initiatives, including the establishment of its new national digital payments system (**mada**, a central payment switch), and mandatory wage payment into bank accounts. It launched its modified Saudi Payment Scheme as mada in September 2015. The new payments system mada links all the ATMs and POS terminals to a central payments switch across the country. SAMA introduced prepaid regulations with clearly identified product propositions, such as the SADAD account (April 2016) providing convenient payments for online transactions and Mada Atheer, offering contactless payment solutions (November 2016). Globally, mada has partnerships with payment schemes such as Visa and Mastercard. Utilising their technology to facilitate online payments via the network will offer Saudi consumers more flexibility, convenience and will diversify their available payment options which is expected to positively impact the e-commerce market which is expected to grow at a CAGR of 12.6 per cent. from 2017 to 2022.

In 2017, mada achieved record levels of the number and values of transactions, which amounted to more than 1.5 billion and a total estimated amount of 641 billion Saudi riyals, respectively according to SAMA. The

regulator expects that the recent initiatives will continue to positively impact the use of POS terminals, which grew at a CAGR of 26.9 per cent. from 2012 to 2017, according to SAMA.

Africa

Management expects significant near and medium term development in digital payments take-up in African markets. This will be driven by the key trends in this section as well as attracting greater international trade and increasing intra-regional trade, forming economic blocs, attracting inward investment and accelerating its adoption of increasingly affordable technologies.

The African payments landscape is shaped by high cash usage and diversity across the continent, low access to financial services and high mobile phone penetration, resulting in the emergence of new digital solutions. E-commerce and m-commerce are severely underexploited, representing only 0.34 per cent. of total retail in 2017 (based on sales revenue). As an example, Norway has only 0.4 per cent. of the population of Africa, but has a higher level of e-commerce. Additionally, cash remains the most common form of payment utilised for online transactions (46 per cent. in 2017), which is mainly achieved through cash on delivery. Key international payment schemes such as Visa and Mastercard have seen a significant uptake in their business across Africa over the last decade, seeing higher growth rates than in more developed economies. On the other hand, card-based and non-card based National Payment Schemes (NPS) have been gaining momentum, as an increasing number of countries consider alternative solutions to the international payment schemes such as Verve in Nigeria, e-Zwich in Ghana and Meeza in Egypt.

Card-based payments as compared to alternative payments in Africa

Over the last decade, mobile money programmes have performed strongly across the continent, increasing financial inclusion for a large number of under-banked consumers and assisting in driving the move away from cash payments. Many of these programmes have been led by mobile network operators who have launched their own mobile money offerings.

Notwithstanding this, Management believes that the card-based payments are expected to grow in Africa. Over and above this, the move away from cash more generally is expected to continue with an expected 10.1 per cent. CAGR in number of card transactions by volume (POS only) over the same period. There are several barriers that exist around the full adoption of mobile wallets and other alternative payments in Africa. Overall, the mobile money landscape is fragmented with limited large scale cross-border solutions providers. As such, the majority of the rise in digital transactions is projected to be driven by card payments growth rather than through mobile wallets.

Management believes that card development is set to continue in the region driven by several factors. Overall infrastructure for card payments will continue to expand supported by several initiatives, such as those from the Central Bank of West African States, which has been rolling out a series of reforms aimed at modernising the West African Economic and Monetary Union's payments systems, automating trading and settlement systems and developing an interbank card payments system. International payment schemes are also increasing their operations in the region through traditional payments as well as mobile payments options. For example in 2017, Mastercard announced that it will be collaborating with South African fintech company Yoco to roll out 15,000 mobile point of sale (mPOS) devices to small and medium-sized businesses across South Africa by the end of 2017. International payment schemes are also involved in several charitable initiatives in the region such as the Mastercard Foundation which continues to invest in and donate to the region. For example, in 2018, the Mastercard Foundation announced it will invest USD 100 million in two initiatives—Hang Ahazaza and Leaders in Teaching—in Rwanda to train a young and skilled workforce in order to reduce unemployment, which may lead to further economic growth and consumer spending. In 2018, Visa also launched its first Sub-Saharan Africa Everywhere Initiative, a global programme aimed at start-ups and designed to encourage the development of digital payments. Visa also recently announced its intention to partner with Mookh Africa, a Kenyan-based social business payments solution.

Described below are the key dynamics for the main countries in each of the three main African regions (North Africa, Sub-Saharan Africa and Southern Africa).

Egypt (North Africa)

	2017 ⁽¹⁾	Forecast 2022 ⁽²⁾	Forecast change 2017–22 ⁽²⁾
Population (millions)	97.6	106.4	1.8 per cent. (CAGR)
Population <25 (per cent. of total population)	50.2 per cent.	49.1 per cent.	1.1 per cent. reduction
Real GDP (USD billions) <i>(nominal terms)</i>	236.5 <i>(236.5 in nominal terms)</i>	312.7 <i>(380.2 in nominal terms)</i>	5.7 per cent. (CAGR) <i>(10.0 per cent. (CAGR) in nominal terms)</i>
Real GDP per capita (USD) <i>(nominal terms)</i>	2,425 <i>(2,425 in nominal terms)</i>	2,938 <i>(3,572 in nominal terms)</i>	3.9 per cent. (CAGR) <i>(8.1 per cent. (CAGR) in nominal terms)</i>
Bank account adult penetration	32.0 per cent.	N/A	N/A
Cash share of total transactions volume	85.3 per cent.	69.1 per cent.	16.2 per cent. reduction

(1) The 2017 and 2022 GDP data is based on the IMF database published in October 2018.

(2) CAGR is based on GDP data according to the IMF database published in October 2018 and the January 2019 update.

Source: United Nations, IMF, Edgar, Dunn & Company.

Egypt is expected to post strong growth in the coming years. Egypt—the third most populous country in Africa—was home to 97.6 million people in 2017. That number is expected to rise at a CAGR of 1.8 per cent. by 2022. Egypt is expected to see a 5.7 per cent. CAGR rise of real GDP from 2017 to 2022 (nominal GDP CAGR of 10.0 per cent. over the same period).

The Egyptian government and the IMF reached a deal in November 2016 in an attempt to restore macroeconomic stability and achieve more sustainable public finances. As part of this agreement, the Central Bank of Egypt (CBE) announced the full flotation of the Egyptian pound (EGP) which led to a devaluation of the currency. Economic performance has improved since this deal, with external and fiscal deficits narrowing, inflation and unemployment declining and growth accelerating. According to the IMF, the current account deficit is expected to remain below 3 per cent. of nominal GDP, and the public debt ratio is expected to decline markedly by 2023.

Egypt has a large consumer market and population, around 50 per cent. of whom are younger than 25 years of age and increasingly technologically and social media-savvy. Egypt, with its 43.9 million internet users and 45.0 per cent. internet penetration in 2017, has the largest population of internet-using, prospective online shoppers in the Arab world. Egypt’s geographical location at the crossroads of Africa, the Middle East, Mediterranean countries and Europe makes it an attractive regional hub ripe for e-commerce growth.

In February 2017, the National Council for Payments was established in order to attract more cash into the banking sector, support digital payments systems, regulate and supervise bodies working within the sector—all with the goal of achieving financial inclusion. This was followed by the Egyptian National Payment Scheme (Meeza) introduced in 2018 by the Egyptian government to boost electronic payments and achieve greater financial inclusion (Network International was the first Group to certify with Meeza). For more information on Meeza, see “*Business—Business Segments—Africa—Customer Base*” below. The government is also planning to introduce ATMs and POS terminals at which people would be able to pay bills and fees for various government services. This will positively impact the digital payments landscape in the country. The share of digital payments transactions is expected to represent 30.9 per cent. of total volume in 2022 compared to 14.7 per cent. in 2017. In 2017, the Egyptian Ministry of Communications and Information Technology, helped by the United Nation’s Conference on Trade and Development, developed a national e-commerce strategy which aims to double the number of Egyptian businesses selling online (approximately 14,725 companies in 2017) and to double the value of their e-commerce transactions in Egypt are expected to grow at a 17.9 per cent. CAGR between 2017 and 2022, and reach USD 15.9 billion in 2022.

Nigeria (Sub-Saharan Africa)

	2017 ⁽¹⁾	Forecast 2022 ⁽¹⁾	Forecast change 2017–22 ⁽²⁾
Population (millions)	190.9	216.8	2.6 per cent. (CAGR)
Population <25 (per cent. of total population)	63.0 per cent.	62.7 per cent.	0.3 per cent. reduction
Real GDP (USD billions) (nominal terms)	376.4 (376.4 in nominal terms)	420.0 (649.0 in nominal terms)	2.2 per cent. (CAGR) (11.5 per cent. (CAGR) in nominal terms)
Real GDP per capita (USD) (nominal terms)	1,972 (1,972 in nominal terms)	1,937 (2,993 in nominal terms)	0.4 per cent. (CAGR) reduction (8.7 per cent. (CAGR) in nominal terms)
Bank account adult penetration	39.4 per cent.	N/A	N/A
Cash share of total transactions volume	91.5 per cent.	N/A	N/A

(1) The 2017 and 2022 GDP data is based on the IMF database published in October 2018.

(2) CAGR is based on GDP data according to the IMF database published in October 2018 and the January 2019 update.

Source: United Nations, IMF, Edgar, Dunn & Company.

Nigeria is expected to witness significant growth in the coming years. Real GDP is expected to rise by a 2.2 per cent. CAGR between 2017 and 2022 (nominal GDP CAGR of 11.5 per cent. over the same period). Nigeria's current population of 190.9 million people is expected to grow by a 2.6 per cent. CAGR over the same period. More than half (63.0 per cent.) of the population is below the age of 25. Similar to other countries in the region, the overall level of internet penetration is supportive of the payments industry, with an increase in internet penetration from 16.1 per cent. in 2012 to 25.7 per cent. in 2016.

Management believes that the Nigerian payments industry is set for continued growth. Overall there has been a recent increase in the banked population, growing from 29.7 per cent. in 2011 to 39.4 per cent. in 2017 of the total population (over 15 years) having a bank account and use of e-banking channels, which has further led to improvements in financial inclusion. This trend is expected to accelerate with the total number of cards in Nigeria forecast to grow at a 10.9 per cent. CAGR between 2017 and 2022.

This trend is supported by the government which set out a National Financial Inclusion Strategy (NFIS) in 2012 with aims to increase the overall financial inclusion rate to 80 per cent. of the adult population by 2020. The Central Bank of Nigeria (CBN) is also highly supportive of moving Nigeria away from being a predominantly cash-based society. This includes “Cash-less Nigeria”, which set limits on total amount of cash withdrawals by consumers. The total value of card transactions represented USD 22.3 billion in 2017 and is expected to grow at a 15.7 per cent. CAGR between 2017 and 2022.

South Africa (Southern Africa)

	2017 ⁽¹⁾	Forecast 2022 ⁽¹⁾	Forecast change 2017–22 ⁽²⁾
Population (millions)	56.7	60.0	1.1 per cent. (CAGR)
Population <25 (per cent. of total population)	47.1 per cent.	45.2 per cent.	1.9 per cent. reduction
Real GDP (USD billions) (nominal terms)	349.3 (349.3 in nominal terms)	376.3 (438.2 in nominal terms)	1.5 per cent. (CAGR) (4.6 per cent. (CAGR) in nominal terms)
Real GDP per capita (USD) (nominal terms)	6,159 (6,159 in nominal terms)	6,272 (7,304 in nominal terms)	0.4 per cent. (CAGR) (3.5 per cent. (CAGR) in nominal terms)
Bank account adult penetration	67.4 per cent.	N/A	N/A
Cash share of total transactions volume	64.5 per cent.	61.2 per cent.	3.2 per cent. reduction

(1) The 2017 and 2022 GDP data is based on the IMF database published in October 2018.

(2) CAGR is based on GDP data according to the IMF database published in October 2018 and the January 2019 update.

Source: United Nations, IMF, Edgar, Dunn & Company.

South Africa is expected to see solid growth in the coming period. The country expects to see a 1.5 per cent. real GDP rise from 2017 to 2022 (nominal GDP CAGR of 4.6 per cent. over the same period). The population

of 56.7 million in 2017 is expected to rise by a 1.1 per cent. CAGR over the same period, and almost half of South Africans (47.1 per cent.) are under the age of 25.

In parallel, South Africa benefits from a relatively high banking penetration with more than 67.4 per cent. of the adults population having a bank account in 2017 (compared to 54.2 per cent. and 70.0 per cent. respectively in Latin America and APAC over the same period) and a growing e-commerce sector expected to grow at a CAGR of 6.7 per cent. between 2017 and 2022, which will support the move away from cash payments. The share of digital transactions is expected to increase and represent 38.8 per cent. of total payments by 2022 compared to 35.5 per cent. in 2017.

In South Africa over the past decade, the financial inclusion journey has seen the efforts of both the public and private sectors in ensuring a financial inclusion agenda that gives people access to financial services. A number of initiatives have been put in place to promote financial inclusion across the various tranches of the population with the Financial Sector Charter (**FSC**) and the Broad-Based Black Economic Empowerment (**BBBEE**) acting as the main pillars of the transformation in the sector. The Government has a stated ambition to reach a financial inclusion rate of 90 per cent. by 2030 as part of the National Development Plan (**NDP 2030**).

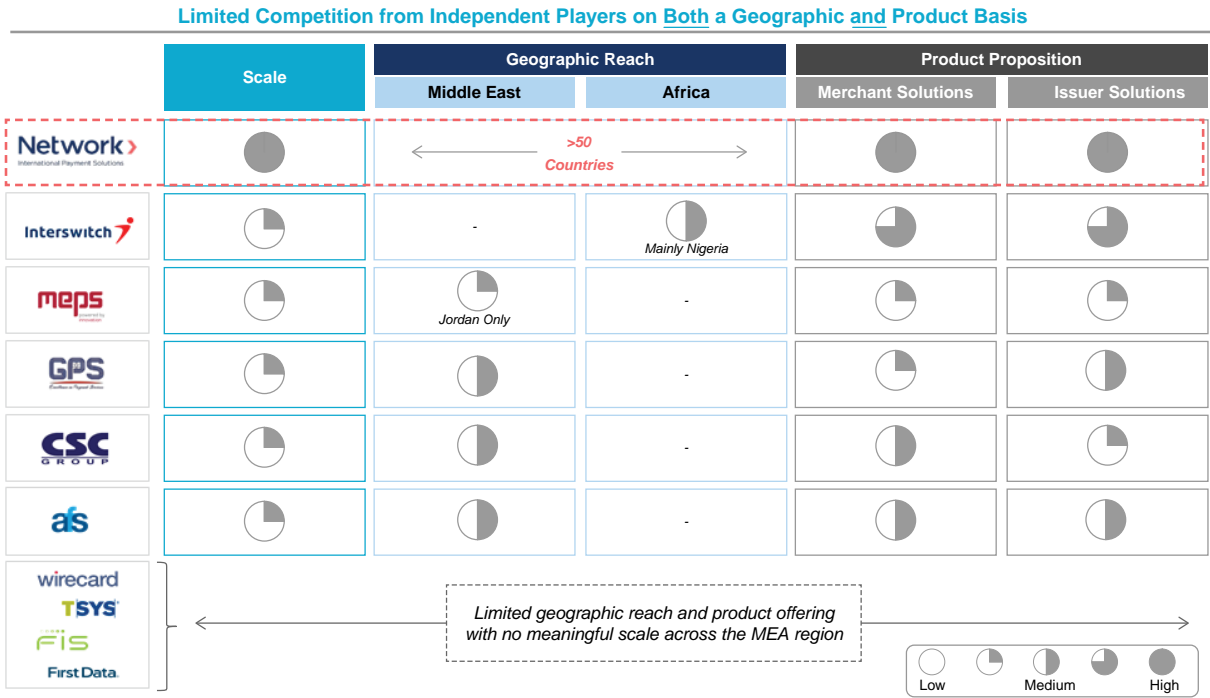
The overall payments industry is expected to be aided by supportive trends within the South African government in particular the e-Government strategy. The South African “e-Government” or “digital government” is the innovative use of communications technologies (including mobile devices), websites, applications and other ICT services and platforms to link citizens and the public sector and facilitate collaborative and efficient governance. E-Government includes government to government programmes, government to citizen programmes, government to employee programmes and government to business programmes. Management believes that the net impact of these policies will be positive for the payments industry.

Overview of Competition Dynamics

Management believes that the economics of the region in which the Group operates favours companies that can provide cross-value chain services across a broad range of geographies. Additionally, products and go-to-market strategy should be tailored to the specific markets in which companies operate, but this requires deep local knowledge and presence. Accordingly, the Group seeks to operate as an end-to-end provider across the MEA region, delivering quality service across all available geographies for its merchant solutions customers and financial institution customers.

Given the above, Management expects the Group to leverage its scale and existing competitive advantages to consolidate and extend its leadership position in the region, capitalising on supportive trends. The difficulty of developing these local capabilities, and the required country-specific licences to operate across the MEA region, means that the Group has few true competitors that can offer an end-to-end solution across the region.

Competitive Landscape in the MEA Region



The Group’s competition is fragmented with no company matching its scale, capability and regional footprint. The Group competes at multiple levels with:

- country-level players with limited geographic reach;
- regional players who offer multiple products across geographies but lack efficiencies from scale; and
- global companies that lack the Group’s multi-decade domain expertise and regionally-focused capabilities.

Middle East

The Group competes in a fragmented market, with a range of global, regional and country-specific competitors.

The Group considers financial insourced operations as key competitors in the acquirer processing and issuer solutions business lines, but also that they may provide a significant growth opportunity in terms of future outsourcing to the Group.

- The Group’s principal merchant solutions competitors in the Middle East include Mashreq Bank, FAB and ADCB (within the UAE), institutions such as Middle East Payment Services (MEPS), Global Payment Services (GPS), CSC Group and Arab Financial Services (AFS) operate elsewhere in the Middle East, for example in Jordan.
- The Group’s principal issuer solutions competitors in the Middle East also include MEPS, GPS, CSC Group and AFS, as well as insourced operations at financial institutions.

Certain other competitors, such as First Data, TSYS, FIS (which has recently agreed to merge with Worldpay) and Wirecard offer a more limited geographic reach and product offering with no meaningful scale across the MEA region.

Acquiring is a key strength of the Group, particularly in the UAE. The Group has a significant advantage over its local and global competitors combining significant volumes drawn from a number of countries with very strong local knowledge.

The majority of banks tend to operate in a limited number of markets and predominantly compete with other local banks. Overall, the regulatory constraints and lack of scale inhibits their competitiveness against large international providers who have the benefits of large volumes and more flexible regulatory requirements. Similarly, the international processors (whilst strong in processing) are traditionally weaker in acquiring given their multiple platforms and lack of local knowledge.

Overall, Management believes the Group's scale, established client relationships, strong market position, extensive and innovative product offering, pan-regional technology platform, including local data centres, and regional expertise present a significant competitive advantage in an industry with high barriers to entry and allow the Group, as an end-to-end provider, to capture profit at numerous points throughout the payments value chain. Additionally, the Group benefits from customers' perception of it being a Middle East specialist, which further strengthens competitive positioning, and provides additional comfort to existing and potential clients.

Africa

The Group's principal merchant solutions competitors in Africa include players such as Interswitch, FIS (which has recently agreed to merge with Worldpay) and the insourcing capabilities of both pan-African and regional African banks, while its issuer solutions competitors include players such as Interswitch, FIS, HPS, S2M, CSC and the insourcing capabilities of regional African banks, as well as country-specific players. Whilst the African payments market remains relatively undeveloped with lower bank penetration and card volumes, there has been a concerted effort by the international card schemes (such as Visa and Mastercard) to invest in the continent. In particular countries, there has also been an emergence of local schemes and payment methods (most notably Verve and M-Pesa). However, no other regional processor has of yet demonstrated the capabilities to expand, on a meaningful scale, out of one country and serve customers across the continent. The Group's position in the region is therefore very strong as a provider that can process transactions across schemes and payment methods. This enables greater scale and therefore profitability, putting up substantial barriers to entry against smaller competitors winning share. The Group's broad geographic coverage across Africa is a key competitive advantage for larger financial institution customers who want a partner that can help them across a number of geographies, which the Group supports across more than 40 countries in Africa.

BUSINESS

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus, including the financial and other information appearing in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. Where stated, financial information in this section of this Prospectus has been extracted from the Group’s financial information as described in “Presentation of Financial and Other Information”.

OVERVIEW

Network International is the leading enabler of digital commerce across the MEA region, which is the world’s most underpenetrated payments market. The Group is the only pan-regional provider of digital payments solutions at scale, with presence across the entire payments value chain. The Group sits at the heart of the MEA payments ecosystem and operates a deeply entrenched network driving adoption of digital payments across the region. Over the past 20 years, the Group has built long-standing and trusted relationships with many of the leading merchants, financial institutions and card issuers operating in the MEA region through in-depth industry knowledge and local expertise, ongoing product innovation and high-quality, reliable service. The Group provides a full suite of technology-enabled payments solutions to merchants and financial institutions of all types and sizes, including acquiring and processing services and a comprehensive ever-evolving range of value added services.

The Group delivers its products and services through its well-invested, secure, scalable and integrated omni-channel pan-regional technology platforms (Network One and Network Lite). The Group’s technology includes a number of proprietary elements, including N-Genius, the Group’s proprietary state-of-the-art payments operating platform. The Group’s platforms are designed to serve customers of varying levels of size and complexity, to enable merchant solutions customers to accept payments of almost any type across multiple channels and to enable the Group to efficiently process transactions for financial institutions. In addition, the Group provides issuer solutions services for financial institutions in more than 50 countries in the MEA region, supporting all elements of a card issuing life cycle, including core processing and card management solutions, a complementary product portfolio of card solutions and transaction-linked and strategic value added services and managed service capabilities. It also offers a wide and expanding range of value added services which can be rapidly rolled out across its customer base. As a result, the Group has the ability to profitably cater to a broad range of customers of varying levels of size and complexity. This flexible offering is well suited for the payments markets in the MEA region which are at a significantly earlier stage of development and penetration in terms of digital payments solutions with strong growth potential compared to more mature markets implying a strong market growth potential.

The Group has leading market positions in both merchant solutions (by TPV) and issuer solutions (by issuer billed volume on credit card POS and ATM transactions). In 2018, the Group processed approximately USD 40 billion in TPV for more than 65,000 merchants and processed 681 million issuer transactions on more than 13 million cards for over 220 financial institutions. According to an EDC market study, the Group is the leading acquirer in the MEA region with an approximately 19 per cent. acquiring market share (based on acquiring volumes in 2017). It had the largest issuer processing market share in the MEA region in 2017 of approximately 24 per cent., which was more than twice as much as its nearest competitor (which had a market share of 9 per cent.).

The Group manages its business operations on a geographic basis, providing integrated merchant and issuer solutions products and services to its customers in the MEA region. The Group’s two business segments are the Middle East and Africa.

- **Middle East:** The Group’s largest segment by revenue is the Middle East, which serves customers across more than six countries and represented 75 per cent. of the Group’s total revenue in 2018. The Group’s key countries in the Middle East include the UAE and Jordan, with Saudi Arabia offering significant opportunities.
- **Africa:** The Group’s Africa segment provides services in more than 40 countries and represented 25 per cent. of the Group’s total revenue in 2018. The Group’s key countries in Africa include Egypt, Nigeria and South Africa.

The Group has demonstrated robust growth with revenue increasing by a CAGR of 13 per cent. from USD 235 million in 2016 to USD 298 million in 2018. The Group achieved a strong Underlying EBITDA Margin Excluding Share of an Associate of 48.9 per cent. in 2018.

For details of IFRS and Non-IFRS metrics, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*” and “*Selected Financial Information and Operating Data—Non-IFRS Financial Measures*”.

STRENGTHS

Management believes that the Group has a compelling combination of competitive advantages that position the Group as the partner of choice and the leading digital payments provider in the MEA region. In particular, Management believes that the business benefits from the following key competitive strengths that will help the Group drive growth in the future:

The Group is exclusively focused on the MEA region with strong underlying secular growth drivers supported by attractive macroeconomic and demographic trends

The Group is at the nexus of the two overarching trends of strong secular growth drivers and attractive macro and demographic conditions supported by four growth factors: (1) highly attractive macroeconomic and socioeconomic trends; (2) the move from cash to digital payments in the world’s most underpenetrated markets; (3) expanding payments markets; and (4) increased outsourcing by banks.

Strong Secular Growth Drivers

Management believes that the Group is well-positioned to benefit from the rapid and transformational structural global shift from cash towards digital payments, which is particularly powerful in the Group’s MEA target markets which are at a significantly earlier stage of development in terms of non-cash payments penetration compared to more mature markets. Future growth is expected to be driven by fast adoption of digital payments, higher penetration of cards, developing payments infrastructure and rapid growth of e-commerce and mobile payments in the region. There are only 0.3 cards per adult in the MEA region, compared to significantly higher numbers across European markets, including 3.0 per adult in the UK and 1.9 per adult across Europe on average. In addition, the share of non-cash transactions remains very low and represents only 14.0 per cent. of total transactions in the MEA region, compared to higher rates in Europe (51 per cent.), and significantly lower than leading markets in non-cash transactions such as the Nordic countries (95 per cent. in Norway) and the UK (66 per cent.). Similarly, Management also expects the Group to benefit from the continued strong growth in e-commerce in its markets. E-commerce transactions still have a relatively low share of total commerce transactions in the MEA region compared to developed markets and are expected to grow at a CAGR of 20 per cent. in volumes between 2017 and 2022.

These strong underlying structural trends are supported by a number of additional favourable macroeconomic and demographic factors in the MEA region.

Attractive Macroeconomic and Demographic Trends

The total population of the MEA region consists of 1.5 billion individuals, many of whom are un-banked or under-banked. While 69 per cent. of the adults globally had a bank account in 2017, according to Global Findex, account ownership has been low and remained largely unchanged in developing economies. In addition, the MEA markets where the Group operates benefit from a young and growing population, with growth rates comparing favourably to North America and Europe. Moreover, the MEA region has a high share of young population with the highest adoption rates for digital payments. In addition to attractive demographics, consumer spending is rising across the MEA region, which Management expects will lead to continued strong growth in the Group’s business. Further details on these trends within the region and within the Group’s countries of operations can be found in “*Industry Overview—Highly Attractive Macroeconomic and Socioeconomic Trends*”.

There is substantial growth potential for the MEA payments market which is expected to reach USD 6.2 billion in 2019, offering the Group significant organic growth opportunities. As a result, Management believes that there are long-term structural drivers that support substantial growth across the Group’s business lines in the MEA region.

The Group has a market leading scale in the MEA region

The Group has the leading market position in the MEA region and is the only pan-regional provider of digital payments solutions across the region. In 2017, the Group processed more card transaction volume than any other digital payments company in the MEA region with two times the card transaction volume of its nearest competitor. In 2017, the Group had an approximately 19 per cent. acquiring market share in the MEA region

based on acquiring volumes (approximately twice that of its next competitor). In particular, the Group has a number of strong positions in many markets such as an approximately 50 per cent. merchant acquirer market share in the UAE in 2018 as well as a market share of 65 per cent. in Jordan. Furthermore, due to its leading market position and scale in the UAE, approximately 75 per cent. of card transactions in the UAE flow through the Group (either through its merchant or issuer solutions products).

The Group is deeply entrenched with its customers in the region. Management believes as a result of its broad geographic reach and significant investment and ongoing innovation, the Group has become the platform powering much of the digital payments ecosystem in many of its markets.

This combination of leadership position and regional scale provide the Group with deeper market insight and expertise developed through its long-standing presence in the region and larger volumes of transactions processed and customers served compared to its competitors. This enabled the Group to benefit from economies of scale and has allowed it to invest and develop its extensive and innovative product and service offering which caters to specific regional requirements and can be rapidly deployed through its flexible technology platforms. With its full suite of products and services, the Group is able to serve pan-regional financial institutions in each of the Group's countries of operation. Accordingly, customers can benefit from obtaining all of their payments related services from a single supplier, which would otherwise need to be obtained from multiple suppliers resulting in additional complexity and time spent. The Group delivers an additional intangible value by removing this complexity, thereby optimising the customers' experience, positioning the Group as a provider of choice for both merchant and issuer solutions products in the MEA region.

In contrast, most global competitors typically only offer selective services in certain markets in the MEA region while local players tend to have limited geographic reach. Management believes that it would be very difficult for a competitor to replicate the Group's market position or capabilities.

The Group has a strong track record of resilient growth underpinned by a proven and diversified business model

Over the past two decades, the Group has expanded its geographic reach from the UAE to serve customers in over 50 countries across the MEA region, including presence in more than six countries in the Middle East and over 40 countries in Africa, demonstrating a long-term track record of diversification and success in entering new markets. The Group has a strong track record of growth and resilience across macroeconomic cycles with an approximately 15 per cent. CAGR in its TPV between 2008 and 2018 and an approximately 33 per cent. CAGR in number of debit, credit and prepaid and ATM transactions in the issuer solutions business line over the same period.

The Group serves a broad customer base across its business segments and business lines. The Group has historically focused on expanding both its merchant solutions and issuer solutions business lines and has a relatively balanced revenue mix with 53 per cent. of its 2018 revenues generated from issuer solutions and 46 per cent. from merchant solutions in 2018.

Given that the services provided by the Group are business critical to its customers (particularly for its financial institution customers to service their clients), quality of service, quick response times and reliability are key factors that have resulted in a loyal customer base with an average length of customer tenure in 2018 of 15 years for its top ten clients in merchant solutions measured by TPV and 17 years in issuer solutions for its top ten clients measured by revenue.

Management believes that the Group's established customer base provides it with a sustainable competitive advantage as there are high costs to switching digital payments providers, particularly for issuer solutions clients where there is a complex process for developing, building and maintaining linkages with a client's technology and payments infrastructure.

The Group actively works with its merchant and issuer solutions customers to provide a seamless experience for their consumers while reducing fraud risk and improving conversion rates, which generally remain below conversion rates in more mature markets, thereby offering the Group a significant opportunity to further strengthen its customer relationships.

The Group has a strong client-led and flexible value proposition that covers the entire payments value chain

Over the past two decades, the Group has developed merchant and issuer client solutions addressing fast evolving requirements through ongoing innovation. The Group offers a full suite of customisable and modular

solutions for clients, ranging from traditional point of sale devices and software solutions (N-Genius POS) to mobile and e-commerce solutions (N-Genius Online) and covering the full range of card products, including credit, debit, Islamic, pre-paid and loyalty that can be adapted to fit specific customer needs. These solutions are underpinned by connections and partnerships with all the major international payment schemes, including principal memberships in Visa and Mastercard as well as partnerships with key developed and emerging global payments platforms, including American Express, JCB, UnionPay and Alipay as well as PayPal, Samsung Pay and Apple Pay. The Group has focused on building its own leading brand, which further strengthens customer loyalty and helps attract new customers. In addition, the Group is able to develop products to enable effective solutions, such as delivering a pilot mPOS solution designed to reduce customer queues for Dubai Duty Free (DDF).

As a result of this value proposition, the Group has been able to establish and maintain deeply entrenched relationships with a diverse customer base. The Group's merchant solutions customers include more than 65,000 merchants, both leading global and regional merchants, such as Zara, and small merchants, as well as more than 220 leading financial institutions in its region of operations, including Emirates NBD and ADCB in the Middle East and First Bank and Access Bank in Africa. The range of customers illustrates the flexibility of the Group's technology platforms to provide services to a large range of customer sizes, advancement and geographical reach.

As a result of the Group's business model which extends across the entire payments value chain, it has the ability to extract value at each point of the digital payments transaction process. In addition, the Group has the potential to earn multiple fees on a single payment transaction by providing both acquiring and issuer processing services. It has the ability to cross-sell its products to its existing customer base as well as use its comprehensive product set to capture new customers.

The Group has well-invested, highly scalable, integrated and omni-channel technology platforms—Network One and Network Lite

The Group operates purpose-built integrated, omni-channel, scalable, reliable and highly secure, pan-regional technology platforms across its merchant and issuer solutions businesses. Management believes that these two platforms provide the Group with strong operating efficiency, enhanced broad-based functionality, agility and the ability to support ongoing product innovation. The Group's technology platforms were designed to replace multiple elements of the previous technology platforms with two platforms—Network One for larger customers with more sophisticated requirements and Network Lite for customers with standardised requirements. Both platforms are tailored to the specific needs and complexities of customers in the MEA region, provide the Group with rich data sets and a full view of fast-changing customer requirements and support cross-selling products to new and existing customers.

Where traditional platforms used by many similar businesses in mature markets provide for separate gateway, risk management, issuer processing and acquiring solutions, the Group's new integrated technology platforms seamlessly combine all these functions. This integrated omni-channel approach provides the Group with a holistic customer-centric overview of payments transaction flow, allowing it to deliver high-quality service levels and additional valuable data insights to customers, as well as enhancing the scope for the provision and continual innovation of value added services to its existing and prospective customer base. Management has invested USD 91.2 million between 2016 and 2018 in the transformation of these technology platforms and believes that they will provide a sustainable competitive advantage in the future.

The Group's strategic principles underlying its technology investment include providing outstanding performance in terms of security, speed, reliability and resilience, optimising its technology to enable growth in terms of scalability, cost-efficiency, flexibility and broad applicability of solutions as well as focusing on the future in terms of innovation, talent and automation. The Group focuses on optimising its customers' experience keeping ahead in terms of security and biometrics, leveraging its technology to help its customers drive scale in their businesses and providing its customers with optimal data-driven outcomes.

The Group has an industry-leading financial profile combining visible top-line growth and strong margins and cash flow generation

The Group's revenue has increased by a CAGR of 13 per cent. from USD 235 million in 2016 to USD 298 million in 2018. Furthermore, the Group's business model allows it to generate more than 96 per cent. of its revenue from USD-denominated or USD-pegged contracts. The Group also benefits from its loyal customer base that has provided it with a high proportion of recurring revenues, with 93 per cent. of recurring

revenues in 2018. The Group has a diversified customer base and limited customer concentration with its top ten clients in terms of revenue accounting for approximately a third of its revenues in 2018.

This attractive top-line growth is further complemented with a balanced revenue mix between the Group's merchant solutions and issuer solutions business lines which is diversified by geography between the Middle East and Africa. Revenue growth has been strong across the MEA region, with a CAGR of 9.7 per cent. in the Middle East and 23.3 per cent. in Africa between 2016 and 2018. The Group was able to achieve this top-line growth while maintaining strong Underlying EBITDA Margins Excluding Share of an Associate of 49.8 per cent., 50.5 per cent. and 48.9 per cent. in 2016, 2017 and 2018, respectively, as a result of being able to benefit from its economies of scale and operating leverage.

The Group also benefits from strong Underlying Free Cash Flow generation, with a high Underlying Free Cash Flow conversion rate of 79.6 per cent. in 2017 and 82.9 per cent. in 2018. Management believes that the Group's cash flow generation is sustainable as it is underpinned by its limited narrow working capital requirements over which management has a high degree of visibility, which combined with its favourable tax regime results in strong Underlying Free Cash Flow generation and allows the Group to make investments in its business and dividend payments. The Group has substantially invested in its transformation capital expenditure programme and once completed in 2019, this is expected to substantially reduce its capital expenditure requirements for the future.

For details of IFRS and Non-IFRS metrics, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*" and "*Selected Financial Information and Operating Data—Non-IFRS Financial Measures*".

The Group has a dedicated and experienced management team with significant industry and regional knowledge

The Group's management team, which includes executives with regional and international experience, has been instrumental in developing the Group into a leading digital payments provider in the MEA region. The members of the Group's management team have on average 20 years of industry experience in the financial services, payments and technology sectors and a track record of execution at leading organisations regionally and internationally. The Group's management team's experience and industry expertise have been central to building and maintaining its strong relationships with merchants and financial institutions. The Group's management team has been key to further developing and leading its recent geographic expansion and execution of its strategy, including both organic growth across the value chain and inorganic growth. As a result of the Group's leading position in the MEA region, it has developed a reputation as a thought leader in the industry. Its high profile enables the Group to attract top local and international talent from payments, technology and financial industries. The Management team seeks to foster a culture of responsibility, initiative and innovation across the organisation, attracting individuals who are committed to the Group's strategic objective of providing superior service to its customers and dedicated to the Group's rapid growth. Accordingly, Management believes that the Group's management team is well-positioned to continue its track record of profitable and balanced growth.

STRATEGY

Management believes that the Group's competitive strengths have positioned it favourably to take advantage of the underlying significant secular growth trends in the highly attractive digital payments industry in the underpenetrated MEA region. The Group's ambition is to continue its growth with a strategy based on the following pillars:

Capitalise on structural market growth and adoption of digital payments in the MEA region

The MEA region offers attractive characteristics for a payments provider with digital payments volumes expected to increase significantly due to structural payments trends, combined with attractive GDP dynamics, a young, fast-growing and increasingly urban population as well as rising consumer spend across the MEA region.

The MEA region continues to experience widespread digitisation of societies, advanced technological adoption by consumers, growth of e-commerce and mobile commerce due to increased smartphone penetration rates and the continued cash to digital conversion driven by governmental support for financial inclusion and the development of their respective economies.

The Group intends to proactively stimulate demand for its services by promoting financial inclusion and providing low-cost solutions that it can profitably deploy as a result of its scalable technology platform, further boosted by overall population growth and government initiatives for financial inclusion. The Group will continue to focus on its role as the enabler of commerce across the MEA region and winning new customers in both merchant and issuer solutions due to its established market position as the leading provider of digital payments and its technological capabilities.

Expand customer base by capitalising on key themes and trends

The Group aims to remain the partner of choice for the digital payments ecosystem participants delivering scale, enhanced solutions, services and innovation to develop the payments solutions of the future. Accordingly, the Group intends to further expand its customer base through focusing on key themes and trends in the MEA region, for example:

- *Significant bank outsourcing opportunity:* The majority of processing and merchant acquiring across the MEA region is still managed in-house by financial institutions. However, an increasing number of financial institutions are outsourcing these functions to independent companies like the Group to achieve operational simplification, increased process efficiency and improved financial returns from core business lines. For example, the Group has supported a number of regional and international financial and non-financial institutions in outsourcing their merchant or issuer processing, such as Bank of Jordan and Alex Bank. This trend is not unique to the MEA region but is a global theme witnessed in North America and Europe wherein banks have increasingly outsourced merchant acquiring and processing to third parties. In the MEA region, outsourcing is still relatively nascent with only 18 per cent. of transactions being outsourced according to the EDC Competitive Assessment, giving significant headroom to the Group going forward. Management believes the Group is very well-positioned to gain first mover advantage by winning large contracts from prospective customers as financial institutions continue to increase merchant acquiring and outsourcing of processing and the Group is the only pan-regional provider in the region with a leading market presence. Approximately 20 per cent. of banks in the MEA region have already outsourced their processing to the Group based on Moody's Analytics Bankfocus.
- *Small and Medium Enterprise (SME) opportunity:* SME customers are particularly sensitive to the effects of successful payment acceptance, as digital payments are a critical part of their everyday business. In addition, SME businesses are also subject to similar levels of complexity and consumer expectations around payments flexibility and acceptance as corporate customers, but may not have the infrastructure or resources to be able to deliver the same experience. Management believes that the SME segment in the MEA region is underserved and the Group has the key capabilities to deliver these critical services to the SME segment, equipping merchants with advanced cost-effective solutions to drive performance, such as omni-channel payment acceptance, payments processing, and data insights to drive better business performance, and ensure a best-in-class experience for its customers, thereby creating an additional avenue of growth for the Group. As of 2018, the Group averaged approximately 400 new SME customers per month, a 90 per cent. increase from 2016.

In addition, the Group intends to proactively stimulate demand for its services by promoting financial inclusion and providing low-cost solutions that it can profitably deploy as a result of its scalable technology platform. Examples of this include N-Genius. Furthermore, the Group is well-positioned to stimulate demand for digital payments due to its provision of both merchant and issuer solutions, promoting both card acceptance and ubiquitous card possession by consumers.

Potential commercial arrangements with a strategic partner

The Group works with many parties throughout the Middle East and Africa to support the execution of its strategy, increase market knowledge, improve distribution and enable the business to accelerate its product development roadmap and further enrich its capabilities. The cornerstone investment at IPO by Mastercard and potential entry into of the commercial arrangements with Mastercard is a natural and positive extension of these partnerships.

As a consequence of the investment and the Company and Mastercard's agreement to work together in good faith to implement certain strategic commercial arrangements agreed in the Cornerstone Agreement which are expected to be mutually beneficial to both parties, Network expects to have enhanced access to Mastercard's leading product capabilities and, by integrating these capabilities with its own and co-developing new solutions with Mastercard, Management believes it can further accelerate revenue upside from new product capabilities and deployment of new merchant solutions more rapidly. Furthermore, pursuant to the proposed commercial

arrangements, Network and Mastercard intend to work together on business development to further drive bank outsourcing of payments needs within the region and accelerating the shift from cash to digital payment methods. Network and Mastercard are each expected to benefit from this partnership. Network will receive fixed and variable fees and other benefits from the overall Mastercard enterprise partnership which are expected to be in excess of USD 7 million per annum.

Product, expansion and market penetration

The Group's strategy is to continue building out its payments solutions portfolio for both merchants and issuers, including additional value added services. Management expects that the Group's products and services will be used to serve the broader ecosystem going forward and thus intends to continue to invest in developing new customer propositions, including developing best-in-class products and adapting them for the MEA market (such as N-Genius) and increasing its value added services (such as Network Advisors, Card Control, fraud detection and data analytics capabilities). The Group has enabled and expects to continue to enable new payment types for merchants as well as enabling cardless technologies for issuers. The Group further benefits from its well-invested technology platforms which would provide a strong foundation from which to continue to build and develop new products and capabilities in shortened time-to-market timeframes.

Given the Group's scale and reach, the Group intends to leverage extensive cross-selling and up-selling of existing and new products and value added services to its existing customer base, particularly across key target verticals such as hospitality, retail, education, transportation and government as its customers and markets continue to develop. In particular, given the strength of the Group's operations across the region, the Group is able to develop products and services for a particular market and then roll these out in a targeted and tested manner to other countries in the MEA region.

Leverage technology investments and benefit from economies of scale

The Group is continuing to focus on ways to increase its operational efficiency, both through technological and organisational solutions, as well as digitalisation initiatives, and continues to leverage the benefits of its regional presence and scale. In particular, the Group's new technology platforms have significant benefits for the Group in terms of ease of management, operational efficiency, robustness and agility in quickly launching new features. Both Network One and Network Lite are tailored to the specific needs and complexities of customers in the MEA region, and all new features have been designed with the ability to easily increase merchant and issuer volumes. Moreover, the Group's shared service model with a limited number of regional offices allows it to expand its scope of products and markets rapidly without substantially increasing costs and, subject to regulatory requirements, does not require an on-the-ground presence.

Management believes that the Group's leadership position and pan-regional coverage generates significant economies of scale while its two platform approach reduces maintenance and development costs, further driving efficiency of operations. The Group's future technology strategy is cloud-based by default to ensure development flexibility and provide for on-demand capacity of the platforms. The platforms are designed with scalability in mind, both in terms of markets and customers, and have significant capacity to support further growth. In addition, Network One and Network Lite offer the Group's customers open and flexible application programming interfaces (APIs) and are easily integrated with other systems to enable the rapid development and swift deployment of new products for customers as well as a significant reduction in the cost of migrating existing customers or taking on new business. The Group strives to enhance its customer value proposition by providing superior insights into their businesses to optimise their operations and help them grow their businesses through the provision of data analytics and data mining.

Management believes that these efforts will provide the Group with improved operating performance and the ability to expand its business in line with its MEA growth strategy in a cost-efficient manner. Accordingly, Management believes that the Group can leverage the power of the new processing platform and expand its offering in a cost-controlled manner as the scalability of its new platforms, shared service model and ease of deploying it in other countries provides it with strong technological and operational leverage for future growth, while also creating barriers to entry.

Pursue opportunities for acceleration

The Group sees substantial growth opportunities in deepening its geographic penetration in the MEA region by continuing to expand its presence into promising geographies with a large addressable market and significant growth potential. Management believes that Saudi Arabia represents a significant opportunity where the Group

can establish first mover advantage while South Africa has a large payments market which the Group seeks to further penetrate with its extensive product and service offering.

The Group sees additional upside in offering its merchant solutions to new clients in Africa through its focus on digitisation and financial inclusion while benefitting from the overall macro trends and growth.

In addition, the Group intends to continue to explore potential inorganic growth opportunities that allow it to increase scale and penetration.

The Group has proven merger and acquisition capabilities with a proven track record of successful acquisitions that have helped accelerate its growth and enhance its platform. The Group's merger and acquisition strategy has been focused on increasing scale, broadening its footprint and acquiring new technologies, capabilities, products and expertise that enhance its suite of solutions. The Group is highly disciplined and has a well-defined set of evaluation criteria that it follows in order to extract and maximise value from any acquisition.

Management expects the Group to continue to explore potential inorganic opportunities for bolt-on acquisitions given the highly fragmented nature of the market as long as such acquisitions have the potential to enhance, complement or expand its product and service offerings and strengthen its proven value proposition to customers. The Group's merger and acquisition strategy will continue to focus on the MEA region.

Outlook

As set out below, the Group has established certain financial targets as measures of its performance which are based on the Group's business plan and a number of assumptions which Management believes are appropriate, but which may turn out to be incorrect or different than expected. The targets are forward-looking statements and the Group's ability to achieve them will depend on a number of factors, many of which are outside of its control, including significant business, economic and competitive uncertainties and contingencies and risks including those described under the heading "*Risk Factors*". As a result, the Group's actual results may vary from the targets and those variations may be material. Except as specifically set out below, the Company has not defined by reference to specific periods the terms "near term", "medium term" or "long term", and the financial targets are not intended to be in respect of any particular financial year. See "*Presentation of Financial and Other Information—Information Regarding Forward-Looking Statements*".

The Group has set the following financial objectives, which it aims to achieve by executing its strategy and by leveraging its well-invested infrastructure:

- *Organic revenue growth*: The Group is targeting its constant currency organic revenue growth rate to be low double-digit growth in the near term and accelerating to low- to mid-teen growth over the medium- to long-term.
- *Underlying EBITDA Margin Excluding Share of an Associate*: The Group aims to maintain a stable Underlying EBITDA Margin Excluding Share of an Associate in the near term,⁴ with further moderate operating leverage over the medium- to long-term.
- *Capital expenditure*: In the near-term, the Group expects capital expenditure to account for approximately 22 per cent. of revenue, of which approximately 40 per cent. relates to maintenance capital expenditure. Following completion of the Group's IT transformation programme, the Group expects capital expenditures to reduce in 2020, whereby capital expenditure as a percentage of revenue will normalise towards between 8 and 11 per cent., of which approximately 55 per cent. will relate to maintenance capital expenditure. Underlying depreciation and amortisation charge is expected to equate to approximately 12 per cent. of revenue.
- *Specially Disclosed Items*: There are also some specially disclosed items⁵ which will impact 2019 EBITDA⁵ and Net Income⁵ by approximately USD 15 million and USD 32 million⁶, respectively. From

⁴ EBITDA margin guidance excludes EBITDA contribution of Transguard Cash LLC. The EBITDA contribution from Transguard Cash has been USD 8.4 million in 2016, USD 6.3 million in 2017 and USD 6.3 million in 2018.

⁵ Special items affecting EBITDA includes reorganisation, restructuring and settlements; share-based compensation (SBC), M&A and IPO-related costs and other one-off items. Special items affecting Net Income comprise Amortisation-related to IT transformation, acquired intangibles and debt issuance costs as well as tax expenses for legacy matters. Special items excludes impact of non-recurring SBC relating to the Offering.

⁶ Of which approximately USD 11 million is IPO-related.

2020 onwards, specially disclosed items are expected to stabilise at approximately USD 3 million per annum impacting EBITDA and USD 23 million⁷ per annum impacting Net Income.

- *Leverage*: The Group targets 1.0 to 2.0 times leverage Total Net Debt to Consolidated EBITDA with continued strong de-leveraging potential.⁸
- *Dividend policy*: The Group has a progressive dividend policy, targeting a pay-out of no less than 15 per cent. of Underlying Net Income (as defined in “*Selected Financial Information and Operating Data—Non-IFRS Financial Measures*” below) in early years post-IPO. The Group expects the first dividend to be paid in the half year in 2020, in respect of the period of the 2019 financial year post listing.

Pursuant to the Cornerstone Agreement, Mastercard and the Company have agreed to work together in good faith to implement certain strategic commercial arrangements and to execute definitive agreements with respect to such arrangements. As any such definitive agreements are not yet entered into, the Group’s financial objectives above do not reflect the anticipated benefits from the proposed strategic commercial arrangements to be entered into with Mastercard, though the Group anticipates such arrangements, once agreed, will benefit the Group’s financial performance in the future.

HISTORY

Since its formation in 1994 as the in-house payments division of Emirates Bank International (now Emirates NBD), the Group has grown from a captive merchant acquirer and processor to the largest payments solutions provider across the MEA region, serving customers in over 50 highly underpenetrated payments markets. Since inception in 1994, the Group’s growth has been organic and largely financed through the Group’s internal cash generation, and further accelerated through selected acquisitions to broaden its geographic footprint or bring additional services or capabilities. In 2016, the Group acquired and integrated EMP, which expanded and deepened its presence on the African continent, a key region of growth for the Group, adding capabilities to serve smaller financial institution customers across the Group’s regional footprint.

Management believes that the Group has been a driving force in the development of the digital payments ecosystem in the MEA region since its inception. The business has consistently invested in its capabilities and technology systems to bring effective and efficient digital payments solutions to its merchant solutions customers and financial institution customers, enabling economic development and rapid growth in commerce in the region through the provision of critical digital payments infrastructure, value added services and innovative new products.

The Group has a long history of innovation in the payments industry in the MEA region. It is constantly searching for ways to help its customers, both merchants and financial institutions, to grow their business in ways extending beyond payments acceptance. The Group has pioneered a series of industry “firsts” in the region, including being the first to offer real-time card acceptance and online card acceptance in the UAE.

The key milestones of the Group’s journey to become a payments champion in the MEA region are illustrated in the table below.

<u>Year</u>	<u>Milestone</u>
<i>Inception</i>	
1994–2010	Established as the in-house payments division of Emirates Bank International in 1994 (now Emirates NBD), initially providing merchant acquiring services. Reached domestic scale in the UAE by providing e-commerce solutions and launch of third-party processing for financial institutions. Engaged in selective expansion outside the UAE, acquiring National Processing Company (now Network International Egypt S.A.) in 2008 through which it operates in Egypt.
<i>Establishing Independence</i>	
2011–2015	Began operations as a standalone entity.

⁷ Of which USD 20 million per annum relates to amortisation charges relating to IT transformation, amortisation of acquired intangibles and amortisation of debt borrowing costs.

⁸ In line with leverage definition as per debt covenants.

Continued focus on outsourcing by third-party clients as well as on financial institution clients.

A consortium comprising Abraaj Capital and Emirates Investment Authority acquired 49 per cent. stake in the Group in December 2010 from Emirates NBD.

Warburg Pincus and General Atlantic acquired a stake in 49 per cent. of the Group from Abraaj Capital and Emirates Investment Authority in December 2015.

Regional and Product Expansion

2016–2018

Acquired Emerging Markets Payments (**EMP**) with effect from March 2016, which expanded the Group's footprint in Africa and added capabilities to serve smaller financial institution customers through the Network Lite platform.

New leadership team appointed, led by Simon Haslam. Under new leadership, the Group structured the business along geographic segments and initiated delivery of its new generation of product capabilities.

Launched its digital on-boarding and self-service capability for small and midsize merchants.

Launched additional value added products and services, including multi-currency processing, DCC at ATMs, Card Control, Falcon Fraud Services, Network Advisors, loyalty solutions as well as payments through Alipay, Apple Pay and Samsung Pay.

Embarked on technology transformation project to lay the foundation for future growth.

Having invested in Network One and Network Lite, its new next-generation, secure, scalable omni-channel platforms, the Group successfully migrated its largest customers onto Network One in November 2017. In mid-2018, the Group launched its next-generation omni-channel payments platform, N-Genius, which is the Group's proprietary state-of-the-art payments operating platform.

As it seeks to continue to expand its geographic footprint, the Group entered the Saudi Arabian market with its first customer.

MEA Payments Champion

Today

The Group has established itself as a provider of market leading technology.

The Group operates across over 50 highly underpenetrated payment markets, covering a total population of 1.5 billion, with significant headroom for increased product expansion, market penetration and economies of scale due to the region's structural market growth and adoption of digital payments.

PRINCIPAL ACTIVITIES

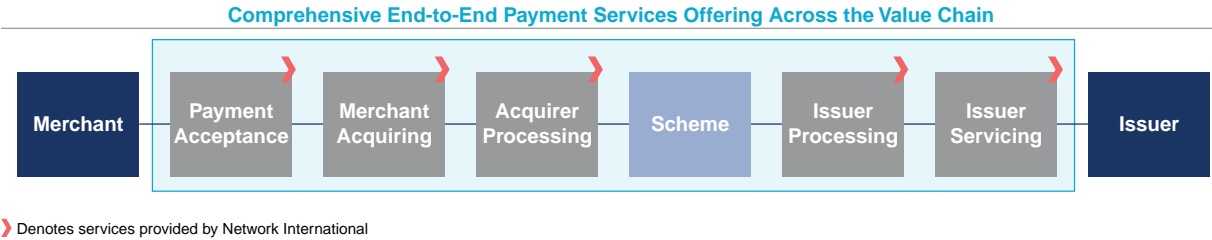
The Group is a leading provider of omni-channel digital payments services and related technology solutions across the MEA region. It is a critical player in the MEA digital payments ecosystem and the only pan-MEA company capable of a full suite of customised solutions across the payments value chain. The Group operates a deeply entrenched network connecting financial institutions and merchants, enabling fast-growing commerce in the region.

The Group's capabilities range from payment acceptance and authorisation through to processing, clearing and settlement. It is present across the entire payments value chain, providing a comprehensive suite of technology-enabled payments solutions to financial institutions and merchants, including a full range of issuer solutions,

omni-channel acquiring and acquirer processing services as well as a comprehensive range of value added services.

The Group combines a full suite of customisable solutions for customers powered by partnerships with key global and local payment schemes and players (e.g. Visa, Mastercard, American Express, PayPal, Discover, JCB and Alipay) via its technology platforms. It presents a truly comprehensive offering with the ability to configure solutions to address a customer’s specific needs, supported by vertical capabilities enabled by well-invested, secure, scalable and integrated omni-channel pan-regional technology platforms, Network One and Network Lite, that include a number of proprietary elements and provide it with the ability to efficiently serve clients of all sizes. The Group’s ability to offer its breadth of solutions is a differentiating factor for merchants that otherwise may have to rely on multiple providers and legacy systems. This also creates significant cross-sell opportunities and, along with its entrenched customer relationships, provides significant barriers to entry.

The below diagram represents the Group’s end-to-end solutions across the payments value chain:



For further details of the value chain, please see “*Overview of the Payments Value Chain*”.

Within its two geographic segments, the Group has two principal business lines, (i) issuer solutions and (ii) merchant solutions, which are summarised below.

Issuer Solutions

The Group is a leading provider of issuer solutions in the MEA region, enabling more than 220 financial institutions in over 50 countries to provide a range of innovative card products and services and to host over 13 million cards, collectively. The Group processes approximately one in four credit card transactions occurring across the MEA region (based on USD billed volume on credit card POS and ATM transactions in 2017).

The Group provides its issuer solutions customers with a highly configurable proposition through its modular “pick-and-mix” style product portfolio which seeks to seamlessly integrate into its customers’ existing infrastructure to reduce costs and complexity for issuers. This comprehensive solution supports the components of the card issuing value chain, including customer onboarding, core processing, scheme and settlement reconciliation, chargeback services and dispute management. The Group also offers a broad set of products to complement its core processing capabilities, spanning the provision of card management solutions and transaction-linked and value added services. The Group’s full range services and thought leadership allow its financial institution customers to accelerate speed to market and gain access to the innovative products and services deployed by the Group to improve consumer experiences allowing them to maximise their revenue and growth opportunities. The Group has established long-term client relationships with financial institutions in the MEA region, and the strength of its capabilities can be evidenced through the long average length of customer tenure in 2018 of 15 years for its top ten clients in merchant solutions measured by TPV and 17 years in issuer solutions for its top ten clients measured by revenue.

The Group’s revenue is driven by a number of factors, including the number of cards hosted and billed, the number of transactions processed and billed, and a range of value added services. The Group allows its customers to contract for services either on a bundled or unbundled basis. Management believes that the Group is differentiated by its ability to profitably offer its fully upgraded, modular and API-based next generation product suite even at low scale, an attribute which is a particular strength with some of the region’s smaller financial institutions, and which reinforces barriers to entry for local and global providers. The Group has a track record of rapidly bringing proven global products to the MEA region, on time and with timely payback.

Full Range of Card Solutions

The Group provides its issuer solutions customers with the ability to open card accounts for consumers and issue and create a range of card products, including credit and debit cards (such as credit, debit, charge,

co-branded, and Islamic cards) and pre-paid cards (such as generic pre-paid, gift, multi-currency, salary and employee incentive cards).

The Group also provides support for its issuer solutions customers to enable them to host and manage a large portfolio of card product solutions ranging from simple card usage to VIP card products, including highly configurable and personalised usage. The Group enables its financial institution customers to offer cards to consumers without having to develop their own in-house capability, reducing the total cost of ownership of card processing.

The full suite of card solutions supports a wide range of business use cases, including supporting purchases of all sizes on domestic or international credit and debit cards for consumers, enabling multi-currency budgeting, distributing government subsidies, facilitating loyalty discounts, providing an option to pay by instalment and spending management tools using data analytics.

Processing and Card Management Solutions

The Group's believes its key differentiators in providing processing and card management solutions comprise its card management system, switching, API platform and embedded fraud solutions:

- ***Card Management Systems:*** A highly configurable platform with omni-channel capabilities supporting more than 200 card types with the flexibility to add more.
- ***Switching:*** Connects to multiple local endpoints in a fragmented regional market (including schemes POS, ATMs and banks). The Group also operates the Jordanian national switch, JONET.
- ***API platform:*** Comprises more than 120 APIs enabling seamless connectivity into the wider product portfolio, which facilitates up-selling and rapid integration of additional modules.
- ***Embedded fraud solutions:*** Offering end-to-end coverage through a combination of in-house and outsourced solutions with a standard fraud package included in all of the Group's solutions.

Issuer Solutions Value Added Services

The Group's issuer solutions business line provides a number of additional value added services across the entire transaction lifecycle that are designed to complement the Group's core processing and card management solutions and strengthen the customer relationship while generating additional revenue opportunities. The "transaction-linked" services are generally aimed at protecting consumers and facilitating connections between issuers and their customers, while additional "strategic services" aim to analyse and gain insights from transaction data and drive repeat sales for issuers via consumer loyalty and rewards programmes. In aggregate, the Group offers a wide set of value added services, including:

Transaction-Linked Value Added Services at Transaction

- ***Advanced Fraud Solutions and 3D Secure:*** The Group offers its financial institution customers a comprehensive, end-to-end fraud management solution that is based on real time analytics, defined rules and in-house fraud expertise to defend against card fraud. It complements its sophisticated, international level fraud solutions with its deep understanding of local market dynamics to manage fraud. Solutions include intelligent profiling based on cardholder transaction behaviour as well as a sophisticated scoring system, and are based on an outsourced model whereby fraud operations are managed by a shared pool of expert fraud analysts. The Group has recently added a world class, real-time fraud solution using machine learning-based analytical models (**Falcon**) to its fraud product suite and intends to move all of its fraud monitoring to real time, using Falcon in the short term. The FICO Global Intelligence Network can be accessed via Falcon.
- ***ATM solutions:*** The Group also offers ATM solutions in certain markets, particularly in the UAE, Jordan and Egypt. Specifically in Jordan, the Group operates JONET, the principal ATM switch in Jordan. JONET connects member banks on one side with payment schemes on the other to support cash withdrawal, balance inquiries and PIN management from ATMs, while ensuring interoperability between the member banks and performing clearing and settlement.

Strategic Value Added Services

- ***SmartView:*** The Group provides analytics and bespoke consulting solutions via SmartView and Network Advisors. SmartView provides financial institutions with an interactive dashboard with insights about their

customers and transactions through card transaction analysis and can consolidate transactional data from various sources to deliver valuable data insights into their businesses.

- **Network Advisors:** Network Advisors provides a range of consultancy solutions, combining developed market expertise with emerging market experience across the credit lifecycle. Network Advisors allows the Group to deepen its partnerships with its customers, facilitating cross-sales, and the Group's deep knowledge of the full payments value chain helps increase financial institutions' card portfolio profitability and supports client-led innovation and product development. Management believes the Group is the only payments solutions provider offering this breadth of market expertise, from a consultancy perspective.
- **Loyalty Programmes:** The Group's loyalty management solution enables financial institutions to manage loyalty programmes including cash back rewards, points and miles. The loyalty solutions allows customers to do real-time accrual and redemption of rewards, including at POS, and support coalition loyalty programmes, where financial institutions can create a group of merchants to participate in their loyalty programme, online travel redemption options and bundled loyalty and issuing products and services (such as credit, debit and pre-paid cards and loans).

Additionally, some of the Group's solutions enable an enhanced consumer proposition and straddle the transaction linked and strategic propositioning. These include:

- **Instant Issuance:** The Group offers instant issuance of debit, credit and prepaid cards as well as activation and PIN set up, both at physical branches or at a cardholder's specified location. The instant issuance allows for enhanced digital capabilities and reduced operational efforts while lowering costs associated with card delivery.
- **Card Control:** The Group offers a quick implementation tool that allows cardholders to control the types of transactions they approve on their cards. The tool is pre-equipped with a self-service option offering a wide range of controls to the cardholder while also improving operational efficiency for the Group.
- **Electronic Bill Presentation:** The Group provides an electronic bill payment service that allows financial institutions to offer a comprehensive utility bill payment service to their customers through their website or ATMs as well as through interactive voice response systems over the telephone and even through agency networks in some markets. The service includes, among other things, biller registration and account management, bill presentment and scheduling, payments processing, reconciliation and settlement.
- **Easy Payment Plan:** The Group's Easy Payment Plan is a digital consumer financial service allowing flexible payment method alternatives that allow consumers to convert high value purchases into monthly instalments. This product is offered either through a POS device at the time of purchase, or through the card issuer's online facility at the time of purchase. The Group does not bear the credit risk as a part of this service, but rather the card issuing bank does.

Managed Service Capabilities

The Group also leverages its experience and understanding of the local market to offer managed services, including customer on-boarding, dispute management, scheme and settlement reconciliation and chargeback services, to its more than 220 financial institution customers. These modular service offerings integrate seamlessly into its customers' existing infrastructure and enable the Group to provide its customers with a fully outsourced model, which allows them to focus on their core business.

Merchant Solutions

Overview

The Group is the leading provider of merchant solutions in the MEA region. The Group provides a broad range of technology-led payments solutions to its merchant solutions customers through a full omni-channel service proposition allowing them to accept payments of multiple types, across multiple payment channels. The Group is the only independent pan-MEA company able to offer end-to-end payments capabilities, whether in-store, online or on a mobile device, by providing access to a global payments network through its agile, integrated, secure, reliable and highly scalable technology platforms, Network One and Network Lite enabling it to serve clients of all sizes.

The Group's merchant solutions business comprises payment acceptance solutions, acquiring solutions and a broad range of value added services for merchant customers. Its acquiring solutions consist of direct acquiring services in the UAE and Jordan as well as the Group's "white-label" acquirer processing services, whereby the Group provides processing for its financial institution customers' direct acquiring business. In the medium-

term, the Group is planning to expand its direct acquiring business to other countries in the MEA region in line with regulatory and licensing requirements.

The Group is the leading provider of online and mobile merchant solutions in the MEA region. It was the first to introduce online and mobile payments solutions in the UAE in 1999, and an early implementer of Apple Pay, Google Pay and SamsungPay in the MEA region. It offers connections to most local gateways (as well as Cybersource and Migs), and approximately 20 per cent. of the Group's merchant solutions revenue is from e-commerce transactions. The Group has also recently launched its proprietary, state-of-the-art e-commerce payments gateway, N-Genius Online. The Group provides a wide range of online and mobile payment acceptance capabilities, including authorisation, fraud optimisation and settlement services for its diverse customer portfolio of growing e-commerce international merchants, government entities and SMEs.

The Group enables over 65,000 merchants in more than 50 countries to accept a variety of digital payments across multiple geographies and payment channels in more than 140 transaction currencies, resulting in a TPV of approximately USD 40 billion in 2018, with each transaction completed in less than one second. As a consequence, the Group is the largest provider of merchant solutions in the MEA region. The Group had an approximately 19 per cent. acquiring market share in the MEA region based on TPV in 2017.

The Group enables commerce and maximises business flexibility for its merchant solutions customers, including by providing frictionless acceptance of a greater number of payment types and opening access to new geographic markets. The Group enables its customers to maximise potential sales opportunities, allowing them to receive a single view of key customer data and maximising transaction acceptance while protecting them against fraud. The Group can also leverage the data gathered through the provision of payments solutions to offer analytics and insights on its customers' peers, whilst delivering industry benchmarking and additional functionalities to its customers, allowing them to, for example, improve their performance, run loyalty schemes and guide their consumers to preferred payment types, thereby increasing customer revenues. The Group has been driving innovation across many of these payment types across the MEA region and has been instrumental in creating the payments infrastructure seen in the region today.

The Group earns revenue from its merchant solutions customers in a number of ways, including:

- **Transaction based revenue:** includes revenue generated through a combination of (a) a Gross Merchant Service Charge (**MSC**), charged to the merchant on the TPV; (b) a fee per transaction processed and billed, (c) a fee per card hosted and billed and (d) a variable fee for provision of value added services including foreign exchange services. The revenue is reported on a net basis (i.e., after the deduction of interchange and scheme fees paid to the card issuer and schemes respectively).
- **Non-transaction-based revenue:** includes but is not limited to revenue generated through provision of various value-added services (those for a fixed periodic charge), rental from point-of-sale (**POS**) terminals and project related revenues.

In 2018, the Group's revenue from merchant solutions amounted to 46 per cent. of its total revenue.

The products and solution suite offered by the Group was developed with the needs of its merchant solutions customers in mind. The Group's objective is to increase its customers' revenues by enabling a seamless, end consumer experience, reliable service and wide set of valuable insights and analytics. At the same time, the Group's offering also strives to reduce its merchant solutions customers' costs by providing superior protection from fraud and regulatory risks, enhanced security and easy integration with customer systems. The Group aims to regularly innovate to stay ahead of its customers' needs, and offers fast, secure and reliable payments, scalable and efficient platforms, open system architecture with a wide set of APIs, full support of alternative payment methods and a full range of connectivity options.

The Group's merchant solutions products and services include point of interaction (**POI**) solutions, direct acquiring and acquirer processing as well as a wide range of value added services as further described below.

Point of Interaction Solutions

The Group provides omni-channel payment acceptance solutions with standard product capability across all platforms. The channel-agnostic payment acceptance solutions fully support alternative payment methods, facilitate consumer preferences, offer a holistic view of transactional data and are offered with rapid product development and rollout. In addition, the Group provides additional integrated solutions for its target verticals. The channel-agnostic POI solutions comprise in-store (POS), online and mobile solutions as further described below.

As part of the Group's commitment to innovation and improving customer experience, the Group sought to re-invent its POI solution to address the issues facing its merchant solutions customers in a rapidly changing market, including the lack of a truly omni-channel integrated offering due to fragmented technology infrastructure and high costs of innovation, the outdated design of POS hardware and the long deployment time for updated solutions. As a result N-Genius, the Group's proprietary, state-of-the-art, omni-channel payments operating system, was developed. It offers seamless integration across in-store, online and mobile channels with full interoperability. The cloud-hosted and highly configurable platform provides a single view of customer transaction activity with access to products across all channels. In addition, the N-Genius platform supports regular remote product updates and is configured to manage a growing demand for alternative payments. The platform has full front-end functionality across the Group's proprietary platforms and third-party payments processing platforms.

In-store Solutions

The Group offers more than 150,000 POS terminals, providing a wide range of terminals and a breadth of integrated in-store solutions for specific verticals, all of which are EMV Chip & PIN compliant, secure with end-to-end encryption and accept the major payments schemes. Alternative payments such as Alipay, Apple Pay, Google Pay and Samsung Pay are also supported on the majority of the Group's new devices.

- **POS payments platform:** In mid-2018, the Group launched a new proprietary POS payments solution, N-Genius POS, which is based on the N-Genius platform which was developed by the Group on the Android operating system and features an intuitive touchscreen user interface and plug-and-play setup. This new solution provides the Group with a cost-efficient platform, with control of the underlying standardised software, and therefore control of the product capability, on each POS terminal. The simple plug and play N-Genius POS solution is designed to be agnostic of payments terminals, which allows the Group to enter into a number of supplier relationships, driving the cost per device down (reflecting an approximately 47 per cent. reduction in cost compared to existing terminals) and making it substantially more affordable for merchants. The N-Genius POS solution is open to third-party application developers enabling them to create customised solutions that suit specific business needs including catering to various industry verticals, as well as full support of alternative payment methods.

For example, in September 2018, the Group remotely implemented the integration of Alipay across its N-Genius payments terminals significantly faster than is typical for new deployments to be ready for a Dubai shopping promotion targeted at Chinese visitors, demonstrating its ability to cost-effectively and rapidly deploy new technology.

In 2019, the Group's new terminal deployments are expected to be predominantly N-Genius POS terminals (e.g. 60 per cent. of the terminals the Group deployed in January 2019 were N-Genius terminals), thus meaningfully increasing the payment acceptance capabilities of its merchant solutions customers and decreasing the cost of deployment significantly compared to certain third-party terminals. In addition to its N-Genius POS solution, the Group also offers the N-Genius Mini terminal and On-the-Go payment solutions. N-Genius Mini is a competitively priced, quick and secure mini terminal designed for businesses on the road. The On-the-Go solution allows merchants to receive payments anywhere via seamless Bluetooth connection to mobile devices, which increases security as merchants do not need to carry cash.

- **Mobile POS payments system:** The Group's mobile payments platform allows merchants to accept card-based payments anytime and anywhere from consumers through its mPOS terminals, smartphones and tablets. The Group's mobility products enable payment acceptance through 4G, 3G and GPRS mobile networks and Wi-Fi communication and can be integrated with its merchant solutions customers' existing payments systems or be utilised as a stand-alone solution. The mobile POS platform is particularly attractive for specific merchant verticals that require portable mobility products such as home deliveries, paying at a customer location, or for reducing customer queues in-store.

Additionally, the Group has developed customised and dedicated omni-channel capabilities for key sectors in its target markets, including hospitality, supermarkets, retail, education, government and transportation (which account for more than half of the Group's direct acquiring TPV). These vertical solutions include Electronic Cash Register till software for the retail payment point which is fully integrated with the card acceptance terminal, and hospitality solutions which are compatible with major hospitality systems enabling payments to be seamlessly linked to front desk and restaurant cash registers. Integrated solutions also include unattended cashier-less kiosk solutions which are suitable for applications such as parking areas terminals and ticket vending machines. The Group provides channel-based solutions to customers through its specific hardware

designed to run with N-Genius. Major customers now run on the common N-Genius solution, which replaces expensive third-party hosted solutions and reduces complexity and cost for major customers as compared to traditional solutions. Customers from target verticals receive access to latest product developments and solutions through simple downloads through N-Genius.

Online and Mobile Solutions

The Group offers online solutions with comprehensive e-commerce infrastructure and an interactive merchant portal for SMEs as listed below.

- ***N-Genius Online:*** The Group's proprietary state-of-the-art e-commerce payments gateway built from the ground up, replaces the legacy payments gateway, NeO. N-Genius Online helps the Group's merchant solutions customers to easily accept payments online or via mobile through the use of simple, globally recognised gateway tools, including hosted payment pages, advanced web-based development tools and shopping cart plug-ins. In addition, N-Genius Online enables its customers to maximise conversion rates of online customers and minimise losses due to fraud by offering merchants a number of security and risk management tools, including authentication tools (**3D Secure**), a predictive fraud detection system and tokenisation, whilst also providing access to leading third-party fraud management tools. N-Genius Online is fully hosted in the cloud on Microsoft Azure, the first of its kind focused on the MEA region. N-Genius Online also offers a merchant portal, from which merchant solutions customers can review transactions, refund or void transactions, interact with the Group's customer service teams and access a number of the Group's merchant solutions value added services, including multi-currency processing, token vault, recurring payments, payment link and QR codes. The Group has a long history of partnerships with globally recognised fintech players, for example PayPal, Stripe and Alipay. The new gateway solution will ease the local integration requirements for these partners through an API lead plug-and-play capability.
- ***Go Online Webshop Builder:*** The Group also offers SMEs a complete e-commerce solution allows SMEs to set up an easily customisable online store, which its customers can access on any device, and which incorporates the Group's N-Genius e-commerce payments gateway. The Group provides device-agnostic, optimised mobile solutions which facilitate the seamless shopping experience as described below.
 - ***Designed for Mobile:*** Fully optimised mobile payments acceptance and web pages for mobile solution aimed at reducing abandonment rates and boosting conversion.
 - ***In-App:*** Range of software developer kits (**SDKs**) designed to allow simple integration of N-Genius payment solutions to Android and iOS based applications.

Direct Acquiring and Acquirer Processing Solutions

The Group operates a state-of-the-art acquiring solution, serving a diverse set of merchant solutions customers, offering omni-channel payment acceptance solutions as well as full processing capabilities across POS, online and mobile via its agile, integrated, secure, reliable and highly scalable technology platforms.

The Group processes more than 140 transaction currencies across the more than 50 countries, while supporting large enterprises and domestic corporates and small and medium-sized businesses. The Group accepts the full range of payment methods and card schemes and employs up-to-date fraud and security capabilities. The Group delivers differentiated integrated core processing, which involves clearing and settlement and authorisation systems, through both a merchant-facing and customer-facing solution. The merchant-facing solution comprises statement processing, fraud solutions, document management, reporting and chargeback handling, while the consumer-facing solution includes POS solutions, currency solutions and e-commerce.

Direct Acquiring

In its direct acquiring business, the Group directly contracts with merchant customers for acquiring services, acts as the acquirer of record and assumes merchant credit risk. The Group's direct acquiring business (which accounts for over 85 per cent. of the Group's acquiring volume) provides merchant solutions under the Network International brand.

The Group segments its direct acquiring merchant solutions customers based on annual card volumes:

- ***Key account merchants***, which represent merchants with annual card transaction volumes of above AED 40 million (or USD 10 million). The Group serves more than 250 key account merchant solutions customers. For key merchant accounts, the Group provides a wider product offering to address complex client needs; and

- *SME merchants*, which are merchants with annual card volumes of up to AED 40 million (or USD 10 million). For its SME customers (a highly underpenetrated but fast-growing and high margin segment), the Group offers digital payment acceptance solutions while minimising customers' time and effort by providing fast and automated onboarding, simple set up and ease of use.

Acquirer Processing

In addition to direct acquiring, the Group also provides acquirer processing services to regional financial institutions across the MEA region. The Group uses its existing technology and processing infrastructure to power direct acquiring by financial institutions where they act as the acquirer of record and maintain the merchant solutions customer relationship whilst the Group provides the processing function and operations support. This service enables the Group's acquirer processing customers to provide market-leading solutions (including the value added services described above under "*—Direct Acquiring*") to their underlying merchant customers with faster speed to market and without the significant investment of running their own fully in-house direct acquiring business. The Group's significant scale, technology leadership and highly efficient operations allows the Group to provide its services often at a lower cost and better quality than the financial institutions would be able to themselves thereby creating a sustainable and growing revenue source for the Group. The Group earns revenue in a number of ways, including through a TPV-based fee and from associated value added services provided to the underlying merchants through the Group's financial institution customer.

The Group's relationship with a leading pan-African banking group—Standard Bank—is a typical example of how relationships with its acquirer processing customers have developed over time:

- the Group began its relationship with the bank in 2013, when the bank was seeking an acquirer processor to support a small number of its markets outside of South Africa (Namibia, Botswana and Uganda); and
- following the initial launch, the relationship has already expanded so that the Group supports the bank's subsidiaries with acquirer processing services in a total of 12 countries (Nigeria, Namibia, Botswana, Uganda, Ghana, Zambia, Malawi, Zimbabwe, Kenya, Tanzania, Lesotho and Swaziland).

Management believes acquirer processing represents a significant opportunity for future growth as financial institutions in the MEA region assess the relative merits of outsourcing to an acquiring processor partner such as the Group compared to continuing to invest in-house. As a result of the Group's demonstrated ability to provide its services across its markets utilising its innovative technology systems and products in a cost-effective manner, it believes that it is well placed to expand its new acquirer processing business.

Merchant Solutions Value Added Services

In addition to its merchant acquiring services, In order to stay ahead of its customer needs, the Group aims to provide a range of evolving value added services that create value for its merchant solutions customers and the Group through the use of data associated with transactions or the provision of associated or ancillary services under various pricing models, including monthly fees, transaction-based fees and fees as a percentage of total processed value. The Group is actively seeking to grow its range of value added services, as such services tend to differentiate the Group from its competitors and increase the Group's value proposition. Providing value added services facilitates improved conversion, efficiency and security while reducing fraud. Conversion is improved as consumers have a broad set of flexible checkout alternatives allowing them to opt to receive e-receipts and choose a preferred currency, while repeat sales are encouraged by providing the ability to pay in instalments and benefit from loyalty programmes. A rapid setup process is facilitated by digital onboarding features, and the Group also makes first-class analytics solutions available. In addition, strong security and reduced fraud risk is ensured via authentication and encryption tools and proactive fraud prevention.

Conversion Enhancing Solutions

- ***E-receipt:*** e-receipt functionality improves conversion by allowing consumers to keep track of their shopping activity, wherever conducted in-store or online, and facilitating return/refunds process.
- ***Dynamic Currency Conversion (DCC):*** DCC offers merchants the opportunity to provide consumers the option to pay in their home currency, rather than in the currency of where they are making the purchase, with the Group handling the foreign exchange conversion and offering consumers clarity to help them budget better and purchase with confidence, whilst the Group pays the merchant in its local currency reducing their risk.
- ***Multicurrency Pricing (MCP):*** MCP allows online merchant solutions customers to offer goods for sale in the home currency of the consumer, wherever that consumer is. The solution takes the merchant's base

selling price and calculates the price in the consumer's home currency, then takes the foreign exchange exposure on behalf of the merchant, enabling the Group's merchant solutions customers to offer a better customer experience to overseas consumers.

- **Easy Payment Plan:** Easy Payment Plan is a digital consumer financial service allowing consumers to convert high value purchases into monthly instalments. This product is offered either via the POS device at the time of purchase, or through the card issuer's online facility at the time of purchase. The Group does not bear the credit risk as a part of this service.
- **Loyalty programmes:** the Group provides a range of loyalty programmes to help its merchant solutions customers drive repeat sales and increase end customer loyalty.

Efficiency Facilitators

- **SmartView Interactive Dashboard and Performance Reports:** SmartView is a proprietary, secure dashboard that provides holistic view of all transaction data, and facilitates proactive day-to-day operation management, and is accessible anywhere and anytime. SmartView solutions provide in-depth analysis of a merchant solutions customer's business, including card transactions, sales performance, point of sale movement, DCC trends, average transaction size and other key metrics, hosted by the Group and accessed through an interactive dashboard or through a pre-defined performance report. These tools allow merchants to optimise inventories and better track and understand consumer purchasing patterns, allowing for targeted promotional and loyalty campaigns.
- **Digital Onboarding:** The Group's streamlined Digital On-Boarding solution offers a secure, flexible, and fully automated solution that allows merchant solutions customers to be on-boarded digitally within 24 hours. The solution provides an improved customer experience, increases efficiency and reduces costs as well as more automated tools for the Group to ensure the latest risk and compliance controls are met.
- **Self Service:** This product provides merchants with a 24/7 mobile and web friendly support portal, allowing the Group's merchant solutions customers to manage their account no matter where they are. The portal allows merchant solutions customers to view and refund transactions, download business reports, raise support requests, request additional devices and add multiple users to their account.
- **PayPal Withdrawal Service:** The Group facilitates settlement to enable its UAE merchant solutions customers who accept PayPal as a payment method to withdraw funds from their PayPal accounts and transfer those funds into any UAE bank in AED rather than the more costly option of withdrawing those funds to a card. This service complements the Group's e-commerce gateway, and gives the Group's online merchant solutions customers a cost effective, quick way to access funds and improve their cash flow.
- **SmartBundle:** SmartBundle is an all-inclusive monthly package that offers merchants chargeback coverage, POS accessories and access to Group's latest payments solutions, all for one price. SmartBundle customers benefit from access to premium services of the Group, including a dedicated relationship manager.

Security and Fraud Prevention

- **3D Secure:** 3D Secure is an industry-standard card security solution which helps to reduce the likelihood of online fraud and increases protection for both the Group's merchant solutions customers and consumers. When making a purchase on the Group's merchant solutions customer's website, consumers will be prompted to enter an encrypted password, which verifies that they are authorising the purchase on their card.
- **Real Time Fraud Solutions:** The Group's real time fraud solutions integrate into leading security and real-time fraud prevention tools, offering end-to-end encryption across the transaction lifecycle and tokenisation to allow for safeguarding of customer account details.

BUSINESS SEGMENTS

The Group is exclusively focused on the MEA region, one of the world's most underpenetrated payments markets with strong underlying secular growth drivers supported by attractive macroeconomic and demographic trends where the Group can act as a provider of critical digital payments solutions, enabling fast growing commerce and allowing merchant solutions customers and issuer solutions customers to take advantage of significant development opportunities in the region. The Group manages its business operations on a geographic basis. The Group's largest segment by revenue is the Middle East, where it serves customers in

more than six countries and represented 75 per cent. of the Group’s total revenue in 2018. The Group’s Africa segment includes customers in more than 40 countries and represented 25 per cent. of the Group’s total revenue in 2018. In line with the Group’s regionally focused strategy, the Group does not operate in any geography outside of the MEA region and does not operate in any sanctioned countries. The Group consistently uses the Network International brand in all countries where it operates.



Middle East

The Middle East has a varied acquiring and processing landscape. In most markets in the Middle East, the predominant model sees competition amongst a few large banks, although there are also a number of markets with “specialised” domestic acquiring entities. Governments are increasingly supportive of digital payment methods, with a large number of ongoing initiatives to encourage digital payments. The value of card transactions at POS in the Middle East is expected to increase by 1.6 times from 2017 to 2022, reaching USD 274 billion. The region is also home to one of the fastest growing e-commerce markets. Paired with household incomes that are above the global average and a high proportion of young people relative to other regions, there is significant potential in the payments space. See “*Industry Overview—Regional Dynamics—Middle East*”.

The Group has been present in the region since 1994 and is now the largest provider of both merchant and issuer solutions in the Middle East. The Group had a merchant solutions market share of 30 per cent. in 2017 (based on total billed volume of acquired credit card POS and ATM transactions) and an issuer solutions market share of 37 per cent. in 2017 (by credit card issuing processing based on billed volume on credit card POS and ATM transactions).

Its primary markets are the UAE and Jordan. Management expects Saudi Arabia, which the Group has recently entered, to become a significant growth opportunity in the medium term given the significant size and high level of underpenetration of digital payments there currently. For example, the Group recently won a contract with the non-bank financial institution Nayifat.

The payments market in the Middle East remains highly underpenetrated in digital payments adoption and fragmented and is expected to grow at a fast pace. Key themes in the region include (i) payments infrastructure (including card issuance) developing at a rapid pace, (ii) many fragmented markets at different stages of maturity, (iii) strong e-commerce growth and (iv) many financial institutions processing in-house on legacy technology infrastructure.

The Group aims to continue to grow its direct merchant acquiring customer base whilst also exploiting its scale, leading technology platforms and innovative products to win new acquirer processing and issuer solutions customers. The Group's strategy in the Middle East includes cross-selling and up-selling its end-to-end customer-driven products to its existing customer base, expanding its acquirer processing across the Middle East as more financial institutions move to outsourcing, and entering new industry verticals (such as education) and underserved segments (such as SMEs). For financial institutions clients, the Group remains the only independent scale provider of issuer solutions across the region and the only provider capable of delivering "one-stop-shop" solution leveraging local industry expertise, language and relationship management as key drivers for customer loyalty. The Group also sees further penetration of Saudi Arabia and other markets in the Middle East such as Bahrain and Oman as a key growth opportunity and aims to explore potential data monetisation to further leverage its technology platforms.

The Group's principal offices in the Middle East include its headquarters in UAE, as well as a regional office in Jordan.

Key Regional Markets

The Group considers its key regional markets those that contribute significant revenue to the Group's operations or that present a significant growth opportunity in the medium term. In the Middle East, these include, but are not limited to, the following:

UAE

The UAE is one of the largest economies in the Gulf Cooperation Council (GCC) region by GDP. Despite having one of the most developed payments markets in the region, as of 2017, the UAE only had a 15.4 per cent. share of non-cash transactions, with an approximately 9.5 per cent. reduction in cash share of total transactions by volume between 2017 and 2022. The Group has a leading position for its merchant solutions, with a market share of approximately 50 per cent. in 2017 based on transaction volumes. The Group also undertakes acquirer processing for a range of customers and provides issuer solutions. Given the Group's strong presence in the UAE, it can initially introduce new products and propositions, such as N-Genius, in the UAE market prior to rolling them out more widely across its MEA footprint. The Group expects to benefit from UAE-wide initiatives such as Smart Government and mGovernment, which enable customers to settle fees for government services through online or mobile payments gateways, as well as Dubai's World Expo 2020, which is expected to attract 25 million visitors.

Jordan

Jordan is the second most important market for the Group in the Middle East segment. As of 2017, 88.9 per cent. of transactions in Jordan were conducted with cash. Strong growth in card adoption is expected with a 7.4 per cent. CAGR in the total number of cards from 2017 to 2022. The Group acts as a direct merchant acquirer in Jordan and also provides third-party acquirer processing and issuer solutions to numerous Jordanian banks. As a result, the Group is a significant player in the Jordan market with a market share of 65 per cent. in 2018 for merchant solutions. The Group also operates the principal ATM switch in Jordan (JONET), connecting domestic banks, which, in turn, is integrated with Jordan Mobile Payment, the Central Bank of Jordan's real-time payments switch.

Saudi Arabia

Saudi Arabia is the largest economy in the GCC by GDP with the largest population according to the United Nations. Saudi Arabia also has a significant expatriate population with high and growing card and online usage and a currency pegged to the US dollar. Management believes that Saudi Arabia offers a substantial opportunity for the Group to grow across the payments value chain given it remains highly underpenetrated in terms of

digital payments with attractive macroeconomic drivers. Moreover, the payments market remains largely bank-owned with a lack of independent payments companies, offering the Group a strong opportunity to benefit from outsourcing as well as the ability to bring innovative products and lead the market. The Group sees further penetration of the market as a key growth opportunity.

Sales and Relationship Management

The Group's strong brand presence in the UAE and Jordan, and its reputation for service quality and innovation, allows it to recruit merchant solutions customers both through its direct sales force as well as through other channels such as referrals from financial institutions, such as Emirates NBD, Al Masraf and other referral channels such as telecom and mobile commerce partners, other referral channels through a wide variety of other referral partners, as well as online visibility and use of automation in customer onboarding. The "Network Way of Selling" is driven by its clients' needs and spans a wide variety of Group-wide initiatives to ensure a differentiated delivery of its customer-tailored distribution strategy. The Group has a marketing and public relations team which focuses on brand awareness, reinforcing its identity as a payments thought leader and commentator in the MEA region, and runs a wide range of payments-related workshops, hosts user-related conferences in its various markets.

The Network Way of Selling

The Group's broad-based sales approach is deployed based on customer needs, product requirements and the market presence as described above, and is based on a commission compensation structure. At the Group level, there is a strong focus on adopting best practices, monitoring the sales pipeline and using sales efficiency tools (such as Salesforce) which allow the Group to follow-up on leads across geographies. To maximise cross-selling and brand awareness, the Group focuses on internal and external training, workshops and conferences that allow for enhanced product knowledge.

The Group has a dedicated in-house team of 81 employees (as of 2018) to recruit new customers and manage existing relationships. The Group's sales team is divided into relationship managers, assigned to customers based upon size, geographic footprint and vertical business line, who oversee existing relationships, aiming to ensure customer satisfaction and drive cross-sales, and sales managers, who are charged with generating new customers. The Group aims to secure new business through in-person visits to established merchants and financial institutions, and by approaching new business start-ups, as well as through referral channels. The Group seeks to expand into new industry verticals and into new geographies in the Middle East.

The Group has a long history of cross-selling its product offerings and increasing revenue contribution from its existing customers. For example, as noted above, the Group was able to expand its business for DDF from a standalone POS solution to include integrated solutions, e-commerce, mPOS and ePOS solutions as well as a range of value added services.

The Group has also been the partner of choice for governments (such as Smart Dubai on its delivery of public sector digital payments initiatives to become a cashless society), financial institutions (such as its more than ten-year relationship with a leading Middle Eastern financial institution for whom the Group provides a full value chain proposition), SMEs, such as Cravia who the Group has assisted with growing SME merchant businesses, and e-commerce players such as Smart Dubai Government.

For its existing merchant solutions customers, and especially within the key account, the Group's relationship managers seek to gain firm knowledge of their merchant solutions customers' businesses and future plans in order to identify opportunities to support them with their developing payments strategy and to drive cross-sales and up-sales. The Group's issuer solutions sales strategy consists of a combination of cross-selling services to its existing customers as well as recruiting new customers distributed across the Middle East.

The Group's sales team members are eligible for incentive payments based on their performance relative to revenue targets that have been set. See "*—Employees*" below.

Customer Base

The Group has a diverse customer base in the Middle East including financial institutions and merchants ranging from SMEs to large corporates. In addition to being a key partner to leading financial institutions, the Group has a strong presence in the retail sector in its direct acquiring business in the region.

The Group's comprehensive offering, ongoing innovation and reliable service, as well as its local knowledge and industry expertise help it to build long-term trusted partnerships with its merchant solutions customers and issuer solutions customers. The Group's top ten merchant solutions and issuer solutions customers by 2018

TPV and revenue, respectively, have an average relationship length of 15 years and 17 years, respectively, and several of its financial institution customers have had relationships with the Group for over 25 years.

The Group also has a strong relationship with Emirates NBD, the second-largest bank in the UAE and the largest Dubai-based bank, which is the Group's largest customer accounting for 16.2 per cent. of the Group's revenues in 2018, a percentage which Management expects to continue diminishing over time as the Group continues to expand with other customers and across other geographies.

The Group has a strong relationship with the Government of Dubai for whom it is the partner of choice in facilitating Dubai's citywide smart transformation (Smart Dubai). The UAE aims to become a cashless society, as per the Smart Government initiative, and the relationship with the Group has developed significantly over time:

- 2000: The Government of Dubai becomes an e-government through the move from POS to e-commerce.
- 2001: Dubai Media City is bolstered with online registration features.
- 2009: Dubai Metro becomes digitised with unattended ticketing kiosks.
- 2010: Burj Khalifa is bolstered with online booking system.
- 2013: Mobile payment site version goes live.
- 2014: Smart Dubai Initiative through mobile payments app.
- 2015: Dubai Data established with taxi acceptance, along with Smart Dubai Office government aggregator app.
- 2018: Auto reconciliation is enabled through block chain technology.

In addition, the Group's relationship with DDF is a typical example of how its relationships with its merchant solutions customers have developed over time:

- 1995: the Group began its relationship with a standalone POS solution.
- 1998: the Group delivered an integrated POS solution.
- 2004: the Group delivered an e-commerce solution to enable DDF to offer an online promotional campaign.
- 2010: the Group provided DCC and believes that DDF is one of the largest DCC merchants in the world.
- 2013: the Group was able to manage the expansion when DDF significantly expanded to an additional location in 2013.
- 2015: the Group provided a pilot mPOS solution designed to reduce customer queues.
- 2018: the Group integrated Alipay to expand offering of alternative payment methods.
- 2019: DDF was the first customer to go live with the fully integrated ePOS variant of N-Genius in the first quarter of 2019.

Middle East Strategy

The Group has significant opportunity for future growth, stemming from both core growth drivers and additional further upside initiatives.

Core Growth Drivers

- *Structural Market Growth and Adoption:* The Group benefits from several secular market trends driven by continued card adoption with a steady increase expected in the share of card transactions from 19.9 per cent. in 2017, e-commerce and m-commerce acceleration in the key countries of the Middle East, projected strong real GDP CAGR of 2.6 per cent. expected between 2017 and 2022 (nominal GDP CAGR of 5.4 per cent. over the same period), governmental digital economy initiatives in the region (e.g. RTA and Smart Dubai Government) and new client wins.
- *Product Expansion and Market Penetration:* The Group is focused on several existing and untapped opportunities arising from cross-selling of value added services to both existing and new customer bases, increased trend in bank outsourcing (with 81 per cent. of bank transactions still being processed in-house),

a focus on new segments (e.g. SME) and further online expansion of the Group's proprietary technology suite and gateway.

Further Upside

- *Opportunities for Acceleration:* The Group sees potential to continue to expand its geographic presence and penetration into key markets such as Saudi Arabia, Bahrain and Oman, to capture additional volume from Expo2020 and to engage in potential strategic M&A to acquire new capabilities or increase its presence.

Africa

The payments market in Africa is the world's most underpenetrated payments market, which offers strong growth opportunities given the predominance of cash usage, strong GDP growth and high levels of young and unbanked consumers. Due to the aforementioned trends and other structural growth drivers, the African digital payments market is expected to grow to 2.1 times its size in 2017 by 2022 based on value of card transactions (from USD 111 billion to USD 232 billion, respectively). Whilst the market is not homogeneous, digitisation is a common theme across the region, driving substantial growth and opportunities.

From a payments perspective, Africa has been at the forefront of mobile banking and non-cash payment methods have been adopted on a limited basis, with significant scope for future growth. The Group's Africa segment serves customers in more than 40 countries across the continent, with an average customer tenure of approximately ten years. The Group has its operational centres in Egypt, Nigeria and South Africa. The Group currently has a unique Pan-African footprint, having operations in countries representing more than 80 per cent. of African GDP and population and holding more than 160 customer relationships. Management expects Africa to begin making substantial progress on several levels, including attracting greater international trade and increasing intra-regional trade, forming economic blocs, attracting inward investment and accelerating its adoption of increasingly affordable technologies. Given its unrivalled pan-African footprint the Group is well positioned to be a trusted partner to its financial institution customers and support their expansion across the continent. The Group's relationship with Standard Bank, First Bank and Access Bank, clearly demonstrates the ability to deliver pan-African digital payment solutions with the Group serving these banks in 12, seven and six countries, respectively.

Management expects Africa to begin making substantial progress on several levels, including attracting greater international trade and increasing intra-regional trade, forming economic blocs, attracting inward investment and accelerating its adoption of increasingly affordable technologies.

The Group is aiming to grow both card issuance and card acceptance in the countries in Africa where it operates in order to grow the overall payments services market as well as helping governments to promote financial inclusion. See "*Industry Overview—Regional Dynamics—Africa*". The Group is well-positioned to benefit from this large opportunity for growth, and its strategic priorities in Africa are outsourcing processing from financial institutions in the region both through acquirer processing and issuer solutions as well as supporting merchants to expand and grow in Africa acting as a key enabler of commerce in the region. The Group considers further penetration of South Africa as a key growth opportunity in Africa.

Key Regional Markets

The Group considers its key regional markets those that contribute significant revenue to the Group's operations or that present a significant growth opportunity in the medium term. In Africa, these include, but are not limited to, the following:

North Africa

One of the most significant markets in North Africa is Egypt. Since it first established a presence in Egypt in 2007 through the acquisition of NPC Egypt, the Group has developed relationships with over 70 per cent. of the banks in Egypt. As of 2017, Egypt still had a very high level of cash transactions at approximately 85.3 per cent. The Group expects to benefit from Egypt-wide initiatives, which include new regulations to govern mobile-based payments and a sponsored initiative to expand financial inclusion, the "Week for Financial Inclusion". In Egypt, the Group is focused on the pre-paid segment as a key area for growth due to the significant unbanked population and consumer preference.

The Group currently serves several of Egypt's leading financial institutions, for both their merchant and issuer solutions needs.

Sub-Saharan Africa

One of the most significant markets in sub-Saharan Africa is Nigeria as a result of population size and as the largest economy in Africa. Nigeria is a predominantly cash payments country with the level of digital payments at only 8.5 per cent. as of 2017. However, the penetration of digital payments is expected to grow rapidly boosted by the new Central Bank of Nigeria initiative to reduce the amount of physical cash circulating in the economy and to encourage electronic-based transactions.

The Group has an established presence in Nigeria serving several of Nigeria's leading financial institutions, for their payments solutions needs. It is a leading provider of credit card solutions in the country and the Group is actively seeking to grow pre-paid and debit cards. Management believes there is significant scope for revenue growth from Nigeria in the medium term as the Group expects to benefit from Nigeria's fast developing commerce and economic expansion, supporting financial institutions in expanding in that market.

Southern Africa

The largest market in Southern Africa is South Africa. The Group is a leading processor of retail store cards in the country. Management believe there is a significant opportunity in South Africa as retailers move from closed loop to open loop card solutions and financial institutions look to outsource their processing from their legacy in-house technology infrastructure, and the Group is well-positioned to take advantage of these opportunities as a result of its investments in capabilities and products. The Group expects to benefit from the new national e-government strategy and roadmap in South Africa and from the central portal which provides information and transactional services to citizens.

Sales and Relationship Management

The Group manages its customer base in Africa using a hub and spoke model, with hubs located in Cairo (Egypt), Dubai (UAE), Lagos (Nigeria) and Cape Town (South Africa). The locations of these hubs mirror the Group's operational centres.

The Group has relationship management resources distributed throughout the continent, with each team member being responsible for the support of customers located in their home markets as well as in surrounding countries. In addition, the Group has two additional dedicated relationship managers focused on support of the Group's customers in French-speaking markets. The Group's relationship managers are supported by a centralised sales team based in Cairo, Egypt, which is divided to cover geographic regions, supporting cross-sales into existing customers and generating new relationships with financial institutions to add to the Group's customer portfolio.

The Group has a dedicated team based in Lagos which provides end-to-end support for the Group's Nigeria-based customers, including relationship management, technology hosting and operational support. The Group's hub in Cape Town, South Africa, provides end-to-end support to retailer customers for their store-card business. The dedicated sales relationship management team supports customers for the full range of services offered by the Group in eight additional markets in southern Africa. The Group also manages a number of clients out of the Dubai, UAE, office, with the relationship managers' location determined by the technology platform upon which the customer's business is hosted. These clients typically operate in multiple countries and utilise a broad range of the Group's products. The Group also manages a number of clients out of the Dubai, UAE, office, with the relationship managers' location determined by the technology platform upon which the customer's business is hosted. These clients typically operate in multiple countries and utilise a broad range of the Group's products.

In addition to its own distribution channels, the distribution approach is enhanced through referrals from existing customers, payment schemes and technology vendors.

The Network Way of Selling

The Group's broad-based sales approach is deployed based on customer needs, product requirements and the market presence as described above, and is based on a commission compensation structure. At the Group level, there is a strong focus on adopting best practices, monitoring the sales pipeline and using sales efficiency tools (such as Salesforce) which allow the Group to follow-up on leads across geographies. To maximise cross-selling and brand awareness, the Group focuses on internal and external training, workshops and conferences that allow for enhanced product knowledge.

Customer Base

The Group's customers in Africa include issuers ranging from small local banks to large pan-African financial institutions, subsidiaries of large European banks operating across multiple African countries and major retailers. The Group builds on its innovation, reliable service, local knowledge and industry expertise to build long-term partnerships with its issuer solutions customers, including growing its outsourcing relationships. The Group expects that growth will continue in card numbers and transactions through growth of its existing customer base, which has been a significant source of growth to date, as well as new customer relationships.

The Group's relationship with Orabank demonstrates the Group's value, not only as an outsourced processor, but as a business enabler supporting the growth of its customers:

- The Group began its relationship with the bank in 2013 when the bank took the strategic decision to outsource its issuer processing business to the Group, which included full outsourcing services for six countries in which the bank operated. The Group managed the bank's Visa debit and pre-paid cards, drove the bank's ATM network, and provided a range of value added services such as 3D Secure, ATM monitoring, fraud, chargeback, settlements and reconciliation.
- In 2015, following a period of positive growth, the relationship between the bank and the Group was extended, and six additional countries were added to the scope. The bank also included a request to implement Mastercard issuing for debit and pre-paid cards.
- Included within this extension, the bank decided to use the Group for the bank's acquirer processing in these 12 markets. The initial scope for the acquirer processing has been the POS and m-POS business for both Visa and Mastercard, with e-commerce acquiring currently being implemented across 11 markets, a project that is expected to conclude in the short term.
- As of 2018, the Group offered acquirer processing in 12 markets and moved into e-commerce acquiring in 2019.

The Group was also the first to certify with the Egyptian National Payment Scheme (**Meeza**) and enabled its partner banks (approximately 20 customers' acquiring and ATM processing and approximately 20 customers' issuer solutions) to become fully integrated and certified to process transactions under the Meeza scheme, which is a key financial inclusion initiative by the Egyptian government to boost electronic payments. The Central Bank of Egypt has targeted 20 million Meeza cards issued by the end of 2019. The cards allow citizens to receive and make payments electronically, including online, pay bills via ATMs and at government departments, access state benefits and receive government subsidies or salaries (for civil servants).

Africa Strategy

The Group has significant opportunity for future growth, stemming from both core growth drivers and additional further upside initiatives.

Core Growth Drivers

- *Structural Market Growth and Adoption:* The Group benefits from several secular market trends driven by continued card adoption of cash to digital payment conversion, projected strong GDP growth and government focus on financial inclusion.
- *Product Expansion and Market Penetration:* The Group is focused on several existing and untapped opportunities arising from an increased trend in bank outsourcing and accelerated cross-selling with a focus on payment acceptance and digital solutions.

Further Upside

- *Opportunities for Acceleration:* The Group sees potential to continue to expand its geographic presence through partnerships or potential strategic investments and to utilise alternative operating models to access market opportunities.

PRODUCT AND INNOVATION

The Group has a focused product strategy aligned to the Group's overall strategy with a roadmap of innovation, developments and enhancements that aim to deliver against its business plan and anticipate and pre-empt the needs of its customer base.

The Group is fully committed to providing best-in-class customer experiences and aims to deliver continuous improvement in the functionality available to its customers with a strong focus on the security, reliability, scalability and performance of each innovation offering. The Group aims to differentiate itself from its competitors by enabling access to integrated omni-channel technology while being cost efficient and delivering rapid deployment, simple onboarding, set up and integration of new products. The trusted relationship, regular dialogue and ongoing collaboration between the Group and its customers results in agile product development and provides customers with the access to ongoing innovation suited to its customers' specific needs. The Group strives to ensure that its customers benefit from prompt access to the latest developments.

The Group has made significant investment in its product and innovation capabilities in recent years. The Group has a dedicated Product and Innovation team which focuses on new product development, existing product lifecycle management and innovation and experimentation.

The team consists of 28 payments specialists as of 31 December 2018 deployed across the MEA region and with deep domain expertise from a diverse range of backgrounds including fintech start-ups, large banks, payments companies and schemes and mobile network operators from Europe, Africa and the Far East.

To ensure the voice of the customer remains central to the product development strategy, the Group focuses on a number of key insight channels including, over 600 specific customer visits per year, attendance at local and regional industry and emerging technology events, competitor analysis, industry publications and employee participation and suggestion campaigns using Network Labs, the Group's new idea platform.

In 2017 and 2019, the Group won the Mohammed Bin Rashid Al Maktoum Award for innovation, which is awarded by the Dubai Chamber of Commerce and Industry in cooperation with the UAE Ministry of Economy to recognise and celebrate the success of companies who are proven to be leaders in innovation, and provides businesses in the GCC a distinctive benchmark for their business practices and performance in innovation. The Group continues to drive new product innovation with more than 14 new products being delivered in 2018, many of which are first to market or first to the region. Additionally, on 26 February 2019, the Group was presented with the Mohammed Bin Rashid Al Maktoum Award for Business which is awarded by the Dubai Chamber of Commerce and Industry in cooperation with the UAE Ministry of Economy. These awards recognise the Group's track record of innovation.

The Group has a strong track record of product innovation, enabling digitisation of payments and implementing new services. It is constantly searching for ways to better enable its customers, both financial institution and merchants, to grow their businesses and to enable commerce in ways extending beyond payment acceptance. The Group has had a series of industry "firsts" in the region, including being the first to offer real-time card acceptance and online card acceptance in the UAE. In 1997, the Group was the first to provide a pre-paid digital cash card "New Card" in the UAE, and in 1998 was the first provider of co-branded cards in the MEA region.

The Group's commitment to continual innovation is proven by its recent track record of product launches. In the last 18 months, the Group has launched its digital on-boarding and self-service portal for small and midsize merchants, launched its next generation omni-channel payments platform, N-Genius, which is the Group's proprietary state-of-the art payments operating platform, and launched additional value added products and services, including multi-currency online, Go Online Web Shop, Card Control, Falcon Fraud Services, Network Advisors and payments through Alipay, Apple Pay and Samsung Pay. It has also launched N-Genius Online, its proprietary gateway solution and its Oracle hospitality solution.

TECHNOLOGY

The Group operates purpose-built agile, pan-regional, omni-channel and fully integrated technology platforms across its merchant and issuer solutions businesses. These platforms provide the Group with strong operating efficiency, enhanced broad-based functionality, agility and the ability to support ongoing product innovation, fully supporting the Group's strategic priorities.

Key Underlying Technology Platforms—Network One and Network Lite

The Group has developed its own independent, integrated, reliable and highly secure next generation technology platforms, Network One and Network Lite, which serve its issuer and merchant solutions. Both principal platforms comprise core authorisation and card management systems from commercial off-the-shelf providers to benefit from leading international technologies, which have been fully integrated and tailored to the markets and regions in which the Group operates. The platforms integrate gateway, risk management, issuer processing and acquiring solutions together, rather than providing them separately. This integrated approach

provides the Group with a holistic overview of payments transaction flow, allowing it to provide high-quality service levels, additional data insights to merchant solutions customers and issuer solutions customers as well as enhancing the scope for the provision of value added services to its existing and prospective customer base. The Group's technology platforms have been designed to address both existing and rapidly changing customer requirements.

With the flexibility to deliver hosted, licensed or managed services depending on the customers' particular requirements and the ability to function across the MEA region without requiring a local presence, the Group's technology platforms have been and are expected to continue to be a significant differentiating factor in expanding its issuer solutions business as it can serve customers wherever they are based in the region. In addition, with respect to merchant solutions, the Group's technology platforms also have the flexibility to offer varying levels of acquiring services to suit customer requirements and allow the Group to operate profitably where many others cannot.

The Group's technology supports different types of customers and has capabilities that the Group can deploy based on customer size and needs. The Group operates two main platforms, one for larger customers with more sophisticated needs, frequently requiring customised solutions and extended functionality (Network One) and one for smaller and medium sized customers or those with more standardised requirements (Network Lite), described in more detail below:

- **Network One:** Network One is an adaptable, omni-channel acquiring and processing platform designed to be product agnostic and is used to support both merchants and financial institutions with acquiring and multiple card issuing programmes, whether credit, debit or pre-paid. Network One seamlessly integrates innovative in-house solutions with third party solutions to deliver. It is based on Base 24, which is the core switch system that underpins the Group's POS and ATM capabilities as well the core interface with payment schemes while Way 4 is the Group's card and merchant management system for issuer solutions customers. The Group has recently added Falcon, a world class, real-time fraud monitoring solution to Network One platform. The Group has extensively configured and extended these systems to create the Network One platform.
- **Network Lite:** Network Lite is a single platform which supports both merchants and financial institutions across both the Middle East and Africa. Network Lite is based on Tranzware from Compass+, which is a lower cost agile omni-channel system with less complete functionality which provides capabilities for debit, credit, ATM and acquiring processing for all customers in Africa, except South Africa. Tranzware supersedes the Group's legacy Euronet platform, with more than 50 per cent. of the existing Euronet customers successfully migrated already, with the remainder expected to be completed by the end of 2019.

The Group also operates a small number of additional platform modules developed specifically for their target niche markets, including Coretex (the core switch system for the ATM, POS and payment schemes) and MXP (the card merchant management platform) for customers in Jordan and Vision+ from First Data International as the core card management system for its retail customers in South Africa.

The Group tracks the performance of its technology platforms through the development of a set of various reliability, security and cost-focused key performance indicators. Parameters such as availability and utilisation are monitored on a monthly basis by the Group's management.

Technology Transformation

In 2015, the Group made a strategic investment in a next-generation technology that would lay a foundation for long-term scalable growth in the MEA region. Over the three years from 2016 to 2018, the Group invested USD 91.2 million in technology transformation to support its principal activities across its MEA region markets. All core technology modules have been updated. In 2017 and 2018 the Group has migrated over 70 per cent. of its customers onto its new Network One platform, with the final migration wave on track to completion by the end of 2019. In particular, Network One is expected to replace the legacy Vision+ system in the UAE by the end of 2019. Management believes that the Group's technology will support continuous improvement and innovation in the future.

Key Differentiators

The Group's technology is designed to offer the following superior characteristics to the Group's customers:

- **Agile:** At the core of the Group's technology platform is the commitment to ongoing innovation. Both payment platforms are open and flexible to assist software development with the purpose of easing the innovation process and minimising time to market. The agile nature of the Group's payment platform

enables faster entry into new markets and strengthens its ability to provide value added services without requiring customers to utilise a third-party provider, thus increasing customer engagement. Examples include a sophisticated loyalty platform which enables real-time redemption of rewards at point of sale, advanced customer spend protection enabled by a mobile application and leading-edge fraud detection and prevention, based on machine learning and artificial intelligence.

- **Pan-regional:** Both platforms are tailored to the specific needs and complexities of customers in the MEA region, enabling a uniform sales approach across both the Middle East and Africa. The pan-regional nature of the Group's platform results in economies of scale, drives cost efficiency and provides the Group with rich data sets and a full view of fast-changing customer requirements and supports cross-selling products to new and existing customers.
- **Omni-channel:** The Group's omni-channel technology approach provides the Group with a holistic customer-centric overview of the payments transaction flow regardless of the channel, allowing it to deliver high-quality service and additional valuable data insights to customers, as well as enhancing the scope for the provision and continual innovation of value added services to its existing and prospective customer base.
- **Fully integrated:** The Group's platforms are fully integrated into its technology infrastructure driving operational efficiency, ensuring high service levels while maintaining a low cost structure. Where traditional platforms used by many similar businesses in mature markets provide for separate gateway, risk management, issuer processing and acquiring solutions, the Group's new integrated technology platforms seamlessly combine all these functions delivering differentiated services to clients while also enabling more effective cross-selling of Group's services.

Technology Strategy

The Group has a focused technology strategy aligned to the Group's overall strategy with a roadmap of both required and optional upgrades that enable the organisation to deliver against its business plan.

The following strategic principles underlie the Group's technology platforms:

Outstanding Performance

The Group has prioritised information security and business continuity throughout its platform, operations and organisation. The Group actively makes design decisions to anticipate and address current and emerging information technology risks. The Group is required to comply with stringent data security requirements as part of its membership in payment schemes as well as in agreements with financial institution customers. The Group has clear data protection policies in place, complies with global data security standards (including PCI-DSS, PCI PIN and PA-DSS) and employs end-to-end cyber security protection across its network, endpoints, servers and in the cloud. The Group has also received leading certifications, including the ISO 27001 information security management standard, ISO 9001 quality management standard and the ISO 22301 business continuity management certification, which is reviewed annually.

The Group's technology is built with reliability and resilience at its core. The Group has redundancy capabilities in each geography. The Group utilises high-performance data centres for its servers, storage and computer networking capabilities, located in UAE, Jordan, Egypt, Nigeria and South Africa. All critical services are run in a highly resilient configuration using either fault tolerant hardware or configurations with multiple resilient devices to maximise availability. Management believes that the Group has robust disaster recovery capabilities. The Middle East operates dual data centres in Dubai and Abu Dhabi, with Tier 3 and Tier 4 capabilities respectively. In Africa, all production services have recently been successfully moved to a new Tier 4 data centre in Cairo, with disaster recovery in a Tier 3 data centre an appropriate distance from Cairo on the other side of the city. The core authorisation system, Base 24 runs on fault tolerant hardware, with all other major systems based on high availability infrastructure designs with redundant hardware.

Enabling Growth

The Group's platforms are designed with scalability in mind, both in terms of markets and customers. The platforms have significant capacity to support further growth, with capacity for three times its current average transactions per second based on the current system capability and for 15.6 times current average transactions per second post the scheduled 2019 system upgrade, which would allow the Group to process 700 transactions per second.

The Group's technology strategy places strong emphasis on cost-efficiency, resulting in high return on technology spend. Management believes that the Group's leadership position and pan-regional coverage generates significant economies of scale while its two platform approach reduces maintenance and development costs, further driving efficiency of operations. The Group utilises the automated regression development method which significantly reduces upgrade delivery time and costs.

The Group's future technology strategy is cloud-based by default to ensure development flexibility and provide for on-demand capacity of the platforms. For example, its online payment gateway was deployed in cloud in November 2018. The Group has a strategic partnership with Microsoft Azure and is an anchor tenant for deployment of Azure across the MEA region.

Data-centricity is an underlying principle of the Group's technology platforms. The Group strives to enhance its customer value proposition by providing superior insights through data analytics and data mining into their businesses to optimise their operations and help them grow their businesses. In order to achieve this, principles of big data, analytics and machine learning are embedded into in-house developments. In addition, Group places strong emphasis on continuous automation of its technology and has number of initiatives to further improve efficiency, such as work on robotic process automation that commenced in 2019 and is ongoing as of the date of this Prospectus.

In addition, Network One and Network Lite offer the Group's customers open and flexible APIs and is highly parameterised with extensive pre-built product-based configurations for both acquiring and issuing solutions. The Group uses, Kubernetes, an open-source system for automating deployment, scaling and management of containerised applications. Both of the Group's platforms are easily integrated with other systems and enable the rapid development and swift deployment of new products for customers as well as a significant reduction in the cost of migrating existing customers or taking on new business, with Network Lite having particular benefits for less complex customer requirements. These platforms include best in class technology components with extensive proprietary extensions developed in-house, resulting in increased flexibility, automation, security and ease of maintenance. These benefits are further amplified by the modular architecture of the Network One platform, which provides a high degree of flexibility for the Group to select and further develop the high performance technology for individual parts of its service and to be able to deploy its offering for multiple types of customers at different sizes and differing levels of sophistication. Network Lite also allows the Group to grow its processing business in particular regions at low cost, allowing the Group to access markets that would otherwise be unprofitable. The Group has invested considerably in enhancing applicability of its solutions by making them agnostic of payment methods, payment channel, customer size and complexity and underlying systems. In particular, the Group developed N-Genius Online, the Group's proprietary state-of-the-art e-commerce payments gateway, and N-Genius POS, the Group's POS/ePOS platform, in house, enabling the Group to take advantage of lower cost and more flexible Android-based hardware. Both N-Genius Online and N-Genius POS are integrated into the Group's platforms resulting in seamless omni-channel capabilities with both physical and online gateways feeding into the same platform. This allows the Group to form a single customer view across channels, facilitating data collection and aiding acceptance rates. From the customer perspective, it allows, for example, for seamless integration with the merchant enabling in-store purchases and online refunds. See "*—Principal Activities—Merchant Solutions—Direct Acquiring and Acquirer Processing Solutions*" above.

Focus on the Future

The technology function has supported and intends to continue to support the customer-driven product and innovation function to develop functionality based on market opportunities and customer requirements. The Group has a track record of pioneering new products and technologies in the MEA region. For example, in 2014, the Group launched the first dedicated Middle Eastern e-commerce payments gateway, and in 2015, it launched digital billing and currency conversion through this gateway. The most recent testament to the innovation capabilities of the technology team was that it was able to build, test and deploy a solution for Alipay to enable its merchant solutions customers to offer this payment method at a key sales event in the UAE. The integration of Alipay into the Group's platform was performed in less than three weeks demonstrating the Group's ability to rapidly provide solutions for alternative payments methods across the market. In addition, the development and rapid deployment of a First Union Pay International contactless product in the UAE for Al Hail Orix Finance, which was built and ready to pilot in approximately ten weeks, thus demonstrated the Group's ability to enable customers' offering in rapid time and with high reliability. The Group's innovation comes from multiple sources, partners and geographies, with Africa in particular being at the forefront of innovation in the area of financial inclusion and mobile payments. For example, the Group partnered with Visa to implement mobile payments solutions, which are currently live in Egypt and are

scheduled to be implemented in Rwanda in the first quarter of 2019. Importantly, the technology underpinning this innovation is tailored from day one for all the emerging markets in which the Group operates and provides an advantage compared to global competitors with more generic approaches.

The Group has adopted an agile development framework to continuously improve its products and systems and has a regular software release schedule with improvements deployed, typically every two to eight weeks (whereas the industry norm is to release only a few times a year). This frequent release schedule aims to ensure that the Group's customers will benefit from rapid access to the latest developments and is enabled by substantial investments in fully automated test and regression tools and its investment in N-Genius which allows remote updates where needed to N-Genius POS terminals. In addition, the Group's digitisation continues to drive operational efficiencies in the business to improve customer experience, such as the new customer self-services portal, which allows the Group to support more customers with limited incremental expense.

In addition to its technology infrastructure, the Group has invested extensively in its technology talent. The Group is focused on in-house development of its talent. In 2018, the Group had more than 320 employees from over 20 nationalities in engineering and technology related roles, with over ten years of experience on average. The attrition rate in the in-house technology team was below 6 per cent. in 2018. The Group's technology and commercial teams collaborate to drive innovation and support the commercial viability and success of new products. The development teams also often engage directly with issuers and merchants, enabling efficient feedback flow and supporting the commercial teams to improve the payments experience and implement/drive new product innovations, as described above.

The Group is focused on automation of internal processes in order to lower operational risk, reduce costs and deliver an enhanced customer experience. Automation aims to improve the experience at all stages of the customer journey, starting from digital onboarding, continuing with automation of settlement and reconciliation to ensure faster processing time and finishing with automatic key performance indicator (**KPI**) reporting and improved analytics, among others.

Management believes that the combination of the above superior characteristics of its technology and clear strategy strongly positions the Group to thrive in an increasingly competitive and rapidly evolving digital payments landscape. Furthermore, in order to continue to win customers in a continuously changing environment where customer expectations are evolving, players providing a frictionless payment experience will be at a competitive advantage.

Key Innovation Focus Areas

Management believes that the following will be key focus areas for future success:

- *Frictionless Payments:* To optimise the customer experience, the Group offers embedded, seamless payment solutions that leverage the existing card infrastructure; in addition to supporting contactless, QR codes and wearable solutions. In terms of payment functionality, the Group offers one-click and no-click payments and payment acceptance without POS.
- *Security and Biometrics:* To protect against fraud and cybercrime, the Group proactively seeks to enable mobile security models such as bio-mechanics, as well as deploy biometrics and dual factor security systems as opposed to dated password-based security and authentication.
- *Mobile Money:* To help its customers drive scale, the Group's solutions are mobile-centric and digital wallet based, which enables financial inclusion (including government and NGO subsidy and disbursement programmes).
- *Big Data, Analytics and Artificial Intelligence:* To optimise data-driven outcomes, the Group aims to leverage data insights to optimise payment success rates, reduce fraud and false negatives and drive business process automation.

OPERATIONS

The Group has a focused operational organisation aligned with the Group's overall strategy. The Group operates a shared service model which helps drive efficiencies and economies of scale. Its objective is to establish a customer-centric service offering and to enable the management of end-to-end processes whilst replicating best practices across the Group in an efficient and scalable way. The Group does this through aiming to:

- be a reliable partner to its customers by delivering a high-quality, end-to-end customer service experience across the Group's payments processing products;

- execute its internal operating cost and productivity improvement strategies;
- provide a high degree of automation of all processes to ensure scalability and effectively manage growth;
- develop and enhance a robust risk management framework with strict KYC and AML standards; and
- establish a control environment that helps to ensure business continuity, minimise operational risks, and maintain an effective risk governance framework.

The Group has developed an operational excellence programme that supports its cost and productivity improvement strategies by helping Management review processes to drive down the demand for resources, reduce expenses, and drive greater value for customers by implementing automation tools, such as workflow with the support of robotics process automation, which reduce the cost, lower the operational risks, improve internal processes and provide a better customer experience.

The Group's operational teams are aligned to support its merchant solutions customers and issuer solutions customers. The Group's shared services model is intended to drive efficiency. The Group's operational teams are aligned by business line, regardless of location, and the teams in Dubai, Sharjah or Cairo support the Group's customers in any of its markets. The following operations are common across merchant solutions and issuer solutions:

- **Account Fulfilment:** The Group's Account Fulfilment Unit is responsible for setting up financial institution and merchant solutions customers on the appropriate platforms and communicating to and educating customers about how to successfully provide their solutions.
- **Settlement and Reconciliation unit:** The Group's settlement and reconciliation team is responsible for verifying settlement between its merchant solutions customers and the payment scheme account balance, and manages the settlement, clearing and reconciliation process with financial institutions and payment schemes.
- **Disputes/Chargebacks:** The disputes and chargebacks team provides case management support on behalf of its merchants when transactions are disputed by cardholders and works with the payment schemes and card issuing banks to determine whether the chargeback is valid. It also provides chargeback management services to some issuer solutions customers.
- **Fraud management solutions:** The Group provides fraud management solutions to both issuer solutions and merchant solutions customers. Both Network One and Network Lite are capable of using algorithms and AI for predictive fraud management.

In addition to these functions, the Group has dedicated teams established to deliver the following specialised services:

- **POS Support:** The terminal distribution team manages the deployment of POS devices and provides a variety of related services (including terminal programming and remote terminal software updates) to its direct and indirect channel merchant solutions customers as well as to third-party acquiring processing banks.
- **ATM Operations:** the ATM operations' product management team manages the full cycle of the ATM business, including managing account take on, site installations of ATMs, cash fulfilment, reconciliation and machine monitoring. The Group provides this service in the UAE and Egypt.
- **Customer Services Excellence:** Offering customer support for the Group's customers and partners, customer services' multi-lingual and 24/7 support teams handle a range of operational and technology queries. For certain issuer solutions customers, the Group also handles calls from the issuer solutions customer's customers (B2C).
- **Delivery Management:** Delivery Management focuses on managing the delivery of client projects, including system integrations and providing support for issuer solutions customers and acquiring third-party banks, in addition to managing the Group's acquiring initiatives.

The Group's Control Functions

The Group faces a range of strategic, reputational, financial, operational, and compliance risks inherent in its business. The objective of the Group's controls organisation is to closely examine the nature of risks and establish suitable methods to counter each type by employing a robust operational risk management process that is in line with appropriate methodologies in the industry and the regulatory framework (which places the principal regulatory burden for a number of key activities with financial institutions). The Group focuses on

clear and well-defined oversight, monitoring and reporting of its risk management activities and employing robust controls and mitigants with respect to its operational risk and has developed fraud monitoring capabilities (including in-house) to combat fraud losses. In addition, the Group mitigates its credit risk through periodic monitoring of its merchant risk profiles and employs a standard methodology across the Group to proactively oversee its vendors, including by facilitating vendor risk management training. As of 2018, the Group employed approximately 100 risk, compliance and audit professionals who during 2018 performed 30 external audits and 19 internal audits.

The Group operates an enterprise-wide approach to risk management with the overall responsibility for the Group's risk management framework rests with its Board of Directors. To ensure consistency and prudent management of risks, the Group has established the following committees:

- **The Audit and Risk Committee:** responsible for defining the overall governance of risks on behalf of the Board of Directors. See “*Management and Corporate Governance—UK Corporate Governance Code—Audit and Risk Committee*” for further information on the Audit and Risk Committee.
- **The Operational Risk and Compliance Committee (ORCC):** an oversight body responsible for managing and monitoring operational and compliance risks across all Group functions, including operational risk, scheme and regulatory compliance matters, information security and business continuity planning. The ORCC has a designated sub-committee, the Fraud Risk Management Committee, which is responsible for defining and monitoring the framework for internal and external fraud risks.
- **The Credit Risk Management Committee (CMC):** responsible for managing and overseeing all aspects of credit exposures arising from the provision of direct acquiring services. The CMC is responsible for ensuring that appropriate policies and procedures are implemented to quantify and periodically assess credit exposures for different segments of its merchant portfolio and to ensure that appropriate controls are maintained to ensure effective implementation of the policy requirements. The CMC provides quarterly reports to the Audit and Risk Committee for merchant relationships which have been approved by the CMC and any other relationships deemed high risk.

The Group has adopted a “three lines of defence” model to manage its risks, and its governance structure is designed to support this across the Group's operations.

- The **Network Leadership Team** and the business units which they manage are responsible for implementing, executing and monitoring the effectiveness of the controls implemented to manage identified risks.
- The **Risk, Legal and Compliance** functions provide the second line of defence by developing and maintaining the relevant policy frameworks, supporting the business units to build the capabilities to implement the risk frameworks and ensuring the fostering of a strong risk management culture across the Group.
- The **Internal Audit** function acts as the third line of defence by providing the Board of Directors and senior management with assurance on the adequacy and effectiveness of risk management across the Group, identifying areas for improvement and keeping the Board of Directors and Audit and Risk Committee updated on the timeliness and effectiveness of items requiring remediation.

The Group maintains controls at the business line, at the organisational level and through an internal audit function. While management is responsible for the management of the range of risks, it is supported by the Group's compliance, internal audit and risk functions that report to the General Counsel and Head of Compliance, who have a direct reporting line to the Board of Directors through the Chair of the Board Audit and Risk Committee.

Business line. The Group's merchant solutions and issuer solutions business lines are each responsible for identifying, assessing, managing and controlling the risks they are exposed to while conducting their activities. The Group has implemented a risk and control self-assessment programme whereby operational management conducts reviews of key controls to ensure that they have been applied and are effective.

Management compliance functions. The Group's compliance, anti-money laundering, OFAC, anti-bribery and corruption, privacy, third-party risk management, enterprise risk management, operational risk, and credit risk functions all report to the General Counsel and Head of Compliance. These functions facilitate and monitor the implementation of effective risk management practices. They are responsible for providing oversight to the business as well as independent guidance and advice to the business in implementing risk policies. The senior management team is also accountable for owning and developing the risk and control frameworks as a first line of defence in discharging its responsibilities.

The Group seeks to recruit employees from a variety of industries, such as financial services, with diversified backgrounds and extensive experience in controls. It also aims to regularly improve its controls-related processes by making significant investments in technology and managing a dedicated technology team to support its efforts. Some key elements of the Group's controls organisation include:

- **Enterprise Risk Management Programme:** The Group's enterprise risk management framework reflects a methodology comprised of six key components: (1) risk governance and culture, (2) risk strategy and appetite, (3) risk assessment and measurement, (4) risk management and monitoring, (5) risk reporting and communications, and (6) risk data technology and infrastructure. It has established a Risk Committee of the Board and an executive level risk committee, which are responsible for articulating its risk appetite and determining an acceptable level based on the trade-off of assumed risk as compared to the expected value of the opportunity. The enterprise risk management programme is integrated with the strategic planning process and is aimed at identifying the risks associated with its strategic objectives and related objectives, such as operational, financial reporting, and compliance. The Group established a Risk and Control Self Assessment process, which is designed to identify and assess the risk in new initiatives, products, processes and systems, and to establish appropriate controls to mitigate those risks.
- **Underwriting and Credit Risk Management:** The Group's risk management team defines its underwriting policies and standards for prospective new merchant solutions customers and performs the initial risk assessment to determine creditworthiness and acceptable credit terms, which may include funding delay or collateral requirements. The Group periodically monitors the risk profile of its merchant portfolio to determine adherence to its credit policy and assessment of the merchant's business model relative to its risk appetite, and to remediate problematic customers as warranted. It considers such factors as how long a customer has been on file, dispute history, industry vertical, payments history, account delinquency, financial safety and soundness, and compliance with regulations. In particular, with respect to the Group's merchant solutions customers, some merchant types pose higher levels of risk, particularly merchants categorised as delayed delivery merchants and e-commerce merchants. Consequently, the performance of merchant solutions customers in these categories is subject to periodic review and evaluation to identify any trends in the merchant solutions customer's performance that would indicate a deteriorating risk profile. The Group's level of chargebacks as a percentage of TPV has historically been very low (at 0.004 per cent. for the year ended 31 December 2017) and the Group's losses for the last three years were 0.01 per cent. of TPV and its fraud loss to sales ratio was 2.4 bps as a result of its careful monitoring of merchant accounts and experience in its core markets. The Group has won the Visa International Global Services Quality Award for the prevention of a large-scale fraud event and the Visa International Award for Excellence in Payment System Risk for the lowest fraud loss to sales ratio globally.
- **Regulatory Compliance:** The Group has established and maintains a compliance programme and framework that is designed to (1) identify and establish an understanding of its regulatory compliance obligations; (2) create appropriate policies to reflect the regulatory requirements (3) create appropriate training programmes and regularly train employees in relation to compliance requirements, as appropriate; (4) achieve compliance with regulatory requirements and internal regulatory compliance policies; (5) review operations to verify that responsibilities are carried out and requirements are met; (6) take corrective and timely action when necessary; and (7) provide timely and effective management information on the state of regulatory compliance to internal and external stakeholders. The Group has tailored the programme to its business strategy and needs by creating appropriate oversight for its business segments and aligning it with globally recognised compliance standards. The programme also includes subject-specific areas of coverage, including anti-money laundering, sanctions, and anti-bribery and corruption. In addition, the Group has a dedicated team that is responsible for monitoring the various payment scheme mandates that are published from time to time and which ensures the timely implementation of changes to processes deemed necessary to comply with such mandates.
- **Third-Party Risk Management:** The Group has established policies and practices used in managing and overseeing third-party risks to it and its customers, necessary for meeting regulatory requirements, customer contract obligations and appropriate industry practices. These processes include third-party related audits, due diligence reviews, targeted risk assessment analysis and ongoing monitoring activities of third parties to identify and address potential patterns or trends which may pose enhanced risk.

In addition to providing a strong controls system, Management believes that the Group's risk framework represents a strategic advantage as it enables it to work more effectively with its longstanding customers for whom it has been able to customise its solutions to fit their specific needs.

OTHER BUSINESSES

The Group's other businesses include:

- **Transguard Cash LLC:** an end-to-end ATM management and cash in transit business which focuses on providing ATM hosted services and full cash management services for banks and retailers. Transguard Cash was the first company in the UAE to provide complete and personalised ATM and cash management services and has a leading market share in the UAE. The Group holds a 50 per cent. non-controlling interest;
- **Diners:** the Group holds a Diners franchise covering the UAE, Jordan, Lebanon and Egypt.

In line with its adopted strategy, the Group is focused on its core businesses and has exited a number of non-core businesses, including TimesofMoney's remittance and software businesses and has sold its investment in Sinnad WLL, a Bahrain-based business providing card processing, ATM and POS management services to financial institutions in GCC countries other than the UAE. In addition, on 13 November 2016, the Group entered into an agreement with First Abu Dhabi Bank (previously known as National Bank of Abu Dhabi PJSC (NBAD)) to form a limited liability company, Mercury Payments Services LLC (Mercury) to reduce its interest in the "Mercury" domestic payment scheme in the UAE.

REGULATION

Various aspects of the Group's business are subject to regulations in the jurisdictions in which it operates. The regulatory landscape in the MEA region is monitored by the Group's compliance functions. The Group has a proactive approach to regulatory matters, maintaining ongoing constructive dialogue with regulatory bodies in the jurisdictions in which the Group operates. Given the Group's prominent position in the MEA digital payments landscape, visibility and high profile, the Group regularly collaborates with relevant regulatory bodies and is involved in discussions regarding current and future regulatory initiatives.

UAE

Network International is a Limited Liability Company, licensed by the Dubai Economic Department. It is not currently licensed by the UAE Central Bank, as it is not categorised as a financial institution as per the relevant UAE Banking Laws. While, pursuant to its discussions with the UAE Central Bank, the Group does not currently believe that it will be required to be licensed as an acquirer in the UAE under the existing regulatory framework, there can be no assurance that changes in the interpretation of the existing regulations, the implementation of future regulations or changes in the interpretation of future regulations will not result in the Group becoming subject to additional licensing requirements to carry out its activities in the UAE.

While, as a jointly controlled subsidiary of Emirates NBD (which is a licensed financial institution) prior to the Offering, the Group is only required to conduct KYC and AML screening and monitoring of its direct acquiring merchant solutions customers in the UAE, the Group conducts such screening and monitoring of all of its direct customers (including its direct acquiring merchant solutions customers and its financial institution customers in connection with acquirer processing and issuer processing) and expects to continue to do so following the Offering. Where the Group is acting as an acquirer processor (rather than as the direct acquirer), the responsibility for KYC and AML screening and monitoring of the merchants rests with the Group's financial institution customer who is the acquirer of record. Responsibilities for the account conduct to which the Group provides settlement for its merchant solutions customers (including AML monitoring) rests with the financial institutions where the accounts reside, while monitoring consumer spending patterns in connection with issuer processing is the responsibility of the card issuing institution.

Network International has applied to be regulated as a non-issuing payments service provider under the Regulatory Framework for Stored Values and Electronic Payment Systems, and this application is currently pending with the UAE Central Bank.

Jordan

NI Jordan is a private limited company. While NI Jordan is not currently licensed by it, the Central Bank of Jordan introduced the Electronic Transfer and Payment of Money, number 111, for the Year 2017 Regulations, which will regulate the provision of payments services and the operation and management of digital payments platform in Jordan. NI Jordan's activities as a direct merchant acquirer and the operator of JONET, the principal ATM switch in Jordan, is scheduled to become regulated in the next few months. The Group is currently in dialogue with the Central Bank of Jordan regarding the submission of its application for licensing.

Egypt

Network International Egypt S.A. provides issuer and merchant solutions in Egypt. The Central Bank of Egypt is mandated under the Central Bank of Egypt Law no. 88 of 2003, the “Law of the Central Bank, the banking sector and money” to oversee banks, payments platforms services providers, participants and customers; payments services; payments instruments; technical infrastructures; contracts, agreements and system rules and procedures; and third-party processors. In its role, the Central Bank of Egypt develops standards, rules and guidelines for operation of payments platforms, assesses and enforces compliance to the stated standards, rules and guidelines, promotes the efficiency and use of digital payments services, encourages the development of payments systems in Egypt, and encourages cooperation and collaboration between the Egyptian payments stakeholders.

South Africa

Network International Payment Services (PTY) Ltd (Network South Africa) provides retail payments solutions. The South African Reserve Bank (**SARB**) is mandated under the South African Reserve Bank Act, 90 of 1989 to oversee the regulation of South Africa’s National Payment, Clearing and Settlement Systems (**NPS**), including the regulation and supervision of payment, clearing and settlement systems, and to ensure the safety and efficiency of the NPS. Currently, the Payment Association of South Africa (**PASA**) is recognised as the payments platforms management body by the SARB. Network South Africa as a provider of issuer processing solutions is regulated by PASA as a system operator.

Nigeria

Network International Payment Services Nigeria Limited provides issuer and acquirer processing solutions to a number of Nigerian financial institutions and is regulated by the Central Bank of Nigeria as a third-party processor.

Association and Scheme Rules

In order to access payment schemes and provide issuer processing and merchant acquiring services, the Group must have relevant geographically based operating licences (memberships) required by the payment schemes. The Group is a principal member of Visa and Mastercard, JCB, Discover and UnionPay International as an acquirer, which enables it to route and clear transactions directly through these payment schemes. The Group is also a principal member of UnionPay International as an issuer, which allows it to acquire UnionPay transactions for its region, and also allows it to issue UnionPay cards, although it has not exercised this right to date. The Group CEO sits on the Global Advisory Board for UnionPay and is the Chairman of its EMEA Advisory Board. In addition, the Group owns the Diners Club franchise in the UAE, Egypt, Jordan and Lebanon.

Visa, Mastercard and all other payment schemes require the Group to comply with their by-laws, operating regulations and such other rules that they may introduce from time to time. Certain key scheme rules relate to data security, see *“Risk Factors—Risks related to the Group’s business, corporate structure and industry—Real or perceived data breaches and unauthorised disclosure of data, whether through cyber security breaches, computer viruses or otherwise, could expose the Group to liability, protracted and costly litigation and damage its reputation”*. The payment schemes routinely update and modify their requirements, including PCI/DSS, and the Group updates or modifies its policies accordingly. PCI/DSS is the information security standard for organisations that handle consumer information and is aimed at reducing the risk of theft or compromise of consumers’ card data through stringent controls surrounding the storage, transmission and processing of consumer data. The Group is not responsible for PCI/DSS compliance for its issuer solutions customers. It is, however, primarily responsible for any PCI related breach or compromise of its merchant solutions customers where the Group is the acquirer of record. Consequently, it monitors the status of certain of its merchant solutions customers and coordinates with them to help them become compliant. As the acquirer of record, the Group is responsible to the schemes for non-compliance fines (although fines related to these types of systemic issues have not been levied in the past), and would claim these back from the relevant merchant on a case-by-case basis. The Group offers a number of services, including its POS offering and its hosted e-commerce solution designed to facilitate its merchant solutions customers not having to handle card data (and thus not be bound by PCI compliance).

On occasion, the Group has received notices of non-material non-compliance and non-material fines, which are of a non-systemic nature and relate typically to merchant solutions customer behaviour and data quality issues.

Failure to comply with the networks' requirements or to pay the fines they impose could cause the termination of the Group's registration and require it to stop providing payments processing services.

All of the Group's relevant systems and processes are PCI/DSS compliant.

Anti-Money Laundering and Counter Terrorism Regulation

Although the Group is not regulated by the Central Bank of UAE and is not required by law to implement an anti-money laundering policy, it is committed to conducting business in conformity with the highest ethical standards and to comply with appropriate international and industry practices. Its financial institution customers are generally subject to stringent regulation regarding anti-money laundering, anti-terrorist financing and sanctions compliance, and the Group has designed its procedures around this framework which relies on its financial institution partners complying with regulation. While, as a jointly controlled subsidiary of Emirates NBD, the Group is required to conduct KYC and AML screening and monitoring of its direct acquiring merchant solutions customers in the UAE, the Group conducts such screening and monitoring of all of its direct customers (including its direct acquiring merchant solutions customers and its financial institution customers in connection with acquirer processing and issuer processing) and expects to continue to do so, including through automated tools, such as Worldcheck, that include all US and EU sanctioned lists.

Accordingly, the Group has implemented money laundering and terrorist financing prevention policies to:

- undertake customer due diligence when new customers are added;
- screen potential customers against any lists of prohibited entities/individuals issued by appropriate regulatory authorities before they are added;
- implement procedures for the detection, monitoring and reporting of suspicious transactions; and
- maintain appropriate ongoing records of KYC documentation and transactions.

All potential customers are subject to name checks, through the World Check database, which contains names on the OFAC sanctions list. The Group declines to do business with any individuals confirmed to be on this list. All of the Group's direct acquiring merchant solutions customers are required to have accounts opened with banks in the relevant jurisdiction before they are accepted as customers, and these banks are subject to the relevant jurisdiction's regulations, including those relating to anti-money laundering.

EMPLOYEES

Given the Group's visibility and high profile, Management believes the Group has access to top talent from the payments, technology and financial services industries in the MEA region.

As of 31 December 2018, the Group had 1,250 employees, compared to 1,179 and 1,120 as of 31 December 2017 and 2016. The average length of tenure of employees within the business is 5.6 years.

As of 31 December 2018, 660 of these employees are located in UAE, 147 employees are located in Jordan, 412 employees are located in Egypt and 31 employees are located in South Africa.

159 of the Group's employees perform sales/marketing functions, 273 are in IT and related areas and 818 are in the Group's headquarters, with the balance performing additional roles within the Group.

None of these employees are represented by a collective bargaining agreement. Management believes that the Group's relations with its employees are good.

The Group's compensation structure comprises a fixed and variable performance-based component. The performance component includes a short-term incentive plan that provides a bonus for all staff measured against goals set at the beginning of the year. In addition, a sales incentive scheme was implemented in 2014 that rewards sales managers who bring in new business and cross-sales or up-sales for existing customers. The Group also currently has a long-term incentive plan for senior executives tied to the creation of shareholder value, which it expects to replace in due course once it is a public company, see "*Additional Information—Share Incentive Plans*". It also provides other benefits, including end of service benefits, medical and life insurance and preferential rates on various loan facilities from Emirates NBD and other customary benefits. Outside of the UAE, the Group seeks to maintain a merit-based compensation structure in line with local market conditions.

PROPERTIES

The Group's principal offices are located in the UAE, Jordan and Egypt. It leases its executive offices located at Al Barsha 2, al Mafrqa Road, Dubai. The Group owns its regional office located in Shmeisani, Amman. The Group's operations are primarily conducted out of the UAE as well as in Jordan, Egypt, Nigeria and South Africa, where the Group has regional offices.

INTELLECTUAL PROPERTY

The Group had ten registered trademarks as at 31 December 2018 and a number of others filed or pending. The protection of the Group's intellectual property, including its platforms, trademarks, copyrights and domain names, is important to the success of the Group's business. The Group relies on applicable laws and regulations in the countries where it is active, confidentiality procedures and contractual restrictions to protect its proprietary technology and its brand.

LEGAL PROCEEDINGS

Other than as disclosed below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months preceding the date of Prospectus which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

The Group is involved in various litigation matters and from time to time may in the future be involved in governmental or regulatory investigations or similar matters arising out of its current or future business. For example, the Company and a Middle Eastern telecommunications company recently agreed to settle (subject to final execution of documentation) an ongoing discussion since 2017 regarding the amount of payments of certain commissions for approximately AED 9.8 million. The Group's insurance or indemnities may not cover all claims that may be asserted against it, and any claims asserted against it, regardless of merit or eventual outcome, may harm its reputation. Furthermore, there is no guarantee that the Group will be successful in defending itself in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending litigation or future litigation or investigation significantly exceed the Group's insurance coverage, they could have a material adverse effect on its business, financial condition and results of operations.

Management believes, based on the opinion of legal counsel and other factors, that the aggregated liabilities, if any, arising from such actions will not have a material adverse effect on the Group's financial condition, results of operations and cash flows.

DIVIDEND POLICY

The Group has a progressive dividend policy, targeting a pay-out of no less than 15 per cent. of Underlying Net Income (as defined in "*Selected Financial Information and Operating Data—Non-IFRS Financial Measures*" below) in early years post-IPO. The Group expects the first dividend to be paid in the half year in 2020, in respect of the period of the 2019 financial year post-listing.

THE GROUP'S CORPORATE STRUCTURE

Group Structure and Pre-IPO Reorganisation

The Group has recently adopted a revised corporate structure which is primarily driven by foreign ownership restrictions in the UAE, which are described in more detail below.

The Group's ownership structure can be broken down into the following key categories, with the financial position and results of operations of such entities being fully consolidated into the Group's financial statements:

- (a) **Network International LLC Subsidiaries**—this comprises Network International LLC and its subsidiaries. 49 per cent. of the legal interest in Network International LLC is held, indirectly, by the Company, with 51 per cent. held by the Local Sponsor (subject to Local Sponsor Documentation). The Network International LLC Subsidiaries account for 62 per cent. of the Group's revenue for Fiscal Year 2018. The Group will retain full economic interest in its shares in these entities.
- (b) **Wholly Owned Group**—this comprises subsidiaries in which the legal interest is indirectly or directly wholly owned by the Company or, in the case of Network International Egypt SAE, 98 per cent. indirectly owned by the Company and in the case of Diners Club Services Egypt SAE, 99 per cent. indirectly owned by the Company (accounting for 5 per cent. of the Group's revenue for Fiscal Year 2018).⁹

The Company has put in place the Local Sponsor Documentation with the Local Sponsor and the Local Sponsor's Shareholder in order to protect the Company's rights in the Network International LLC Subsidiaries and ensure that the Company has the full benefit of, and control over, the operating businesses of Network International LLC and its wholly owned subsidiaries. The Local Sponsor Documentation includes, among other things, certain protections relating to profit distribution, management control, shareholder voting, distributions on liquidation and restrictions on share transfers (further details of which are set out in "*—Local Sponsor and Local Sponsor Arrangements*" below).

Ownership Requirements in the UAE

The Group's corporate structure is primarily driven by foreign ownership restrictions in the UAE.

UAE Ownership Requirement

The UAE Companies Law provides that "every company incorporated in the state (i.e. the UAE) must have one or more national partners whose shares in the company's capital must not be less than 51 per cent. of the company's capital" (the **UAE Ownership Requirement**). Consequently, at least 51 per cent. of the share capital of a UAE incorporated company must be registered in the name of one or more UAE nationals or UAE entities wholly owned by UAE nationals.

Network International LLC, being a company incorporated in the UAE, and its UAE incorporated subsidiaries are therefore subject to the UAE Ownership Requirement. Such UAE ownership Requirement is satisfied by virtue of the Local Sponsor (as described below) holding 51 per cent. of the shares in Network International LLC.

The balance 49 per cent. of the shares in Network International LLC are held by Network International Holding 1 Limited, a wholly owned subsidiary of the Company. Network International Holding 1 Limited, which is a company incorporated in the DIFC, is considered by the UAE licensing authorities to be a non-UAE entity (because it is not wholly owned by UAE nationals), and is therefore not permitted to hold more than 49 per cent. of the shares in Network International LLC.

The ownership of entities incorporated in offshore free zones in the UAE (such as the DIFC) is not subject to any UAE restrictions or requirements and such entities may therefore be wholly owned by non-UAE nationals. Given that Network International Holding 1 Limited is incorporated in the DIFC, it is permitted to be wholly owned by the Company.

⁹ The Group is in the process of transferring the legal interest in 98 per cent. of the shares in Network International Egypt SAE from Network International LLC to a wholly owned subsidiary of the Company, Network International Holding 2 Limited. The transfer of such legal interest is expected to be completed within one month of Admission, although the full economic interest in such shares is currently vested in Network International Holding 2 Limited.

The Concealment Law

In connection with the UAE Ownership Requirement, the UAE also adopted the Concealment Law, which provides that it is not permissible to allow a non-UAE national, whether by using the name of another individual or through any other method, to practise any economic or professional activity that is not permissible for him to practise in accordance with the law and decrees of the UAE.

Therefore, Network International LLC, like other foreign-owned companies in the UAE which employ a similar corporate structure, may technically be in breach of compliance with the requirements of the Concealment Law. However, as at the date hereof, to the Company's knowledge, the provisions of the law have not been enforced against any UAE company, nor is the Company aware of such arrangements having been unilaterally or in any other manner challenged, by the Government of the UAE or any Emirate thereof. Nevertheless, the UAE Federal Government has the ability to enforce the Concealment Law at any time in the future. Were it to do so, there is no certainty as to the approach that the UAE courts would take in relation to the application of the Concealment Law or other laws or policies to the Local Sponsor Documentation. For a further discussion of the Concealment Law and the potential impact of any Government action, see "*Risk Factors—Risks related to the Group's business, corporate structure and industry*".

The FDI Law

On 1 November, 2018, the UAE enacted the FDI Law which seeks to put in place a framework for the relaxation of the UAE Ownership Requirement in certain sectors and activities. The FDI Law states that its objectives are, amongst other things, to enhance the investment environment in the UAE and to attract and encourage foreign direct investment.

The FDI Law provides for the UAE Cabinet to determine in due course, and from time to time, a list of sectors and activities (the **Positive List**) where it will be possible for a company operating in any of those sectors and/or carrying out any of those activities to apply to the relevant regulator (once established) for a licence that permits the company to have foreign ownership of between 49 per cent. and 100 per cent. (subject to meeting certain conditions which will be defined in due course).

Many elements of how the FDI licensing regime will apply in practice (such as the Positive List and licensing conditions) remain unclear and are expected to be set out in executive regulations to be passed in the future. There is, however, currently no indication when such regulations will be passed.

Whilst it is not yet clear what sectors and activities will be included in the Positive List, the FDI Law does list a number of sectors and activities which will not be included in the Positive List unless otherwise resolved by the UAE Cabinet—on that list is "payment systems" activities. There is, however, no definition of "payment systems" activities under the FDI Law.

Therefore, whilst the proposed licensing regime under the FDI Law is a positive signal of intent by the UAE authorities to relax the UAE Ownership Requirement, it may be that the Group will not (unless otherwise determined by the UAE Cabinet) be able to avail itself of such licensing regime on the basis that the Group's business may be deemed to include "payment systems" activities.

In addition, it remains unclear how the FDI Law will be applied in practice and the Group cannot therefore be certain that the enactment of the FDI Law will not lead to the UAE Federal Government and/or the UAE Courts being more inclined to enforce the Concealment Law or other foreign ownership related laws or policies against those companies which have not been licensed under the FDI Law to have more than 49 per cent. foreign ownership.

Local Sponsor and Local Sponsor Arrangements

Overview

The Company has put in place contractual arrangements with the Local Sponsor and the Local Sponsor's Shareholder to protect the Company's rights and ensure that the Company has the full benefit of, and control over, the operating businesses of Network International LLC and its wholly owned subsidiaries (the **Local Sponsor Documentation**, details of which are set out below).

Although the specific nature of corporate structures may vary, the Company believes that a significant proportion of foreign-owned companies operating in the UAE generally use arrangements such as those described herein to comply with the UAE Ownership Requirement. Furthermore, the Company believes that these structures have been central to fostering the significant level of foreign private investment in the UAE in

recent years. To date, the Company is not aware of any instance where the Government of the UAE or any Emirate thereof has unilaterally challenged any of these arrangements as being contrary to UAE law.

While the Company believes that its corporate structure should help to minimise any risks associated with the UAE Ownership Requirement and the ownership requirement of other regulators, there can be no assurance that this will be the case. There could be a number of adverse implications for the Company if its ownership structure were to be successfully challenged. For a discussion of such adverse implications, see “*Risk Factors—Risks related to the Group’s business, corporate structure and industry*”.

Local Sponsor

The Local Sponsor, which holds a 51 per cent. legal interest in Network International LLC (subject to the Local Sponsor Documentation), is a special purpose vehicle incorporated in the DIFC, that is wholly owned by Links Commercial Brokers LLC, a limited liability company established in the Emirate of Dubai (the **Local Sponsor’s Shareholder**), which is in turn owned by two UAE nationals, with each such UAE national being a prominent Emirati.

The Company engaged the services of Links Group to introduce the Local Sponsor’s Shareholder and assist in the establishment of the Local Sponsor. The Links Group is a leading professional provider of business formation and support services (including sponsor-related services) in the UAE and wider GCC region.

Memorandum of Association

The Memorandum of Association of Network International LLC provides, among other things, that:

- (a) Network International Holding 1 Limited, a wholly owned subsidiary of the Company, has the sole right to appoint the manager of Network International LLC and all operational decision-making power is thereby effectively vested exclusively with Network International Holding 1 Limited or with persons nominated by Network International Holding 1 Limited;
- (b) the manager (or board of directors) of Network International LLC is appointed exclusively by Network International Holding 1 Limited and has wide authority to bind Network International LLC and the shareholders of Network International LLC only have the rights to resolve matters which are strictly reserved for shareholder determination by the UAE Companies Law (e.g. amendment of the constitutional documents, increase or reduction of capital, etc.);
- (c) all shareholder voting thresholds require more than 75 per cent. of the shareholders to approve (i.e. Network International Holding 1 Limited has a de facto veto right on such matters);
- (d) as permitted under the current practices in the UAE, Network International Holding 1 Limited has the right, under the notarised Memorandum of Association of Network International LLC, to receive at least 80 per cent. of all distributions that are declared by Network International LLC, and the Local Sponsor has the right to receive no more than 20 per cent., albeit the Local Sponsor’s share of such distributions is assigned to Network International Holding 1 Limited under the Sponsor Agreement;
- (e) its shareholders will ensure that all profits which are available for distribution to the shareholders are distributed on an annual basis immediately following the annual general assembly of the shareholders, in accordance with the percentages described above;
- (f) the Local Sponsor undertakes not to encumber (which includes creating any mortgage, charge, right to acquire or right of pre-emption) its shares in the share capital of Network International LLC; and
- (g) any amendments to the Memorandum of Association of Network International LLC would require the consent of Network International Holding 1 Limited.

Sponsor Agreement

A Sponsor Agreement has been entered between Network International Holding 1 Limited and the Local Sponsor, the key provisions of which are as follows:

- (a) customary terms regulating the relationship with the Local Sponsor (termination rights and other basic terms);
- (b) the agreement by Network International Holding 1 Limited to provide a non-interest bearing loan to the Local Sponsor for the sole purpose of the acquisition by the Local Sponsor of the shares it holds in Network International LLC;

- (c) the agreement that the loan described above is only repayable by the transfer of the shares held by the Local Sponsor in Network International LLC to Network International Holding 1 Limited and the agreement that Network International Holding 1 Limited may call for repayment of the loan at any time and for any (or no) reason. The Local Sponsor will not be permitted to voluntarily repay the loan without Network International Holding 1 Limited's consent;
- (d) the agreement that, if requested by Network International Holding 1 Limited, the Local Sponsor shall provide a share pledge in favour of Network International Holding 1 Limited in respect of the shares held by the Local Sponsor in Network International LLC;
- (e) the agreement of the Local Sponsor not to deal with the shares it holds in Network International LLC in any way except as instructed by or with the prior approval of Network International Holding 1 Limited;
- (f) the agreement that if the foreign ownership restriction becomes more permissive, the Local Sponsor will transfer to Network International Holding 1 Limited at the relevant time the maximum number of its shares in Network International LLC permitted by law;
- (g) the agreement of the Local Sponsor to promptly transfer to Network International Holding 1 Limited all dividends, distributions, bonuses and any other benefits (including the proceeds of any divestment) accrued or accruing on the shares at any time while the Local Sponsor is a shareholder in Network International LLC;
- (h) the agreement of the Local Sponsor to exercise all voting rights and any other rights attached to the shares it holds in Network International LLC in accordance with Network International Holding 1 Limited's instructions or approval;
- (i) the agreement of the Local Sponsor to provide Network International Holding 1 Limited with a proxy as requested by Network International Holding 1 Limited from time to time for it to vote on behalf of the Local Sponsor in shareholder meetings;
- (j) the agreement of the Local Sponsor to ensure that the power of attorney it has issued is valid at all times unless otherwise requested to be revoked by Network International Holding 1 Limited;
- (k) the agreement of the Local Sponsor to transfer, pay and deal with the shares in Network International LLC and all dividends, interests, bonuses and any other benefit in relation to such shares as Network International Holding 1 Limited may instruct (and do all that is necessary to effect such action, including, without limitation, to attend at the notary public and sign any necessary documents in front of the notary);
- (l) the agreement of the Local Sponsor not to assign its rights under the Sponsor Agreement without the consent of Network International Holding 1 Limited;
- (m) any amendment to the terms of the Sponsor Agreement requires the consent of all parties thereto (including Network International Holding 1 Limited); and
- (n) the Sponsor Agreement is subject to termination only in the event that the Local Sponsor ceases to hold shares or a legal interest in Network International LLC.

The Local Sponsor's Shareholder is also a party to the Sponsor Agreement and subject to the following additional terms:

- (a) the Local Sponsor's Shareholder irrevocably and unconditionally guarantees the performance of the obligations of the Local Sponsor; and
- (b) the Local Sponsor's Shareholder grants the Company the exclusive right to appoint or terminate any and all directors and authorised signatories of the Local Sponsor.

Shares and Assets Powers of Attorney

Pursuant to the Sponsor Agreement, the Local Sponsor has provided Network International Holding 1 Limited with a power of attorney to give Network International Holding 1 Limited control over the shares held by the Local Sponsor in Network International LLC and the business and assets of Network International LLC. The power of attorney includes Network International Holding 1 Limited being granted the power to:

- (a) transfer such shares to any third party (and sign any necessary documents in front of the notary public or any other government authority);
- (b) vote and exercise any right attaching to such shares;

- (c) receive dividends and any other benefits relating to such shares on behalf of the Local Sponsor;
- (d) transfer such business and assets of Network International LLC to any third party (and sign any necessary documents in front of the notary public or any other government authority);
- (e) exercise any right attaching to such business and assets of Network International LLC; and
- (f) receive profits and any other benefits relating to such business and assets on behalf of the Local Sponsor.

A similar power of attorney has been granted by the Local Sponsor's Shareholder in favour of Network International Holding 1 Limited in respect of its shares in the Local Sponsor.

Whilst powers of attorney are revocable as a matter of applicable UAE law, the Local Sponsor is required under the Sponsor Agreement to maintain the validity of the power of attorney.

Management Agreement

A management agreement has been entered into between Network International LLC and Network International Holding 1 Limited, pursuant to which Network International LLC has appointed Network International Holding 1 Limited as its sole and exclusive manager with full powers to control, manage and direct the financial and operating policies of Network International LLC. Given that Network International Holding 1 Limited is a wholly owned subsidiary of the Company, consequently the Company has indirect control over the management of Network International LLC via the management agreement.

Similar management agreements have been put in place between:

- (a) each wholly owned subsidiary of Network International LLC and Network International Holding 1 Limited; and
- (b) the Local Sponsor and the Company, pursuant to which the Company is appointed as the sole and exclusive manager of the Local Sponsor with full powers to control, manage and direct the financial and operating policies of the Local Sponsor.

Management Powers of Attorney

Network International LLC and its wholly owned subsidiaries have provided Network International Holding 1 Limited with powers of attorney to represent and protect the interests of Network International LLC and its wholly owned subsidiaries, and to do all such acts and things and execute all such documents as Network International Holding 1 Limited considers necessary or convenient for managing and carrying on the business of Network International LLC and its subsidiaries.

A similar power of attorney has been granted by the Local Sponsor in favour of the Company in respect of the management of the Local Sponsor.

Notwithstanding that powers of attorney are revocable as a matter of applicable UAE law, the Local Sponsor is required under the Sponsor Agreement to maintain the validity of these powers of attorney.

Assignment Agreement

An assignment agreement has been entered into between the Local Sponsor and Network International Holding 1 Limited pursuant to which the Local Sponsor agrees to assign all rights to profits, dividends and proceeds of any divestment, and all rights to receive any assets upon the liquidation or winding up, of Network International LLC or its subsidiaries to Network International Holding 1 Limited.

Any amendment or termination of the assignment agreement requires the prior consent of Network International Holding 1 Limited.

Undertakings Given by the Local Sponsor's Shareholder; DIFC Call Option and Share Pledge

The Local Sponsor's Shareholder has entered into an agreement with the Company whereby it:

- (a) provides the Company with an irrevocable and unconditional guarantee that the Local Sponsor will perform all of its obligations under the Sponsor Agreement;
- (b) grants the Company the exclusive right to appoint or terminate any and all directors and authorised signatories of the Local Sponsor;

- (c) assigns to the Company all its rights to profits, dividends and proceeds of any divestment, and all rights to receive any assets upon the liquidation or winding up, of the Local Sponsor;
- (d) provides the Company with an undertaking that it:
 - (i) will not sell, transfer, encumber (which includes creating any mortgage, charge, right to acquire or right of pre-emption) or otherwise dispose of its shares in the share capital of the Local Sponsor without the prior approval of the Company;
 - (ii) will procure that the Local Sponsor does not carry on any activities or acquire any assets or incur any liability (other than pursuant to the Local Sponsor Documentation);
 - (iii) will not cause the Local Sponsor to be put into voluntary liquidation; and
- (e) provides the Company with a call option and share pledge in respect of the shares in the Local Sponsor held by the Local Sponsor's Shareholder.

MANAGEMENT AND CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the General Meeting of shareholders by law or by the Company's Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling shareholder meetings and ensuring appropriate communication with shareholders.

Members of the Board are appointed by the shareholders for three-year terms, subject to annual re-election in accordance with the Governance Code. Board members may serve any number of consecutive terms.

The Company expects that the Board will consist of the nine members listed below from the date of Admission.

<u>Name</u>	<u>Year of birth</u>	<u>Nationality</u>	<u>Position</u>
Rohinton Kalifa	1961	British	Independent Chairman
Simon Haslam	1961	British	Chief Executive Officer
Darren Pope	1965	British	Senior Independent Non-Executive Director
Victoria Hull	1962	British	Independent Non-Executive Director
Habib Al Mulla	1961	Emirati	Independent Non-Executive Director
Shayne Nelson	1959	Australian	Non-Executive Director
Suryanarayan Subramanian	1961	Singaporean	Non-Executive Director
Aaron Goldman	1977	American	Non-Executive Director
Daniel Zilberman	1973	American	Non-Executive Director

The business address of each of the Directors is P.O. Box 4487, Dubai, United Arab Emirates.

The management expertise and experience of each of the Directors is set out below:

Rohinton Kalifa—Independent Chairman

Rohinton Kalifa is the Independent Chairman of the Network International Board of Directors. He is also an Executive Director of Worldpay.

Mr Kalifa was Chief Executive Officer for over ten years, building and leading Worldpay into a premier global payments company. Worldpay is the pre-eminent fintech company in Europe and is one of the largest payments companies globally. Mr Kalifa has been a driving figure behind the success of Worldpay, which became the UK's most significant fintech IPO when it listed on the London Stock Exchange in 2015.

Mr Kalifa has over 15 years' experience within the global payments ecosystem—including card payments, cash management and trade finance and transaction banking.

Mr Kalifa is a director (leading on Payments Businesses and Digital Innovation) of UK Finance, a new trade body representing over 300 firms in the UK providing credit, banking, markets and payment-related services. He is also an operating partner to Advent International and its advisers on a variety of issues, particularly in relation to new investment opportunities. Mr Kalifa also sits on the boards of Transport for London, QIWI PLC and the England & Wales Cricket Board.

Mr Kalifa was awarded an OBE in 2018 for services to the Financial Services and Technology.

Mr Kalifa has undertaken the Executive Program at Harvard Business School.

Mr Kalifa was appointed as a director on 13 March 2019.

Simon Haslam—*Chief Executive Officer*

Simon Haslam is Chief Executive Officer of the Group and serves on the Network International Board of Directors.

Mr Haslam works closely with the Chairman and Board members to set strategic expansion goals for the organisation, and lead the management team in the accomplishment of these objectives. Simon is also the Chairman of Mercury Payments Services LLC; Chairman/Director in Network International subsidiary companies for Middle East and Africa; and is Chairman, UnionPay International Middle East Regional Member Council.

Mr Haslam has more than 35 years of experience in the payments and banking sector. Prior to joining Network International, he was based in Atlanta, Georgia, as the President and Chief Executive Officer of Elavon, a subsidiary of US Bancorp and one of the world's largest global merchant processing organisations. Prior positions during his term at Elavon include President of International Markets and Executive Vice President and Managing Director of Europe.

Mr Haslam has also served with Citigroup International PLC as Head of Credit and Risk with responsibility for all credit and fraud related activities impacting Citigroup's Pan European Merchant Acquiring Business. In addition, he has worked with both HSBC and Midland Bank. He is also a Fellow of the Chartered Institute of Bankers.

Mr Haslam has an Associateship of the Chartered Institute of Bankers.

Mr Haslam was appointed as a director on 27 February 2019.

Darren Pope—*Senior Independent Non-Executive Director*

Darren Pope is the Senior Independent Director for Equiniti Group plc, an Independent Non-Executive Director for CYBG PLC, and serves on the Network International Board of Directors.

Mr Pope is a qualified accountant with over 30 years of experience in the financial services industry, the majority of which has been spent in retail financial services. Most recently, Mr Pope served as CFO and Board Member of TSB Bank plc, having led both the initial stages of its separation from Lloyds Banking Group, and its subsequent IPO.

Mr Pope has held a number of other senior positions at Lloyds Banking Group, Cheltenham & Gloucester plc, Egg plc and Prudential plc. He previously served as an Independent Non-Executive Director and Chair of the Audit Committee of Virgin Money Holdings (UK) plc prior to its acquisition by CYBG PLC in October 2018. He was also a member of the Virgin Money Holdings (UK) plc Risk, Remuneration and Nomination Committees.

At CYBG PLC he is currently a member of its Audit Committee. He is also a member of the Clydesdale Bank PLC and Virgin Money plc Boards, both of which are subsidiaries within the CYBG PLC group, a member of the Clydesdale Bank PLC Audit Committee, Chair of the Virgin Money plc Audit Committee and member of the Virgin Money plc Risk Committee. Mr Pope is Chair of Virgin Money Unit Trust Managers Limited, a subsidiary of Virgin Money Holdings (UK) plc. Additionally Mr Pope is Chair of Equiniti Group plc's Audit Committee and a member of the Nomination and Risk Committees.

Mr Pope was appointed as a director on 13 March 2019.

Victoria Hull—*Independent Non-Executive Director*

Victoria Hull is a Non-Executive Director with Ultra Electronics plc and a Non-Executive Director with Rosenblatt plc, serves on the Audit Committee, Remuneration Committee and Nomination Committee for each, and serves on the Network International Board of Directors.

Ms Hull is a former General Counsel and Company Secretary of Invensys plc, a FTSE 100 global industrial and software company, and former General Counsel and Company Secretary of Telewest Communications plc. Ms Hull served as an Executive Director at Invensys and Telewest, both of which were listed on the LSE, with Telewest additionally having a Nasdaq listing.

Ms Hull has experience across many diverse sectors, including an extensive corporate governance and Remuneration Committee background. Her breadth of commercial and legal experience includes familiarity with markets across the Middle East and Africa, and she has a strong legal background dealing directly in legal issues surrounding intellectual property rights, pensions, international M&As, commercial contracts and litigation. Her legal career commenced at Clifford Chance LLP in 1986 where she gained knowledge and experience working internationally on M&A for both public and private companies.

Ms Hull holds a Bachelor of Laws from the University of Southampton.

Ms Hull was appointed as a director on 13 March 2019.

Habib Al Mulla—*Independent Non-Executive Director*

Habib Al Mulla is one of the UAE's most highly respected legal authorities, and serves on the Network International Board of Directors.

Dr Habib has over 34 years' experience in UAE law and has drafted many of the modern legislative structures in place in Dubai today. Dr Habib is a strong advocate for the improvement and modernisation of UAE Laws. He is a frequent commentator on the legislation and economy of the UAE and is often consulted to draft and advise on Federal and Emirate level laws.

Dr Habib focuses his practice on litigation and arbitration. He is the chairman of the board of trustees for the Dubai International Arbitration Centre (**DIAC**) and is Chairman of the Chartered Institute of Arbitrators UAE Committee. Dr Habib created the concept of financial free zones in the UAE and was the architect of the legal framework establishing the Dubai International Financial Centre, the first financial free zone in the UAE. Dr Habib also served as Chairman of the Legislative Committee of the Dubai Financial Services Authority (DFSA).

Dr Habib has held numerous prominent government positions over the years, including being a member of the UAE Federal National Council, the federal parliament of the UAE, member of the Legislative Committee, in charge of reviewing federal legislation, member of the Economic Committee, in charge of reviewing fiscal and economic policy of the federation, Director of the Institute of Advanced Legal and Judicial Studies, in charge of training judges and prosecutors in the Emirate of Dubai and Chairman of the UAE Jurists Association.

He has published many books and articles on the UAE law and economy, including a two part book on his life's work titled *Life's Harvest*, a definitive selection of his writings on the laws, politics and economy of the UAE over the last 26 years. He is also a regular commentator in the media and a prominent speaker at many events and conferences within the UAE and internationally.

Dr Habib holds an LLB in Shari'a and law from the UAE University, a Master of Law from Harvard Law School and a Ph.D. from the University of Cambridge. He is fluent in Arabic and English.

Dr Habib was appointed as a director on 29 March 2019.

Shayne Nelson—*Non-Executive Director*

Shayne Nelson is Chief Executive Officer of Emirates NBD, and serves on the Network International Board of Directors.

Mr Nelson has an extensive banking career spanning more than 30 years with experience in various roles across geographies. Prior to joining Emirates NBD, he served in Singapore as the Chief Executive Officer of Standard Chartered Private Bank and was also the Chairman of Standard Chartered Saadiq Islamic Advisory Board and a Board member of Standard Chartered Bank (China) Ltd.

Mr Nelson's previous high profile positions in the banking arena include Regional CEO of Standard Chartered Bank Middle East and North Africa, Chairman of Standard Chartered (Pakistan) Limited, and Chairman of the Banking Advisory Council to the Board of the Dubai International Financial Centre. He also held the position of Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad.

Mr Nelson has experience across various functions and geographies, which is a testament to his diverse background within banking. Earlier in his career, his positions include Standard Chartered Chief Risk Officer for Wholesale Banking, Regional Head of Corporate and Institutional Banking Audit in the Asia Pacific Region and India, as well as Regional Head of Credit in Hong Kong, China and North East Asia. He was also the Head of Corporate and Institutional Banking for Westpac Banking Corporation in Western Australia.

Mr Nelson is a Graduate Member of the Australian Institute of Company Directors, and is also an Associate Fellow of the Australian Institute of Managers.

Mr Nelson was appointed as a director on 13 March 2019.

Suryanarayan Subramanian—*Non-Executive Director*

Suryanarayan Subramanian is the Chief Financial Officer of Emirates NBD, and serves on the Network International Board of Directors.

Mr Subramanian has over 30 years' experience in Banking and Finance, primarily in South East Asia and the Far East with Standard Chartered Bank and Royal Bank of Canada, covering various CFO roles in geographic and business structures across Wholesale Banking, Retail and Wealth Management.

Mr Subramanian has been with the Emirates NBD Group in Dubai since September 2010 as Group Chief Financial Officer. During this period ENBD has acquired Dubai Bank, an Islamic lender, and the Egyptian business of BNP Paribas.

In his last appointment, Mr Subramanian was with the Ministry of Finance and Accounting and Corporate Regulatory Authority in Singapore holding a dual portfolio to support development of accounting standards and corporate financial surveillance.

Mr Subramanian is a Chartered Accountant from India and a Bachelor of Commerce (Honours), Kolkata University.

Mr Subramanian was appointed as a director on 13 March 2019.

Aaron Goldman—*Non-Executive Director*

Aaron Goldman is a Managing Director and Co-Head of General Atlantic's Financial services sector, with a particular focus on investments in financial technology, in addition to serving on the Network International Board of Directors. In addition to Network International, Mr Goldman has led or been involved in a number of General Atlantic's payments-related investments including Adyen, Ant Financial, BillDesk, Clip and Klarna.

Prior to joining General Atlantic in 2006, Mr Goldman was part of the growth equity arm of the Fremont Group in San Francisco where he made several investments in the internet, communications, and healthcare sectors. Prior to that, Mr Goldman was an Analyst in Donaldson, Lufkin and Jenrette's Leveraged Finance group.

Mr Goldman holds a B.S. in economics from The Wharton School at the University of Pennsylvania, and an M.B.A. from Harvard Business School.

Mr Goldman was appointed as a director on 13 March 2019.

Daniel Zilberman—*Non-Executive Director*

Daniel Zilberman leads Warburg Pincus's European Investment activities, heads Warburg Pincus's European Financial Services Group, and is a member of Warburg Pincus's Executive Management Group, in addition to serving on the Network International Board of Directors.

Mr Zilberman has been involved in a number of Warburg Pincus' flagship investments, including Aeolus Re, Allfunds, Avaloq, max (formerly Leumi Card), National Penn Bankshares, Primerica Inc., The Mutual Fund Store, Santander Consumer USA, Santander Asset Management, Self Bank, Sterling Financial, Triton Container, Umpqua Bank, Webster Financial and a number of others. He has previously served on the Executive Boards of Aeolus Re Ltd, The Mutual Fund Store, Santander Asset Management, Santander Consumer USA Holdings Inc., and Primerica Inc.

He currently sits on the Boards of Avaloq Group, Network International, Reiss Ltd, Vodeno, max (formerly Leumi Card) and Self Bank.

Mr Zilberman received a B.A. in international relations from Tufts University and an M.B.A. in finance from The Wharton School at the University of Pennsylvania.

Mr Zilberman was appointed as a director on 13 March 2019.

SENIOR MANAGEMENT

In addition to the members of the Board, the day-to-day management of the Company's operations is conducted by its senior management team, as follows:

<u>Name</u>	<u>Year of birth</u>	<u>Nationality</u>	<u>Position</u>
Simon Haslam	1961	British	Chief Executive Officer
Andrew Key	1973	British	Managing Director – Africa
Samer Soliman	1975	Egyptian	Managing Director – Middle East
Rohit Malhotra	1977	Indian	Chief Financial Officer
Paul Clarke	1971	British	Head of Product and Innovation
Jaishree Razzaq	1970	British	General Counsel and Head of Compliance
Bahea Izmeqna	1986	Jordanian	Chief Operating Officer
Hend Al Ali	1977	Emirati	Head of Human Resources and Facilities
Mona Al Ghurair	1976	Emirati	Chief Marketing Officer
Matthew Sinclair	1967	British	Chief Information Officer
Andrew Hocking	1976	British	Chief of Strategy and Analytics Officer

The management expertise and experience of each of the senior management team is set out below:

Simon Haslam—Chief Executive Officer

Simon Haslam is the Chief Executive Officer of the Group and is responsible for setting strategic expansion goals for the Group, leading the management team to accomplish these objectives.

Mr Haslam works closely with the Chairman and Board members to set strategic expansion goals for the organisation, and lead the management team in the accomplishment of these objectives. Simon is also the Chairman of Mercury Payments Services LLC; Chairman/Director in Network International subsidiary companies for Middle East and Africa; and is Chairman, UnionPay International Middle East Regional Member Council.

Mr Haslam has more than 35 years of experience in the payments and banking sector. Prior to joining Network International, he was based in Atlanta, Georgia, as the President and Chief Executive Officer of Elavon, a subsidiary of US Bancorp and one of the world's largest global merchant processing organisations. Prior positions during his term at Elavon include President of International Markets and Executive Vice President and Managing Director of Europe.

Mr Haslam has also served with Citigroup International PLC as Head of Credit and Risk with responsibility for all credit and fraud related activities impacting Citigroup's Pan European Merchant Acquiring Business. In addition, he has worked with both HSBC and Midland Bank. He is also a Fellow of the Chartered Institute of Bankers.

Mr Haslam has an Associateship of the Chartered Institute of Bankers.

Mr Haslam was appointed as Chief Executive Officer in January 2017.

Andrew Key—Managing Director – Africa

Andrew Key is the Managing Director for the Group's Africa operations, and is responsible for all aspects of the acquiring and issuing business of the Group in Africa. He is responsible for developing and implementing a comprehensive strategy to drive the growth of the company's business in the region.

Mr Key is an executive leader with a significant track record of success that reflects broad experience gained across the payments landscape. He is renowned for consistently demonstrating his abilities to develop and execute strategies that deliver to demanding targets and timelines, successfully fulfilling customer expectations whilst adding value to the bottom line. He was most recently the President of Elavon Europe, a subsidiary of US Bancorp (USB), and responsible for the entire P&L of the European business of Elavon. He was accountable for the diverse range of partner relationships that deliver distribution or product capabilities to Elavon's European business and led the team of 1,400 colleagues located in six markets, providing end-to-end payments services to 350,000+ customers. Prior to Elavon, Mr Key held key positions in organisations such as Mastercard, Lloyds Banking Group and Barclaycard.

Mr Key has completed the Executive Development Programme at London Business School and holds a Bachelor's degree in Management Science from Loughborough University and is also a member of the CIPD.

Mr Key was appointed as Managing Director – Africa in January 2018.

Samer Soliman—*Managing Director – Middle East*

Samer Soliman is the Managing Director for the Group’s Middle East operations, and is responsible for all aspects of the acquiring and issuing business of the Group in the Middle East. He is responsible for developing and implementing a comprehensive strategy to drive the growth of the company’s business in the region.

Mr Soliman sits on the product advisory board of UnionPay International, representing the Middle East region.

Mr Soliman brings more than 20 years of experience in retail business, cards issuing, acquiring and third-party processing. Prior to joining the Group, Mr Soliman was part of the team that set up the consumer business at Citibank Egypt.

Mr Soliman holds a Master’s degree in leading innovation and change from Robert Kennedy College in Switzerland, in partnership with York St John University, a Certificate in Management from the University of Wollongong and a degree in business management from the Ministry of Higher Education Sinai.

Mr Soliman was appointed as Managing Director – Middle East in January 2018.

Rohit Malhotra—*Chief Financial Officer*

Mr Malhotra is the Group’s Chief Financial Officer and is responsible for overseeing the entire gamut of finance activities across the Group.

Mr Malhotra has around 20 years of experience across all major corporate finance domains in the financial services and FMCG sectors. Prior to joining the Group, he was the Head of Financial Policy and Processes at Emirates NBD, where he led the Finance systems implementation across the Group. Prior to that, he was one of the senior team leads in the Global Balance Sheet Reporting function of American Express, working closely with the Investor Relations team and before that was managing the Financial Planning activities for Nestlé South Asia Region.

Mr Malhotra joined the company in October 2010 and has been actively involved in the organic and inorganic growth of the company for many years, including the acquisition of Emerging Market Payment Holdings in 2016.

Mr Malhotra was appointed as Chief Financial Officer in August 2015.

Mr Malhotra is a Chartered Financial Analyst from the CFA Institute of the United States of America and a Chartered Accountant from The Institute of Chartered Accountants of India.

Paul Clarke—*Head of Product and Innovation*

Paul Clarke is the Head of Product and Innovation, and is responsible for transforming the Group into a world-class product and innovation-centric organisation.

Mr Clarke is a highly successful product and commercial leader with strong e-commerce, mobile and payments experience of over 14 years. He specialised in building and developing successful product development functions for both VC led start-ups and major PLCs.

Mr Clarke joined the Group from Barclaycard Payment services—one of the world’s largest banks—where he was the Managing Director responsible for end-to-end product lifecycle from ideation, delivery and in-life management. He has delivered many strategic initiatives and was instrumental in creating a world-class product organisation, achieving real business change through product development.

In his previous tenures in payments majors like Elavon Merchant Services and WorldPay, Mr Clarke was responsible for the product portfolio across key markets in Europe, Mexico and South America.

Mr Clarke was appointed as Head of Product and Innovation in June 2017.

Jaishree Razzaq—*General Counsel and Head of Compliance*

Jaishree Razzaq is the Group’s General Counsel and Head of Compliance and is responsible for advising on regulatory and legal matters arising within the Group and also has responsibility for enterprise risk management and compliance.

Ms Razzaq joined the Group from Elavon, a subsidiary of US Bancorp, where she served as Head of Legal—International Markets. Ms Razzaq has over 20 years of experience, having worked in a number of

major financial institutions including Citigroup and Royal Bank of Scotland Plc, advising on legal, regulatory and compliance issues impacting the retail financial services and payments services sectors in particular, across a number of jurisdictions in Europe and Latin America.

Ms Razzaq is a qualified Solicitor in England and Wales.

Ms Razzaq was appointed as General Counsel and Head of Compliance in April 2017.

Bahea Izmeqna—Chief Operating Officer

Bahea Izmeqna is the Group's Chief Operations Officer, and is responsible for establishing a customer-centric work culture that delivers world-class experiences to the Group's customer banks and merchants across the MEA region.

Ms Izmeqna has more than ten years of extensive experience in managing large and complex transformation projects for various issuing and acquiring organisations.

She was previously Network's Chief Information Officer for the Middle East, and was heavily involved in the conversion of major customers to the Way4 payments processing platform prior to assuming her current post.

Ms Izmeqna holds a Bachelor's degree in Computer Software Engineering from Petra University. Ms Izmeqna was appointed as Chief Operating Officer in July 2018.

Andrew Hocking—Chief of Strategy and Analytics Officer

Andrew Hocking is the Group's Chief of Strategy and Analytics Officer. He leads market intelligence, strategy development, corporate development and analytics functions within Network International.

Mr Hocking has more than a decade of experience in senior leadership positions in the payments industry spread across commercial, operational and financial functions.

Before joining Network International, Mr Hocking was Head of Strategic Planning at Elavon working across North America, South America and Europe. Prior to this he held a number of positions at Barclaycard and Absa across both the issuing and acquiring covering Europe and Africa where he led the Absa Card's strategy and change management function.

Mr Hocking holds an MBA from the University of Warwick.

Mr Hocking was appointed as Group Chief Strategy Officer in July 2017, management of the Analytics function was added to his portfolio in August 2018.

Hend Al Ali—Head of Human Resources and Facilities

Hend Al Ali is the Group's Head of Human Resources and Facilities, and is responsible for leading the Group's human resourcing functions across the UAE, Jordan and Africa, developing and implementing the Group's human resource strategy and programmes.

Ms Ali carries more than 20 years of experience in the field of human resource management. Under her stewardship, the Group has won government recognition and awards for human development and Emiratisation.

Ms Ali has spearheaded HR departments at various national and international operations based in the UAE. She is a recipient of the prestigious Dubai Human Development Award given by the Dubai Economic Department. She is also part of the Women's Committee in the Banking Sector, which is run by the Emirates Institute for Banking and Financial Studies.

Ms Ali holds a Bachelor's degree in Information Technology from Dubai Women's College. Ms Ali was appointed as Head of Human Resources and Facilities in February 2018.

Mona Al Ghurair—Chief Marketing Officer

Mona Al Ghurair is the Group's Chief Marketing Officer, and manages the team responsible for branding, public relations, communications, and events. She drives the branding and marketing strategy for the Group, optimally leveraging various promotion and publicity platforms, regionally and internationally, to maximise visibility for the Network International brand.

Ms Ghurair has more than 18 years of experience in the marketing domain and has been with the Group for more than 14 years, during which time she has also been involved with the product, sales, and business development units.

Ms Ghurair was educated at Dubai Polytechnic.

Ms Ghurair was appointed as Chief Marketing Officer in January 2017.

Matthew Sinclair—Chief Information Officer

Matt Sinclair is the Group's Chief Information Officer, and is responsible for the Technology function for the Group.

Mr Sinclair has more than 25 years of experience in technology roles, ranging from IT consulting to CTO and as CIO. He has experience in financial services and digital businesses, including payments, retail banking, insurance, asset management, publishing and online media.

Mr Sinclair joined the Group from Barclaycard UK where he was the CIO for its payments businesses. Prior to Barclaycard, Mr Sinclair was CIO for Retail and Business Banking for Absa and Barclays in Africa, based in Johannesburg, and has worked with several other organisations including PayPoint plc, Marsh and Thomson Reuters.

Mr Sinclair holds a Bachelor of Science degree from Brunel University.

Mr Sinclair was appointed as Chief Information Officer in August 2016.

DIRECTORS AND MANAGEMENT COMPENSATION

The aggregate compensation payable to the members of the Board and the members of senior management listed above was USD 6.3 million in 2018. For further information on these arrangements, refer to “*Additional Information—Directors’ and Senior Management’s remuneration*” and “*Additional Information—Share Incentive Plans—Existing Arrangements*”.

CORPORATE GOVERNANCE

The Company has prepared a code of conduct which its directors are required to comply with. The code contains provisions requiring directors to act ethically and in compliance with all applicable laws and regulations. Directors must also represent the best interests of the Company and shareholders must act professionally and exhibit high standards of integrity, commitment and independence of thought, and must devote sufficient time to ensure the diligent performance of their respective duties.

Directors are also, among other matters, under a duty to maintain confidentiality of sensitive information and avoid conflicts of interest, and there are restrictions regarding securities trading, including a ban on trading with inside information, and whistleblowing.

Most of the other documentation that comprises the Company's governance and risk management framework has been put in place, although certain documents, including business continuity and disaster recovery policies and procurement, human resource and health and safety policies, are only expected to be completed within the next 12 months.

UK Corporate Governance Code

The Board is committed to the highest standards of corporate governance. Save as disclosed in this section, the Company will comply with the provisions of the UK Corporate Governance Code issued in July 2018 by the Financial Reporting Council, as amended from time to time (the **Governance Code**) and the Company intends to comply in full with the Governance Code over time. Thereafter the Company intends to continue to comply with the relevant principles and provisions of the Governance Code on an ongoing basis.

As envisaged by the Governance Code, the Board has established an audit committee, a nomination committee and a remuneration committee. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that at least half the board of directors of a UK-listed company, excluding the chairperson, should comprise non-executive directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement (**Independent Non-Executive Directors**). From Admission, the Group will not comply with this aspect of the Governance Code because out of eight Directors, being the Board excluding the Chairman, only three will be deemed to be independent (Victoria Hull, Darren Pope and Habib Al Mulla). The Board believes that this will not have an impact on the Group's governance in practice, and it is common for

newly listed companies. The Board intends to achieve full compliance with the Governance Code over time, whilst ENBD has the right to nominate an additional director to the Board.

The Governance Code also recommends that the chairperson, on appointment, should meet such independence conditions. Notwithstanding the payment to fund the Compensation Shares (as described in section 10.7 of “*Additional Information—Directors’ and Senior Management’s remuneration*”) the Board has determined that Rohinton Kalifa was independent on appointment. This determination was made on the basis that the payment was one off in nature to secure an exceptional candidate for the role whilst noting that he had no prior affiliation with the company or any shareholder prior to appointment and there are no conditions other than continued service for three years attached to the payment.

The Governance Code recommends that the Board should appoint one of its independent non-executive directors to be the senior independent director (**SID**). The SID should be available to Shareholders if they have concerns that the normal channels of Chairman, Chief Executive Officer or other executive directors have failed to resolve, or for which such channel of communication is inappropriate. The Company’s SID is Darren Pope.

Audit and Risk Committee

The Audit and Risk Committee assists the Company’s Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company’s annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Company’s relationship with external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board.

The Disclosure Guidance and Transparency Rules require that at least one member of the audit committee be independent and that at least one member has competence in accounting and/or auditing. In addition, the Governance Code recommends that the audit committee should comprise at least three Independent Non-Executive Directors and that at least one member has recent and relevant financial experience. The Board considers that the Company complies with the requirements of the Disclosure and Transparency Rules and the recommendations of the Governance Code in those respects. The current members of the Audit and Risk Committee are Darren Pope (Chairman and Independent Non-executive Director), Victoria Hull (Independent Non-Executive Director) and Rohinton Kalifa (Independent Chairman). The Audit and Risk Committee is required to meet at least five times a year.

The Audit and Risk Committee has taken appropriate steps to ensure that the Company’s auditors are independent of the Company as required by the Governance Rules and has obtained written confirmation from the Company’s auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The terms of reference of the Audit and Risk Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Audit and Risk Committee to carry out its duties.

Nomination Committee

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board and, in particular, for monitoring the independent status of the Independent Non-executive Directors. It is also responsible for periodically reviewing the Board’s structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise.

The current members of the Nomination Committee are Rohinton Kalifa (Chairman and Independent Chairman), Darren Pope (Independent Non-Executive Director) and Victoria Hull (Independent Non-Executive Director). The Nomination Committee is required to meet at least two times a year. The Governance Code recommends that a majority of the nomination committee should comprise Independent Non-Executive Directors. The Board considers that the Company complies with the recommendations of the Governance Code in this respect.

The terms of reference of the Nomination Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Nomination Committee to carry out its duties.

Remuneration Committee

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors and senior management. The current members of the Remuneration Committee are Victoria Hull (Chairman and Independent Non-Executive Director), Rohinton Kalifa (Independent Chairman) and Darren Pope (Independent Non-Executive Director). The Governance Code recommends that the Remuneration Committee should comprise at least three members who are Independent Non-Executive Directors, one of whom may be the Chairman (but who may not chair the Remuneration Committee), and that before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. The Board considers that the Group complies with the recommendations of the Governance Code in this respect. The Remuneration Committee is required to meet at least five times a year.

The terms of reference of the Remuneration Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with requirements for the quorum for and the right to attend meetings, reporting responsibilities and the authority of the Remuneration Committee to carry out its duties.

Share Dealing Code

The Company has adopted, with effect from Admission, a code of securities dealing in relation to the Ordinary Shares and a policy with respect to the entry into transactions with persons related to the Company which is based on the rules of the Market Abuse Regulation (**MAR**). The code adopted will apply to the Directors and other relevant employees of the Group. The policy is based on the mandatory provisions of MAR and of the Listing Rules which apply to the Company and persons related to the Company.

Relationship Agreements with ENBD and WP/GA

The Company entered into the Relationship Agreements with Emirates NBD Bank PJSC (**ENBD**) on 1 April 2019 and WP/GA Dubai IV B.V. (**WP/GA**) on 1 April 2019. The Relationship Agreements have been entered into to ensure that the Company is capable at all times of carrying on its business independently of its controlling shareholders (as defined in the Listing Rules) and their associates.

Under the Relationship Agreement with ENBD, ENBD has a right to nominate for appointment up to three non-executive directors to the Board whilst its and its associates' shareholding in the Company are greater than or equal to 20 per cent. and to nominate for appointment one non-executive director to the Board whilst its and its associates' shareholding in the Company are greater than or equal to 10 per cent. The first such appointees are Shayne Nelson and Suryanarayan Subramanian, whilst ENBD has the right to nominate an additional director to the Board.

Under the Relationship Agreement with WP/GA, WP/GA has a right to nominate for appointment up to two non-executive directors to the Board whilst its and its associates' shareholding in the Company are greater than or equal to 20 per cent. and to nominate for appointment one non-executive director to the Board whilst its and its associates' shareholding in the Company are greater than or equal to 10 per cent. The first such appointees are Daniel Zilberman and Aaron Goldman.

See "*Additional Information—Material contracts—Relationship Agreements with ENBD and WP/GA*" for a more detailed description of the Relationship Agreements.

Cornerstone Agreement with Mastercard

Under the Cornerstone Agreement, the Company has agreed that Mastercard shall, for so long as Mastercard does not dispose of any shares acquired by it from the Selling Shareholders in the Global Offering, have the right to appoint an observer to the board of the Company. The Observer may attend all board meetings and receive all board papers, but may not vote at board meetings. The observer may also be excluded where a conflict arises or where a majority of the Directors determine a matter to be commercially or legally sensitive in nature such that disclosing it to the observer may potentially be prejudicial to the Group, its business or interests. The first observer is Raghu Malhotra.

Orderly Market Agreement

The Selling Shareholders intend to enter into an agreement with respect to the sale of Ordinary Shares by either of them following Admission and expiry of the applicable lock-up period, such that sales of Ordinary Shares by the Selling Shareholders may be coordinated and conducted in an orderly manner.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information set forth below shows the Group's historical financial information and other unaudited operating information as at and for the years ended 31 December 2016, 2017 and 2018. The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Historical Financial Information and should also be read in conjunction with "Management's discussion and analysis of financial condition and results of operations". The Non-IFRS Measures are measures not defined by IFRS and were calculated by the Group based on data derived from its Historical Financial Information. See also "Presentation of Financial and Other Information" for a discussion of the sources of the numbers contained in this section.

The Group acquired EMP on 1 March 2016, and therefore the Group's consolidated financial results for the year ended 31 December 2016 include only ten months of the financial results of EMP. As the Group's consolidated results for 2016 do not include full year results of EMP in that year, it affects the comparability of the Group's consolidated results for the year ended 31 December 2016 with the results for subsequent comparative periods. Accordingly, the Prospectus also includes the 2016 Standalone EMP Financial Information. See "Historical Financial Information".

CONSOLIDATED PROFIT OR LOSS

The table below shows information from the Group's consolidated profit or loss for each of 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000)		
Continuing operations			
Revenues	234,706	262,006	297,935
Personnel expenses	(58,537)	(63,775)	(88,084)
Selling, operating & other expenses	(68,144)	(72,070)	(85,455)
Depreciation and amortisation	(22,147)	(24,423)	(34,572)
Impairment losses on assets	(24,175)	—	(17,945)
Share of profit of an associate	6,400	3,493	3,325
Profit before interest and tax	68,103	105,231	75,204
Net interest expense	(12,587)	(18,921)	(20,159)
Gain on disposal of investment securities	—	—	2,648
Profit before tax	55,516	86,310	57,693
Taxes	(3,117)	(5,694)	(10,956)
Profit from continuing operations	52,399	80,616	46,737
Discontinued operations			
Loss from discontinued operations, net of taxes	(10,434)	(27,106)	(23,317)
Net profit for the year	41,965	53,510	23,420

CONSOLIDATED FINANCIAL POSITION

The table below shows information from the Group's consolidated financial position as at 31 December in each of 2016, 2017 and 2018.

	As at 31 December		
	2016	2017	2018
		(USD'000)	
Assets			
<i>Non-current assets</i>			
Property and equipment	45,645	45,552	54,489
Intangible assets and goodwill	387,577	401,810	409,007
Investment in joint venture and associate	51,660	51,272	51,856
Investment securities	8,187	11,648	246
Long-term receivables	6,511	673	740
Total non-current assets	499,580	510,955	516,338
<i>Current assets</i>			
Scheme debtors	169,322	247,106	222,693
Trade and other receivables	52,638	59,403	73,848
Restricted cash	3,948	98,197	71,896
Cash and cash equivalents	87,646	100,769	60,275
Assets held for sale	—	12,480	4,417
Total current assets	313,554	517,955	433,129
Total assets	813,134	1,028,910	949,467
Liabilities			
<i>Non-Current liabilities</i>			
Borrowings	339,338	323,741	279,297
Other long-term liabilities	10,988	12,379	24,693
Deferred tax liabilities	4,281	1,851	2,324
Total non-current liabilities	354,607	337,971	306,314
<i>Current liabilities</i>			
Merchant creditors	109,230	199,092	185,523
Trade and other payables	74,152	108,865	116,575
Borrowings	18,041	120,759	147,691
Liabilities held for sale	—	6,206	1,668
Total current liabilities	201,423	434,922	451,457
Shareholders' equity			
Share capital	13,615	13,615	13,615
Statutory reserves	7,008	7,008	7,253
Other reserves	(35,790)	(25,353)	(22,985)
Retained earnings	270,109	259,147	195,028
Equity attributable to equity holders	254,942	254,417	192,911
Non-controlling interest	2,162	1,600	(1,215)
Total shareholders' equity	257,104	256,017	191,696
Total liabilities and shareholders' equity	813,134	1,028,910	949,467

CONSOLIDATED CASH FLOW

The table below summarises information from the Group's consolidated cash flow for each of 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000)		
Operating Activities			
<i>Net cash flows before settlement related balances</i>	86,391	103,859	104,234
Changes in settlement-related balances ⁽¹⁾	736	(61,165)	12,685
<i>Net cash flows from operating activities</i>	<u>87,127</u>	<u>42,694</u>	<u>116,919</u>
Investing Activities			
Purchase of intangible assets, property and equipment	(57,779)	(64,692)	(68,470)
Sale of intangible assets, property and equipment	15,462	1,650	—
Dividends received from an associate	2,042	2,723	2,741
Interest received	725	637	1,644
Disposal of investment securities	—	—	14,050
Acquisition / (disposal) of subsidiaries	(234,238)	13,298	4,812
<i>Net cash outflows from investing activities</i>	<u>(273,788)</u>	<u>(46,384)</u>	<u>(45,223)</u>
Financing Activities			
Proceeds from borrowing	350,000	—	—
Repayment of borrowings	(82,825)	(16,336)	—
Payment of dividends	(23,145)	(64,534)	(89,857)
Payment of debt issuance fee	(11,357)	—	—
Payment of lease liabilities	—	—	(2,298)
<i>Net cash inflows / (outflows) from financing activities</i>	<u>232,673</u>	<u>(80,870)</u>	<u>(92,155)</u>
Net increase / (decrease) in cash and cash equivalents	46,012	(84,560)	(20,459)
Cash and cash equivalents at the beginning of the year	29,543	69,605	(19,990)
Effect of movements in exchange rates on cash held	(5,950)	160	(40)
Cash reclassified as part of held for sale	—	(5,195)	(1,977)
Cash and cash equivalents at the end of the year*	<u>69,605</u>	<u>(19,990)</u>	<u>(42,466)</u>

* Net of Revolving Credit Facility from banks.

(1) Changes in settlement-related balances reflects movements in scheme debtors, merchant creditors and restricted cash, and related parties payable.

NON-IFRS FINANCIAL MEASURES

The tables below represents certain Non-IFRS financial measures to provide supplementary information regarding the operating performance of the Group and should not be considered in isolation or as a substitute for the Historical Financial Information. See “*Presentation of Financial and Other Information—Non-IFRS Information*”.

The Group uses these Non-IFRS measures as key measures for assessing the Group's financial results, evaluating the performance of its operations, developing budgets and measuring performance against those budgets. In addition, the Group views these Non-IFRS measures as a supplemental tool to assist in evaluating business performance as it excludes the impact of the specially disclosed items described below.

Management believes these Non-IFRS Measures reflects the normal operating performance of the Group and believes that this measure provides additional useful information for prospective investors on the Group's performance, enhances comparability from period to period and with other peer companies in its industry, and is also consistent with how business performance is measured internally.

The Non-IFRS Measures alone do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for total revenues or any other measures as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity. In addition these measures should not be used instead of, or considered as an alternative to, the Group's historical financial results.

The Group's presentation of the Non-IFRS Measures should not be construed as an implication that its future results will be unaffected by non-recurring items. The Group encourages you to evaluate these items and the limitation for purposes of analysis in excluding them.

Constant Currency Organic Revenues

The translation of the Group revenues to its reporting currency (USD) is impacted by changes in foreign currencies. In order to calculate the constant currency organic revenue growth rate for the three years ended 31 December 2016, 2017 and 2018, the Group applies a constant currency adjustment based on the average exchange rate for the prior period to enable comparability. The impact of translation to the USD from foreign currencies is minimal as more than 96 per cent. of the revenues are either USD denominated or in currencies pegged to the USD. In addition, the revenues for the year ended 31 December 2016 has been adjusted to include revenues for two month period of EMP, prior to the effective date of acquisition, to reflect the full year impact of EMP in 2016 financial performance to ensure comparability between 2016, 2017 and 2018.

The table below reflects adjustments made to reported revenues to arrive at constant currency organic revenues for the three years ended at 31 December for each of 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000 except as indicated)		
Reported revenues⁽¹⁾	234,706	262,006	297,935
Full-year impact of EMP acquisition ⁽²⁾	8,056	—	—
Constant currency adjustment ⁽³⁾	—	4,123	(17)
Constant currency organic revenues	242,762	266,129	297,918
Constant currency organic revenue growth rate	—	9.6 per cent.	13.7 per cent.

(1) 2016 value includes only ten months of the financial results of EMP.

(2) Relates to the revenues for two months of EMP from January to February 2016 that has been added to ensure comparability between 2016 and 2017.

(3) Higher constant currency adjustment in 2017 was due to devaluation of the Egyptian pound that happened in 2016.

Specially Disclosed Items

Specially disclosed items below are items of income or expenses that have been recognised in a given period which Management believes, due to their nature or size should be disclosed separately, to give a more comparable view of the period-to-period underlying financial performance of the Group.

The table below presents a breakdown of the specially disclosed items for each of the years ended 31 December 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000)		
Items affecting Underlying EBITDA			
Reorganisation, restructuring and settlements ⁽¹⁾	897	7,497	3,375
Share-based compensation ⁽²⁾	1,341	(2,357)	10,907
M&A and IPO related costs ⁽³⁾	5,389	441	3,681
Other one-off items ⁽⁴⁾	1,142	623	3,377
Total specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340
Items affecting Underlying Net Income			
Amortisation related to IT transformation ⁽⁵⁾	—	—	5,499
Amortisation of acquired intangibles ⁽⁶⁾	3,503	4,204	4,204
Amortisation of debt issuance costs ⁽⁷⁾	695	738	506
Tax expense for legacy matters ⁽⁸⁾	—	—	4,364
Total specially disclosed items affecting Underlying Net Income	4,198	4,942	14,573
Total specially disclosed items	12,967	11,146	35,913

(1) Includes non-recurring costs related to the reorganisation and restructuring of the Group (USD 0.9 million in 2016, USD 2.8 million in 2017 and USD 1.8 million in 2018) and settlements with third parties for various matters (nil in 2016, USD 4.7 million in 2017 and USD 1.6 million in 2018).

(2) Cash or share based employee compensation costs for the incentive programme in relation to the Offering. For more details, please see 18.1(b) of "Historical Financial Information".

(3) Costs relating to acquisitions of EMP (including post-acquisition integration of the business) (USD 5.4 million in 2016, USD 0.4 million in 2017 and nil in 2018) and other non-recurring expenses in relation to the Offering (nil in 2016 and 2017, USD 3.7 million in 2018).

(4) Comprised of items that do not fit into any of the categories above and includes provisions against unrecoverable balances and settlement accruals (USD 3.0 million in 2016, nil in 2017 and USD 3.9 million in 2018), and unrealised (gain) or loss on re-measurement of foreign currency denominated assets or liabilities (USD (1.9) million in 2016, USD 0.6 million in 2017 and USD (0.5) million in 2018).

(5) Amortisation of capitalised costs associated with the Group's IT transformation programme.

(6) Amortisation charge on the intangible assets recognised in the Group's consolidated financial position as part of the Group's acquisition of EMP in 2016.

(7) Amortisation of debt issuance costs related to loan availed for acquisition of EMP by the Group.

(8) Includes payments made for settlement of legal cases in respect of EMP tax matters for periods prior to the date of acquisition by the Group and accruals, on a best estimate basis, for potential tax liabilities in respect of years for which assessments and tax audits are not closed yet for various jurisdictions.

Underlying EBITDA

Underlying EBITDA is defined as earnings before interest, taxes, depreciation and amortisation, impairment losses on assets, gain on sale of investment securities, share of depreciation of an associate and specially disclosed items affecting Underlying EBITDA.

	2016	2017	2018
	(USD'000)		
Profit from continuing operations	52,399	80,616	46,737
Depreciation and amortisation	22,147	24,423	34,572
Impairment losses on assets	24,175	—	17,945
Net interest expense	12,587	18,921	20,159
Taxes	3,117	5,694	10,956
Gain on disposal of investment securities	—	—	(2,648)
Share of depreciation of an associate	1,992	2,765	2,978
Specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340
Underlying EBITDA	125,186	138,623	152,039

Underlying EBITDA Margin Excluding Share of an Associate

The Group calculates its Underlying EBITDA Margin Excluding Share of an Associate as a measure of determining the profitability of its operations. Underlying EBITDA Margin Excluding Share of an Associate is defined as Underlying EBITDA before Share of an Associate divided by the revenues.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000)		
Revenues (A)	234,706	262,006	297,935
Underlying EBITDA	125,186	138,623	152,039
Share of EBITDA of an associate	(8,392)	(6,258)	(6,303)
Underlying EBITDA before Share of an Associate (B)	116,794	132,365	145,736
Underlying EBITDA Margin Excluding Share of an Associate ((B) / (A))	49.8 per cent.	50.5 per cent.	48.9 per cent.

Underlying Net Income

Underlying Net Income represents the Group's profit from continuing operations adjusted for impairment losses on assets, gains on disposal of investment securities and specially disclosed items. Underlying Net Income is considered by the Group to give a more comparable view of period-to-period profitability.

The table below presents a reconciliation of the Group's reported profit from continuing operations to Underlying Net Income for each of 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000)		
Profit from continuing operations	52,399	80,616	46,737
Impairment losses on assets	24,175	—	17,945
Gain on disposal of investment securities	—	—	(2,648)
Specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340
Specially disclosed items affecting Underlying Net Income	4,198	4,942	14,573
Underlying Net Income	89,541	91,762	97,947
Underlying Taxes	3,117	5,694	6,592
Underlying Net Income before Tax	92,658	97,456	104,539

Underlying Effective Tax Rate

The Group's Underlying Effective Tax Rate is defined as the Underlying Taxes (defined in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Taxes" below) as a percentage of the Group's Underlying Net Income before tax.

The Underlying Effective Tax Rate for the Group for each of 2016, 2017 and 2018 was 3.4 per cent., 5.8 per cent. and 6.3 per cent., respectively.

	For the year ended 31 December		
	2016	2017	2018
	(USD'000, except where indicated)		
Underlying Net Income before Tax	92,658	97,456	104,539
Underlying Taxes	3,117	5,694	6,592
Underlying Effective Tax Rate	3.4 per cent.	5.8 per cent.	6.3 per cent.

IT Transformation Capital Expenditure

The table below provides the split of total capital expenditure into the IT transformation programme, growth and maintenance capital expenditure for each of 2016, 2017 and 2018. Growth and maintenance capital expenditure collectively are referred to as capital expenditure (ex. IT transformation).

	For the year ended 31 December		
	2016	2017	2018
Total capital expenditure	64,878	70,418	66,102
IT transformation capital expenditure	(32,991)	(26,611)	(31,564)
Capital expenditure (ex. IT transformation)	31,887	43,807	34,538
of which is growth capital expenditure	17,473	19,442	16,500
of which is maintenance capital expenditure	14,414	24,365	18,038

As described in “*Business—Technology—Technology Transformation*”, the Group has invested in significant technological upgrades over the last several years, principally comprised of the development of the Group’s Network One platform and significant upgrade to the Base 24 switch and the development of the Group’s new proprietary gateway, N-Genius Online. Once these technological upgrades and associated customer migrations are completed, the Group does not expect any significant additional technological upgrades and hence Management believes that the capital expenditure (ex. IT transformation) presents a better indication of the ongoing capital expenditure requirements of the business (including both maintenance and investment requirements).

Underlying Free Cash Flow

Underlying Free Cash Flow, as used in this Prospectus, is calculated as the profit from continuing operations adjusted for depreciation and amortisation, impairment losses, net interest expense, taxes, gain on disposal of investment securities, share of depreciation of an associate, specially disclosed items affecting Underlying EBITDA, changes in narrow working capital, taxes paid and maintenance capital expenditure.

The table below presents adjustments made to profit from continuing operations to derive Underlying Free Cash Flow for the Group for each of 2016, 2017 and 2018. The Group uses Underlying Free Cash Flow as an operating performance measure that helps Management determine the conversion of Underlying EBITDA to Underlying Free Cash Flow.

	2016	2017	2018
		(USD’000)	
Profit from continuing operations	52,399	80,616	46,737
Depreciation and amortisation	22,147	24,423	34,572
Impairment losses on assets	24,175	—	17,945
Net interest expense	12,587	18,921	20,159
Taxes	3,117	5,694	10,956
Gain on disposal of investment securities	—	—	(2,648)
Share of depreciation of an associate	1,992	2,765	2,978
Specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340
Underlying EBITDA (A)	125,186	138,623	152,039
Changes in narrow working capital ⁽¹⁾	(15,848)	(1,172)	(2,575)
Taxes paid ⁽²⁾	(1,934)	(2,684)	(5,420)
Maintenance capital expenditure	(14,414)	(24,365)	(18,038)
Underlying Free Cash Flow (B)	92,990	110,402	126,006
Underlying Free Cash Flow Conversion			
Rate (B) / (A)	74.3 per cent.	79.6 per cent.	82.9 per cent.

(1) Changes in narrow working capital is the amount of capital used by the Group to fund its day-to-day trading operations and excludes settlement-related balances.

(2) Reflects taxes paid during the year.

KEY PERFORMANCE INDICATORS

To assist in comparing the Group's historic financial performance from period to period, the Group uses certain key performance indicators and other operating metrics that have been presented in this Prospectus, and are defined as follows.

- **Total Processed Volume (TPV—in USD millions)**—defined as the aggregate monetary volume of purchases processed by the Group within its merchant solutions business line.
- **Total Cards (in millions)**—defined as the aggregate number of cards hosted and billed by the group within its issuer solutions business line.
- **Total Transactions (in millions)**—defined as the aggregate number of transactions processed and billed by the Group within its issuer solutions business line.

	As of and for the year ended 31 December		
	2016 ⁽¹⁾	2017	2018
Total processed volumes (TPV) (<i>USD millions</i>)	31,217	36,207	39,932
Total number of cards hosted (<i>in millions</i>)	11.0	12.6	13.6
Number of transactions (<i>in millions</i>)	414.5	523.0	681.4

(1) 2016 figures include ten months of TPV and number of transactions for the erstwhile EMP business, following its acquisition by the Group with effect from 1 March 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the information set out in "Presentation of Financial and Other Information", "Capitalisation and Indebtedness", "Selected Financial Information and Operating Data" and the "Historical Financial Information". This discussion contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, particularly under the subheading "Presentation of Financial and Other Information—Information Regarding Forward-Looking Statements" and the heading "Risk Factors".

OVERVIEW

Network International is the leading enabler of digital commerce across the MEA region, the world's most underpenetrated payments market. The Group is the only pan-regional provider of digital payments solutions at scale, with presence across the entire payments value chain. The Group sits at the centre of the MEA payments ecosystem and operates a deeply entrenched network driving adoption of digital payments across the region. Over the past 20 years, the Group has built long-standing relationships with many of the leading merchants, financial institutions and card issuers in the MEA region through in-depth local industry knowledge, expertise, product innovation, high-quality and reliable service. The Group provides a full suite of technology-enabled payments solutions to merchants and financial institutions of all sizes, including acquiring and processing services and a comprehensive range of value added products and services.

The Group operates two technology platforms, Network One and Network Lite, to deliver its products and services to customers across the region. Both these platforms are well-invested, secure, and scalable and integrated with omni-channel capabilities. The Group's platforms enable merchants to accept payments of almost any type, across multiple channels and enable the Group to efficiently process transactions for financial institutions. In addition, the Group provides issuer solutions services for financial institutions in more than 50 countries in the MEA region, supporting all elements of the card-issuing life cycle, including account opening, issuance, hosting, settlement, reconciliation and chargebacks. It also offers a full suite of ever-evolving value added services which can be rapidly rolled out across its customer base. As a result, the Group has the ability to profitably cater to a broad range of customers of varying levels of size and complexity across the MEA region, which is at a significantly earlier stage of development and penetration in terms of digital payments solutions with strong growth potential as compared to more mature markets.

The Group has leading market positions in both merchant solutions (by TPV) and issuer solutions (by issuer billed volume on credit card POS and ATM transactions). In 2018, the Group processed approximately USD 40 billion in TPV for more than 65,000 merchants and processed 681 million issuer transactions on more than 13 million cards for over 220 financial institutions. According to an EDC market study, the Group is the leading acquirer in the MEA region with an approximately 19 per cent. acquiring market share (based on acquiring volumes in 2017). It had the largest issuer processing market share in the MEA region in 2017 of approximately 24 per cent., which was more than twice as much as its nearest competitor (which had a market share of 9 per cent.).

The Group manages its business operations on a geographic basis, providing integrated merchant and issuer solutions products and services to its customers in the MEA region.

- **Middle East:** The Group's largest segment by revenue is the Middle East, which serves more than six countries and represented 75 per cent. of the Group's total revenue in 2018. The Group's key countries in the Middle East include the UAE (which represented 62 per cent. of the Group's total revenue in 2018) and Jordan, with Saudi Arabia offering significant growth opportunities.
- **Africa:** The Group's Africa segment provides services in more than 40 countries and represented 25 per cent. of the Group's total revenue in 2018. The Group's key countries in Africa include Egypt, Nigeria and South Africa. The revenue contribution for each of the Group's three main African regions are 46 per cent., 34 per cent. and 20 per cent. in North Africa, Sub-Saharan Africa and Southern Africa respectively.

The Group's products and services are delivered by approximately 1,250 employees located across various offices (including its corporate headquarters in Dubai) in six countries across the MEA region.

The Group has an attractive financial profile, with revenue having increased at a CAGR of 12.7 per cent. from USD 234.7 million in 2016 to USD 262.0 million in 2017 and to USD 297.9 million in 2018. In addition, the

Group has achieved double digit year-on-year quarterly growth, for each of the quarters in 2018, on a constant currency organic revenue basis. Furthermore, the Group's business model is underpinned by a strong customer base, and has a high proportion of recurring revenues, with 93 per cent. of revenues in 2018 being recurring in nature and having minimal currency risk, with more than 96 per cent. of revenues in 2018 being USD denominated or USD pegged.

This revenue growth is further complemented by a balanced revenue mix between merchant solutions and issuer solutions and is diversified across geographies. Revenue growth has been strong across both the Middle East and Africa, with a CAGR of 9.7 per cent. in the Middle East and 23.3 per cent. in Africa between 2016 and 2018 respectively. The Group was able to deliver this revenue growth with an industry-leading Underlying EBITDA Margin Excluding Share of an Associate of 49.8 per cent., 50.5 per cent. and 48.9 per cent. in 2016, 2017 and 2018 respectively, as a result of being able to benefit from its economies of scale whilst continuing to invest in its business to support future growth.

The Group benefits from strong free cash flow generation, with an Underlying Free Cash Flow conversion rate of 79.6 per cent. in 2017 and 82.9 per cent. in 2018, underpinned by limited narrow working capital requirements and favourable tax regime with an Underlying Effective Tax Rate of 6.3 per cent. in 2018. As a result of these factors, the Group has been able to deliver strong cash flows allowing it to self-fund all its capital expenditure needs (including expenditures for the ongoing IT transformation programme), maintain a strong balance sheet and make regular dividend payments to its shareholders.

For the details of IFRS and Non-IFRS metrics, see “—Results of Operations” below and “Selected Financial Information and Operating Data—Non-IFRS Financial Measures”.

PRINCIPAL FACTORS AFFECTING RESULTS OF OPERATIONS

The following is a discussion of the principal factors that have affected, or are expected to affect, the Group's results of operations.

Shift to Digital Payments

The Group's operations continue to be positively impacted by the ongoing development of the payments infrastructure in the MEA region. The markets in the region are at a significantly early stage of payments evolution and remain highly underpenetrated. For example, the UAE, is one of the most developed payments markets in the region and yet cash transactions represent 85 per cent. of total transactions, as compared to between 21 per cent. and 34 per cent. in more developed markets, such as the US and UK. The proportion of cash payment by volume has declined over the last five years and is expected to decrease further by 2022 with the majority of this move away from cash expected to be replaced by card payments. These trends continue to contribute to a robust growth in demand for digital payments (including mobile and e-commerce payments), which, when combined with the Group's strong leadership position in these markets, has the ability to generate meaningful growth opportunities. See “Industry Overview”.

The region continues to experience increased merchant ability to accept digital payments. This trend has been driven by a number of factors, including increased acceptance of digital payments by merchants, growth in e-commerce and mobile commerce transactions as well as various governmental initiatives to encourage digital payments. Furthermore, most central banks and governments are promoting the importance of digital payments in order to achieve a “cashless economy” to support economic growth and financial inclusion. This support from key policy makers is expected to continue to play an important part in growing acceptance of digital payments. The trends described above, have in the past and will likely continue to, favourably impact the value and number of transactions processed by the Group.

Move to Outsourcing

A key area of opportunity for the Group is an increase in outsourcing of both merchant and issuer processing activities by financial and non-financial institutions in the MEA region. See “Industry Overview” for a further discussion of this trend.

The majority of card processing and merchant acquiring activities across the region are still managed in-house by financial and non-financial institutions. However, going forward, in line with development trends, an increasing number of these institutions are expected to outsource their activities to third-party processors like the Group to achieve reduced total cost of processing, improved service quality, and deliver a more comprehensive product offering to their customers.

Management believes this trend will not only continue but will in fact gather momentum across the MEA region and accordingly expects to win more business as the institutions decide to outsource more of their activities. In addition, Management believes this will also help improve profitability as the Company benefits from economies of scale as a result of operating its two technology platform strategy.

Customer Mix and Contract Renewals

The Group's revenue and profitability is affected by the composition of its customer base and segment mix. The Group's customers include large pan-regional financial and non-financial institutions as well as numerous SME merchants and small sized financial institutions.

The Group's large customers (both merchants and financial institutions) generally bring higher volumes and demand a more comprehensive set of services and, as a result, are typically able to negotiate lower price points. In contrast, the Group's smaller sized customers (both SME merchants and small sized banks) typically generate lower volumes but higher profitability.

The Group's revenue is also affected by contract renewals. These contracts vary in length and there are a wide range of different contractual frameworks in place. The Group has a strong track record of contract renewals which is evident by the fact that the Group's top ten customers in its merchant solutions and issuer solutions business lines have been with the Group for an average of 15 years and 17 years respectively, during which period the customers have gone through multiple contract renewal cycles. Management believes that the Group's loyal customer base is largely attributable to the trust it has built with its customers as a result of the broad range of high quality service delivery, its scale of operations relative to its competitors in the region (along with the associated price advantage) and its ability to provide innovative value added products and services.

Value and Number of Digital Payments Transactions

Merchant solutions revenue is principally driven by the monetary volume of merchant transactions that it acquires directly and that it processes for other acquirer processing customers, i.e. the total processed volume (TPV). Issuer solutions revenue is principally driven by the number of cards hosted on the platform and the number of transactions processed on behalf of its customers.

Within merchant solutions, a significant portion of the revenue is generated by the Group charging a Gross Merchant Service Charge (MSC) to its merchants, which is typically a percentage of TPV. The Group's TPV has increased in the past three years, from approximately USD 31.2 billion in 2016 to USD 36.2 billion in 2017 and USD 39.9 billion in 2018.

Within issuer solutions, the revenue generated by the Group is impacted by the number of cards hosted and number of transactions processed by the Group. This is, in turn, driven by the number of issuer solutions customers the Group gains and maintains relationships with and the products and services that have been outsourced to the Group. As at 31 December 2018, the Group managed more than 13 million cards on behalf of its customers. The number of transactions processed by the Group have increased in the last three years, from approximately 415 million in 2016 to 523 million in 2017 and 681 million in 2018.

Accordingly, factors that impact TPV, cards hosted and number of transactions processed have a material impact on the Group's revenue. The Group's TPV, number of cards hosted and transactions processed is affected by the industry drivers noted above in "*—Shift to Digital Payments*", "*—Move to Outsourcing*", "*—Customer Mix and Contract Renewals*", general economic conditions and other non-cash payment methods used in the Group's markets.

The TPV, cards hosted and number of transactions processed are also influenced by general economic conditions in the markets in which the Group operates. For example, during stronger economic cycles, consumers typically increase spending and demand for new cards increases, which can have a positive impact on the volume and value of digital payments transactions, with the opposite impact during downturns. Although general economic conditions can have a negative impact on the volume of payments, any such negative impact has to date been largely offset by the ongoing shift from cash to digital payments and other secular growth trends such as continued outsourcing by the banks to reduce costs.

At the same time, new alternative digital payment methods continue to provide an opportunity for the Group to continue to reduce reliance on the TPV, cards hosted and number of transactions. Management believes that the Group is well-positioned to capitalise on these trends going forward due to its existing market leading position and technology platform.

Interchange and Scheme Fees Paid

Included within the gross MSC charged to merchants are the interchange and scheme fees that are paid to the card issuer and the payment schemes, respectively and accordingly the Group's revenue is impacted by the level of interchange and scheme fees that it is required to pay to the payment schemes and card issuing banks out of the total MSC. These interchange and scheme fees primarily comprise the interchange fees paid to card issuers directly or via the payment schemes for each card payment transaction and, to a lesser extent, the payment scheme fees directly charged by the payment schemes for using cards licensed under their brand names and use of their networks for routing of transactions processed. Interchange fees are set by the payment schemes according to a number of variables, including total processed volume, industry, type of card used (e.g. debit or credit as well as premium, business and other card types), transaction type (e.g., online or by POS terminal), how the transaction is authorised and settled as well as the location of the transaction (e.g. cross-border or domestic). The level of interchange fees paid by the Group is therefore a function of the TPV, types of cards, transaction types and channels.

The Group fixes the gross MSC for merchants based on various factors such as merchant segment (key or SME), merchant profile including size, reputation and credit of the merchant, longevity of relationship, expected volumes, competitors' landscape, type of transaction (domestic / international, premium / non premium), interchange and scheme fees and other costs related to processing of the transactions. The Group may be impacted by changes to the level of interchange and scheme fees it is required to pay to the payment schemes or the card issuing banks.

Increase in Value Added Services

The Group generates a significant part of its revenue in both of its business lines from value added services such as dynamic currency conversion, data analytics, loyalty management, processing of chargebacks, reconciliations, settlements, etc. The pricing of these products and services varies depending on the type of service offered and can range from a percentage of TPV, on a per card or per transaction basis or alternatively can be a fixed fee per service.

These value added services are becoming an increasing source of revenue for payments providers globally. Within the region, Management believes that the demand for these services will continue to increase as merchants and financial institutions continue to demand more comprehensive offerings.

In addition, Management believes that the provision of these value added services improves customer loyalty as well as customer retention rates and provides a significant competitive advantage compared to competitors who do not provide the full suite of value added services. Accordingly, Management believes that the increasing use of these services will continue to drive and diversify the revenue mix of the Group away from the value and volume of transactions. See "*Business—Principal Activities—Merchant Solutions—Merchant Solutions Value Added Services*" and "*Business—Principal Activities—Issuer Solutions—Issuer Solutions Value Added Services*".

Technology Investments

The Group's at-scale proposition provides it with a number of competitive advantages including the ability to utilise knowledge and products on a pan-regional basis and the ability to invest in an innovative product offering using its market-leading technology platform. As a result of its scale, the Group benefits from operating leverage which has allowed it to process incremental transactions at very low marginal cost. From 2016 to 2018, the Group's total capital expenditure was USD 201 million, of which 45 per cent. relates to the Group's IT transformation programme. These strategic investments have allowed the Group to develop several leading capabilities such as bringing new products to the market as well the ability to on-board large pan-regional customers. In addition, given the nature of the Group's revenue streams, which are distributed over time as merchants process transactions, the Group's investments into its technology platform often does not result in returns in the same period in which they are made but rather over subsequent periods.

The Group expects to continue investing in technology in accordance with market developments, such as continued development into various digitisation initiatives and new product development. In addition to its technology investments, the Group has also invested in its sales, distribution and legal teams and its compliance framework. The Group expects that these investments will help sustain the Group's attractive margins, although margin levels could potentially be lower in new geographies where it is yet to achieve scale.

Divestments

In line with its strategy, the Group has divested or exited a number of non-core assets during the period under review, including the following:

<u>Asset</u>	<u>Date of Completion</u>
NI Global Services India Private Limited	31 July 2017
TimesofMoney—remittance business	22 August 2017
Sinnad W.L.L	8 November 2017
TimesofMoney—software business	14 November 2018

Financial performance of these assets has been reflected as discontinued operations in the “*Historical Financial Information*”.

Description of Key Profit or Loss Line Items

Revenues

The Group’s sources of revenue can be broadly categorised into transaction based revenues and non-transaction-based revenues.

- **Transaction based revenue:** includes revenue generated through a combination of (a) an MSC, charged to the merchant on the TPV; (b) a fee per transaction processed and billed, (c) a fee per card hosted and billed and (d) a variable fee for provision of value added services including foreign exchange services. The revenue is reported on a net basis, i.e., after the deduction of interchange and scheme fees paid to the card issuer and schemes respectively.
- **Non-transaction-based revenue:** includes but is not limited to revenue generated through provision of various value-added services (those for a fixed periodic charge), rental from point-of-sale (**POS**) terminals and project related revenues.

Interchange fees are the fees paid to the card issuing banks which is generally based on transaction value, but could also be a fixed fee combined with an ad valorem fee. Scheme fees are the fees paid to the schemes for using cards licensed under their brand names and for using their network for transaction authorisation and routing.

Personnel Expenses

The Group’s personnel expenses include salaries and wages, allowances, bonuses including sales incentive, social security contribution, share based compensation, end-of-service and other benefits recognised during the period, when the associated services are rendered by the employees.

Selling, Operating & Other Expenses

Selling, operating & other expenses consist primarily of technology and communication costs, third party processing services costs, legal and professional fees, selling and marketing expenses, provisions for receivables considered not recoverable and other general and administrative expenses.

Depreciation, Amortisation and Impairment Loss on Assets

The Group’s depreciation and amortisation charge includes depreciation of property and equipment, including depreciation of POS terminals and amortisation of intangible assets, which includes capitalised computer software and intangible assets acquired as part of business combinations (recognised separately from goodwill). Amortisation of intangible assets includes amortisation of costs incurred on internally developed projects, which meet the capitalisation criteria.

At each reporting date, the Group assesses whether there is an indication of impairment to the carrying value of any of its intangible assets or plant and equipment. If there is any such indication, the recoverable value of the asset is estimated using the appropriate methodology and if the recoverable value is lower than the current carrying value, then an impairment loss is recognised in the financial statements.

Share of EBITDA and Profit of an Associate

Share of EBITDA and Profit of an Associate relates to the Group’s investment in Transguard Cash LLC and reflects the Group’s share of earnings before interest, taxes, depreciation and amortisation (**EBITDA**) and profit

from the associate for the period. As an end-to-end ATM management and cash-in-transit business, Transguard Cash LLC's results are primarily driven by the number of ATMs managed as well as the number of clients (including banks and corporates) for which it provides cash collection services.

Gain on Disposal of Investment Securities

Gain on sale of investment securities relate to realised profit from the disposal of securities that are classified as fair value through profit or loss.

Net Interest Expense

The Group's interest expense largely relates to interest expense incurred during the period on its long term borrowings and bank working capital overdraft facilities and also includes amortisation of capitalised debt issuance costs. The Group also earns interest income on various short-term investments in Treasury bonds and bank deposits, as part of its ongoing cash management process.

Taxes

Taxes include current income tax charges on the profit of subsidiaries operating in taxable jurisdictions within the region, changes in deferred tax assets and deferred tax liabilities as well as any adjustments made for prior periods.

RESULTS OF OPERATIONS

Comparison of years ended 31 December 2016, 2017 and 2018

The table below presents the Group's summary Underlying Income for each of 2016, 2017 and 2018 which reflects the normal operating performance of the Group and is also consistent with how business performance is measured internally:

	For the year ended 31 December								
	2016 ⁽¹⁾			2017			2018		
	Reported	Specially Disclosed Items	Underlying Results*	Reported	Specially Disclosed Items	Underlying Results*	Reported	Specially Disclosed Items	Underlying Results*
Revenues	234,706	—	234,706	262,006	—	262,006	297,935	—	297,935
Personnel expenses ⁽²⁾	(58,537)	2,238	(56,299)	(63,775)	436	(63,339)	(88,084)	12,664	(75,420)
Selling, operating & other expenses ⁽³⁾	(68,144)	6,531	(61,613)	(72,070)	5,768	(66,302)	(85,455)	8,676	(76,779)
Share of EBITDA of an associate	8,392	—	8,392	6,258	—	6,258	6,303	—	6,303
Underlying EBITDA	—	8,769	125,186	—	6,204	138,623	—	21,340	152,039
Depreciation and amortisation ⁽⁴⁾	(22,147)	3,503	(18,644)	(24,423)	4,204	(20,219)	(34,572)	9,703	(24,869)
Share of depreciation of an associate	(1,992)	—	(1,992)	(2,765)	—	(2,765)	(2,978)	—	(2,978)
Net interest expense ⁽⁵⁾	(12,587)	695	(11,892)	(18,921)	738	(18,183)	(20,159)	506	(19,653)
Taxes ⁽⁶⁾	(3,117)	—	(3,117)	(5,694)	—	(5,694)	(10,956)	4,364	(6,592)
Underlying Net Income	—	12,967	89,541	—	11,146	91,762	—	35,913	97,947
Impairment losses on assets	(24,175)	—	—	—	—	—	(17,945)	—	—
Gain on disposal of investment securities	—	—	—	—	—	—	2,648	—	—
Reported profit from continuing operations	52,399	—	—	80,616	—	—	46,737	—	—
Loss from discontinued operations, net of taxes	(10,434)	—	—	(27,106)	—	—	(23,317)	—	—
Net profit for the year	41,965	—	—	53,510	—	—	23,420	—	—

* Underlying results are non-IFRS measures.

- (1) The Group acquired EMP on 1 March 2016, and therefore the Group's consolidated financial results for the year ended 31 December 2016 include only ten months of the financial results of EMP. The reduced period of financial results for EMP in the Group's consolidated results in that year affects the comparability of the Group's consolidated results for the year ended 31 December 2016, with the results for the subsequent comparative periods.
- (2) Specially disclosed items affecting personnel expenses includes non-recurring costs related to the reorganisation and restructuring of the Group (USD 0.9 million, USD 2.8 million and USD 1.8 million for 2016, 2017 and 2018, respectively) and cash- or share-based employee compensation costs relating to the incentive programme in relation to the Offering (USD 1.3 million, USD (2.4) million and USD 10.9 million for 2016, 2017 and 2018, respectively).
- (3) Specially disclosed items affecting selling, operating & other expenses includes settlement to third parties for various matters (nil in 2016, USD 4.7 million in 2017 and USD 1.6 million in 2018, respectively), costs relating to the acquisition of EMP (including post-acquisition integration of the business—USD 5.4 million in 2016, USD 0.4 million in 2017 and nil in 2018, respectively) and non-recurring expenses in relation to this Offering (USD 3.7 million in 2018).
- (4) Specially disclosed items affecting depreciation and amortisation includes amortisation of capitalised costs associated with the Group's IT transformation programme and amortisation of acquired intangibles as part of the EMP acquisition.
- (5) Specially disclosed items affecting net interest expense includes amortisation of debt issuance related costs.
- (6) Specially disclosed items affecting taxes includes payments made for settlement of legal cases with an unfavourable verdict for the Group in respect of EMP tax matters for periods prior to the date of its acquisition by the Group and accruals, on a best estimate basis, for potential tax liabilities, in respect of years for which assessments and tax audits are not closed yet for various jurisdictions.

Revenues

The key factors impacting revenues have been described below, both on a business line and geographic segment basis.

The Group's geographic business segments are the Middle East and Africa as described below under “—Segment Performance”. The Group has two business lines—(i) merchant solutions and (ii) issuer solutions.

Revenues for both the business lines includes transaction and non-transaction-based revenues. In addition, the Group has limited other income which includes foreign exchange gain or loss on spot currency conversion and unclaimed balances taken to income in line with the Group's accounting policy.

The table below shows the breakdown of the Group's total revenue by business activity for each of 2016, 2017 and 2018.

	2016		2017		2018	
	(USD'000)	(per cent.)	(USD'000)	(per cent.)	(USD'000)	(per cent.)
Merchant solutions revenue	106,371	45.3	118,508	45.2	136,317	45.8
Issuer solutions revenue	121,457	51.7	138,496	52.9	157,069	52.7
Other income	6,878	2.9	5,002	1.9	4,549	1.5
Total revenue	234,706	100.0	262,006	100.0	297,935	100.0

The Group's total revenue was USD 234.7 million in 2016, USD 262.0 million in 2017 and USD 297.9 million in 2018, representing a CAGR of 12.7 per cent. between 2016 and 2018.

The Group's total merchant solutions revenue was USD 106.4 million in 2016, USD 118.5 million in 2017 and USD 136.3 million in 2018, representing a CAGR of 13.2 per cent. from 2016 to 2018. The increase of USD 12.1 million or 11.4 per cent. in 2017 was principally due to an increase in TPV by 16.0 per cent. driven by strong growth in payment transactions in key industry verticals such as government, retail, restaurants and super markets.

The increase of USD 17.8 million, or 15.0 per cent., in 2018 was principally due to a 10 per cent. increase in TPV and a significant increase in revenues from value added services. The increase in TPV was driven by growth in key industry verticals such as government, duty free and education services as well as an increase in acquirer processing volumes.

The Group's total issuer solutions revenue was USD 121.5 million in 2016, USD 138.5 million in 2017 and USD 157.1 million in 2018, representing a CAGR of 13.7 per cent. from 2016 to 2018. The increase of USD 17.0 million, or 14.0 per cent., in 2017 was principally due to an increase in the number of cards hosted by 14.5 per cent., and increase in transaction processed by 26.2 per cent., including the full year impact of the acquisition of EMP, partially offset by devaluation of Egyptian pound in 2016.

The increase of USD 18.6 million, or 13.4 per cent., in 2018 from 2017 was due to an increase in the number of cards hosted by 7.9 per cent. and an increase in transactions processed by 30.3 per cent.

The Group's other income was USD 6.9 million in 2016, USD 5.0 million in 2017 and USD 4.5 million in 2018. The decrease of USD 1.9 million, or 27.5 per cent., in 2017 was driven by lower cash advance fees and foreign exchange gains on spot conversion. The decrease of USD 0.5 million in 2018 over 2017 was minimal.

Personnel Expenses

The Group's reported personnel expenses increased from USD 58.5 million in 2016 to USD 63.8 million in 2017 (a 9.1 per cent. increase) and to USD 88.1 million in 2018 (a 38.1 per cent. increase). There was a significant increase in the specially disclosed items affecting personnel expenses in 2018 compared to 2017 due to accruals made in respect of share based compensation related to the Offering. Adjusted for these specially disclosed items, the Group's Underlying Personnel Expenses were USD 56.3 million in 2016, USD 63.3 million in 2017 and USD 75.4 million in 2018.

The increase of USD 7.0 million, or 12.4 per cent., in the Group's Underlying Personnel Expenses in 2017 was primarily on account of an increase in headcount, the salary inflationary effect and the full year impact of the acquisition of EMP (as 2016 included only ten months of the financial results of EMP) partially offset by the favourable impact of devaluation of the Egyptian pound.

The increase of USD 12.1 million, or 19.1 per cent., in the Group's Underlying Personnel Expenses in 2018 was primarily driven by an increase in headcount reflecting the Group's investment to enhance capabilities in product development, sales and distribution teams, compliance framework and higher bonus accruals including sales incentives.

Selling, Operating & Other Expenses

The Group's reported selling, operating & other expenses increased from USD 68.1 million in 2016 to USD 72.1 million in 2017 (a 5.9 per cent. increase) and to USD 85.5 million in 2018 (a 18.6 per cent. increase). The increase in 2017 as compared to 2016 is primarily due to higher technology and communication

cost and other general and administrative expenses partially offset by legal and professional fees and provision for doubtful debts. The increase in 2018 as compared to 2017 is primarily due to technology and communication cost and legal and professional fees partially offset by lower provision for doubtful debts.

	2016		2017		2018	
	(USD'000)	(per cent.)	(USD'000)	(per cent.)	(USD'000)	(per cent.)
Technology and communication cost . . .	30,483	49.5	38,226	57.7	38,269	49.8
Third-party processing service cost . . .	14,972	24.3	12,797	19.3	16,833	21.9
Legal and professional fees	4,777	7.8	2,028	3.1	7,582	9.9
Provision for doubtful debts	2,898	4.7	2,717	4.1	447	0.6
Other general and administrative expenses	8,483	13.8	10,534	15.9	13,648	17.8
Total	61,613	100.0	66,302	100.0	76,779	100.0

The key drivers for the increase of USD 4.7 million, or 7.6 per cent. in 2017 and USD 10.5 million or 15.8 per cent. in 2018 are in line with the reasons outlined above for the movement in the Group's reported selling, operating & other expenses.

Share of EBITDA of an Associate

The Group's share of EBITDA of its associate, Transguard Cash LLC was USD 8.4 million in 2016, USD 6.3 million in 2017 and USD 6.3 million in 2018.

The decrease of USD 2.1 million, or 25.0 per cent., in 2017 in the Group's share of EBITDA of its associate was primarily due to increase in operating costs to comply with the changes in the regulatory landscape announced by the authorities.

In 2018, the Group's share of EBITDA of an Associate was largely flat over 2017, as 7 per cent. increase in revenue was offset by increase in operating costs in the business.

Underlying EBITDA

The Group's Underlying EBITDA increased by 10.7 per cent. from USD 125.2 million in 2016 to USD 138.6 million in 2017. Including the EBITDA of EMP for the two month period (USD 3.5 million), prior to the effective date of the acquisition, the Group's Underlying EBITDA has increased from USD 128.7 million in 2016 to USD 138.6 million in 2017, an increase of 7.7 per cent.

The increase in Underlying EBITDA in 2017 was driven by growth in revenue across both the business lines and improved operational efficiency, with the Underlying EBITDA Margin Excluding Share of an Associate improving from 49.8 per cent. in 2016 to 50.5 per cent. in 2017.

The Group's Underlying EBITDA increased by 9.7 per cent. to USD 152.0 million in 2018. This increase in Underlying EBITDA was due to increased revenues across both the business lines as well as operating segments, partially offset by an increase in the Underlying Personnel Costs and Selling, Operating & Other Expenses reflecting investments made to strengthen the capabilities in the business and to support future growth. As a result of these investments, the Underlying EBITDA Margin Excluding Share of an Associate decreased from 50.5 per cent. in 2017 to 48.9 per cent. in 2018.

Depreciation and Amortisation

The Group's reported depreciation and amortisation charge was USD 22.1 million in 2016, USD 24.4 million in 2017 and USD 34.6 million in 2018. The increase of USD 2.3 million, or 10.4 per cent., in 2017 is primarily due to higher amortisation on computer software and amortisation of intangibles acquired as part of the acquisition of EMP. The increase of USD 10.2 million, or 41.8 per cent., in 2018 is primarily driven by higher amortisation charge on computer software and higher specially disclosed items relating to the amortisation of capitalised costs associated with the Group's IT transformation programme.

Adjusted for specially disclosed items, the Group's Underlying Depreciation and Amortisation charge was USD 18.6 million in 2016, USD 20.2 million in 2017 and USD 24.9 million in 2018. The key drivers for the increase of USD 1.6 million, or 8.6 per cent., in 2017 and USD 4.7 million, or 23.3 per cent., in 2018 are in line with the reasons outlined above for the movement in the Group's reported depreciation and amortisation charge, excluding the movement in specially disclosed items.

Share of Depreciation of an Associate

The Group's share of depreciation and amortisation of an associate was USD 2.0 million in 2016, USD 2.8 million in 2017 and USD 3.0 million in 2018. The increase of USD 0.8 million, or 40.0 per cent., was primarily due to higher depreciation charge related to capital expenditure incurred to comply with the changes in the regulatory landscape announced by the authorities. The increase of USD 0.2 million in 2018 over 2017 was minimal.

Net Interest Expense

The Group's reported net interest expense was USD 12.6 million in 2016, USD 18.9 million in 2017 and USD 20.2 million in 2018. The increase of USD 6.3 million, or 50 per cent., in 2017 is due to an increase in interest expense on the Group's long-term borrowings taken to fund the acquisition of EMP, as 2017 included interest expense for the full year, whereas 2016 included the interest expense for part of the year as the borrowing was drawn in May 2016. The increase of USD 1.3 million, or 6.9 per cent., in 2018 is primarily on account of higher interest rates during the year. This increase was partially offset by higher interest income realised from surplus funds invested in bank deposits and treasury bonds.

Adjusted for specially disclosed items, the Group's Underlying Net Interest Expense was USD 11.9 million in 2016, USD 18.2 million in 2017 and USD 19.7 million in 2018. The key drivers for the increase of USD 6.3 million, or 52.9 per cent., in 2017 and USD 1.5 million, or 8.2 per cent., in 2018 are in line with the reasons outlined above for the movement in the Group's reported net interest expense.

Taxes

The Group's reported taxes were USD 3.1 million in 2016, USD 5.7 million in 2017 and USD 11.0 million in 2018. The increase of USD 2.6 million, or 83.9 per cent., in 2017 is due to full year impact of the acquisition of EMP and higher taxable profit in Egypt, Jordan and Mauritius. The increase of USD 5.3 million, or 93.0 per cent., in 2018 is primarily due to higher profits in taxable jurisdictions across the Group and the impact of specially disclosed items relating to the accrual and payments made for settlement for legal cases in respect of EMP tax matters for periods prior to the date of its acquisition by the Group.

Adjusted for specially disclosed items, the Group's Underlying Taxes were USD 3.1 million in 2016, USD 5.7 million in 2017 and USD 6.6 million in 2018. The key drivers for the increase of USD 2.6 million, or 83.9 per cent., in 2017 and USD 0.9 million, or 15.8 per cent., in 2018 are in line with the reasons outlined above for the movement in the Group's reported taxes, excluding the movement in specially disclosed items detailed above.

Impairment Losses on Assets

Group's charge for impairment losses was USD 24.2 million in 2016, nil in 2017 and USD 17.9 million in 2018 as Management concluded that future economic benefits with certain expenditure incurred will not flow to the Group in the future. In 2016 the charge mainly relates for impairment of the expenditure on the Group's IT transformation programme whereas in 2018 the charge mainly relates to impairment of expenditure on the IT transformation programme, legacy e-commerce platform and a customised card hosting platform build for a client.

Gain on Disposal of Investment Securities

Group's reported gain on sale of investment securities was nil in 2016 and 2017 and USD 2.6 million in 2018. The one-off gain in 2018 relates to realised profit from the disposal of securities that were classified as fair value through profit or loss.

Loss from Discontinued Operations

The Group's loss from discontinued operations was USD 10.4 million in 2016, USD 27.1 million in 2017 and USD 23.3 million in 2018.

For each of the years, it includes losses from operations, impairment provisions and losses on disposal of non-core assets—namely, TimesofMoney—Remittance business (disposed of in 2017), NI Global Services India Private Limited (disposed of in 2017), the share in profits from Sinnad JV (disposed of in 2017), TimesofMoney—software business (disposed of in 2018), Mercury (held for sale as at end of 2018) and the acquiring business in Bahrain (to be exited in 2019).

Net Profit for the Year

The Group's reported net profit for the year was USD 42.0 million in 2016, USD 53.5 million in 2017 and USD 23.4 million in 2018, an increase of USD 11.5 million, or 27.4 per cent. in 2017 and decrease of USD 30.1 million, or 56.3 per cent., in 2018.

Adjusted for the specially disclosed items, impairment losses on assets, gain on disposal of investment securities and loss from discontinued operations, the Group's Underlying Net Income was USD 89.5 million in 2016, USD 91.8 million in 2017 and USD 97.9 million in 2018, an increase of USD 2.3 million, or 2.5 per cent., in 2017 and USD 6.1 million, or 6.7 per cent., in 2018.

Segment Performance

Revenue by Geographic Segment

As mentioned above, the Group manages its operations on a geographic basis and the following table sets out the Group's total revenue by geographic segment.

	For the year ended 31 December		
	2016	2017	2018
Middle East			
Revenues (<i>USD'000</i>)	185,979	201,883	223,822
Annual growth rate of total revenue	—	8.6 per cent.	10.9 per cent.
Constant currency organic revenue growth rate	—	6.7 per cent.	10.9 per cent.
Africa			
Revenue (<i>USD'000</i>)	48,727	60,123	74,113
Annual growth rate of total revenue	—	23.4 per cent.	23.3 per cent.
Constant currency organic revenue growth rate	—	19.9 per cent.	23.3 per cent.

Middle East

The Group's total revenue in the Middle East increased by USD 15.9 million from USD 186.0 million in 2016 to USD 201.9 million in 2017 (a 8.6 per cent. increase) and by USD 21.9 million to USD 223.8 million in 2018 (a 10.9 per cent. increase). The increase in 2017 over 2016 was driven by the full year impact of the acquisition of EMP and volume growth in all the geographies within the region.

The increase in 2018 compared to 2017 was driven largely by an increase in TPV, both within direct acquiring as well as acquirer processing and number of transactions processed, in UAE and Jordan, along-with continued cross sales of value added products and services.

Africa

The Group's total revenue in Africa increased by USD 11.4 million from USD 48.7 million in 2016 to USD 60.1 million in 2017 (a 23.4 per cent. increase) and by USD 14.0 million to USD 74.1 million in 2018 (a 23.3 per cent. increase). The increase in 2017 compared to 2016 was driven by full year impact of acquisition of EMP and volume growth in the number of cards hosted and transactions processed.

The increase in 2018 compared to 2017 was a result of very strong volume growth in the number of cards hosted and transactions processed across most of the markets within the region as a result of a continuing shift to digital forms of payment and increased outsourcing by financial institutions.

Contribution by Geographic Segment

The Group measures the profitability of its geographic segments in terms of contribution where contribution is defined as segment revenues less operating costs that can be directly attributed to or are controlled by the

respective segments. Contribution does not include any allocation of central functions costs that are managed on a shared service basis and hence are shown separately.

	For the year ended 31 December		
	2016	2017	2018
Middle East			
Contribution (USD '000)	138,782	145,506	163,887
Contribution margin (per cent.)	75 per cent.	72 per cent.	73 per cent.
Africa			
Contribution (USD '000)	30,059	43,261	52,358
Contribution margin (per cent.)	62 per cent.	72 per cent.	71 per cent.

Middle East

Contribution for the Middle East segment increased by USD 6.7 million from USD 138.8 million in 2016 to USD 145.5 million in 2017 (a 4.8 per cent. increase) and by USD 18.4 million, to USD 163.9 million in 2018 (a 12.6 per cent. increase).

The increase in 2017 compared to 2016 was driven largely by an increase in revenues partially offset by higher selling, general and other costs as some of the incremental revenue streams were at lower margin, reflecting a reduction in contribution margin from 75 per cent. in 2016 to 72 per cent. in 2017.

The increase in 2018 compared to 2017 was largely driven by an increase in revenues, on the back of strong volume growth and contribution margin increased marginally from 72 per cent. in 2017 to 73 per cent. in 2018 as a result of the operating leverage in the business.

Africa

Contribution for the Africa segment increased by USD 13.2 million from USD 30.0 million in 2016 to USD 43.3 million in 2017 (a 44.0 per cent. increase) and by USD 9.0 million, to USD 52.3 million in 2018 (a 21.0 per cent. increase).

The increase in 2017 compared to 2016 was driven largely by an increase in revenues, the full year impact of the acquisition of EMP and the favourable impact of the devaluation of the Egyptian pound in 2017. Contribution margin improved over the same period from 62.0 per cent. in 2016 to 72.0 per cent. in 2017 driven by operational leverage in the business.

The increase in 2018 compared to 2017 was primarily driven by an increase in revenues, on the back of strong volume growth with the contribution margin declining marginally from 72.0 per cent. in 2017 to 71.0 per cent. in 2018.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The primary liquidity for the Group arises from its operating cash flows. Net cash flow from operations is primarily reinvested in the Group's business to fund its capital expenditure needs, service interest obligations and distribute dividends to its shareholders. The Group's business has generated strong cash flows for the past three years and as at 31 December 2018, the Group had cash and cash equivalents totalling USD 60.3 million, excluding restricted cash of USD 71.9 million. The restricted cash is largely in response to funds withheld for certain airline customers (although the Group has reduced its exposure to airlines and has accordingly exited relationships with a number of airline customers while focusing its attention on more credit-worthy airlines, including those which are sovereign-backed), to ensure that the Group has enough collateral to cover potential chargebacks.

The key objective of the Group's capital expenditure plan is to support its operational (maintenance capital expenditure) needs and various new initiatives including development of new product offerings (growth capital expenditure) in line with its strategic plan for long term sustainable and profitable growth. In addition to the maintenance and growth capital expenditure, the Group has also invested USD 91.2 million in the last three years, on its IT transformation programme described below under "*—Capital Expenditure*". The Group has not incurred any long-term borrowings over the past three years, other than the long-term borrowing taken to fund the acquisition of EMP in 2016. See "*—Indebtedness*" below. The Group has funded all its capital expenditure needs, including the IT transformation programme from its cash flow from operations.

The Group also has adequate bank overdraft facilities, including the Overdraft Revolving Credit Facility, in order to meet its short-term working capital requirements including acquiring settlement related needs mainly arising from its direct acquiring business described below under “—*Quantitative and Qualitative Disclosures About Risk—Liquidity Risk*”.

The Group regularly evaluates its liquidity and capital position relative to its cash requirements, and it may elect to raise funds in the future, either through the issuance of debt, equity or otherwise, or alter the terms and conditions of the existing debt.

Cash flow

The table below summarises the Group’s cash flow from operating activities, investing activities and financing activities for each of 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD ‘000)		
Net cash flows from operating activities	87,127	42,694	116,919
Net cash outflows from investing activities	(273,788)	(46,384)	(45,223)
Net cash inflows/(outflows) from financing activities	232,673	(80,870)	(92,155)
Net increase/(decrease) in cash and cash equivalents	46,012	(84,560)	(20,459)
Cash and cash equivalents at beginning of the year	29,543	69,605	(19,990)
Effect of movements in exchange rates on cash held	(5,950)	160	(40)
Cash classified as part of held for sale	—	(5,195)	(1,977)
Cash and cash equivalents at end of year*	69,605	(19,990)	(42,466)

* Net of Revolving Credit Facility from banks.

The Group’s net cash flow from operating activities was USD 87.1 million in 2016, USD 42.7 million in 2017 and USD 116.9 million in 2018. The decrease in 2017 is mainly due to the increase in settlement related balances, increase in the interest cost paid considering (full year impact in 2017 as the loan was availed in May 2016), offset by the increase in profit for the year. The increase in 2018 is mainly due to the decrease in settlement related balances.

The Group’s net cash outflows from investing activities were USD 273.8 million in 2016, USD 46.4 million in 2017 and USD 45.2 million in 2018. In 2016 the Group’s principal investments were the acquisition of EMP and the Group’s investment in the IT transformation programme. In 2017 and 2018, the Group’s net cash flows from investing activities principally related to expenditures on property, equipment and intangible assets, including the ongoing IT transformation programme, partly offset by proceeds from the disposal of assets and subsidiaries as well as dividends from an associate.

The Group’s net cash inflows from financing activities were USD 232.7 million in 2016, and outflow of USD 80.9 million in 2017 and USD 92.2 million in 2018. The inflows in 2016 were primarily due to the borrowings taken for the acquisition of EMP and were partially offset by dividends paid, while the outflows for 2017 and 2018 were due to dividends paid and partial repayment of borrowings.

Capital Expenditure

The table below presents a reconciliation of total capital expenditure to capital expenditure excluding the impact of the Group’s IT transformation programme described below (referred to as Capital expenditure (ex. IT transformation)) for each of 2016, 2017 and 2018.

	For the year ended 31 December		
	2016	2017	2018
	(USD‘000)		
Capital expenditure	64,878	70,418	66,102
IT transformation capital expenditure	(32,991)	(26,611)	(31,564)
Capital expenditure (ex. IT transformation)	31,887	43,807	34,538
Of which is growth capital expenditure	17,473	19,442	16,500
Of which is maintenance capital expenditure	14,414	24,365	18,038

The Group's capital expenditure (excluding IT transformation) increased from USD 31.9 million in 2016 to USD 43.8 million in 2017 due to investments made to bring new products and capabilities to market, higher expenditures on point of sale machines and increased expenditures on enhancing technology infrastructure including data centres. The decrease of USD 9.3 million in 2018 was driven by lower expenditures on technology infrastructure partially offset by expenditures on point-of-sale machines as a result of on-boarding new merchants.

Capital Commitments and Contractual Obligations

The table below summarises the Group's capital commitments and contractual obligations at 31 December 2018.

	<u>Carrying amount</u>	<u>Total</u>	<u>2 months or less</u>	<u>2–12 months</u>	<u>1–2 years</u>	<u>2–5 years</u>	<u>More than 5 years</u>
	(USD '000)						
Merchant creditors	185,523	185,523	185,523	—	—	—	—
Trade and other payables	116,575	116,575	116,575	—	—	—	—
Financial Borrowings—Current	147,691	150,458	102,741	47,717	—	—	—
Other long-term liabilities	24,693	24,693	—	—	170	10,102	14,421
Financial Borrowings—Non-current	279,297	327,905	—	17,195	164,167	146,543	—
Purchase Commitments	11,497	11,497	—	11,497	—	—	—
Total	<u>765,276</u>	<u>816,651</u>	<u>404,839</u>	<u>76,409</u>	<u>164,337</u>	<u>156,645</u>	<u>14,421</u>

The table above excludes other contingent liabilities that the Group may have such as guarantees issued by other banks on behalf of the Group

Indebtedness

The Group currently has the following material debt facilities:

USD 350,000,000 equivalent Syndicated Conventional and Murabaha Acquisition Facilities

On 10 May 2016, Network International LLC has entered into a syndicated conventional and murabaha facility of USD 350 million (equivalent) provided by various banks with Citibank N.A., London Branch, acting as one of the mandated lead arrangers, for the acquisition of EMP. The terms of the financing were amended on 18 March 2019 and were updated to reflect the terms described below. The facility consists of AED and USD tranches of a conventional financing and one AED tranche of a murabaha financing.

The facility carries an applicable interest period coupon rate of EIBOR plus margin on the AED conventional financing and murabaha financing and LIBOR plus margin on the USD conventional financing. The margin is calculated by reference to the Leverage (defined below) with the pricing reducing as Leverage of the Group reduces. The margin is initially 2.50 per cent. per annum applicable on the AED conventional financing and murabaha financing and 2.75 per cent. per annum applicable on the USD conventional financing and is then recalibrated based on the 2019 half yearly unaudited financial statements and each half yearly financial statements thereafter.

Certain members of the Group have given undertakings and financial covenants with respect to its business and financial position under the financing documents. Network International LLC, Network International Investment Holding (Mauritius) Limited, Network International Services Limited/Jordan LLC, Network International Holding 1 Limited, Network International Holding 2 Limited and the Company guarantee (or will guarantee on accession as guarantors) the obligations of Network International LLC under the financing documents. The financing documents are governed by English law.

The facility is due to be repaid in full on 10 May 2022. During the tenor of the facility, Network International LLC needs to make mandatory half-yearly amortisation payments (due to commence from May 2019 with a 37.5 per cent. balloon payment at the final maturity date). Subject to certain conditions, all or part of the utilisations may be voluntarily prepaid without penalties (other than usual break costs).

In addition, Network International LLC is required to repay the facilities in full or part in certain other circumstances. The circumstances are the usual mandatory prepayments such as (i) with respect to a financier under the facilities if it becomes unlawful for such a lender to perform its obligations and/or fund its participation in the facilities, and such financier's participation has not been transferred; and (ii) with respect to

a financier, if there is a sale of all or substantially all of the assets of the Group and such financier's participation has not been transferred; and (iii) there is a change of control, being:

- if any group of persons acting in concert (other than the key original shareholders) acquire (directly or indirectly) more than 30 per cent. of the voting capital of Network International LLC or the Company; or
- Emirates NBD PJSC ceases to beneficially own (directly or indirectly) at least 20 per cent. of the equity share capital of, or have the right to cast at least 20 per cent. of the votes capable of being cast in general meetings of Network International LLC or the Company.

The Group is required to satisfy the financial covenant that Total Net Debt / Consolidated EBITDA (as per the definition in the financing documents) (Leverage) shall not exceed 3.5:1. During 2017, the Group has made an early repayment of USD 16.3 million against all tranches proportionately. The Group has incurred debt issuance cost amounting to USD 11.4 million which has been capitalised and netted off from the carrying amount of the loan. This debt issuance cost is being amortised over the tenure of the loan and is being shown separately in Specially Disclosed Items.

Distributions and dividends by the Company are limited in any financial year to 100 per cent. of the consolidated net income (as defined in the financing documents) of the Company. This amount is based on a forward-looking management budget presented to the financiers setting out expected consolidated net income for that financial year. If the projections in such budgets prove to be higher than actual consolidated net income and amount of dividends actually paid by it during that Financial Year exceeds the actual consolidated net income, the financing documents provide for remediation through new Shareholders' injection to the extent of the excess dividend paid. The financing documents permit the roll-over of any "unused" dividend allocation not declared (or declared but not paid) in a financial year for use in the immediately following financial year (without double counting). Any such rolled-over amount shall be allocated to the first dividends paid in such financial year before the projected dividend allocation for that particular financial year itself is diminished by any such dividend payments.

Revolving Credit Facility

The Group has a number of revolving unsecured lines of credit to meet working capital requirements at different locations and a line of credit to fund assets taken on lease. The most significant of these is the revolving line of credit facility for narrow working capital requirements and settlement related balances in the UAE as explained under "*Quantitative and Qualitative Disclosures About Risk—Liquidity Risk*" below.

On 31 January 2010, the Group and Emirates NBD Bank PJSC as lender entered into the Overdraft Revolving Credit Facility for a line of credit for the amount of AED 50 million which has subsequently been enhanced and was last increased to AED 600 million on 15 November 2015 (and includes sub-limits for bank guarantee facilities). Amounts drawn under this revolving credit facility agreement can be used to meet working capital requirements. The applicable interest rate on the borrowings under the revolving credit facility agreement is one month EIBOR plus 2.4 per cent. per annum. The Company also pays commitment fees at 0.5 per cent. per annum on the undrawn portion of the limit. The Group also has an AED 50,000 bank guarantee facility from Emirates NBD Bank PJSC in respect of a performance bond which is subject to the full amount being held as cash margin.

In addition, the Company has an insignificant lease financing facility under which the Group is required to satisfy the financial covenant that long term Debt/EBITDA shall not exceed five-to-one.

Dividends

The Group has distributed dividends to its shareholders of USD 23.1 million, USD 64.5 million and USD 89.9 million in each of 2016, 2017 and 2018.

RELATED PARTY TRANSACTIONS

The Group's principal related party transactions are with its shareholder Emirates NBD Bank PJSC and its subsidiaries. The Group, in the normal course of business, enters into transactions with Emirates NBD PJSC and its subsidiaries. Management believes that the terms and conditions of these transactions are comparable with those that could be obtained from third parties.

These principally comprise the following:

- The group provides card hosting and processing services to Emirates NBD PJSC and its subsidiaries as part of its Issuer solutions business line.

- Emirates NBD PJSC provides certain IT, HR and Finance shared services support to the Group.
- The Group has taken office premises on lease from Emirates NBD PJSC in UAE.
- Emirates NBD PJSC also acts as a banker to the Group.

See “*Additional Information—Material contracts*” and “*Risk Factors—Risks related to the Group’s business, corporate structure and industry—The Group derives a material portion of its revenue from services provided to Emirates NBD and also relies on Emirates NBD for certain shared services*”.

For additional information, see also note 14 to the Historical Financial Information.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK

Introduction

The Group’s principal financial risk arises from credit risk it assumes within its merchant solutions business with respect to counterparties (primarily merchants), which use the Group’s services to process payments, schemes and financial institutions in respect of settlement related receivables and associate banks for its issuer solutions business as described further below. The Group is exposed to liquidity risk in respect of its own cash flows and risk related to its short-term financing needs in respect of acquiring settlement related requirements. The Group is also exposed to Interest rate risk primarily on its variable rate long-term borrowings and revolving line of credit, which it uses to manage its working capital needs. The Group has no equity price risk as it has no significant investments in equity securities except shares that have been disposed of in 2018. Its foreign currency risk is mainly limited to the impact which its foreign operations have on its total comprehensive income due to translation of financial statements and is described under “—*Results of Operations—Comparison of years ended 31 December 2016, 2017 and 2018*” above. The Group’s financial results are also exposed to a certain but not material transaction-related foreign currency risk in Egypt, Nigeria and South Africa due to the underlying foreign exchange rate movements of the currencies of these countries.

Credit Risk

Credit risk is the risk of financial loss arising from a counterparty’s inability to repay in accordance with contractual terms. Credit risk includes both the direct risk of default and the risk of a deterioration of creditworthiness as well as concentration risk. The Group’s principal exposure to credit risk for its merchant solutions business is the risk of chargebacks by card issuers and schemes related to transactions it processes, where the merchant is unable to provide the services, or refund or settle the amount especially in case of promised future delivery of goods and services. The Group seeks to mitigate such risk by dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate like in case of merchants with a higher risk profile, such as smaller e-commerce merchants. See “*Risk Factors—Risks related to the Group’s business, competitive structure and industry—The Group is subject to the credit risk that its merchant solutions customers will be unable to satisfy obligations for which it may also be liable*”.

The Group is also subject to credit risk for receivables due from the schemes and issuer banks for its merchant solutions business and for receivables due from banks and financial institutions for its issuer solutions business. See “*Risk Factors—Risks Related to the Group’s business, competitive structure and industry—The Group is subject to potential credit risk from payment schemes, as well as short-term credit risk from its settlement banks, and any significant delays or payment defaults could lead to material losses*”.

As part of Group’s issuer solutions business, the Group provides card issuance, hosting, transaction processing and other value added services to various financial institutions. Some of these financial institutions also rely on the Group’s principal membership with various payment schemes to issue credit and debit cards as affiliate banks of the Group which results in counterparty risk arising through possible non-payments of settlement funds. To mitigate this risk, wherever possible, the Group conducts transactions with reputed financial institutions only and also seeks to maintain collateral on a case by case basis as well.

Liquidity Risk

Liquidity risk is the risk that the Group will not have sufficient liquidity to meet its obligations associated with its financial liabilities that are settled by cash as and when they become due. The Group’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at cost of risk to the Group’s business and reputation. The Group manages its liquidity risk in respect of own cash flows by holding

sufficient cash balances and maintaining sufficient headroom, in the form of adequate working capital facilities, for the various Group entities with reputable banks in respective countries.

A significant part of the Group's short-term liquidity requirements arises out of its settlement requirements pertaining to its direct acquiring business, where it typically makes payments to settle with the merchants in advance of receiving payment from the card issuing banks and schemes for the payment amount incurred on the card. In particular, in the UAE, the Group generally receives payments from the card issuing banks and schemes one business day after it has remitted funds to the merchants and these receivables are recorded on its balance sheet as scheme debtors. Since the Group's settlement amount with merchants is based on the total amount of the card transaction less merchant discount, its acquiring payments cycle can result in temporary, but significant, liquidity requirements for which it principally uses its revolving credit facilities, including the Overdraft Revolving Credit Facility, described in "*Liquidity and Capital Resources—Indebtedness*" above. For more information on the Group's short-term liquidity risks, see "*Risk Factors—Risks Related to the Group's business, corporate structure and industry—The Group is subject to potential credit risk from payment schemes, as well as short-term credit risk from its settlement banks, and any significant delays or payment defaults could lead to material losses*".

Currency Risk

The Group is exposed to foreign exchange rate risk as a result of its foreign operations as well as transactions in currencies other than AED which is the Group's functional currency. A substantial portion of the Group's revenues and costs (more than 96 per cent. of revenues and 94 per cent. of costs for the year ended 31 December 2018) are either incurred in US dollars or in currencies pegged to the US dollar, including the AED. Hence, the Group's exposure to foreign exchange rate movements is very insignificant.

The Group has foreign operations in Egypt, Nigeria, Jordan and South Africa whose functional currencies are the Egyptian pound, Nigerian naira, Jordanian dinar and South African rand respectively. Translation of foreign operations is recognised under "other comprehensive (loss) / income", whereas the translation effect of transactions and balances in foreign currencies are reflected in the income of the respective period. For additional information, see note 3(b) to the Historical Financial Information.

In addition, as part of the Group's role as a merchant acquirer, it may settle with merchants in currencies other than those in which it receives funds from payment schemes. Although the Group settles such transactions based on the spot market rates, it is subject to a certain degree of currency risk and it recognises any such gains or losses arising from the settlements in its income. In such instances, the Group charges the merchants a fee which historically has been sufficient to cover any adverse exchange rate movements.

In addition, in some countries where the Group operates, such as Egypt, Nigeria or South Africa, the ability of the Group to transfer cash internationally is subject to local currency controls. The Group endeavours to proactively manage such restrictions and only had an amount of less than USD 6 million of cash that was subject to local currency restrictions as at 31 December 2018.

The Group has funded the acquisition of EMP in 2016 through a borrowing, which is denominated in USD and AED. Since the UAE dirham, the Group's functional currency, is pegged to the US dollar, there is minimal foreign exchange risk in settling the loan facility and the related interest obligations as long as the UAE dirham remains pegged to the US dollar. See "*Liquidity and Capital Resources—Indebtedness*" above.

Interest Rate Risk

Substantially all of the Group's long-term indebtedness and revolving line of credit for acquiring settlement needs and other working capital requirements are held at a variable rate of interest. The interest rates for these credit facilities are based on a fixed margin plus the applicable market rate of interest, linked to LIBOR or EIBOR. Interest rate changes do not affect the market value of such debt but would impact the amount of the Group's interest payments and accordingly the Group's future earnings and cash flows.

SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**). For a discussion of the accounting policies generally applied by the Group, see note 3 to the Historical Financial Information.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the Group's financial statements, Management is required to make certain estimates, judgments and assumptions. These affect the reported amounts of the Group's assets and liabilities, including disclosure of contingent assets and liabilities, at the date of the financial statements as well as the reported amounts of the Group's revenues and expenses during the periods presented. Management bases its estimates and assumptions on historical experience and other factors that it believes to be reasonable at the time the estimates and assumptions are made and evaluates the estimates and assumptions on an ongoing basis. However, future events and their effects cannot be predicted with certainty and the determination of appropriate estimates and assumptions requires the use of judgment. Actual outcomes may differ from any estimates or assumptions made and such differences may be material to the financial statements. For a discussion of the most significant accounting estimates, judgments and assumptions made in the preparation of the Group's financial statements, see note (2(e)) to the Historical Financial Information.

CAPITALISATION AND INDEBTEDNESS

The following table sets out the consolidated capitalisation and indebtedness of the Group for the two months ended 28 February 2019.

You should read this table together with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”.

Gross financial indebtedness	As at 28 February 2019 (USD million)
Total current debt	
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	48.2
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	279.6
Total	327.8

The information as at 28 February 2019 is unaudited. The statement of gross financial indebtedness has been extracted without material adjustment from the management accounts, which have been prepared using policies that are consistent with those used in preparing the Historical Financial Information as disclosed in “*Historical Financial Information*”.

Shareholders’ equity	As at 31 December 2018 (USD million)
Share capital	13.6
Share premium	Nil
Merger reserve	Nil
Other reserves ⁽¹⁾	7.5
Total ⁽²⁾	21.1

(1) Includes statutory reserve and excludes translation reserve.

(2) Excludes retained earnings.

There has been no material change in the Group’s capitalisation since 31 December 2018.

The following table details the net financial indebtedness of the Group for the year ended 28 February 2019.

Net financial indebtedness	As at 28 February 2019 (USD million)
A. Cash*	33.8
B. Cash Equivalents*	65.0
C. Liquidity (A) + (B)	98.8
D. Current Financial Receivable	235.5
E. Current bank debt	3.2
F. Current portion of non-current debt	45.0
G. Other current financial debt	299.0
H. Current Financial Debt (E) + (F) + (G)	347.2
I. Net Current Financial Indebtedness (H) – (D) – (C)	12.9
J. Non current bank loans	279.6
K. Other non-current liabilities	25.3
L. Non current Financial Indebtedness (J) + (K)	304.9
M. Net Financial Indebtedness (I) + (L)	317.8

* Cash and Cash Equivalents include restricted cash balances.

The information as at 28 February 2019 is unaudited. The statement of net financial indebtedness has been extracted without material adjustment from the management accounts, which have been prepared using policies that are consistent with those used in preparing the Historical Financial Information as disclosed in “*Historical Financial Information*”.

DETAILS OF THE GLOBAL OFFERING

The Global Offering

Under the Global Offering, the Ordinary Shares are being offered to certain institutional and professional investors in the United Kingdom and elsewhere outside the US in reliance on Regulation S, to QIBs in the US in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In addition, any Over-allotment Shares (representing up to 15 per cent. of the number of Offer Shares (prior to the utilisation of the Over-allotment Option and excluding the Cornerstone Shares)) will be made available by the Over-allotment Shareholders pursuant to the Over-allotment Option. Admission is expected to become effective, and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange, at 8:00 am on 16 April 2019.

Under the Global Offering, all Offer Shares will be sold at the Offer Price, which will be determined by the Company and the Selling Shareholders (in consultation with the Joint Global Coordinators). It is currently expected that the Offer Price will be within the Offer Price Range and that the Offer Size will be within the Offer Size Range. A number of factors will be considered in deciding the Offer Price, the Offer Size and the bases of allocation under the Global Offering, including the level and nature of demand for Ordinary Shares in the book-building process, prevailing market conditions and the objective of encouraging the development of an orderly and liquid after-market in the Ordinary Shares.

The Offer Price and the Offer Size are expected to be announced on or around 11 April 2019. The Pricing Statement, which will contain, among other things, the Offer Price and Offer Size, will (subject to certain restrictions) be published online at 7:00 am until 14 days after Admission.

If the Offer Price is set above the Offer Price Range (which is between GBP 3.95 and GBP 4.65 per Ordinary Share), the Offer Price Range is revised higher, or the Offer Size is set above or below the Offer Size Range, then an announcement will be made via a Regulatory Information Service, and prospective equity investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended and the expected day of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers or purchase Shares would be made clear in the announcement. Full details of the statutory right to withdraw an offer to purchase Shares pursuant to section 87Q of FSMA are set out in “*Withdrawal Rights*” below.

On Admission, there will be 500,000,000 Ordinary Shares in issue. All Ordinary Shares in issue on Admission will be fully paid.

Immediately following Admission, assuming that the Offer Price is set at the mid-point of the Offer Price Range and the Offer Size is set at the mid-point of the Offer Size Range, it is expected that approximately 37.50 per cent. of the Company’s issued ordinary share capital will be held in public hands (within the meaning of Listing Rule 6.14) assuming no Over-allotment Shares are acquired pursuant to the Over-allotment Option (increasing to approximately 43.13 per cent. if the maximum number of Over-allotment Shares are acquired pursuant to the Over-allotment Option).

Through the sale of the Offer Shares pursuant to the Global Offering, the Company expects the Selling Shareholders to raise in aggregate, subject to the Offer Size, net proceeds of up to GBP 1,290 million (assuming that the Offer Price is set at the mid-point of the Price Range and no exercise of the Over-allotment Option). On that basis, the aggregate underwriting commissions, expenses and any potential discretionary fee payable by the Selling Shareholders are estimated to be up to approximately GBP 30 million.

Certain restrictions that apply to the distribution of this Prospectus and the offer and sale of Ordinary Shares in jurisdictions outside the United Kingdom are described in “*Selling Restrictions*” below.

The Global Offering is subject to the satisfaction of conditions, which are customary for transactions of this type, contained in the Underwriting Agreement (subject only to Admission, and save for those steps which are to be completed after Admission), Admission becoming effective no later than 8:00 am on 16 April 2019 (or such later date and time, not being later than 8:00 am on 16 April 2019, as the Joint Global Coordinators may agree with the Company and the Selling Shareholders) and the Underwriting Agreement not having been terminated prior to Admission.

The sale of the Offer Shares (excluding the Cornerstone Shares) under the Global Offering will be underwritten, subject to certain conditions which are customary for transactions of this type, including entry into the Pricing Agreement, by the Underwriters.

Admission is expected to become effective and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 am on 16 April 2019. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. The earliest date for settlement of such dealings will be 16 April 2019.

When admitted to trading, the Ordinary Shares will be registered with ISIN GB00BH3VJ782, SEDOL BH3VJ78 and LEI 213800XVRNKWENNLKK60, and it is expected that the Ordinary Shares will be traded under ticker symbol “NETW”.

The Ordinary Shares (including any Ordinary Shares sold pursuant to the Over-allotment Option) will, upon Admission, rank equally in all respects with all other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission. The Ordinary Shares will, immediately on and from Admission, be freely transferable, subject to the applicable law, the Articles and any contractual obligations of a Shareholder.

The Company expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Global Offering. If such right is exercised, the Global Offering (and the arrangements associated with it) will lapse and any money received in respect of the Global Offering will be returned to investors without interest.

The Company further reserves the right to extend or shorten the timetable, or any aspect of the timetable, for the Global Offering.

Reasons for the Global Offering and use of Proceeds

The Global Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of its shareholding, while providing increased trading liquidity in the Ordinary Shares and raising the Company’s international profile. The aggregate expenses of, or incidental to, Admission and the Global Offering to be borne by the Company are estimated to be approximately USD 15 million.

No expenses will be charged to investors in connection with Admission or the Global Offering by the Company or the Selling Shareholders.

Cornerstone Investor

Mastercard, the Selling Shareholders and the Company entered into the Cornerstone Agreement pursuant to which Mastercard has irrevocably agreed to invest USD 300 million in the Company by acquiring from the Selling Shareholders such number of Offer Shares in the Global Offering at the Offer Price as is calculated by dividing the sterling equivalent of USD 300 million (determined immediately prior to pricing) by the Offer Price. If the number of Offer Shares which would otherwise be acquired is greater than 9.99 per cent. of the Company’s issued share capital upon Admission, the Selling Shareholders may, in their discretion, reduce the number of Offer Shares to be acquired by Mastercard to that number of shares which is equal to 9.99 per cent. of the Company’s issued share capital.

Mastercard’s obligation to purchase Offer Shares is conditional upon, among other things: (i) the Offer Price being within or below the Offer Price Range; (ii) the Underwriting Agreement having become unconditional in accordance with its terms and not having been terminated; (iii) achieving a minimum free float of 25 per cent. (for the purposes of Listing Rule 6.14) at Admission; and (iv) Admission. The Cornerstone Agreement may be terminated, among other things, if there is any material inaccuracy in or material omission from this prospectus which is materially adverse to Mastercard or if there is a breach of certain key warranties.

Mastercard will purchase Ordinary Shares pursuant to, and as part of, the Global Offering. The Ordinary Shares to be purchased by Mastercard will rank *pari passu* with the Ordinary Shares issued or sold in the Global Offering. No special rights, other than the right to appoint an observer to the Board, have been granted to Mastercard as part of its commitment to purchase Ordinary Shares pursuant to the Cornerstone Agreement.

Related Party Transactions

Save as disclosed in note 14 to the Historical Financial Information for Network International LLC set out on page F-3 of this Prospectus and in note 12 to the Emerging Markets Payments Holdings (Mauritius) Limited Historical Financial Information set out on page F-83 of this Prospectus set out below, neither the Company nor

any other member of the Group has entered into any related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) with any related party during the period covered by the Historical Financial Information and up to the latest practicable date prior to publication of this Prospectus.

The Company has entered into the Relationship Agreements with its shareholders Emirates NBD Bank PJSC and WP/GA Dubai IV B.V. and has entered into certain other transactions with Emirates NBD Bank PJSC. See “Additional Information—Material contracts—Relationship Agreements with ENBD and WP/GA”, “Additional Information—Material contracts—Emirates NBD Master Services Agreement”, “Additional Information—Material contracts—Master Transitional Services Agreement” and “Selected Financial Information and Operating Data—Related Party Transactions” for further information.

Save as described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Related Party Transactions” and “Additional Information—Material contracts”, all the transactions set out therein are entered into at fair value and on arm’s-length terms.

Selling Shareholders

The following table sets forth the Company’s shareholders holding Ordinary Shares: (i) immediately prior to Admission; and (ii) immediately following the Global Offering, assuming no exercise of the Over-allotment Option and assuming that the Offer Size is set at the mid-point of the Offer Size Range:

	Immediately prior to Admission		Immediately following the Global Offering ⁽¹⁾	
	Number of Ordinary Shares	Percentage (per cent.)	Number of Ordinary Shares	Percentage (per cent.)
<i>Shareholders</i>				
Emirates NBD Bank PJSC	255,000,000	51 per cent.	133,900,500	26.78 per cent.
WP/GA Dubai IV B.V.	245,000,000	49 per cent.	128,649,500	25.73 per cent.
Total	500,000,000	100 per cent.	262,550,000	52.51 per cent.

(1) Assumes that the Offer Size is the mid-point of the Offer Size Range.

The business addresses of the Selling Shareholders are:

- Baniyas Road, Deira, PO Box 777, Dubai, United Arab Emirates (Emirates NBD Bank PJSC); and
- Strawinskyiaan 3051, 1077 ZX Amsterdam, the Netherlands (WP/GA Dubai IV B.V.).

No holder of Ordinary Shares has voting rights that differ from those of any other holders of Ordinary Shares. As of the date of this Prospectus, the Company and the Directors are not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

Underwriting Arrangements

On the date of this Prospectus, the Company, the Selling Shareholders the Directors and the Banks (the **Underwriters**) have entered into the underwriting agreement (the **Underwriting Agreement**) pursuant to which, on the terms and subject to the conditions contained therein, including the entry into the Pricing Agreement (which are customary in agreements of this nature), each of the Underwriters has severally agreed to underwrite a proportion of, and together to underwrite in aggregate all of, the sale of the Offer Shares (excluding the Cornerstone Shares).

The Global Offering is conditional upon, among other things, Admission occurring not later than 8:00 am on 16 April 2019 (or such later date and time, not being later than 8:00 am on 23 April 2019, as the Joint Global Coordinators may agree with the Company) and the Underwriting Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms. The underwriting commitment of the Underwriters will cease to be conditional at the point of Admission. If the conditions to the Underwriting Agreement have not been satisfied and the Joint Global Coordinators determine that the Underwriting Agreement should be terminated, or if the Underwriters otherwise cease to underwrite the Global Offering (excluding the Cornerstone Shares) in accordance with the terms of the Underwriting Agreement, Admission will not occur.

The Underwriting Agreement provides for the Banks to be paid certain commissions by the Selling Shareholders in respect of the Offer Shares issued and sold in the Global Offering (excluding the Cornerstone

Shares) and in respect of any Over-allotment Shares transferred by the Over-allotment Shareholders upon the Stabilising Manager exercising the Over-allotment Option and by the Selling Shareholders in respect of any discretionary commission. Any commissions received by the Banks may be retained, and any Ordinary Shares acquired by them may be retained or dealt in by them, for their own benefit.

Under the terms and conditions of the Underwriting Agreement, the Sponsor has agreed to act as sponsor to the Company in connection with Admission, in accordance with the Listing Rules. Emirates NBD Capital Limited, which is acting as a Joint Global Coordinator and Joint Bookrunner on the Global Offering, is an affiliated entity of Emirates NBD Bank PJSC, one of the Selling Shareholders. Emirates NBD Capital PSC, which is acting as Underwriter on the Global Offering, is a wholly owned subsidiary of Emirates NBD Bank PJSC.

Further details of the Underwriting Agreement are set out in “*Additional Information—Material contracts*” and “*Additional Information—Underwriting Agreement*”.

Lock-up Arrangements and Exceptions

Each of the Selling Shareholders and the Directors has agreed to certain lock-up arrangements in respect of the Ordinary Shares they hold immediately following Admission.

The Directors have agreed that, subject to the exceptions described below, from the date of the Underwriting Agreement until the date falling 365 days from the date of Admission, they will not, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, other than in the manner described in this Prospectus, and save that the above restrictions shall not apply in respect of Ordinary Shares issued pursuant to the grant or exercise of options under the share option schemes in existence on the date of Admission and described in “*Additional Information—Share Incentive Plans*” and shall not prohibit a Director from:

- (a) accepting a general offer made to all holders of issued and allotted Ordinary Shares for the time being (other than Ordinary Shares held or contracted to be acquired by the offeror or its associates within the meaning of the Companies Act 2006) made in accordance with the City Code on Takeovers and Mergers (the **City Code**) on terms which treat all such holders alike;
- (b) executing and delivering an irrevocable commitment or undertaking to accept a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein) as is referred to in sub paragraph (a) above;
- (c) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms to all holders of Ordinary Shares in the Company;
- (d) transferring or disposing of Ordinary Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Acts;
- (e) disposing of, or taking up, any Ordinary Shares or rights granted in respect of a rights issue or other pre-emptive share offering by the Company;
- (f) any disposal of Ordinary Shares to satisfy tax liabilities arising from the Global Offering;
- (g) transfers of the legal interest in Ordinary Shares provided that the beneficial owner shall not change; or
- (h) transferring Ordinary Shares to any connected person (as defined in the Companies Act) or any family trust (and upon change of trustees of a trust, to the new trustees of such family trust) and by the trustees of such family trusts to the beneficiaries thereof.

provided that, in the case of paragraphs (g) and (h), prior to any such transfer the relevant transferee has entered into a deed of adherence.

The Selling Shareholders have agreed that, subject to the exceptions described below, from the date of the Underwriting Agreement until the date falling 180 days from the date of Admission, they will not, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue

options in respect of or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, other than pursuant to the Global Offering, in the manner described in this Prospectus, and save that the above restrictions shall not prohibit a Selling Shareholder from:

- (a) accepting a general offer made to all holders of issued and allotted Ordinary Shares for the time being (other than Ordinary Shares held or contracted to be acquired by the offeror or its associates within the meaning of the Companies Act 2006) made in accordance with the City Code on terms which treat all such holders alike;
- (b) executing and delivering an irrevocable commitment or undertaking to accept a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein) as is referred to in sub paragraph (a) above;
- (c) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms to all holders of Ordinary Shares in the Company;
- (d) transferring or disposing of Ordinary Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Acts;
- (e) disposing of, taking up any Ordinary Shares or rights granted in respect of a rights issue or other pre-emptive share offering by the Company;
- (f) transferring Ordinary Shares to any connected person (as defined in the Companies Act) of the Selling Shareholder;
- (g) granting of any security, pledges or charges (**Security Interest**) over, or in relation to, or assigning any rights in relation to, the Ordinary Shares to or for the benefit of one or more finance providers (**Margin Loan Lender**) in connection with any facility granted to the Selling Shareholder (**Margin Loan Facility**);
- (h) transferring, or disposing of, any Ordinary Shares pursuant to any enforcement of any Security Interest over, or in relation to, the Ordinary Shares granted to or for the benefit of a Margin Loan Lender in connection with any Margin Loan Facility;
- (i) from entering into, and transferring Ordinary Shares in accordance with the terms of, the Stock Lending Agreement (as defined in “*Details of the Global Offering—Stock Lending Agreement*”) and the Over-allotment Option;
- (j) in the case of Emirates NBD Bank PJSC, transferring or disposing of any Ordinary Shares which ENBD Capital PSC or an Affiliate has purchased in connection with its obligations pursuant to the Underwriting Agreement; or
- (k) in the case of WP/GA, transferring any Ordinary Shares to or for the benefit of certain of its indirect shareholders, International Finance Corporation and IFC Middle East and North Africa Fund, LP,

provided that, in the case of paragraphs (f), (g) (in circumstances where there is a transfer or disposition of Ordinary Shares pursuant to the grant of such Security Interest over, or in relation to, the Shares to a Margin Loan Lender), and (h) and (k), prior to any such transfer or disposition, the relevant transferee has entered into a deed of adherence.

The Company has agreed that, subject to the exceptions described below, during the period of 180 days from the date of Admission, neither it nor any member of the Group will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, save that the above restrictions shall not apply in respect of: (a) the issue of Ordinary Shares pursuant to the Pre-IPO Reorganisation Arrangements; or (b) the issue of Ordinary Shares pursuant to the grant, vesting or exercise of options or, awards under share option schemes described in “*Additional Information—Share Incentive Plans*”.

Without the prior written consent of the Company, Mastercard will not, with respect to the Ordinary Shares acquired by it in the Global Offering, for a period from the date of Admission until two (2) years from Admission, directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any such Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into such Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing, save that the above restrictions shall not prohibit Mastercard from:

- (a) accepting a general offer made to all holders of issued and allotted shares for the time being (other than shares held or contracted to be acquired by the offeror or its associates within the meaning of the Companies Act 2006) made in accordance with the City Code on terms which treat all such holders alike;
- (b) executing and delivering an irrevocable commitment or undertaking to accept a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein) as is referred to in sub paragraph (a) above;
- (c) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms to all holders of Ordinary Shares in the Company;
- (d) transferring or disposing of Ordinary Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Acts;
- (e) taking up any Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company; and
- (f) transferring Ordinary Shares to any affiliate, provided that prior to any such transfer, the relevant transferee has agreed to adhere to the terms of the Cornerstone Agreement in a form satisfactory to the Company, acting in good faith,

and the lock-up shall cease to apply if the Company or any other member of the Group is successfully prosecuted for fraud, breach of any applicable anti-money laundering, anti-bribery or anti-corruption laws, a violation of laws pertaining to economic sanctions or international trade controls, or tax evasion or other significant financial crime activity.

Stabilisation and Over-allotment Option

In connection with the Global Offering, Citigroup (the **Stabilising Manager**), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares and effect other transactions to maintain the market price of the Ordinary Shares at a level other than that which might otherwise prevail in the open market (the **Over-allotment Option**). Such transactions may include short sales, stabilising transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Stabilising Manager of a greater number of Ordinary Shares than the Joint Bookrunners and Co-Lead Manager are required to procure purchasers for, or failing which, the Underwriters are required to purchase in the Global Offering. Stabilising transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Ordinary Shares while the Global Offering is in progress. Such transactions shall be carried out in accordance with applicable rules and regulations. Such stabilisation activities may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period from the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter.

However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken with the intention of stabilising the market price of the Ordinary Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Global Offering.

In connection with the Global Offering, the Stabilising Manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 15 per cent. of the total number of Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares). The Stabilising Manager has entered into the Over-allotment Option with the Over-allotment Shareholders pursuant to which the Stabilising Manager may require the Over-allotment Shareholders to transfer at the Offer Price additional Ordinary Shares representing

up to 15 per cent. of the total number of Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares), to allow it to cover short positions arising from over-allotments and/or stabilising transactions. The Over-allotment Option may be exercised in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. The Over-allotment Shares made available pursuant to the Over-allotment Option will be sold on the same terms and conditions as, and will rank equally with, the other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the other Ordinary Shares.

Stock Lending Arrangements

In connection with settlement and stabilisation, the Stabilising Manager has, on the date of this Prospectus, entered into a stock lending agreement (the **Stock Lending Agreement**) with the Over-allotment Shareholders pursuant to which the Stabilising Manager will be able to borrow from the Over-allotment Shareholders a number of Ordinary Shares equal in aggregate to up to 15 per cent. of the total number of Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares) for the purposes, among other things, of allowing the Stabilising Manager to settle, at Admission, over-allotments, if any, made in connection with the Global Offering.

If the Stabilising Manager borrows any Ordinary Shares pursuant to the Stock Lending Agreement, it will be obliged to return equivalent shares to the Over-allotment Shareholders in accordance with the terms of the Stock Lending Agreement.

Dealing Arrangements

Application has been made to the FCA for all of the Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for those Ordinary Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange. It is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange at 8:00 am on 11 April 2019. The earliest date for settlement of such dealings will be 16 April 2019. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8:00 am on 16 April 2019. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. The above-mentioned dates and times may be changed without further notice.

Each investor will be required to undertake to pay the Offer Price for the Ordinary Shares sold to such investor in such manner as shall be directed by the Joint Global Coordinators.

It is intended that, where applicable, definitive share certificates in respect of the Ordinary Shares will be despatched by 16 April 2019 or as soon thereafter as is practicable. Temporary documents of title will not be issued. Dealings in advance of crediting of the relevant CREST stock account(s) shall be at the sole risk of the persons concerned.

Following Admission, the Ordinary Shares held by the Selling Shareholders and the Directors will be subject to the lock-up arrangements described in “—*Lock-up arrangements and exceptions*” above.

Other Relationships

Subject to the terms and conditions of the Underwriting Agreement, each of the Banks and any affiliate, acting as an investor for its own account, in connection with the Global Offering, may take up Ordinary Shares and in that capacity may retain, purchase or sell for its own account such Ordinary Shares and any related investments and may offer or sell such Ordinary Shares or other investments otherwise than in connection with the Global Offering. Accordingly, references in this Prospectus to the Ordinary Shares being offered or placed should be read as including any offering or placement of Ordinary Shares to the Banks and any affiliate acting as an investor for its own account.

None of the Banks intend to disclose the extent of any such investment or transactions otherwise than to the Company and the Selling Shareholders and in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Global Offering, certain of the Banks may enter into financing arrangements with investors, such as share-swap arrangements or lending arrangements where securities are used as collateral, that could result in such Banks acquiring shareholdings in the Company.

CREST

CREST is a paperless settlement system enabling securities to be transferred from one CREST account to another without the need to use share certificates or written instruments of transfer. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and, also with effect from Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Selling Restrictions

The distribution of this document and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Ordinary Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or purchase any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

European Economic Area

In relation to each Member State of the European Economic Area (each, a **Relevant Member State**), no Ordinary Shares have been offered or will be offered pursuant to the Global Offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Ordinary Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive (**Qualified Investors**);
- (b) to fewer than 150 natural or legal persons (other than Qualified Investors) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the Banks, the Selling Shareholders and the Company that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to subscribe for or purchase any Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. “Prospectus Directive” means Directive 2003/71/EC (as amended, or so superseded including by Directive 2010/73/EU or by Regulation (EU) 2017/1129), and includes any relevant implementing measure in the Relevant Member State.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a Relevant Member State to Qualified Investors or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Banks and their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Banks of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Ordinary Shares in the Global Offering.

Guernsey

Notice to prospective investors in the Bailiwick of Guernsey

The offer referred to in this Prospectus is available, and is and may be made, in or from within the Bailiwick of Guernsey, and this Prospectus is being provided in or from within the Bailiwick of Guernsey only:

- (a) by persons licensed to do so by the Guernsey Financial Services Commission (the **GFSC**) under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the **POI Law**);
- (b) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (b) meet the criteria specified in section 29(1)(cc) of the POI Law;
- (c) by reverse solicitation; or
- (d) as otherwise permitted by the GFSC.

The offer referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Jersey

The circulation of this document in Jersey is exempt from the requirement to seek the consent of the Jersey Financial Services Commission pursuant to Article 8 of the Control of Borrowing (Jersey) Law 1958, as amended. It must be distinctly understood that the Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

United States of America

The Ordinary Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Ordinary Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Global Offering of the Ordinary Shares, an offer or sale of Ordinary Shares within the United States by any dealer (whether or not participating in the Global Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of Ordinary Shares within the United States only to

QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Regulation S

Each acquirer of the Ordinary Shares outside the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

1. it (a) is aware that the sale of the Ordinary Shares is being made pursuant to and in accordance with Rule 903 or 904 of Regulation S; (b) is, or at the time such Offer Shares are purchased will be, the beneficial owner of those Offer Shares; and (c) is, and the person, if any, for whose account it is acquiring such Offer Shares is, located outside the United States (within the meaning of Regulation S) and is purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S;
2. it is not the Company's or a Selling Shareholders' affiliate or a person acting on behalf of such an affiliate;
3. it understands that the Ordinary Shares have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or otherwise transferred except: (a) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S; or (b) to a person whom the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of one or more QIBs in a transaction meeting the requirements of Rule 144A, in each case in accordance with any applicable securities laws of any state of the United States;
4. it acknowledges that the Company, the Selling Shareholders, the Banks and their affiliates, and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements; and
5. it acknowledges that the Company will not recognise any resale or other transfer, or attempted resale or other transfer, in respect of the Offer Shares made other than in compliance with the above stated restrictions.

Rule 144A

Each acquirer of Ordinary Shares within the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

1. it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;
2. it is: (i) a QIB within the meaning of Rule 144A; (ii) acquiring the Ordinary Shares for its own account or for the account of one or more QIBs with respect to whom it has sole investment discretion with respect to each such account and the authority to make, and does make, the representations and warranties set forth herein on behalf of each such account; (iii) acquiring the Ordinary Shares for investment purposes, and not with a view to further distribution of such Ordinary Shares; and (iv) aware, and each beneficial owner of the Ordinary Shares has been advised, that the sale of the Ordinary Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
3. it understands that the Ordinary Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except: (i) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; (iii) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available); or (iv) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. The purchaser will, and each subsequent holder is required to, notify any subsequent purchaser from it of those Ordinary Shares of the resale restrictions

referred to in (i), (ii), (iii) and (iv) above. No representation can be made as to the availability of the exemption provided by Rule 144 for resale of the Ordinary Shares.

4. it further: (A) understands that the Ordinary Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Ordinary Shares established or maintained by a depositary bank; (B) acknowledges that the Ordinary Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Ordinary Shares; and (C) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Ordinary Shares made other than in compliance with the above-mentioned restrictions;
5. it understands that the Ordinary Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE ORDINARY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE **US SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE ORDINARY SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE ORDINARY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF ORDINARY SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

6. it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Ordinary Shares while they remain “restricted securities” within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above;
7. it acknowledges that the Company, the Selling Shareholders, the Banks and their affiliates, and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.; and
8. it acknowledges that the Company will not recognise any resale or other transfer, or attempted resale or other transfer, in respect of the Ordinary Shares made other than in compliance with the above stated restrictions.

Australia

This document:

- (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (**Corporations Act**);
- (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act;
- (c) has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (**ASIC**), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and

- (d) may not be provided in Australia other than to select investors (**Exempt Investors**) who are able to demonstrate that they: (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act; and (ii) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Ordinary Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Ordinary Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Ordinary Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Ordinary Shares, each subscriber or purchaser of Ordinary Shares represents and warrants to the Company, the Selling Shareholders, the Banks and their affiliates that such subscriber or purchaser is an Exempt Investor.

As any offer of Ordinary Shares under this document, any supplement or the accompanying prospectus or any other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Ordinary Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Ordinary Shares, each subscriber or purchaser of Ordinary Shares undertakes to the Company, the Selling Shareholders, the Banks that such subscriber or purchaser will not, for a period of 12 months from the date of issue or purchase of the Ordinary Shares, offer, transfer, assign or otherwise alienate those Ordinary Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Canada

The offer and sale of the Ordinary Shares in Canada will only be made in the Relevant Provinces or to residents thereof and not in, or to the residents of, any other Province or Territory of Canada. Such offers and sales will be made only pursuant to a Canadian Offering Memorandum consisting of this prospectus accompanied by a Canadian supplement.

The Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or Subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies of rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that this Prospectus has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the **SCA**) or any other authorities in the UAE (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004), nor have the Banks received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made

from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that any of the Banks is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Ordinary Shares are not intended for circulation or distribution in or into the UAE, other than to persons who are “Qualified Investors” within the meaning of the SCA’s Board of Directors Decision No. 3 of 2017 Concerning the Organisation of Promotion and Introduction to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE in accordance with the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock, or otherwise.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Dubai International Financial Centre

The Ordinary Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the **DFSA**); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

The DFSA has not approved this Prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The Ordinary Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Ordinary Shares offered should conduct their own due diligence on the Offer Shares. If you do not understand the contents of this Prospectus, you should consult an authorised financial adviser.

Kingdom of Saudi Arabia

This Prospectus may not be distributed in the Kingdom of Saudi Arabia (**KSA**), except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations (the **Saudi Regulations**) issued by the Board of the Capital Market Authority (the **Capital Market Authority**) pursuant to resolution number 3-123-2017, dated 27 December 2017 (as amended), based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Prospectus, he or she should consult an authorised financial adviser.

The Ordinary Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the KSA other than to Sophisticated Investors within the meaning of Article 9 of the Saudi Regulations.

The offer of Ordinary Shares in the KSA shall not, therefore, constitute a “public offer” pursuant to the Saudi Regulations. Prospective investors are informed that Article 15 of the Saudi Regulations places restrictions on secondary market activity with respect to the Ordinary Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by the Group.

Lebanon

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Ordinary Shares cannot be marketed and sold in Lebanon. No public offering of the Ordinary Shares is being made in Lebanon and no mass-media means of contact are being employed. This Prospectus is aimed at institutions and sophisticated, high net worth individuals only, and this Prospectus will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Prospectus should pay particular attention to the section titled “*Risk Factors*” in this Prospectus. Investment in the Ordinary Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Prospectus does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Ordinary Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Prospectus or for the performance of the Company with respect to the Ordinary Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Ordinary Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are “accredited investors”.

For this purpose, an “accredited investor” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of USD 1,000,000 or more;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than USD 1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Ordinary Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Ordinary Shares is being made in Kuwait, and no agreement relating to the sale of the Ordinary Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Ordinary Shares in Kuwait.

Japan

The Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the **FIEL**). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an

exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Ordinary Shares or the Global Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Global Offering, the Company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Ordinary Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (**CISA**). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Ordinary Shares.

China

The shares under this Prospectus may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering, resale or redelivery, directly or indirectly, in the PRC in contravention of any applicable laws. It is further acknowledged that (i) no fee will be charged to any PRC investors for distribution of this Prospectus other than a 1 per cent. standard brokerage fee upon purchase of shares in the equity market outside of the PRC; (ii) this Prospectus contains relevant disclaimers; (iii) no public media or other means of public distribution or announcement will be used within the PRC in connection with the delivery or distribution of this Prospectus; (iv) this Prospectus will not be presented as, or otherwise constitute provision of any consultancy or advisory service of securities investment, or constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC. The issuer does not represent that this Prospectus may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the issuer which would permit a public offering of any securities or distribution of this document in the PRC. Accordingly, the shares are not being offered or sold within the PRC by means of this Prospectus or any other document. For this purpose, the term “PRC” excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan. Anybody who wishes to distribute research reports in the PRC should discuss with the Joint Global Coordinators before proceeding.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of the Prospectus or any documents issued in connection with it. Accordingly: (a) the Ordinary Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong); and (b) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Ordinary Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

No person sold Ordinary Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. Potential equity investors are advised to exercise caution in relation to the offer. Potential equity investors in doubt about any contents of this Prospectus should obtain independent professional advice.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares may not be circulated or distributed, nor may the Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)) pursuant to Section 274 of the SFA; (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Ordinary Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Ordinary Shares pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer; where the transfer is by operation of law;
- (iii) as specified in Section 276(7) of the SFA;
- (iv) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

South Africa

In South Africa, the Offer will only be made by way of private placement to, and be capable of acceptance by (i) persons falling within the exemptions set out in section 96(1)(a) and/or (ii) selected persons, acting as principal, acquiring Offer Shares for a contemplated total acquisition cost of R1 million or more, as envisaged in section 96(1)(b), of the South African Companies Act, 2008 (**South African Companies Act**) and to whom the Offer will specifically be addressed (**South African Qualifying Investors**) and this Prospectus is only being made available to such South African Qualifying Investors. The Offer and the Prospectus do not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and to subscribe for, Ordinary Shares to the public as defined in the South African Companies Act and will not be made or distributed, as applicable, to any person in South Africa in any manner which could be construed as an offer to the public in terms of the South African Companies Act. Should any person who is not a South African Qualifying Investor receive this Prospectus, they should not and will not be entitled to acquire any Offer Shares or otherwise act thereon. This Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act or an advertisement in terms of section 98 of the South African Companies Act. Accordingly, the Prospectus does not comply with the substance and form requirements for prospectuses or advertisements set out in the South African Companies Act and the South African Companies Regulations of 2011 and has not been approved by, and/or registered with, the South African Companies and Intellectual Property Commission, or any other South African authority.

The information contained in this Prospectus constitutes factual information as contemplated in section 1(3)(a) of the FAIS Act and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Offer Shares is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

TAXATION

1. UK TAXATION

The following statements are intended to apply only as a general guide to certain UK tax considerations in relation to the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of Her Majesty's Revenue and Customs (**HMRC**) (which may not be binding on HMRC), both of which may change at any time, possibly with retrospective effect.

They relate only to certain limited aspects of the UK taxation treatment of, and are intended to apply only to, Shareholders who are resident and, in the case of individuals, domiciled or deemed domiciled, solely in the United Kingdom for UK tax purposes (except where the position of non-UK resident or non-UK domiciled Shareholders is referred to expressly) and do not apply to Shareholders to whom "split year" treatment applies. They apply only to Shareholders who hold their Ordinary Shares as investments (other than in an individual savings account or a self-invested personal pension) and who are the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them. The statements may not apply to certain categories of Shareholders, such as (but not limited to) trustees, persons acquiring their Ordinary Shares in connection with an office or employment, persons holding their shares through trust arrangements, dealers in securities, banks, insurance companies and collective investment schemes.

Prospective holders of Ordinary Shares who are unsure as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

1.1 Taxation of dividends

(a) Withholding Tax

The Company will not be required to deduct or withhold amounts on account of UK tax at source from dividend payments, irrespective of the residence or particular circumstances of the Shareholder receiving such dividend payment.

(b) Individual Shareholders

A nil rate of income tax will apply for the first GBP 2,000 of dividend income received by individual Shareholders in a tax year (the **Nil Rate Amount**).

The rate of tax applicable to dividend income in excess of the Nil Rate Amount will depend on the wider tax position of the Shareholder. Broadly speaking, after taking into account the amount (if any) of a Shareholder's personal allowance, and any other allowances, exemptions and reliefs, the Shareholder's taxable income up to the basic rate limit will fall within the basic rate band; taxable income between the basic rate limit and the higher rate limit will fall within the higher rate band; and taxable income above the higher rate limit will fall within the additional rate band. For the tax year running 6 April 2018 to 5 April 2019, the basic rate limit is GBP 34,500 and the higher rate limit is GBP 150,000. In October 2018 the UK Government announced its intention to raise the basic rate limit to GBP 37,500 for the tax year running 6 April 2019 to 5 April 2020. These limits may be subject to future change.

The rates of income tax on dividends received above the Nil Rate Amount are:

- (i) 7.5 per cent. to the extent the dividend income falls in the basic rate band;
- (ii) 32.5 per cent. to the extent the dividend income falls in the higher rate band; and
- (iii) 38.1 per cent. to the extent the dividend income falls in the additional rate band.

In determining the tax band in which any dividend income over the Nil Rate Amount falls, dividend income is treated as the top slice of a Shareholder's income, and dividend income within the Nil Rate Band is still taken into account.

Because dividend income (including income within the Nil Rate Amount) is taken into account in assessing whether a Shareholder's overall income is above the basic, higher or additional rate thresholds, the receipt of such income may also affect the amount of personal allowance to which the Shareholder is entitled.

(c) Corporate Shareholders

Shareholders within the charge to UK corporation tax that are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on dividends received from the Company so long as certain conditions are met (including an anti-avoidance condition).

Shareholders within the charge to UK corporation tax that are not “small companies” for this purpose will not be subject to UK corporation tax on any dividend received so long as the dividend falls within an exempt class and certain conditions are met. For example: (i) dividends paid on shares that are not redeemable and which do not carry any present or future preferential rights to dividends or to the Company’s assets on its winding-up; and (ii) dividends paid to a person holding less than 10 per cent. interest in the Company, should generally fall within an exempt class. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that Shareholder (the main rate of corporation tax is currently 19 per cent., reducing to 17 per cent. from 1 April 2020).

1.2 Capital Gains

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for tax purposes may, depending on the Shareholder’s circumstances and subject to any available exemptions or reliefs, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

(a) Individual Shareholders

For individual Shareholders, the principal factors that will determine the UK capital gains tax position on a disposal or deemed disposal of Ordinary Shares are the extent to which the Shareholder realises any other capital gains in the UK tax year in which the disposal is made, the extent to which the shareholder has incurred capital losses in that or earlier UK tax years, the income tax band into which the Shareholder falls, and the level of the annual allowance of tax-free gains in that UK tax year (the **Annual Exemption**). The Annual Exemption for the tax year running 6 April 2018 to 5 April 2019 is GBP 11,700. In October 2018 the UK Government announced its intention to raise the Annual Exemption to GBP 12,000 for the tax year running 6 April 2019 to 5 April 2020.

The applicable rate for an individual Shareholder, who is subject to income tax at a rate or rates not exceeding the basic rate and who makes a capital gain on the disposal (or deemed disposal) of Ordinary Shares, which (after taking advantage of the Annual Exemption and deducting any available capital losses) is liable to UK capital gains tax, is 10 per cent. Where an individual Shareholder is subject to income tax at either the higher or the additional rate, or to the extent that any gain on the disposal (or deemed disposal) takes the individual Shareholder’s aggregate income and gains over the basic rate limit, the applicable rate will be 20 per cent.

A Shareholder who ceases to be resident in the United Kingdom for tax purposes and then reacquires UK tax residence before five complete tax years have elapsed and who disposes of Ordinary Shares during that period of non-residence may also be liable on their return to the United Kingdom to tax on any capital gain realised, subject to any available exemptions or reliefs.

(b) Corporate Shareholders

A disposal or deemed disposal of Ordinary Shares by a Shareholder within the charge to UK corporation tax may give rise to a chargeable gain or allowable loss for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemptions or reliefs. UK corporation tax is charged on chargeable gains at the rate applicable to that company.

1.3 Inheritance Tax

The Ordinary Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax.

Accordingly, regardless of whether or not a Shareholder is resident, domiciled or deemed domiciled in the United Kingdom for tax purposes: (a) the deemed transfer of Ordinary Shares on the death of the Shareholder under the UK inheritance tax rules; or (b) a lifetime disposition (which includes a gift, transfer at less than full market value, settlement or deemed transfer) of the Ordinary Shares may give rise to a liability to UK inheritance tax. The applicable rate of inheritance tax depends on the circumstances of the Shareholder and can be up to 40 per cent. on the value of the transfer.

Various exemptions and reliefs may be available depending on the circumstances of the Shareholder and of the disposition. In particular, no inheritance tax liability should generally arise for a Shareholder who is not domiciled or deemed domiciled in the United Kingdom, unless the cumulative aggregate value of their UK assets, including any gifts of UK assets in the previous seven years, has exceeded the inheritance tax nil rate band (currently GBP 325,000).

A non-UK domiciled Shareholder who is unsure as to whether a disposition may be within the scope of UK inheritance tax or where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country is recommended to seek professional advice.

1.4 Stamp duty and stamp duty reserve tax

The following statements about UK stamp duty and stamp duty reserve tax (**SDRT**) apply regardless of whether or not a Shareholder is resident, domiciled or deemed domiciled in the United Kingdom. Certain categories of person, including intermediaries, brokers, dealers and persons connected with depositary receipt arrangements and clearance services, may not be liable to stamp duty or SDRT or may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

(a) The Offer

The sale of Ordinary Shares by the Selling Shareholders under the Global Offering will generally give rise to a liability to stamp duty and/or SDRT at a rate of 0.5 per cent. of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of GBP 5). Under the terms of the Underwriting Agreement, the Selling Shareholders have agreed to meet such liability.

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts or a person providing a clearance service. Under these special rules, SDRT or stamp duty may be charged at a rate of 1.5 per cent. Under the terms of the Underwriting Agreement, the Selling Shareholders will not be required to generally meet such a liability in excess of 0.5 per cent.

(b) Deposit of Ordinary Shares in CREST

Deposits of Ordinary Shares into CREST will generally not be subject to stamp duty or SDRT unless such a transfer is made for a consideration in money or money's worth, in which case, a liability to SDRT will arise usually at the rate of 0.5 per cent. of the amount or value of the consideration.

(c) Subsequent transfers within CREST

Paperless transfers of Ordinary Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system and to account for this to HMRC. In practice, the charge is generally borne by the purchaser or transferee of the Ordinary Shares.

(d) Subsequent transfers outside CREST

The conveyance or transfer on sale of Ordinary Shares outside the CREST system will generally be subject to stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest GBP 5).

An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is GBP 1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds GBP 1,000.

An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration for the Ordinary Shares. However, where, within six years of the date of the agreement (or, if the agreement is conditional, the date on which it becomes unconditional) an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will generally be refunded (generally, but not necessarily, with interest) provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled.

The purchaser or transferee of the Ordinary Shares will generally be responsible for paying SDRT. In the absence of contractual agreement, no party is legally responsible for the payment of stamp duty as it is not an assessable tax; however in practice the purchaser or transferee will usually pay this to ensure that the company register of members can be updated by the registrar to show the transfer.

Special rules apply to depositary receipts systems and clearance services.

2. US FEDERAL INCOME TAXATION

The following is a summary of certain US federal income tax considerations relevant to US Holders and Non-US Holders (as defined below) acquiring, holding and disposing of the Shares. This summary is based on the US Internal Revenue Code of 1986 (the **Code**), final, temporary and proposed US Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all of which are subject to change, possibly with retroactive effect.

This summary does not discuss all aspects of US federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation):

- (a) financial institutions;
- (b) insurance companies;
- (c) traders or dealers in stocks, securities, currencies or notional principal contracts;
- (d) regulated investment companies;
- (e) real estate investment trusts;
- (f) tax-exempt organisations;
- (g) entities that are treated as partnerships or pass-through entities for US federal income tax purposes or persons that hold Ordinary Shares through such entities;
- (h) holders that own (directly, indirectly or constructively) 10 per cent. or more of the stock by vote or value of the Company;
- (i) investors that hold Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for US federal income tax purposes;
- (j) US Holders that have a functional currency other than the US dollar; and
- (k) US expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary also does not address tax consequences applicable to holders of equity interests in a holder of the Ordinary Shares, US federal estate, gift, Medicare contribution or alternative minimum tax considerations or non-US, state or local tax considerations. This summary only addresses investors that will acquire Ordinary Shares in the Offering, and it assumes that investors will hold their Ordinary Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a **US Holder** is a beneficial owner of Ordinary Shares that is for US federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source; or (iv) a trust subject to the control of one or more US persons and under the primary supervision of a US court or that has validly elected to be treated as a domestic trust for US federal income tax purposes. A **Non-US Holder** is a beneficial owner of Ordinary Shares that is neither a US Holder nor a partnership.

If a partnership holds Ordinary Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the US federal income tax consequences to them of the acquisition, ownership and disposition of Ordinary Shares.

2.2 Distributions

Subject to the passive foreign investment company (**PFIC**) rules discussed below, a distribution made by the Company on the Ordinary Shares generally will be treated as a dividend includible in the gross income of a US Holder as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of such distribution exceeds the Company's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such US Holder's adjusted tax basis in the Ordinary Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such shares. The Company does not expect to maintain calculations of earnings and profits for US federal income tax purposes. Therefore, a US Holder should expect that such distribution will generally be

treated as a dividend. In addition, such dividends will not be eligible for the dividends received deduction allowed to US corporations with respect to dividends received from other US corporations.

Dividends received by individuals and certain other non-corporate US Holders should be taxed at the preferential rate applicable to qualified dividend income if (i) the Company qualifies for the benefits of the income tax treaty between the United States and the United Kingdom (the Treaty), (ii) the Company is not classified as a PFIC (as discussed below) in the year of distribution or the preceding year, and (iii) the holder has held the Ordinary Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Although it cannot provide assurances to this effect, and its circumstances could change, the Company currently expects to be eligible for the benefits of the Treaty.

Dividends on the Ordinary Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

The US dollar value of any distribution made by the Company in non-US currency must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the US Holder, regardless of whether the non-US currency is in fact converted into US dollars. If the non-US currency so received is converted into US dollars on the date of receipt, such US Holder generally will not recognise foreign currency gain or loss on such conversion. If the non-US currency so received is not converted into US dollars on the date of receipt, such US Holder will have a basis in the non-US currency equal to its US dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the non-US currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

2.3 Sale or other Disposition

Subject to the PFIC rules discussed below, a US Holder generally will recognise gain or loss for US federal income tax purposes upon a sale or other disposition of its Ordinary Shares in an amount equal to the difference between the amount realised from such sale or disposition and the US Holder's adjusted tax basis in such Ordinary Shares, as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate US Holders, such as individuals) or loss if, on the date of sale or disposition, such Ordinary Shares were held by such US Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived from US sources.

A US Holder that receives non-US currency from a sale or disposition of Ordinary Shares generally will realise an amount equal to the US dollar value of the non-US currency on the date of sale or disposition or, if such US Holder is a cash basis or electing accrual basis taxpayer and the Ordinary Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Ordinary Shares are so treated and the non-US currency received is converted into US dollars on the settlement date, a cash basis or electing accrual basis US Holder will not recognise foreign currency gain or loss on the conversion. A non-electing accrual basis US Holder may be required to recognise foreign currency gain or loss on the conversion attributable to changes in the relevant exchange rate between the date of sale or disposition and the settlement date. If the non-US currency received is not converted into US dollars on the settlement date, the US Holder will have a basis in the non-US currency equal to the US dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-US currency generally will be treated as ordinary income or loss to such US Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

2.4 Passive Foreign Investment Company Rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which either: (a) at least 75 per cent. of its gross income is classified as "passive income"; or (b) at least 50 per cent. of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. For purposes of the above calculations, a non-US corporation that directly or indirectly owns at least 25 per cent. by value of the stock of another corporation is treated as if it held its proportionate share of the assets of such other corporation and received directly its proportionate share of the income of such other corporation.

Based on the present nature of its activities, including the Offering, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ended on 31 December 2018 and does not expect to become a PFIC for the current year or for any future taxable year. There can be no

assurances, however, that the Company will not be considered a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and will depend on, among other things, the ownership and the composition of the income and assets, as well as the market value of the assets, of the Company and its subsidiaries from time to time. If the Company is classified as a PFIC in any year that a US Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that US Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above, unless the holder makes certain election under PFIC rules. If the Company were a PFIC in any taxable year, US Holders could be subject to materially negative US tax consequences, including but not limited to special tax rules relating to dividends and certain distributions and gains on sale as well as additional tax reporting obligations. US Holders should consult their own tax adviser about the application of the PFIC rules.

2.5 Non-US Holders

Subject to the backup withholding rules described below, a Non-US Holder generally should not be subject to US federal income or withholding tax on any distributions made on the Ordinary Shares or gain from the sale, redemption or other disposition of the Ordinary Shares unless:

- (a) that distribution and/or gain is effectively connected with the conduct by that Non-US Holder of a trade or business in the United States; or
- (b) in the case of any gain realised on the sale or exchange of Ordinary Shares by an individual Non-US Holder, that Non-US Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

2.6 US Information Reporting and Backup Withholding Tax

Payments in respect of the Ordinary Shares may be subject to information reporting unless the US Holder establishes that payments to it are exempt from these rules. Payments that are subject to information reporting may be subject to backup withholding if a US Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-US Holders may be required to comply with applicable certification procedures to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Holder's US federal income tax liability and may be refunded to the extent they exceed such liability, provided a claim is timely filed with the US Internal Revenue Service.

Certain US Holders that own "specified foreign financial assets" that meet certain US dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Ordinary Shares are held in an account at certain financial institutions. Penalties can apply if US Holders fail to satisfy such reporting requirements. US Holders are urged to consult their tax advisers regarding the application of these or other disclosure requirements to their ownership of the Ordinary Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ORDINARY SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

ADDITIONAL INFORMATION

1. Responsibility

The Directors of the Company, whose names appear on page 60 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus and declare that, to the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

2. Incorporation

- 2.1** The Company was incorporated and registered in England and Wales on 27 February 2019 as a private company limited by shares under the Companies Act 2006 with registered number 11849292. The name of the Company was changed on 11 March 2019 from Network International Holdco Limited to Network International Holdings Limited. In accordance with section 755 of the Companies Act 2006 and as part of the terms of the Global Offering, the Company has undertaken to re-register as a public limited company with the name Network International Holdings plc prior to Admission.
- 2.2** The Company's registered office is at Suite 1, 3rd Floor 11–12 St James's Square, London SW1Y 4LB, United Kingdom. The Company's telephone number is +971 (04) 303 2431.
- 2.3** The principal laws and legislation under which the Company operates and the Ordinary Shares have been created are the Companies Act 2006 and regulations made thereunder.
- 2.4** The business of the Company, and its principal activity, is to act as the ultimate holding company of the Group.
- 2.5** By a resolution of the Directors dated 13 March 2019, KPMG LLP, whose address is 15 Canada Square, London E14 5GL was appointed as the auditors of the Company. KPMG LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

3. Share capital

- 3.1** Immediately prior to the publication of this Prospectus, the share capital of the Company was as follows:

	<u>Number</u>	<u>Amount</u>
Ordinary shares of GBP 0.10 each	500,000,000	GBP 50,000,000

- 3.2** The Company was incorporated on 27 February 2019 as a private limited company limited by shares. The issued share capital at the time of incorporation of company was GBP 100 which was issued to the initial subscriber to the Company's memorandum.
- 3.3** Since incorporation, the Company's share capital has been issued in conformity with the laws of England and Wales.
- 3.4** The Company has not undertaken share issues or offers during the period covered by the Historical Financial Information set out in this Prospectus, and no consolidations or sub-divisions in respect of the Company's share capital have occurred during that period.
- 3.5** The following changes have occurred in the share capital of the Company since its incorporation (each of which has been duly authorised or approved pursuant to the applicable articles of association of the Company):
- (a) on 29 March 2019, the Company allotted and issued 499,999,900 Ordinary Shares of GBP 1.00 per share; and
- (b) on 1 April 2019, the Company undertook a capital reduction, reducing the nominal value of the Ordinary Shares in issue to GBP 0.10 per share, such that the Company's share capital became GBP 50,000,000 Ordinary Shares of GBP 0.10 per share.
- 3.6** By resolution of the sole member of the Company, passed on 13 March 2019, the interim articles of association of the Company (the **Interim Articles**) were adopted.
- 3.7** Prior to Admission, the Company intends to seek shareholder approval for the Company to be re-registered as a public limited company prior to Admission in accordance with the provisions of

section 90 of the Companies Act 2006 and that the name of the Company be changed to “Network International Holdings plc”.

3.8 Further, prior to Admission, the Company intends to seek shareholder approval for the following resolutions of the Company, in each case to be subject to and conditional upon Admission becoming effective:

- (a) that the Articles are to be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Interim Articles;
- (b) that the Directors are to be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006, to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company, such authority being limited to:
 - (i) the allotment of up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Companies Act 2006) of GBP 16,666,667 (such amount to be reduced by any allotments of shares or grants of shares or grants of rights to subscribe for, or to convert any security into, shares in the Company made pursuant to the resolution described in paragraph 3.8(b)(ii) below in excess of such sum); and
 - (ii) the allotment of up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Companies Act 2006) of GBP 33,333,333 (such amount to be reduced by any allotments of shares or grants of shares or grants of rights to subscribe for, or to convert any security into, shares in the Company made pursuant to the resolution described in paragraph 3.8(b)(i) above) in connection with an offer by way of a rights issue in favour of existing holders of ordinary shares of the Company in proportion (as near as may be practicable) to their existing holdings (and to other holders of other equity securities if required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities),

such authorities to expire at the conclusion of the annual general meeting of the Company to be held in 2020 or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed);

- (c) that the Directors be given power to allot equity securities as defined in section 560 of the Companies Act 2006 (including, without limitation, to grant rights to subscribe for, or to convert any securities into, ordinary shares in the Company, and to sell any shares of the Company held by the Company as treasury shares) for cash pursuant to the resolution described in paragraph 3.8(b) above as if section 561 of the Companies Act 2006 did not apply to the allotment, such power being limited to:
 - (i) the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under the resolution described in paragraph 3.8(b)(ii) above, by way of a rights issue only) to or in favour of:
 - (A) holdings of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (B) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

and so that the directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and

- (ii) the allotment of equity securities pursuant to the authority granted under the resolution described at paragraph 3.8(b)(i) above and/or by virtue of section 560(3) of the Companies Act 2006 (in each case otherwise than pursuant to the resolution described at paragraph 3.8(c)(i) above) up to a maximum nominal amount of GBP 5,000,000,

such power to expire at the conclusion of the annual general meeting of the Company to be held in 2020 or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed);

- (d) that the Company be generally and unconditionally authorised to make market purchases within the meaning of section 693 of the Companies Act 2006 of Ordinary Shares on such terms and in such manner as the directors of the Company may determine, such authority being limited:
- (i) to a maximum aggregate number of 50,000,000 Ordinary Shares;
 - (ii) by the condition that the maximum price which may be paid for any Ordinary Share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) may not be more than the higher of:
 - (A) an amount equal to 105 per cent. of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased; and
 - (B) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out; and
 - (iii) by the condition that the minimum price which may be paid shall be GBP 0.10 per Ordinary Share (being the nominal value of that Ordinary Share, exclusive of expenses payable by the Company in connection with the purchase),

such authority to expire at the conclusion of the annual general meeting of the Company to be held in 2020 or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed); and

- (e) that, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be authorised to:
- (i) make political donations to political parties or independent election candidates;
 - (ii) make political donations to political organisations other than political parties; and
 - (iii) incur political expenditure,

provided that the aggregate amount of any such donations and expenditure shall not exceed GBP 100,000 during the period beginning with the date of the passing of this resolution and ending at the conclusion of the annual general meeting of the Company to be held in 2020 (or, if earlier, at the close of business on the date falling 12 months after the resolution conferring it is passed).

For the purpose of this resolution the terms “political donations”, “political parties”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings set out in sections 363 to 365 of the Companies Act 2006.

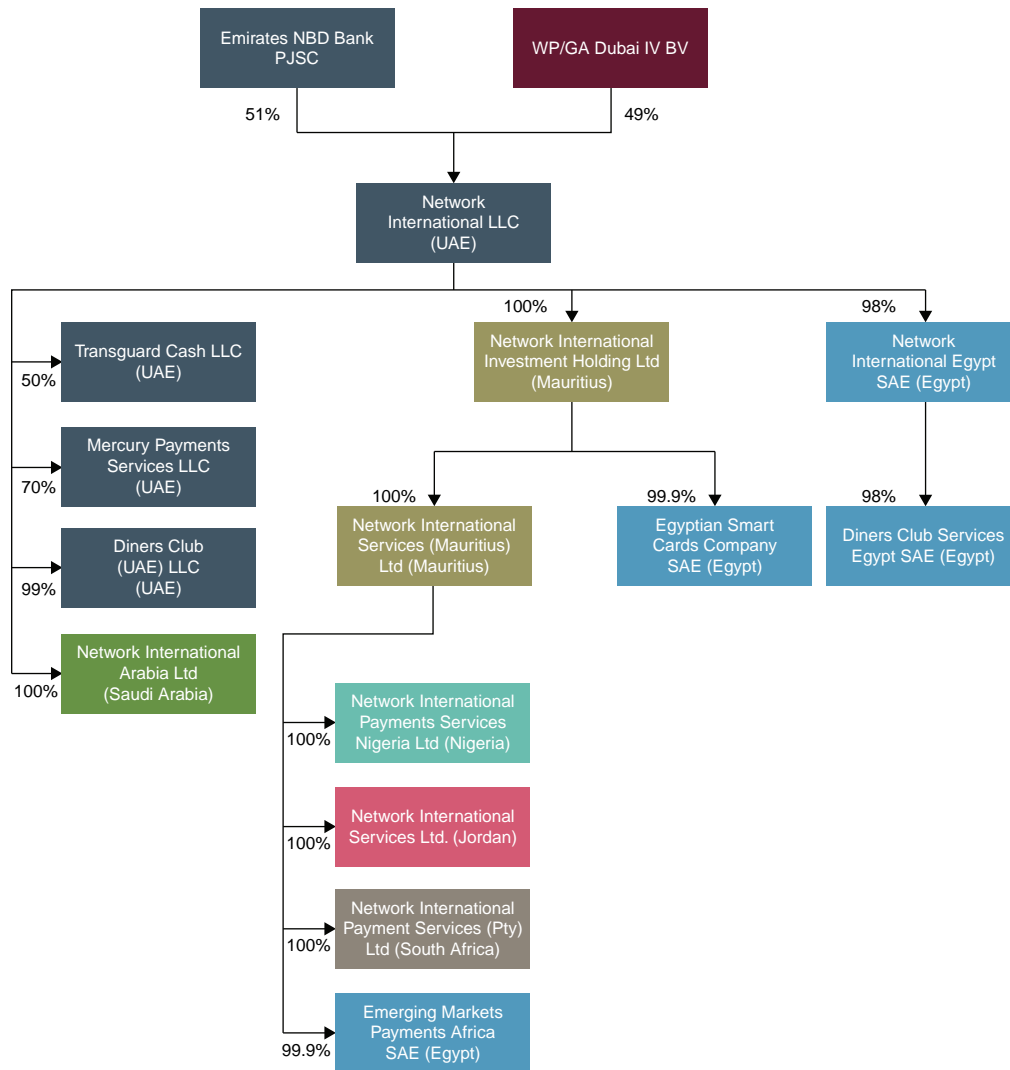
- 3.9** Except as disclosed in this Prospectus, there is no contract or arrangement, nor has any been proposed, whereby an option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the Company or its subsidiaries.

4. Pre-IPO Reorganisation

- 4.1** The Group has undertaken certain steps as part of a reorganisation of its corporate structure, and will undertake certain further steps immediately prior to and in connection with Admission (the **Pre-IPO Reorganisation**). The result of the Pre-IPO Reorganisation will be that, as at Admission, in the event Admission occurs, the Company will be the ultimate holding company of the Group and, in order to satisfy foreign ownership requirements in the UAE, the Group will have been reorganised into the UAE Entities and the Non-UAE Entities sub-groups—for further detail on these restrictions refer to “*The Group’s Corporate Structure*”.

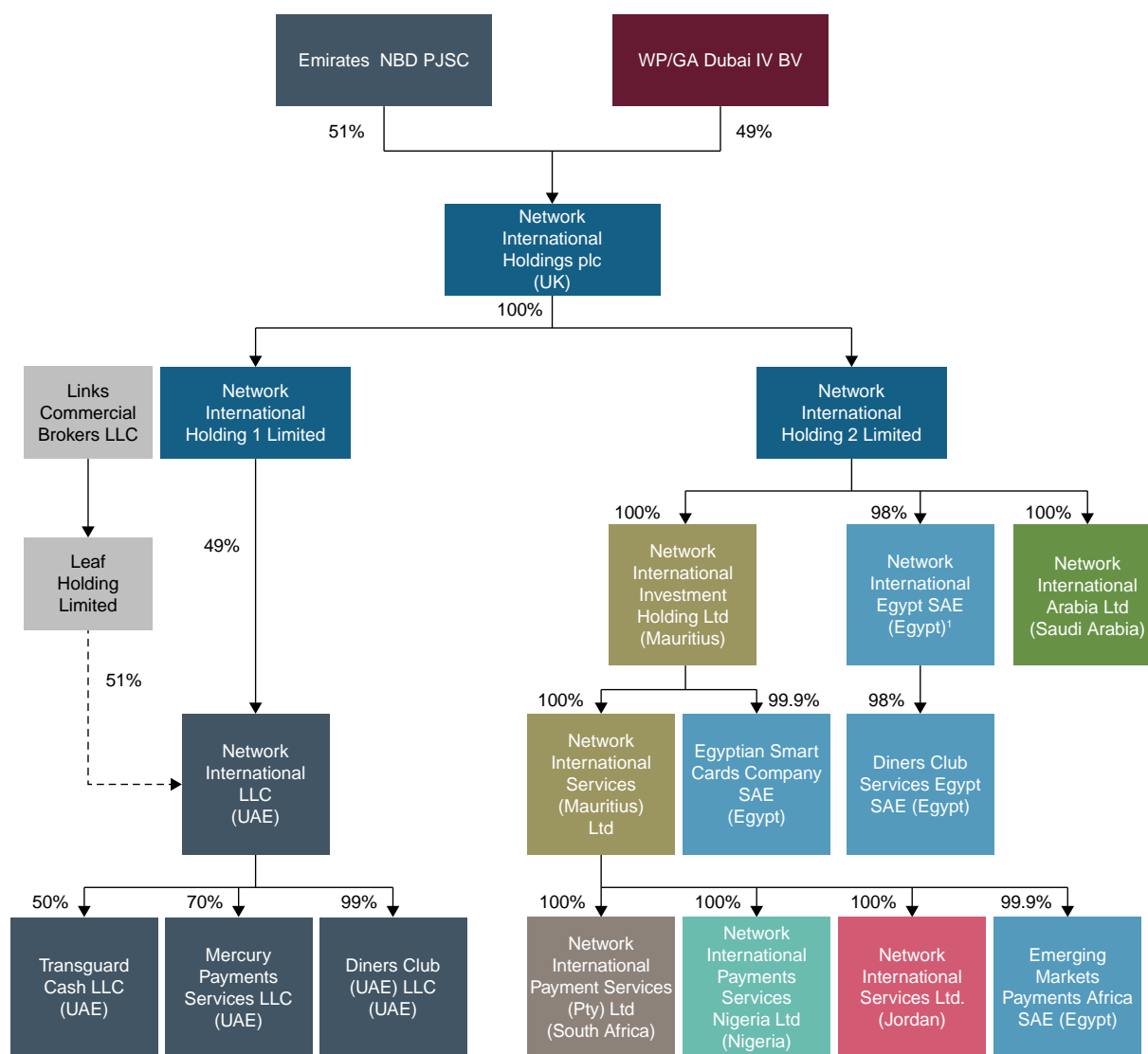
4.2 Pre-Reorganisation Structure of the Group

The following diagram illustrates the corporate structure of the Group prior to the Pre-IPO Reorganisation:



4.3 Post-Reorganisation Structure of the Group

The following diagram illustrates the corporate structure of the Group following the Pre-IPO Reorganisation, as described in more detail below.



Notes:

- (1) The Group is in the process of transferring the legal interest in 98 per cent. of the shares in Network International Egypt SAE from Network International LLC to a wholly owned subsidiary of the Company, Network International Holding 2 Limited. The transfer of such legal interests is expected to be completed within one month of Admission, although the full economic interest in such shares will be vested in Network International Holding 2 Limited at Admission.

4.4 The principal Pre-IPO Reorganisation steps that have taken place as at the date of this Prospectus are as follows:

- (a) Network International LLC established the Company, as a wholly owned subsidiary, on 27 February 2019;
- (b) Network International LLC established Network International Holding 2 Limited, as a wholly owned subsidiary, on 28 February 2019;
- (c) Network International LLC transferred to Network International Holding 2 Limited:
 - (i) its shareholding in Network International Investment Holding Ltd, on 11 March 2019; and
 - (ii) its economic interests in its investment (consisting of a 98 per cent. shareholding and an equity classified shareholder loan) in Network International Egypt SAE, on 11 March 2019;
- (d) The Existing Shareholders established Network International Holding 1 Limited, on 19 March 2019;

- (e) Network International LLC transferred its shareholding in the Company to Emirates NBD Bank PJSC and WP/GA Dubai IV B.V., as the existing shareholders of Network International LLC (the **Existing Shareholders**) on 20 March 2019;
- (f) The Local Sponsor was incorporated in DIFC as a subsidiary of Links Commercial Brokers LLC, which is part of the Links Group, on 20 March 2019—see “*The Group’s Corporate Structure*” for further detail on the Links Group;
- (g) Network International LLC transferred its shareholding in Network International Holding 2 Limited to the Company at the nominal value of such shares;
- (h) Network International Holding 1 Limited entered into the Local Sponsor Documentation with the Local Sponsor on 25 March 2019—see “*The Group’s Corporate Structure*” for further detail on these arrangements;
- (i) Network International Holding 1 Limited and the Local Sponsor acquired the shares in Network International LLC from the Existing Shareholders on 25 March 2019 (with Network International Holding 1 Limited acquiring 49 per cent. of the shares, and the Local Sponsor acquiring 51 per cent. of the shares so as to comply with the UAE Ownership Requirement), with the consideration for the acquisition left outstanding. Given the Local Sponsor is only acquiring a 51 per cent. legal interest under this step, the consideration for the acquisition of Network International LLC was payable entirely by Network International Holding 1 Limited;
- (j) The Company acquired the shares in Network International Holding 1 Limited and the receivables created as part of the step described at (i) from the Existing Shareholders; and
- (k) The Company issued 499,999,900 additional ordinary shares to the Existing Shareholders on 29 March 2019 in consideration for acquiring from the Existing Shareholders:
 - (i) the shares in Network International Holding 1 Limited referred to in (j) above; and
 - (ii) the receivables created as a result of the acquisition detailed at (i) above,
 resulting in the creation of additional share capital in the Company of the GBP equivalent of USD 1,560 million and share premium of the GBP equivalent of USD 6.1 million;
- (l) The Company undertook a reduction of capital to create distributable reserves on 1 April 2019 by:
 - (i) reducing the nominal value of the Ordinary Shares in issue to GBP 0.10 per share, such that the Company’s share capital became GBP 50 million, comprising 500,000,000 Ordinary Shares of GBP 0.10 per share; and
 - (ii) cancelling any share premium created as a result of the steps detailed above.
 The reduction of capital was effected by way of the directors’ solvency statement procedure governed by the Companies Act 2006; and
- (m) Network International Holding 1 Limited capitalised its payable to the Company referred to in (j) above on 30 March 2019 through issuance by Network International Holding 1 Limited of additional shares to the Company.

4.5 Between the date of this Prospectus and Admission the Company will be re-registered as a public company limited by shares.

5. Articles of Association

The articles of association (the **Articles**), which are to be adopted with effect from Admission, include provisions to the following effect. All capitalised terms in this section are defined in the Glossary unless the context provides otherwise. In accordance with section 31(1) of the Act, the objects of the Company are unrestricted and, accordingly, the Articles do not include an objects provision.

5.1 Limited liability

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them.

5.2 *Rights attaching to shares*

(a) Voting rights of members

Subject to the Articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company the provisions of the Companies Act 2006 shall apply in relation to voting rights. At a general meeting which is held as a physical general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded. At a general meeting which is held as a combined physical and electronic general meeting, a resolution put to the vote of the meeting shall be decided on a poll. On a poll, every member present in person or by proxy has one vote for every share of which he is a holder. In the case of joint holders, the vote of the person whose name stands first in the register of members and who tenders a vote is accepted to the exclusion of any votes tendered by any other joint holders.

(b) Dividends

Subject to the rights attached to any shares issued on any special terms and conditions, dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls should be treated for these purposes as paid up on the share.

(c) Return of Capital

If the Company is in liquidation, the liquidator may, with the authority of a special resolution of the Company and any other authority required by any applicable statutory provision: (A) divide among the members in specie the whole or any part of the assets of the Company; or (B) vest the whole or any part of the assets in trustees on such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is any liability.

(d) Capitalisation of reserves

The Board may, with the authority of an ordinary resolution of the Company: (A) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including the share premium account and capital redemption reserve) or any sum standing to the credit of the profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution); and (B) appropriate that sum as capital to the holders of shares in proportion to the nominal amount of the share capital held by them respectively and apply that sum on their behalf in paying up in full any shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by the resolution provided that the share premium account and the capital redemption reserve, any redenomination reserve and any sum not available for distribution in accordance with the applicable statutory provisions may only be applied in paying up shares to be allotted credited as fully paid up.

5.3 *Issue of Ordinary Shares*

(a) The Company may from time to time pass an ordinary resolution authorising, in accordance with section 551 of the Companies Act 2006, the Board to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to the maximum nominal amount specified in the resolution. The authority shall expire on the day specified in the resolution (not being more than five years from the date on which the resolution is passed).

(b) Subject (other than in relation to the sale of treasury shares) to the Board being generally authorised to allot shares and grant rights to subscribe for or to convert any security into shares in the Company in accordance with section 551 of the Companies Act 2006, the Company may from time to time resolve, by special resolution, that the Board be given power to allot equity securities for cash as if section 561 of the Companies Act 2006 did not apply to the allotment but that power shall be limited: (A) to the allotment of equity securities in connection with a rights issue; and (B) to the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution. The authority shall expire on the day specified in the resolution.

5.4 *Alteration of share capital*

- (a) The Company may exercise the powers conferred by the applicable statutory provisions to:
- (i) increase its share capital by allotting new shares;
 - (ii) reduce its share capital;
 - (iii) sub-divide or consolidate and divide all or any of its share capital; and
 - (iv) redenominate all or any of its shares and reduce its share capital in connection with such redenomination.

5.5 *Variation of class rights*

If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class. Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them or by the purchase or redemption by the Company of any of its own shares.

5.6 *Transfer of Ordinary Shares*

Save as described below, the Ordinary Shares will be freely transferable upon Admission.

A member may transfer all or any of his shares in any manner which is permitted by any applicable statutory provision and is from time to time approved by the Board. The Company shall maintain a record of uncertificated shares in accordance with the relevant statutory provisions.

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form, or in such other form as the Board may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, except in the case of a fully paid share, by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any instrument of transfer of any certificated share which is not fully paid up (but not so as to prevent dealings in listed shares from taking place on an open and proper basis) or on which the Company has a lien. The Board may also refuse to register any instrument of transfer of a certificated share unless it is left at the registered office, or such other place as the Board may decide, for registration, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove title of the intending transferor or his right to transfer shares; and it is in respect of only one class of shares. If the Board refuses to register a transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the instrument was lodged, give to the transferee notice of the refusal together with its reasons for refusal. The Board must provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request. Unless otherwise agreed by the Board in any particular case, the maximum number of persons who may be entered on the register as joint holders of a share is four.

5.7 *Disclosure of interests in Ordinary Shares*

If the holder of, or any person appearing to be interested in, any share has been given a notice requiring any of the information mentioned in section 793 of the Companies Act 2006 (the **Section 793 Notice**) and, in respect of that share (a **Default Share**), has been in default for a period of 14 days after the Section 793 Notice has been given in supplying to the Company the information required by the Section 793 Notice, the following restrictions shall apply: (A) if the Default Shares in which any one person is interested or appears to the Company to be interested represent less than 0.25 per cent. of the issued shares of the class, the holders of the Default Shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting of the Company; or (B) if the Default Shares in which any one person is interested or appears to the Company to be interested represent at least 0.25 per cent. of the issued shares of the class, the holders of the Default Shares shall not be entitled, in respect of those shares:

- (a) to attend or to vote, either personally or by proxy, at any general meeting of the Company; or
- (b) to receive any dividend or other distribution; or
- (c) to transfer or agree to transfer any of those shares or any rights in them.

5.8 Forfeiture of shares

If the whole or any part of any call or instalment remains unpaid on any share after the due date for payment, the Board may give a notice to the holder requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest.

If the requirements of a notice are not complied with, any share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the Board. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

Every share which is forfeited or surrendered shall become the property of the Company and (subject to the applicable statutory provisions) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the Board shall decide either to the person who was before the forfeiture the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up.

5.9 Uncertificated shares—general powers

In relation to any uncertificated share, the Company may utilise the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under any applicable statutory provision or the Articles or otherwise in effecting any action. Any provision in the Articles in relation to uncertificated shares which is inconsistent with any applicable statutory provision or the exercise of any powers or functions, including actions by means of a relevant system, by the Company shall not apply. The Company may, by notice to the holder of an uncertificated share, require the holder to change the form of that share to certificated form within such period as may be specified in the notice. For the purpose of effecting any action by the Company, the Board may determine that shares held by a person in uncertificated form and in certificated form shall be treated as separate holdings but they shall not be treated as separate classes of shares.

5.10 Communications by the Company

Subject to the applicable statutory provisions, a document or information may be sent or supplied by the Company to any member in electronic form to such address as may from time to time be authorised by the member concerned or by making it available on a website and notifying the member concerned (in accordance with the applicable statutory provisions) of the presence of a document or information on the website. A member shall be deemed to have agreed that the Company may send or supply a document or information by means of a website if the applicable statutory provisions have been satisfied.

5.11 General Meetings

An annual general meeting shall be held in accordance with the applicable statutory provisions. Other general meetings shall be held whenever the Board thinks fit or on the requisition of the Shareholders in accordance with the Companies Act 2006.

Subject to the applicable statutory provisions, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice or by not less than such minimum notice period as is permitted by the applicable statutory provisions.

The requisite quorum for general meetings of the Company shall be two qualifying persons entitled to vote on the business to be transacted at the meeting. A qualifying person is an individual who is a member of the Company; a corporate representative; or a proxy.

5.12 Directors

(a) Appointment, resignation and termination

The Directors shall not, unless otherwise determined by an ordinary resolution of the Company, be less than two or more than 15 in number.

A director need not be a member of the Company.

At each annual general meeting every director shall retire from office. A retiring director shall be eligible for re-election, and a director who is re-elected will be treated as continuing in office without a break. A retiring director who is not re-elected shall retain office until the close of the meeting at which he retires. If the Company, at any meeting at which a director retires in accordance with the Articles, does not fill the office vacated by such director, the retiring director, if willing to act, shall be deemed to be re-elected, unless at the

meeting a resolution is passed not to fill the vacancy or to elect another person in his place or unless the resolution to re-elect him is put to the meeting and not passed.

(b) Conflicts of Interest

If a situation (a **Relevant Situation**) arises in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company but which does not arise in relation to a transaction or arrangement with the Company, the director must declare the nature and extent of his interest to the other directors and the directors (other than the director, and any other director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) or a committee thereof may: (i) if the Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, resolve to authorise the appointment of the director and the Relevant Situation on such terms as they may determine; and (ii) if the Relevant Situation arises in other circumstances, resolve to authorise the Relevant Situation and the continuing performance by the director of his or her duties on such terms as they may determine. Any terms of such authorisation may be imposed at the time of the authorisation or may be imposed or varied subsequently and may include (without limitation):

- (i) whether the interested directors may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
- (ii) the exclusion of the interested directors from all information and discussion by the Company of the Relevant Situation; and
- (iii) (without prejudice to the general obligations of confidentiality) the application to the interested directors of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.

Any authorisation of a Relevant Situation may provide that, where the interested director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.

If a director is in any way, directly or indirectly, interested in a proposed or an existing transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other directors.

Subject to any applicable statutory provisions and to having declared his interest to the other directors, a director may:

- (i) enter into or be interested in any transaction or arrangement with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company, or as vendor, purchaser or otherwise;
- (ii) hold and be remunerated in respect of any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director;
- (iii) act by himself or his firm in a professional capacity for the Company (except as auditor) and be entitled to remuneration for professional services as if he were not a director;
- (iv) be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any holding company or subsidiary undertaking of that holding company or any other company in which the Company may be interested; and
- (v) be or become a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of that other company.

(c) Remuneration

The Non-Executive Directors shall be paid such fees not exceeding in aggregate GBP 1.4 million per year (or such larger sum as the Company may, by ordinary resolution, determine) as the Board may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable shall be distinct from any remuneration or other amounts payable to a director under other provisions of the Articles and shall accrue from day to day.

The Board may grant special remuneration to any director who performs any special or extra services to or at the request of the Company. Such special remuneration may be paid by way of lump sum, salary, commission,

participation in profits or otherwise as the Board may decide in addition to any remuneration payable under or pursuant to any other of the Articles.

Subject to any guidelines or procedures set out in a director's appointment letter, such director shall be paid out of the funds of the Company all travelling, hotel and other expenses properly incurred by him in and about the discharge of his duties, including his expenses of travelling to and from board meetings, committee meetings and general meetings. Subject to any guidelines and procedures established from time to time by the Board, a director may also be paid out of the funds of the Company all expenses incurred by him in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties as a director.

The Board may exercise all the powers of the Company to:

- (i) pay, provide, arrange or procure the grant of pensions or other retirement benefits, death, disability or sickness benefits, health, accident and other insurances or other such benefits, allowances, gratuities or insurances, including in relation to the termination of employment, to or for the benefit of any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any body corporate which is or was associated with the Company or of the predecessors in business of the Company or any such associated body corporate, or the relatives or dependants of any such person. For that purpose the Board may procure the establishment and maintenance of, or participation in, or contribution to, any pension fund, scheme or arrangement and the payment of any insurance premiums;
- (ii) establish, maintain, adopt and enable participation in any profit sharing or incentive scheme including shares, share options or cash or any similar schemes for the benefit of any director or employee of the Company or of any associated body corporate, and to lend money to any such director or employee or to trustees on their behalf to enable any such schemes to be established, maintained or adopted; and
- (iii) support and subscribe to any institution or association which may be for the benefit of the Company or of any associated body corporate or any directors or employees of the Company or associated body corporate or their relatives or dependants or connected with any town or place where the Company or an associated body corporate carries on business, and to support and subscribe to any charitable or public object whatsoever.

(d) Indemnity

As far as the applicable statutory provisions allow, the Company may:

- (i) indemnify any person who is or was at any time a director, officer or employee of the Company (or of an associated body corporate) against any liability;
- (ii) indemnify a director of a company that is a trustee of an occupational pension scheme for employees (or former employees) of the Company (or of an associated body corporate) against liability incurred in connection with the company's activities as trustee of the scheme;
- (iii) purchase and maintain insurance against any liability for any individual referred to in (i) or (ii) above; and
- (iv) provide any individual referred to in paragraph (i) or (ii) above with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure).

(e) Proceedings of the Board

A director may at any time, and the secretary may at the request of a director, call a meeting of the Board. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meeting as it thinks fit. This includes at a meeting which consists of a conference between directors some or all of whom are in different places provided that each director may participate in the business of the meeting by any means which allows him both to hear each of the other participating directors (or receive real-time communications made by them), and, if he so wishes, to address all of the other participating directors (or communicate in real time with them).

The quorum for board meetings, unless fixed by the Board at any other number, shall be two. A board meeting at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a chairman and one or more deputy chairmen and may at any time revoke such an appointment. The chairman, or failing him any deputy chairman (the longest in office taking precedence), shall, if present and willing, preside at all board meetings but, if no chairman or deputy chairman has been appointed, or if he is not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of the meeting, the directors present shall choose one of their number to act as chairman for that meeting.

Questions arising at a board meeting shall be determined by a majority of votes. A resolution which is signed or approved by all the directors entitled to vote on that resolution shall be valid and effectual as if it had been passed at a board meeting duly called and constituted.

All acts executed in a *bona fide* manner by a meeting of the Board, of a committee, or by any person acting as a director or committee member, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or committee or of the person so acting, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified to be a director and had continued to be a director or member of the committee and had been entitled to vote.

5.13 Borrowing power

There is no requirement on the directors to restrict the borrowing of the Company or any of its subsidiary undertakings.

5.14 Dividends

(a) Declaration of dividends

The Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the Board.

(b) Interim dividends

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, none of the directors shall incur any liability to the holders of shares conferring preferred rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

(c) Calculation and currency of dividends

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide: (A) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share; (B) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; and (C) dividends can be declared or paid in whatever currency the directors decide using an exchange rate selected by the directors for any currency conversions required and the directors can also decide how any costs relating to the choice of currency will be met.

(d) Dividends not to bear interest

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

(e) Calls or debts may be deducted from dividends

The Board may deduct from any dividend or other moneys payable to any person (either alone or jointly with another) on or in respect of a share all such sums as may be due from him (either alone or jointly with another) to the Company on account of calls or otherwise in relation to shares of the Company.

(f) Dividends in specie

With the authority of an ordinary resolution of the Company and on the recommendation of the Board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company.

(g) Scrip dividends

The Board may, with the authority of an ordinary resolution of the Company, offer any holders of any particular class of shares the right to elect to receive further shares of that class by way of scrip dividend instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution.

(h) Unclaimed dividends

Any dividend unclaimed for a period of six years after having been declared shall be forfeited and cease to remain owing by the Company.

6. Directors, Senior Management and Company Secretary

6.1 The Directors and members of Senior Management, their functions within the Group and brief biographies are set out in “*Management and Corporate Governance*”.

6.2 Each of the Directors can be contacted at the Company’s registered office address at Network International Holdings Limited, Suite 1, 3rd Floor, 11–12 St James’s Square, London SW1Y 4LB, United Kingdom or at the business address of each of the Directors, being P.O. Box 4487, Dubai, United Arab Emirates.

6.3 In addition to their directorships of the Company and other members of the Group, the Directors, the Senior Management and the Company Secretary hold, or have held, the following directorships or equivalent roles and are or were members of the following partnerships, within the previous five years prior to the date of this Prospectus:

<u>Name</u>	<u>Company/Partnership</u>	<u>Position still held</u>	
Simon Haslam	Elavon Financial Services Ltd	No	
	Santander Elavon Merchant Services (Spain)	No	
	Elavon de Brasil (Brazil)	No	
	Elavon Inc.	No	
	US Bank European Holdings	No	
	US Bank America Holdings	No	
	Visa UK	No	
Andrew Key	Lucent Creative Marketing Ltd.	Yes	
	Rock & Rain Ltd.	No	
	JFK Payments Consulting Ltd	No	
Samer Soliman	N/A	N/A	
Rohit Malhotra	N/A	N/A	
Paul Clarke	N/A	N/A	
Jaishree Razzaq	Santander Elavon Merchant Services Entidad de Pago S.L	No	
Bahea Izmeqna	N/A	N/A	
Hend Al Ali	N/A	N/A	
Mona Al Ghurair	N/A	N/A	
Matthew Sinclair	N/A	N/A	
Andrew Hocking	N/A	N/A	
Rohinton Kalifa	Worldpay Inc.	Yes	
	England & Wales Cricket Board	Yes	
	UK Finance	Yes	
	Transport for London	Yes	
	QIWI plc	Yes	
	Advent International	Yes	
	Visa Europe	No	
	Darren Pope	Equiniti Group plc	Yes
		CYBG PLC	Yes
		Virgin Money plc	Yes
Virgin Money Unit Trust Managers Limited		Yes	
Clydesdale Bank PLC		Yes	
Virgin Money Holdings (UK) plc		No	
TSB Banking Group plc		No	
Victoria Hull	La Pleiade limited	Yes	
	Rosenblatt plc	Yes	

<u>Name</u>	<u>Company/Partnership</u>	<u>Position still held</u>
	Ultra Electronics plc	No
	Invensys plc (including various subsidiaries)	No
Habib Al Mulla	Baker McKenzie Habib Al Mulla	Yes
	American University of Dubai	Yes
	DIAC	Yes
	Investate	No
Shayne Nelson	Marsh Emirates Insurance Brokers LLC	Yes
	MDV Property Investments, Ltd.	Yes
	SKN Properties Limited	Yes
	Emirates Islamic PJSC	Yes
	Emirates NBD Capital Ltd	Yes
	Emirates NBD Capital PSC	Yes
	Tanfeeth LLC	Yes
Suryanarayan Subramanian . . .	Emirates NBD Properties LLC.	Yes
	Tanfeeth LLC.	Yes
	Emirates NBD Egypt S.A.E.	Yes
	IFRS Foundation (Advisory Council member)	Yes
	Kuwait Food Company (Americana) K.S.C.P (Chair of Audit Committee as an independent member)	Yes
Aaron Goldman	Adyen B.V. (as shareholder representative)	No
	Citymeals-on-Wheels	Yes
Daniel Zilberman	Aeolus Re Ltd	No
	The Mutual Fund Store	No
	Santander Asset Management	No
	Santander Consumer USA Holdings Ltd	No
	Primerica Inc.	No
	Network International LLC	Yes
	Reiss Limited	Yes
	Avaloq Group AG	Yes
	max (formerly Leumi Card)	Yes
	Self Bank	Yes
	Vodeno	Yes

6.4 Save as set out above, none of the Directors, the Senior Management or the Company Secretary has any business interests, or performs any activities, outside the Group which are significant with respect to the Group.

6.5 At the date of this document, none of the Directors or Senior Management has at any time within the last five years:

- (a) had any convictions in relation to fraudulent offences;
- (b) been declared bankrupt or been the subject of any individual voluntary arrangement;
- (c) been associated with any bankruptcy, receivership or liquidation in his or her capacity as director or senior manager;
- (d) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- (e) been disqualified by a court from acting as a director;
- (f) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company;
- (g) been a partner or senior manager in a partnership which, while he or she was a partner or within 12 months of him or her ceasing to be a partner, was put into compulsory liquidation or administration or which entered into any partnership voluntary arrangement;
- (h) owned any assets which have been subject to a receivership or been a partner in a partnership subject to a receivership where he or she was a partner at that time or within the 12 months preceding such event; or

- (i) been an executive director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time during which he or she was an executive director or senior manager of that company or within 12 months of him or her ceasing to be an executive director or senior manager.

6.6 Save as set out below, there are:

- (a) no potential conflicts of interest between any duties to the Company of the Directors and members of Senior Management and their private interests and/or other duties; and
- (b) no arrangements or understandings with the Shareholders, members, suppliers or others pursuant to which any Director or member of Senior Management was selected other than the appointments of Aaron Goldman, Daniel Zilberman, Suryanarayan Subramanian and Shayne Nelson whose nomination for appointment by the Shareholders shall be governed by the terms of the Relationship Agreements (see "*Additional Information—Material contracts—Relationship Agreements with ENBD and WP/GA*").

6.7 The ENBD Nominee Directors represent ENBD and the WP/GA Nominee Directors represent WP/GA. Amongst other things, either of these controlling shareholders (as defined in the Listing Rules) may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Group, or with which the Group conducts business, including as referred to in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Related Party Transactions*". Each of the Directors has a statutory duty under the Companies Act 2006 to avoid conflicts of interests with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles and, as permitted by the Companies Act 2006, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Board deems appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles (as summarised in paragraph 5.12(b) above). In addition, under the respective terms of the ENBD Relationship Agreement and the WP/GA Relationship Agreement, each ENBD Nominee Director and WP/GA Nominee Director will be required to declare the nature and extent of any conflict which requires to be declared to the Board pursuant to the Companies Act 2006 or the Articles and, unless a majority of the independent Directors consents or agrees otherwise, may not vote or participate in any part of a meeting of the Board that relates to that matter. The relevant representative directors will also not receive information in respect of any such matter.

6.8 In March 2019, Fidelity National Information Services (FIS), which is one of the Group's competitors, announced a merger with Worldpay. Rohinton Kalifa is the Independent Chairman of the Network International Board of Directors and is also currently an Executive Director of Worldpay. Mr Kalifa will not be seeking re-election to the board of Worldpay, when his directorship comes up for renewal in May 2019.

6.9 Notwithstanding that Habib Al Mulla is related to the Vice Chairman of ENBD, by virtue of being married to the Vice Chairman of ENBD's sister, the Board has determined that Habib al Mulla is independent of the Group. Habib Al Mulla is the Executive Chairman of Baker McKenzie Habib Al Mulla, the Chairman of the Board of Trustees of the Dubai International Arbitration Centre and is a UAE lawyer with over 30 years experience. As the head of Baker Mckenzie Habib Al Mulla's Disputes practice, Habib Al Mulla may occasionally be contacted by ENBD in the context of providing general advice or clarification in his area of expertise but in the vast majority of engagements other partners from within Baker Mckenzie Habib Al Mulla have ultimate reponsibility for the relevant engagement. However, Habib Al Mulla has himself never had a business relationship with the Vice Chairman of ENBD nor with ENBD. Habib Al Mulla has confirmed to the Board that he is not acting for or with ENBD and will at all times act independently without influence from the Vice Chairman of ENBD or ENBD. Accordingly the Board has concluded that Habib is independent, as defined in the UK Corporate Governance Code.

6.10 There are otherwise no family relationships between any of the Directors or members of Senior Management.

7. Directors' and Senior Management's interests in the Company

7.1 As at the date of this Prospectus and as is expected to be the position immediately following Admission, except as disclosed in paragraph 7.3 below, none of the Directors nor the members of Senior Management, and none of their respective immediate families, has any interest in the share capital of the Company which:

- (a) is required to be notified to the Company pursuant to Article 19 of the Market Abuse Regulation;
- (b) is an interest of a connected person (within the meaning of Schedule 11B of the FSMA), which would be required to be disclosed under paragraph (a) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director or member of Senior Management, as at the date of this Prospectus; or
- (c) would have been required to be disclosed by paragraph (a) or (b) above if the relevant member of Senior Management had been a PDMR of the Company.

7.2 As at the date of this Prospectus and as is expected to be the position immediately following Admission, no Directors or members of Senior Management hold any awards under the Share Incentive Plans.

7.3 The following table sets out the expected interests of the Directors and members of Senior Management immediately prior to Admission and immediately following Admission:

Director/Senior Management	Interests in Ordinary Shares immediately before Admission		Interests in Ordinary Shares immediately following Admission ⁽¹⁾	
	Number of Ordinary Shares	Percentage of issued Ordinary Share capital	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Rohinton Kalifa	—	—	578,405	0.12 per cent.

Notes:

(1) Assumes that the Offer Price is set at the mid-point of the Offer Price Range.

The interests of the Directors and members of Senior Management together are expected to represent approximately zero per cent. of the issued Ordinary Share capital of the Company immediately prior to Admission and are expected to represent approximately 0.12 per cent. of the issued share capital of the Company immediately following Admission.

7.4 Save as set out in this paragraph 7 and to be described in the Pricing Statement, it is not expected that any Director or member of Senior Management will have any interest in the share or loan capital of the Company on Admission and there is no person to whom any capital of any member of the Group is under award or option or agreed unconditionally to be put under award or option.

7.5 Save as set out in this paragraph 7, no Director or member of Senior Management has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Group and which was effected by the Company in the current or immediately preceding financial year or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

8. Significant shareholders' interests in the Company

8.1 Insofar as it is known to the Company as at the date of this Prospectus, the following persons will, on Admission, be directly or indirectly interested (within the meaning of the Companies Act 2006) in 3 per cent. or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as at Admission pursuant to Chapter 5 of the Disclosure Guidance and

Transparency Rules), assuming no exercise of the Over-allotment Option and based on the mid-point of the Offer Size Range:

Shareholder	Interests in Ordinary Shares immediately before Admission		Ordinary Shares to be sold in the Offer assuming no exercise of the Over-allotment Option ⁽²⁾		Interests in Ordinary Shares following Admission assuming no exercise of the Over-allotment Option ⁽²⁾⁽³⁾	
	No.	Per cent. of total issued	No.	Per cent. of total issued	No.	Per cent. of total issued
Emirates NBD Bank PJSC	255,000,000	51 per cent.	121,099,500	24.22 per cent.	133,900,500	26.78 per cent.
WP/GA Dubai IV B.V. ⁽¹⁾	245,000,000	49 per cent.	116,350,500	23.27 per cent.	128,649,500	25.73 per cent.
Mastercard Asia/Pacific Pte. Ltd. (the Cornerstone Investor)	—	—	—	—	49,950,000	9.99 per cent.

(1) In the event of Admission, WP/GA Dubai IV B.V. is expected to grant security over all or some of its ordinary shares in connection with the Margin Loan Facilities.

(2) Assumes that the Offer Price is set at the mid-point of the Offer Price Range and that the Offer Size is at the mid-point of the Offer Size.

(3) Assumes that the Cornerstone Investor will acquire 9.99 per cent. of the Ordinary Shares.

8.2 Save as disclosed above, insofar as is known to the Directors, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

8.3 The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

8.4 WP/GA (as borrower) and Barclays Bank PLC and Goldman Sachs International (with Goldman Sachs International having the right to procure that one of its affiliates performs its obligations under the binding commitment), (as original lenders) (the **Margin Loan Lenders**) on 15 March 2019 entered into a binding commitment pursuant to which the Margin Loan Lenders agree, in the event of Admission, and subject to the satisfaction of certain conditions, to make available to WP/GA, two margin loan facilities up to a maximum aggregate principal amount of the GBP equivalent of USD 300 million (the **Margin Loan Facilities** and each a **Margin Loan Facility**).

8.5 Subject to entry by WP/GA and the Margin Loan Lenders into full form margin loan facility agreements (and the satisfaction of certain conditions), the Margin Loan Facilities will be available to be drawn upon by WP/GA from and including the date of Admission (for a period of ten London and Amsterdam business days thereafter) and may be used for repaying WP/GA's existing financial indebtedness, paying fees, costs and expenses incurred in connection with the Margin Loan Facilities, and/or funding a distribution to its shareholders.

8.6 WP/GA will, in the event of Admission, provide security in favour of a security agent acting on behalf of the Margin Loan Lenders over some or all of the Ordinary Shares held by it at Admission. The Ordinary Shares over which such security will be granted will be held in two separate custody accounts by WP/GA, with the Ordinary Shares credited to one custody account attributable to WP Mercury Holdings B.V. and the other to General Atlantic Borneo II B.V. As a result, on the date security is granted, each Margin Loan Facility will be collateralised separately by the portion of the Ordinary Shares over which security is granted held by WP/GA and attributable to WP Mercury Holdings B.V. or General Atlantic Borneo II B.V., as applicable. This structure is intended to enable subsequent non-pro rata sell-downs of Ordinary Shares from each custody account and also ensures that enforcement against the Ordinary Shares in the event of a default is only against the Ordinary Shares attributed to the relevant Margin Loan Facility under which the default has occurred.

8.7 The terms of the Margin Loan Facilities will provide that there will be no cross-default between them. If an event of default occurs under the terms of a Margin Loan Facility, the security agent under the relevant Margin Loan Facility may enforce the security granted by WP/GA over its Ordinary Shares in the Company (that comprise the security for that particular Margin Loan Facility) and sell those Ordinary Shares. The participation in the Margin Loan Facilities by Barclays Bank PLC and Goldman Sachs International (with Goldman Sachs International having the right to procure that one of its affiliates performs its obligations under the binding commitment) will be 50 per cent. and 50 per cent., respectively.

8.8 Any enforcement of this security by the Margin Loan Lenders following Admission could have a significant impact on the Company's ordinary shareholding structure. The enforcement of security, in

whole or in part, by the Margin Loan Lenders would reduce WP/GA's ordinary shareholding in the Company's share capital and may result in it ceasing to be a significant shareholder. See "*Risk Factors—Risks related to the Group's business, corporate structure and industry—After the Global Offering, the Group's existing shareholders will continue to be able to exercise significant influence over it, its management and its operations*".

9. Overview of remuneration strategy and policy

9.1 The Company's aim is to attract, retain and motivate the best talent, allow for flexibility to remain competitive with global payment processing peers and to help ensure continued growth and success as it enters next stage of its development operating in a listed company environment.

9.2 To support this aim, the Board has adopted for Executive Directors and members of the senior management, conditional on Admission, an annual bonus plan and a share-based long-term incentive plan—the 2019 Annual Deferred Bonus Plan (the **ADBP**) and the 2019 Long-Term Incentive Plan (the **LTIP**). The ADBP and LTIP are together the **Discretionary Plans**.

9.3 The information in this section and in section 10, together with the details of the share-based incentive plans set out in sections 12.2 to 12.5, summarises the key components of the Executive Director and Non-Executive Director remuneration arrangements which will apply from Admission.

9.4 The remuneration policy aims to align the interests of the Executive Directors, senior management and employees to the long-term interests of shareholders and aims to support a high performance, collegiate and inclusive culture with appropriate reward for superior Company, business unit and individual performance without creating incentives that will encourage excessive risk taking or unsustainable Company performance.

9.5 Overall remuneration levels have been set at a competitive level against the market both in terms of the structure to reflect the UK listing environment and remuneration practices in the UAE where a significant proportion of executives and employees are located.

9.6 Following listing, the remuneration structure will consist of the following elements:

- (a) An annual base salary and fixed cash allowance;
- (b) An annual bonus (as further described at section 12.4 of this section) linked to the achievement of strategic, financial and operational type performance measures. The bonus is capped on an individual basis and a portion may be deferred into shares depending on the overall quantum of the award;
- (c) A competitive benefit and pension provision in line with the local market in which an executives resides;
- (d) An LTIP (as further described at section 12.3 of this section), with annual grants of awards to participants which vest after a three year performance period. The awards will be subject to a combination of financial and shareholder return metrics aligned with the strategy of the business. All vested shares must be held for two years, and;
- (a) Non-Executive Directors will receive an annual fee for their services, with additional fees for Committee Chairmanships and for the Senior Independent Director. These fees will be delivered fully in cash. Fee levels have been set to reflect the international nature of the business, to ensure the attraction of appropriate level of experience required and to reflect the sector in which the Company operates.

9.7 The Remuneration Committee will provide further details of the remuneration policy in its first annual report in respect of the Company's first financial year following the Global Offering, and the remuneration policy applicable thereafter will be put to shareholders for formal approval, in accordance with the Companies Act 2006, at the Company's first annual general meeting following the Global Offering.

10. Directors' and Senior Management's remuneration

10.1 This section 10 provides information on the service agreements and remuneration arrangements for the Executive Directors and Non-Executive Directors of the Company, and Senior Management.

10.2 The aggregate amount of remuneration paid (including any contingent or deferred compensation), and all benefits in kind granted to the Directors and the Senior Management, consisting of 11 individuals, by

the Company and its intended subsidiaries for services in all capacities for the financial year ended 31 December 2018 is USD 6.3 million.

10.3 Under the terms of their service contracts, letters of appointment and applicable incentive plans, effective in the year ended 31 December 2018, the Directors were remunerated as set out below:

<u>Name</u>	<u>Position</u>	<u>Annual salary/fees (AED)</u>	<u>Other benefits (AED)</u>
Rohinton Kalifa	Independent Chairman	—	—
Simon Haslam	Chief Executive Officer	2,008,500	—
Darren Pope	Senior Independent Non-Executive Director	—	—
Victoria Hull	Independent Non-Executive Director	—	—
Habib Al Mulla	Independent Non-Executive Director	—	—
Shayne Nelson	Non-Executive Director	—	—
Suryanarayan Subramanian	Non-Executive Director	—	—
Aaron Goldman	Non-Executive Director	—	—
Daniel Zilberman	Non-Executive Director	—	—

10.4 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

10.5 Simon Haslam is employed by Network International LLC as Chief Executive Officer under a service contract dated 23 November 2016. He was appointed to this position in January 2017. The principal terms of his service contract are set out below:

- (a) The Chief Executive Officer is entitled to a remuneration package comprising basic salary, an annual payment in lieu of allowances including, without limitation, housing, transportation and schooling allowances, a discretionary annual performance-related bonus, participation in the management incentive plan and participation in the Group's benefits plans (including private medical insurance cover and life insurance cover).
- (b) In addition to United Arab Emirates private sector statutory holidays, the Chief Executive Office is entitled to 40 calendar days' annual paid leave in each complete holiday year.
- (c) The Chief Executive Officer's service contract can be terminated by not less than 180 days' notice by either party. Network International LLC may reduce any such notice period to not less than 90 days.
- (d) Network International LLC may elect to terminate employment of the Chief Executive Officer immediately by making a payment in lieu of notice equivalent to the Chief Executive Officer's salary for the notice period. It may elect to make any such payment in monthly instalments which will continue until the expiry of the notice period or the date on which the Chief Executive Officer obtains an alternative remunerated position. If he finds an alternative remunerated position, the monthly payments will be reduced by the amount of remuneration received by him pursuant to that alternative remunerated position.
- (e) The Chief Executive Officer shall be entitled to receive a terminal gratuity in accordance with UAE Federal Law No. (8) of 1980, as amended from time to time.
- (f) In addition, Network International LLC may terminate the Chief Executive Officer's appointment with immediate effect in certain circumstances and with no liability to make any further payment, where he: (i) commits any serious or repeated breach of any of his material obligations under his employment contract; (ii) is guilty of serious misconduct which, in the board's reasonable opinion, has damaged or is likely to damage the business or affairs of any member of the Group; (iii) is guilty of conduct which, in the board's reasonable opinion, brings or is likely to bring himself, or any member of the Group, into disrepute; (iv) is convicted of a criminal offence related to crimes against the person or property, fraud, deception, misrepresentation or contravention of prevailing corporate law or is disqualified from acting as a director of a company by order of a competent court; (v) is declared bankrupt or makes any arrangement with or for the benefit of his creditors or has an administration order made against him; (vi) resigns from the position of Chief Executive Officer (other than at the explicit request of the Board); (vii) is unable to properly and effectively perform his duties under his employment contract for a period or periods totalling 92 calendar days in any consecutive period of 12 months; or (viii) for any financial year, fails to achieve 80 per cent. of EBITDA KPIs and/or 40 per cent. or more of a set of

financial and non-financial KPIs agreed between the Chief Executive Officer and the board in such financial year.

- (g) In the event of termination, the Chief Executive Officer's service contract imposes post-termination restrictions for a period of 12 months following termination on the Chief Executive Officer (i) being concerned in any business which is competitive or likely to be competitive with any business which is carried on by any member of the Group at the termination date and in relation to which the Chief Executive Officer was materially involved or about which he held confidential information; (ii) canvassing or soliciting business or custom for goods or services of a similar type to those being manufactured or provided by any member of the Group at the date of termination from a client or consultant of any member of the Group and, in relation to such goods or services, where the Chief Executive Officer was materially involved or about which he held confidential information; and (iii) solicitation or inducement of, or interference with, any supplier, customer or client of any member of the Group and with whom the Chief Executive Officer had material dealings or about whom the Chief Executive Officer held confidential information; or entry into a business relationship or conducting of business dealings with such persons. In addition, for a period of 24 months following termination, the service contract imposes post-termination restrictions on the (i) inducement, or attempted inducement, of any employee, director, manager or consultant of any member of the Group with whom the Chief Executive Officer had material dealings or about whom the Chief Executive Officer held confidential information to leave the employment of that member of the Group, and (ii) the entry into a business relationship or conducting of business dealings with any person with whom any member of the Group was involved in negotiations with at any point during the Chief Executive Officer's employment with a view to its becoming a customer or client of any member of the Group in relation to such goods or services the Chief Executive Officer was materially involved or about which he held confidential information.

Save as disclosed in this section 10.5, there are no existing service contracts between an Executive Director and any member of the Group which provides for benefits upon termination.

10.6 The Company will has appointed eight Non-Executive Directors: the Chairman, three independent Non-Executive Directors and four Non-Executive Directors who are not determined to be independent. The Non-Executive Directors, including the Chairman, were appointed by letter of appointment. A summary of the terms of appointment of the Non-Executive Directors by the Company is set out below:

<u>Name</u>	<u>Title</u>	<u>Date of appointment to the Board</u>
Rohinton Kalifa	Independent Chairman	13 March 2019
Simon Haslam	Chief Executive Officer	27 February 2019
Darren Pope	Senior Independent Non-Executive Director	13 March 2019
Victoria Hull	Independent Non-Executive Director	13 March 2019
Habib Al Mulla	Independent Non-Executive Director	29 March 2019
Shayne Nelson	Non-Executive Director	13 March 2019
Suryanarayan Subramanian	Non-Executive Director	13 March 2019
Aaron Goldman	Non-Executive Director	13 March 2019
Daniel Zilberman	Non-Executive Director	13 March 2019

- (a) The Chairman is entitled to receive an annual fee of GBP 450,000 and is entitled to a payment of up to GBP 15,000 per annum for the purposes of obtaining private health insurance. The base annual fee for each Non-Executive Director is GBP 75,000. Additional fees will be paid as follows: GBP 30,000 per annum to the senior independent Non-Executive Director, GBP 35,000 per annum for chairing a Board committee and GBP 10,000 per annum for serving on a Board committee.
- (b) In addition, each Non-Executive Director is entitled to be reimbursed for reasonable expenses necessarily incurred arising from the performance of their duties.
- (c) The Non-Executive Directors are not entitled to receive any compensation on termination of their appointment and are not entitled to participate further in the Company's share scheme or any bonus or pension schemes.
- (d) The appointments of each of the Independent Non-Executive Directors are for an initial term of three years from the date of appointment (the **Initial Term**), unless terminated earlier by either party on three months' notice, in the case of Independent Non-Executive Directors, and one month's notice, in the case

of non-independent Non-Executive Directors. The appointment of each Independent Non-Executive Director is also subject to annual re-election at the general meeting of the Company.

- (e) The appointment of each non-independent Non-Executive Director is terminable in accordance with the relevant Relationship Agreement by the relevant shareholder that appointed them (see “—*Material contracts—Relationship Agreement with ENBD and WP/GA*” below). The Company may also terminate such Non-Executive Director’s appointment if the relevant Relationship Agreement is terminated.
- (f) Each of the Non-Executive Director’s letters of appointment contains a change of control provision which provides for that Director to resign, at the Company’s request, with effect from the date on which the change of control becomes effective without any entitlement to notice or to payment in lieu of notice. Control has the meaning given to it in the UK City Code on Takeovers and Mergers (i.e. an interest in shares carrying 30 per cent. or more of the voting rights). Where any Independent Non-Executive Director is requested to resign as a result of a change of control that occurs during the Initial Term, excluding where any such change of control occurs by way of a post lock-up orderly sell-down of shares in the public market by either or both of Emirates NBD or WP/GA and their respective affiliates, the Company will pay the Independent Non-Executive Director a one-off amount equivalent to half of their annual fee.
- (g) Each Director is eligible to benefit from the directors’ indemnity provided for in the Company’s Articles, and for cover under any directors and officers liability insurance policy that the Company maintains from time to time. The Directors may obtain, at the Company’s expense, external legal or professional advice necessary to enable the Director to carry out their duties.
- (h) The Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are not subject to non-compete restrictive covenants.

10.7 On 13 March, 2019, WP/GA Dubai IV, B.V. (**WP/GA**) entered into a consultancy agreement (the **Consultancy Agreement**) with RMK Consulting Services Limited (**RMK Consulting**), a company wholly owned by Mr Kalifa. Pursuant to the Consultancy Agreement, RMK Consulting will (i) provide certain services to WP/GA, the other shareholder(s) of the Company, the Company and other persons connected with any Admission; and (ii) procure that Mr Kalifa shall accept an appointment as Chairman of the Company as a result of which Mr Kalifa will forgo substantial compensation arising in connection with his existing executive appointments and employment. In consideration for such services and undertakings, WP/GA will pay RMK Consulting a fee of USD 4 million (the **Fee**). Payment of the Fee is conditional on Mr Kalifa being appointed as Chairman of the Company and RMK Consulting providing evidence of the resignation or termination by Mr Kalifa of his existing appointments and/or employment pursuant to which he will forego substantial compensation.

10.8 Under the terms of the Consultancy Agreement, RMK Consulting is required to use the Fee (net of any applicable tax thereon) to acquire Ordinary Shares as part of any Admission at the price at which Ordinary Shares are offered at such Admission (the **Consideration Shares**). RMK Consulting may not transfer the Consideration Shares to any party during a period of three years following the date of any Admission (the **Relevant Period**). If certain events occur, WP/GA has the right to require RMK Consulting to transfer to WP/GA a time pro-rated proportion of the Consideration Shares for a nominal amount. These events comprise:

- (i) RMK Consulting ceasing to be wholly owned by Mr Kalifa; or
- (ii) in the Relevant Period, Mr Kalifa’s appointment as Chairman and non-executive director of the Company being terminated during the Relevant Period by reason of: (i) summary dismissal of Mr Kalifa; or (ii) the voluntary resignation of Mr Kalifa (other than voluntary resignation of Mr Kalifa following a change of control of the Company (“control”, for these purposes, having the meaning given in the City Code), provided such change of control does not arise solely as a result of a post lock-up sell-down of shares in the public market by either or both of Emirates NBD Bank P.J.S.C. and WP/GA and their respective affiliates); or
- (iii) within two years of Mr Kalifa’s resignation or termination of his existing appointments and/or employment pursuant to which he will forego substantial compensation, Mr Kalifa is reappointed, reengaged or reemployed by the company or firm from which he resigned or terminated his employment (a **Reappointment**) and, as a result of such Reappointment, there is a material reduction in the amount of compensation Mr Kalifa will forgo.

- 10.9** Under the terms of the Consultancy Agreement, RMK Consulting shall be responsible for and will pay all taxes in respect of the Fee paid to RMK Consulting.
- 10.10** In addition, in connection with Mr Kalifa's appointment as Chairman and as an independent Non-Executive Director, the Company has agreed with Worldpay, Inc. that, for a period of two years from Mr Kalifa's appointment, no member of the Group will employ or otherwise engage any individual who it knows to be an employee of Worldpay, Inc. save where the individual is to be employed from a location in the Middle East or Africa.

11. Pension and other end of service schemes

Details of the Company's pension schemes are set out in Note 18 to the Historical Financial Information. The total amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits was USD 8.5 million as at 31 December 2018.

12. Share Incentive Plans

12.1 Existing Arrangements

(a) Network International LLC Management Incentive Award Plan

(i) General

Network International LLC operates the Network International LLC Management Incentive Award Plan (the **Network International LLC MIP**) which is a pre-existing phantom share incentive plan. The Network International MIP is closed to new participants and no new awards will be made following Admission. Awards have been made to 33 members of the Group's management, including to the Chief Executive Officer. Each award entitles participants to receive a cash payment that is calculated by reference to the offering price of the Group at Admission as determined by the Remuneration Committee acting in good faith. The Network International LLC MIP acts as a retention tool in respect of the Group's senior management participants as the continued vesting of the existing awards and payment in respect of the part of the existing awards which have vested are conditional upon the participant remaining employed within the Group.

The aggregate maximum amount that may be paid pursuant to the Network International LLC MIP is up to USD 25 million. The maximum amount that may be paid to any Director pursuant to the Network International LLC MIP is up to USD 6 million.

(ii) Vesting

All outstanding awards are subject to time vesting 25 per cent. of awards granted prior to 1 March 2019 (**Original Awards**) vest on each anniversary of the grant of the Original Award. A further 25 per cent. of the Original Awards will vest on Listing.

Awards granted on or after 1 March 2019 (the **New Awards**) will vest as to 25 per cent. on Listing. 25 per cent. of the New Awards will subsequently vest on each of the first two anniversaries of the Listing and a further 25 per cent. of the New Award will subsequently vest on the date which is 30 months after the Listing.

If there is a takeover of the Company whether by way of sale, merger or scheme of arrangement all outstanding portions of both the Original Awards and the New Awards will, to the extent that they have not already vested, automatically vest at such time.

All vesting (as well as payment) of a participant's award is subject to the participant remaining employed within the Group at the vesting date.

(iii) Payment

With respect to the Original Awards, participants will be entitled to a cash payment from Network International LLC in respect of an award to the extent it vests on or prior to Listing, as follows: (a) 50 per cent. of the amount owed to the participant will be paid three bank days after the selling shareholders of the Company receive their cash proceeds from the Listing; and (b) the remaining 50 per cent. of the amount owed to the participant will be paid on the date which is two years after the date of completion of the Listing.

To the extent an award vests (other than on a takeover of the Company) after Listing with respect to the Original Awards, and upon or after Listing with respect to the New Awards, participants shall be

entitled to a cash payment from Network International LLC in respect of the portion of the award that vests at the relevant vesting date. This will be paid to them at the end of the quarter in which vesting occurs.

Where a participant is entitled to payment on completion of a takeover of the Company whether by way of sale, merger or scheme of arrangement, Network International LLC shall pay, in cash the amount owed to the participant three bank days after completion of that takeover.

All payments made under the Network International LLC MIP are subject to the relevant participant remaining employed within the Group at the time payment is due to be made.

All amounts payable under the Network International LLC MIP will be paid gross of tax (save that any deductions or withholdings will be made if required by applicable law).

(iv) Malus and clawback

The Remuneration Committee will have discretion to operate malus and clawback in respect of any unvested award if at any time the Remuneration Committee becomes aware that:

- (A) there has been a material financial misstatement of the Group's audited financial accounts (other than as a result of a change in accounting policy);
- (B) there has been conduct by the participant which has resulted in or is reasonably likely to result in significant reputational damage to the Group;
- (C) the participant has been negligent or has committed gross misconduct; or
- (D) the participant has committed fraud or fraud has been effected with the knowledge of the participant.

The Remuneration Committee will also have discretion to operate malus and clawback in respect of any vested award prior to the second anniversary of the relevant vesting date of an award in any of the above circumstances, acting fairly and reasonably having taken into account the scale of loss or damage to the Group or the extent of the risk taken by the Group.

If the Remuneration Committee operates malus and clawback it will have discretion to: (a) reduce the number of notional shares which are subject to an award held by such participant; (b) reduce the amount of the incentive payment payable in respect of an award or (c) require a repayment from the participant.

(b) **Network International LLC IPO Cash Bonus**

(i) General

Network International LLC has awarded eight members of the Group's management (**Grantees**), including to the Chief Executive Officer, cash bonus awards (**Cash Bonus Awards**) subject to and conditional upon the Listing. Grantees are entitled to receive a cash payment which is calculated by reference to the offering price of the Group at Admission as determined by the Remuneration Committee acting in good faith.

The aggregate maximum amount that may be paid pursuant to the Cash Bonus Awards is USD 13 million. The maximum amount that may be paid to any Director pursuant to the Cash Bonus Awards is up to USD 4 million.

(ii) Vesting

The Cash Bonus Awards are subject to time vesting. 50 per cent. of the Cash Bonus Awards will vest on Listing. One sixth of the Cash Bonus Awards will subsequently vest on each of the first two anniversaries of the Listing and a one sixth of the Cash Bonus Award will subsequently vest on the date which is 30 months after Listing.

All vesting (as well as payment) of a Grantee's Cash Bonus Award is subject to the Grantee remaining employed within the Group at the vesting date.

(iii) Payment

Grantees will be entitled to a cash payment from Network International LLC in respect of a Cash Bonus Award to the extent it vests on Listing three bank days after the selling shareholders of the Company receive their cash proceeds from the Listing.

To the extent an award vests after Listing, Participants shall be entitled to a cash payment from Network International LLC in respect of the portion of the Cash Bonus Award that vests at the relevant vesting date. This will be paid to them at the end of the quarter in which vesting occurs.

All payments made in respect of the Cash Bonus Awards are subject to the relevant participant remaining employed within the Group at the time payment is due to be made.

12.2 Overview of the new Discretionary Plans

Following Admission, the Company intends to operate two discretionary executive share plans: the 2019 Long-Term Incentive Plan (the **LTIP**) and the 2019 Annual Deferred Bonus Plan (the **ADBP**). A reference in this section 12 to the Board includes any designated committee of the Board.

12.3 The LTIP

(a) Status

The LTIP is a discretionary executive share plan. Under the LTIP, the Board may, within certain limits and subject to any applicable performance conditions, grant to eligible employees (i) nil cost options over Ordinary Shares (**LTIP Options**) and/or (ii) conditional awards (i.e. a conditional right to acquire Ordinary Shares) (**LTIP Conditional Awards**) and/or (iii) Ordinary Shares which are subject to restrictions and the risk of forfeiture (**LTIP Restricted Shares**), and together with LTIP Options and LTIP Conditional Awards, **LTIP Awards**). No payment is required for the grant of an LTIP Award.

(b) Eligibility

All employees (including Executive Directors) of the Group are eligible for selection to participate in the LTIP at the discretion of the Board.

(c) Grant of LTIP Awards

The Board may grant LTIP Awards over Ordinary Shares to eligible employees with a maximum total market value in the first financial year of up to 150 per cent. of the relevant individual's fixed remuneration (being annual base salary and fixed cash allowances). The Remuneration Committee will review the appropriateness of this limit post-IPO in light of individual and Company performance. In any event, the Company will provide further details of the remuneration policy in its first annual report in respect of the Company's first financial year following the Global Offering, and the remuneration policy applicable thereafter (including the LTIP individual limits), will be put to shareholders for formal approval, in accordance with the Companies Act 2006, at the Company's first annual general meeting following the Global Offering.

It is anticipated that the first grant of LTIP Awards will be made shortly following the Global Offering, to the Executive Directors and up to approximately 11 further senior employees of the Company.

LTIP Awards may be granted during the 42 days beginning on: (i) Admission; (ii) the day after the announcement of the Company's results for any financial period; or (iii) the day after the lifting of any dealing restrictions. LTIP Awards may also be granted at any time at which the Board determines that circumstances are sufficiently exceptional to justify the grant of LTIP Awards at that time.

No LTIP Awards may be granted more than ten years from the date when the LTIP was adopted.

(d) Performance and other conditions

The Board may impose performance conditions on the vesting of LTIP Awards. Where performance conditions are specified for LTIP Awards, the performance measurement period for such conditions will ordinarily be three years. The proposed performance conditions for the first grant of LTIP Awards will be specified at the time of the grant of those LTIP Awards. It is anticipated that the performance conditions will consist of a combination of financial and shareholder return metrics aligned with the strategy of the business.

Any performance conditions applying to LTIP Awards may be amended if the Board considers it appropriate, provided the Board considers that the new performance conditions are reasonable and are not materially less difficult to satisfy than the original conditions. LTIP Awards will normally vest after the end of the performance measurement period and LTIP Options will normally remain exercisable following vesting for a period not exceeding ten years from grant.

The Board may determine that an Award will vest to a lesser extent despite the performance conditions having been satisfied in whole or part, if it considers that the overall performance of the Company (as determined by the Board) does not warrant the Award vesting in full.

(e) Holding period post vesting

At its discretion, the Board may grant LTIP Awards subject to a holding period of a maximum of two years following vesting.

In the event of cessation of employment, the participant will remain subject to any post-vesting holding requirements.

In the event of a takeover, scheme of arrangement or winding-up of the Company, the LTIP Awards will be released from the holding period.

(f) Malus

The Board may decide, at the vesting of LTIP Awards or at any time before, that the number of Ordinary Shares subject to a participant's LTIP Award shall be reduced (including to nil) on such basis that the Board in its discretion considers to be fair and reasonable in the following circumstances:

- (i) discovery of a material misstatement resulting in an adjustment in the historical audited accounts of the Group or any Group company;
- (ii) the assessment of any performance target or condition in respect of an LTIP Award was based on error, or inaccurate or misleading information;
- (iii) the discovery that any information used to determine the number of Ordinary Shares subject to an LTIP Award was based on error, or inaccurate or misleading information;
- (iv) action or conduct of a participant which amounts to fraud or gross misconduct; or
- (v) events or the behaviour of a participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him.

(g) Clawback

The Board may apply clawback to all or part of a participant's vested LTIP Award in the same circumstances as in which malus may be applied (as described above) during the period of two years following the vesting of an LTIP Award. Clawback may be effected, among other means, by requiring the transfer of Ordinary Shares, payment of cash or reduction of other incentive awards.

(h) Cessation of employment

Except in certain circumstances set out below, an LTIP Award will lapse immediately upon a participant ceasing to be employed by or holding office with the Group.

However, if a participant so ceases because of his ill-health, death, injury, disability, redundancy, retirement with the agreement of his employer, the participant being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person who is not a Group company or other circumstances determined at the discretion of the Board except for dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal (each a **Good Leaver Reason**), his LTIP Award will ordinarily vest on the date when it would have vested if he had not so ceased to be a Group employee or director, subject to the satisfaction of any applicable performance conditions measured over the original performance period, and (if relevant) the operation of malus, as described above. Vested shares will be subject to clawback, as described above. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal vesting period.

If a participant ceases to be a Group employee or director for a Good Leaver Reason, the Board may alternatively decide that his LTIP Award will vest early when he leaves. If a participant dies, a proportion of his LTIP Award will normally vest on the date of his death. The extent to which an LTIP Award will vest in these circumstances will be determined by the Board at its absolute discretion taking into account, the extent to which any applicable performance conditions have been satisfied at the date of cessation of employment and (if relevant) the operation of malus, as described above. Vested shares will be subject to clawback, as described above. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal vesting period.

To the extent that LTIP Options vest in the event of cessation of employment, they may be exercised for a period of six months (or 12 months in the case of death) measured from the normal vesting date (or the date of cessation, if Board so determines) and will otherwise lapse at the end of that period.

(i) Corporate events

In the event of a takeover, scheme of arrangement, or winding-up of the Company, the LTIP Awards will vest early. The proportion of the LTIP Awards which vest shall be determined by the Board taking into account, the extent to which any applicable performance conditions have been satisfied at that time. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal vesting period.

To the extent that LTIP Options vest in the event of a takeover, scheme of arrangement, or winding-up of the Company they may be exercised for a period of six months measured from the relevant event and will otherwise lapse at the end of that period.

In the event of a demerger, distribution or any other corporate event, the Board may determine that LTIP Awards will vest, to the extent determined by the Board taking into account the same factors as set out above.

If there is a corporate event resulting in a new person or company acquiring control of the Company, the Board may (with the consent of the acquiring company) alternatively decide that LTIP Awards may be replaced by equivalent new awards over shares in the new acquiring company.

12.4 The ADBP

The ADBP incorporates the Company's executive bonus scheme as well as a mechanism for the deferral of bonus into awards over Ordinary Shares. It is anticipated that all executives will be entitled to participate in the ADBP in respect of annual bonus for the 2019 financial year, and only the awards made to Executive Directors will have a portion deferred into an award over Ordinary Shares.

(a) Types of deferred award under the ADBP

The deferred awards over Ordinary Shares that may be granted under the ADBP may take the form of (i) nil cost options over Ordinary Shares (**ADBP Options**) and/or (ii) conditional awards (i.e. a conditional right to acquire Ordinary Shares) (**ADBP Conditional Awards**) and/or (iii) Ordinary Shares which are subject to restrictions and the risk of forfeiture (**ADBP Restricted Shares** and, together with ADBP Options and ADBP Conditional Awards, **ADBP Awards**). No payment is required for the grant of an ADBP Award.

(b) Eligibility

All employees (including Executive Directors) of the Group are eligible for selection to participate in the ADBP at the discretion of the Board.

(c) Bonus opportunity

Participants selected to participate in the ADBP for a financial year of the Company will be eligible to receive an annual bonus subject to satisfying performance conditions and targets set for that financial year. The maximum bonus (including any part of the bonus deferred into an ADBP Award) deliverable under the ADBP for participants will be up to a maximum of 200 per cent. of annual fixed allowance (annual cash salary and fixed cash allowance) in exceptional circumstances. The Board will determine the bonus to be awarded following the end of the relevant financial year. It is currently anticipated that for the Executive Directors, the target bonus will be 100 per cent. of annual fixed allowance with a maximum bonus of up to 200 per cent. of annual fixed allowance in exceptional circumstances, and other participants may be granted lower awards.

Except in certain circumstances, an ADBP participant who ceases to be employed by or hold office with the Company before the bonus determination is made will cease to be eligible to receive a bonus. However, if a participant ceases to be employed or hold office for a Good Leaver Reason, he will remain eligible for a bonus. The extent to which the performance conditions have been met will be considered and the bonus will be deliverable in the same way and at the same time as if the individual had not ceased to be employed or hold office with the Company, unless the Board decides the bonus may be paid on an earlier date. The value of the bonus may at the Board's discretion be pro-rated to reflect the reduced period of time between the start of the financial year and the participant's cessation of employment as a proportion of that financial year.

In addition, in the event that a corporate event occurs as described below, bonuses will be payable as soon as practicable after the relevant event, the amount of which will be determined by the Board taking into account the extent to which the performance conditions have been met. The value of the bonus may at the Board's

discretion be pro-rated to reflect the reduced period of time between the start of the financial year and the relevant corporate event as a proportion of the relevant financial year unless the Board otherwise decides.

Malus and clawback provisions apply to a bonus awarded under the ADBP in the same way as they apply under the LTIP to LTIP Awards.

(d) Grant of ADBP Awards

Where the Board determines that a proportion of an Executive Director's annual bonus will be deferred into an ADBP Award, a minimum amount of the annual bonus for that individual must be paid in cash, the cash amount being equal to at least 100 per cent. of the participant's annual fixed allowance (annual cash salary and fixed cash allowance).

The maximum market value of Ordinary Shares granted to any participant under an ADBP Award will be equal to the amount of total annual bonus for that individual in excess of the minimum amount of the annual salary to be paid in cash.

ADBP Awards may be granted during the 42 days beginning on: (i) Admission; (ii) the day after the announcement of the Company's results for any period; or (iii) the day after the lifting of any dealing restrictions. ADBP Awards may also be granted at any time at which the Board determines that circumstances are sufficiently exceptional to justify the grant of ADBP Awards at that time.

No ADBP Awards may be granted more than ten years from the date when the ABP was adopted.

(e) Vesting of ADBP Awards

ADBP Awards will usually vest after a period of up to three years following the date of grant.

(f) Malus and clawback

Malus and clawback provisions apply to ADBP Awards in the same way as they apply under the LTIP to LTIP Awards.

(g) Cessation of employment

If a participant ceases to be employed or hold office prior to the vesting of an ADBP Award for a Good Leaver Reason, his ADBP Award will vest on the normal vesting date (or on the date of the Participant's cessation of employment, if the Board so determines), subject (if relevant) to the operation of malus. The vested shares will be subject to clawback as described above. In addition, the Board may determine that vesting will be pro-rated to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal vesting period.

If prior to the vesting of an ADBP Award a participant is terminated otherwise than for a Good Leaver Reason, he will forfeit his ADBP Award in full.

To the extent that ADBP Options vest in the event of cessation of employment they may be exercised for a period of six months (or 12 months in the case of death) measured from the normal vesting date (or the date of cessation, if Board so determines) and will otherwise lapse at the end of that period.

(h) Corporate events

In the event of a takeover, scheme of arrangement or winding-up of the Company, the ADBP Awards will vest.

12.5 Provisions applying to each of the Discretionary Plans

(a) Awards not transferable

Awards granted under the Discretionary Plans are not transferable other than to a participant's personal representatives in the event of death, provided that awards and Ordinary Shares may be held by the trustees of an employee benefit trust as nominee for the participants.

(b) Limits

The Discretionary Plans may operate over newly issued Ordinary Shares, treasury Ordinary Shares or Ordinary Shares purchased in the market. In line with institutional investor guidelines, the rules of each of the Discretionary Plans set out a limit on share usage under the plans in any period of ten calendar years. The plan rules provide that not more than 5 per cent. of the Company's issued ordinary share capital may be issued under the relevant plan and under any other employees' share scheme operated by the Company. In addition, the rules of each of the Discretionary Plans provide that, in any period of ten calendar years, not more than 5 per cent. of the Company's issued ordinary share capital may be issued under the relevant plan and under any

other discretionary executive share scheme adopted by the Company. Ordinary Shares issued out of treasury under the relevant Discretionary Plan will count towards these limits for so long as this is required under institutional shareholder guidelines. Ordinary Shares issued or to be issued pursuant to awards granted before Admission and Ordinary Shares which have been purchased in the market by trustees of an employee benefit trust to satisfy awards will not count towards these limits. In addition, awards which are renounced or lapse shall be disregarded for the purposes of these limits. The Remuneration Committee will review the appropriateness of these limits post-IPO depending on individual and Company performance. In any event, the Company will provide further details of the remuneration policy in its first annual report in respect of the Company's first financial year following the Global Offering, and the remuneration policy applicable thereafter (including the applicable plan limits), will be put to shareholders for formal approval, in accordance with the Companies Act 2006, at the Company's first annual general meeting following the Global Offering.

(c) Variation of capital

If there is a variation of share capital of the Company or in the event of a demerger or other distribution, special dividend or distribution, the Board may make such adjustments to awards granted under each of the Discretionary Plans, including to the number of Ordinary Shares subject to awards and the option exercise price (if any), as it considers to be fair and reasonable.

(d) Dividend equivalents

In respect of any award granted under any of the LTIP and the ADBP (except for the LTIP or ADBP Restricted Shares), the Board may decide that participants will receive a payment (in cash and/or additional Ordinary Shares) equal in value to any dividends that would have been paid on the Ordinary Shares which vest under that award by reference to the period between the time when the relevant award was granted and the time when the relevant award vested or was exercised. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

(e) Alternative settlement

At its discretion, the Board may decide to satisfy awards granted under the Discretionary Plans (exempt LTIP or ADBP Restricted Shares) with a payment in cash or Ordinary Shares equal to any gain that a participant would have made had the relevant award been satisfied with Ordinary Shares.

(f) Rights attaching to Shares

Except in relation to the award of Ordinary Shares subject to restrictions, Ordinary Shares issued and/or transferred under the Discretionary Plans will not confer any rights on any participant until the relevant award has vested or the relevant option has been exercised and the participant in question has received the underlying Ordinary Shares. Any Ordinary Shares allotted when an option is exercised or an award vests (or on the grant of LTIP or ADBP Restricted Shares) will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their issue). A participant awarded Ordinary Shares subject to restrictions shall have the same rights as a holder of Ordinary Shares in issue at the time that the participant acquires the Ordinary Shares, save to the extent set out in the agreement with the participant relating to those Ordinary Shares.

(g) Amendments

The Board may, at any time, amend the provisions of any of the Discretionary Plans in any respect. The prior approval of the Company in general meeting must be obtained in the case of any amendment to the advantage of participants which is made to the provisions of the LTIP or the ADBP Part B relating to eligibility, individual or overall limits, the persons to whom an award can be made under the relevant Discretionary Plan, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval, save that there are exceptions for any minor amendment to benefit the administration of the relevant Discretionary Plan, and any amendment to take account of the provisions of any proposed changes to legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company and/or its other Group companies. Amendments may not normally materially adversely affect the rights of participants except where participants are notified of such amendment and the majority of participants approve such amendment.

(h) Overseas plans

The Board may, at any time, establish further plans based on the LTIP and the ADBP for overseas territories. Any such plan shall be similar to the LTIP and the ADBP, as relevant, but modified to take account of local

tax, exchange control or securities laws. Any Ordinary Shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the relevant plan.

- (i) Benefits not pensionable

The benefits received under the Discretionary Plans are not pensionable.

13. Properties, investments, assets

As at the date hereof, all material operating properties are leased. As at the date hereof, the Group does not own any real property that is material either in relation to its asset base or that is used in any of its material operations.

For further information on the Group's principal and regional offices refer to "*Business—Properties*".

14. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group:

- (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group; or
- (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus.

14.1 Underwriting Agreement

- (a) The Company, the Selling Shareholders, the Directors and the Banks have entered into the Underwriting Agreement dated the date of this Prospectus pursuant to which, on the terms and subject to the conditions contained therein (which are customary in agreements of this nature) and subject to entry into the Pricing Agreement:
 - (i) the Selling Shareholders have agreed, subject to certain conditions, to sell the Offer Shares (excluding the Cornerstone Shares) in the Global Offering at the Offer Price; and
 - (ii) the Joint Bookrunners and Co-Lead Manager have severally agreed, subject to certain conditions, to procure purchasers for or, failing which, the Underwriters have agreed to purchase themselves the Offer Shares (excluding the Cornerstone Shares) pursuant to the Global Offering.
- (b) Allocations of the Ordinary Shares among prospective investors will be determined at the discretion of the Company and the Selling Shareholders (following consultation with the Joint Global Coordinators). All Offer Shares to be sold under the Global Offering, and all Over-allotment Shares that may be sold under the Over-allotment Option, will be sold at the Offer Price which is determined by the Company and the Selling Shareholders in their sole discretion (following consultation with the Joint Global Coordinators).
- (c) The Global Offering is conditional upon, among other things, entry into the Pricing Agreement, the Pre-IPO Reorganisation having been duly completed in accordance with its terms (subject only to Admission, and save for those steps which are to be completed after Admission), the absence of any breach of representation or warranty under the Underwriting Agreement, Admission occurring not later than 8.00 am. on 16 April 2019 (or such later date and time, not being later than 8.00 am. on 23 April 2019, as the Joint Global Coordinators may agree with the Company and the Selling Shareholders) and the Underwriting Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms. The underwriting commitment of each Underwriter will cease to be conditional at the point of Admission.
- (d) The Underwriting Agreement can be terminated at any time prior to Admission in certain customary circumstances set out in the Underwriting Agreement. If these termination rights are exercised by the Joint Global Coordinators (on behalf of the Banks), the Offer will lapse and any moneys received in respect of the Offer will be returned to applicants without interest.
- (e) The Underwriting Agreement provides for the Banks to be paid a commission by the Selling Shareholders in their respective proportions in respect of the Ordinary Shares sold by them pursuant to the Offer and the Over-allotment Shareholders in respect of any Over-allotment Shares sold by them pursuant to the exercise of the Over-allotment Option. The base commission on the Offer Shares

(excluding the Cornerstone Shares) will be equal to 1.75 per cent. of the Offer Price multiplied by the aggregate number of such shares (including following the exercise of the Over-allotment Option), subject to the deduction of certain advisory costs. The Selling Shareholders may also, at their and the Company's absolute discretion, pay an additional commission equal to up to 1.00 per cent. of the Offer Price multiplied by the aggregate number of such shares (including pursuant to the exercise of the Over-allotment Option), the amount of which will be determined, notified and paid to the Banks within 30 days of Admission. Any commissions received by the Banks may be retained and any Ordinary Shares acquired by them as Banks may be retained or dealt in, by them, for their own benefit.

- (f) The Company has agreed to pay or cause to be paid (together with any applicable irrecoverable amounts in respect of VAT) certain costs, charges, fees and expenses of or arising in connection with or incidental to the Offer. The Selling Shareholders have agreed to pay or cause to be paid (subject to certain limitations) any stamp duty and/or SDRT accruing on sales of their Ordinary Shares pursuant to the Offer. The Over-allotment Shareholders have agreed to pay or cause to be paid (subject to certain limitations) any stamp duty and/or SDRT accruing on sales of the Over-allotment Shares pursuant to the Offer or on transfers of Ordinary Shares under the Stock Lending Agreement.
- (g) The Company, the Directors and the Selling Shareholders have each given customary representations, warranties and undertakings to the Banks, and the Company has given certain indemnities to the Banks. The liability of the Company is unlimited as to amount and time. The liabilities of the Directors and the Selling Shareholders are limited as to amount and time.
- (h) The Over-Allotment Shareholders have granted the Over-allotment Option to the Stabilising Manager, to allow it to cover short positions arising from over-allotments and/or stabilising transactions as set out in "*—Stabilisation arrangements in connection with the Offer*". The Over-allotment Option may be exercised in whole or in part, upon notice by the Stabilising Manager, at any time during the period from the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending 30 days thereafter. The Over-allotment Shares made available pursuant to the Over-allotment Option will be sold on the same terms and conditions as, and will rank equally with, the other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the other Ordinary Shares.
- (i) Each of the Company, the Selling Shareholders and the Directors has agreed to certain lock-up arrangements in respect of the Ordinary Shares they hold immediately following Admission. Further details of the lock-up arrangements are set out in "*Details of the Global Offering—Lock-up arrangements and exceptions*".

14.2 Relationship Agreements with ENBD and WP/GA

- (a) In the event of Admission, each of ENBD, WP/GA, WP Mercury Holdings Coöperatief U.A. (the **Warburg Pincus Investor**), General Atlantic Coöperatief U.A. (the **General Atlantic Investor**) may become controlling shareholders of the Company for the purposes of the Listing Rules (**Controlling Shareholders**).
- (b) In connection with Admission:
 - (i) on 1 April 2019, the Company entered into a relationship agreement with ENBD (the **ENBD Relationship Agreement**);
 - (ii) on 1 April 2019, the Company entered into a relationship agreement with WP/GA (the **WP/GA Relationship Agreement**) and, together with the ENBD Relationship Agreement, the **Relationship Agreements**).
- (c) The Relationship Agreements will, conditional on Admission, and for such time as either ENBD's or WP/GA's shareholdings in the Company are respectively greater than or equal to 10 per cent., regulate the on-going relationship between the Company and ENBD and/or WP/GA (as applicable) following Admission.
- (d) As required under the Listing Rules, the principal purpose of the Relationship Agreements is to ensure that where, following Admission, either ENBD's or WP/GA's shareholdings in the Company are greater than or equal to 30 per cent., the Company is capable of carrying on its business independently of ENBD and/or WP/GA (as applicable) and that transactions and arrangements with such Shareholder (including any transactions and arrangements with any member of the Group) are conducted at arm's

length and on normal commercial terms. The Relationship Agreement is not subject to any additional penalty or indemnity clauses.

- (e) The provisions of the Relationship Agreements imposing obligations on ENBD and WP/GA will remain in full force and effect in respect of the relevant shareholder for so long as such shareholder, together with its associates, holds Ordinary Shares representing at least 10 per cent. of the Ordinary Shares in issuance by the Company from time to time (save that ENBD and WP/GA may terminate their respective Relationship Agreements if the Company ceases to be admitted to listing on the Official List). However, certain obligations on ENBD and WP/GA shall only apply for so long as the relevant Shareholder is a Controlling Shareholder.
- (f) The Company considers that, in light of its understanding of the relationship between WP/GA, the Warburg Pincus Investor and the General Atlantic Investor that WP/GA can procure the compliance by the Warburg Pincus Investor and the General Atlantic Investor and their respective associates (as defined in the Listing Rules) with the independence provisions set out in LR 6.5.4 R, which are included in the WP/GA Relationship Agreement (and as further detailed below). In particular, the Company understands that WP/GA has the benefit of a positive undertaking from the Warburg Pincus Investor and the General Atlantic Investor that they will exercise such rights as they have to seek to procure that WP/GA complies with the requirements of the Relationship Agreement, and that this undertaking may not be amended without the consent of WP/GA.
- (g) Under the Relationship Agreements, each of ENBD and WP/GA have agreed with the Company that for so long as:
 - (i) it remains a Controlling Shareholder it shall (and shall procure that each of its associates shall) (and in the case of WP/GA, it shall procure that any other Controlling Shareholders connected with WP/GA, and their associates, shall):
 - (A) conduct all transactions and arrangements with any member of the Group at arm's length and on normal commercial terms;
 - (B) not take any action which would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
 - (C) not propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules; and
 - (ii) it remains a Controlling Shareholder, it shall (and shall, insofar as it is reasonably able to do so, procure that each of its associates shall) (and in the case of WP/GA only, it shall procure that any other Controlling Shareholders connected with WP/GA, and their associates, shall):
 - (A) not take any action which would have the effect of preventing the Company from complying with:
 - I. its obligations under the Disclosure Guidance and Transparency Rules, the requirements of the London Stock Exchange, the FSMA, the Financial Services Act 2012, the Market Abuse Regulation or the Articles; or
 - II. the principles of good governance set out in the Governance Code, save to the extent disclosed in this Prospectus, or disclosed or to be disclosed in any annual report of the Company from time to time, or as otherwise agreed in writing by a majority of independent Directors or as is in accordance with the nominee director rights afforded to such Shareholder under the relevant Relationship Agreement;
 - (B) not cause or authorise to be done anything which would prejudice the Company's ongoing eligibility as a premium listed company; and
 - (iii) it is a related party for the purposes of the Listing Rules, the Shareholder shall (and shall take all reasonable steps to procure that each of its Associates shall) abstain from voting on any resolution required by LR 11.1.7R(3) of the Listing Rules to approve a "related party transaction" where the shareholder (or any of its associates) is the related party for the purposes of LR 11.1.7R(4) of the Listing Rules.
- (h) Under the ENBD Relationship Agreement, ENBD has a right to nominate for appointment up to three non-executive directors (each an **ENBD Nominee Director**) to the Board whilst its and its associates' shareholding in the Company is greater than or equal to 20 per cent. and to nominate for appointment

one ENBD Nominee Director to the Board whilst its and its associates' shareholding in the Company is greater than or equal to 10 per cent. (but is less than 20 per cent.). If ENBD's and its associates' shareholding in the Company is reduced to less than 20 per cent., but greater than or equal to 10 per cent. and three ENBD Nominee Directors are appointed to the Board, ENBD will, if requested by the Board, procure that two of its nominated ENBD Nominee Directors resign from the Board. If ENBD's and its associates shareholding in the Company is reduced to less than 10 per cent., ENBD will, if requested by the Board, procure that its remaining nominated ENBD Nominee Director resigns from the Board.

- (i) Under the WP/GA Relationship Agreement, WP/GA has a right to nominate for appointment two non-executive directors (each a **WP/GA Nominee Director** and, together with the ENBD Nominee Directors, the **Nominee Directors**) to the Board whilst its and its associates' shareholding in the Company exceeds 20 per cent. and to nominate for appointment one WP/GA Nominee Director to the Board whilst its and its associates' shareholding in the Company is greater than or equal to 10 per cent. (but is less than 20 per cent.). If WP/GA's and its associates' shareholding in the Company is reduced to less than 20 per cent., but greater than or equal to 10 per cent. and two WP/GA Nominee Directors are appointed to the Board, WP/GA will, if requested by the Board, procure that one of its nominated WP/GA Nominee Directors resigns from the Board. If WP/GA's and its associates shareholding in the Company is reduced to less than 10 per cent., WP/GA will, if requested by the Board, procure that its remaining nominated WP/GA Nominee Director resigns from the Board.
- (j) Under the Relationship Agreements, all Nominee Directors will be required to: (a) declare any matter giving rise to an actual or potential conflict of interest which is required to be declared to the Board pursuant to the Companies Act 2006 or the Articles between: (i) any member of the Group and (ii) the Nominee Director, the relevant shareholder, or one of its associates; and (b) unless a majority of the independent Directors (being for these purposes a non-executive Director of the Company who is determined by the Board to be independent in accordance with the requirements of the Governance Code) determines otherwise, the Nominee Director will not be permitted to vote or receive any Board of committee papers in relation to that matter and will be required to remove himself or herself from any Board or committee meeting (or the relevant part thereof) during which any matter to which the conflict of interest relates is discussed.
- (k) For so long as either ENBD or WP/GA (or their respective concert parties (as defined in the City Code)) holds in aggregate an interest in 30 per cent. or more of the aggregate voting rights in the Company and subject (where necessary) to the prior consent of the Takeover Panel, the Company has undertaken to procure that at the first annual general meeting of the Company and thereafter once in every calendar year, to propose to its independent shareholders a resolution to waive, in accordance with Appendix 1 to the City Code on Takeovers and Mergers (the **City Code**), all obligations of the relevant shareholder (and/or its concert parties) to make a general offer for the Ordinary Shares of the Company in accordance with Rule 9 of the City Code that may otherwise arise as a result of the Company purchasing or effecting any other transaction in relation to the Ordinary Shares or related securities.
- (l) The Company has also agreed not to undertake any transaction that may reasonably be expected to give rise to an obligation for ENBD or WP/GA (or their respective concert parties (as defined in the City Code)) to make an offer under Rule 9 of the City Code, unless the Company has first obtained a waiver of Rule 9 from independent shareholders (as per above) in accordance with Appendix 1 to the City Code or has otherwise obtained the necessary waivers or consents from the Takeover Panel to prevent such obligation from applying.

14.3 Cornerstone Investment Agreement

- (a) Mastercard Asia/Pacific Pte. Ltd. (**Mastercard**), the Selling Shareholders and the Company entered into a cornerstone investment agreement on 25 March 2019 (the **Cornerstone Agreement**), pursuant to which Mastercard has agreed to invest USD 300 million in the Company by acquiring from the Selling Shareholders such number of Offer Shares in the Global Offering at the Offer Price as is calculated by dividing the sterling equivalent of USD 300 million (determined immediately prior to pricing) by the Offer Price. If the number of Offer Shares which would otherwise be acquired is greater than 9.99 per cent. of the Company's issued share capital upon Admission, the Selling Shareholders may, in their discretion, reduce the number of Offer Shares to be acquired by Mastercard to that number of shares which is equal to 9.99 per cent. of the Company's issued share capital.
- (b) Mastercard's obligation to purchase Offer Shares is conditional upon, among other things: (i) the Offer Price being within or below the Offer Price Range; (ii) the Underwriting Agreement having become

unconditional in accordance with its terms and not having been terminated; (iii) achieving a minimum free float of 25 per cent. (for the purposes of Listing Rule 6.14) at Admission; and (iv) Admission. The Cornerstone Agreement may be terminated, among other things, if there is any material inaccuracy in or material omission from this prospectus which is materially adverse to Mastercard or if there is a breach of certain key warranties.

- (c) Pursuant to the Cornerstone Agreement, Mastercard and the Company have agreed to work together in good faith to implement certain strategic commercial arrangements and to execute definitive agreements with respect to such arrangements, including:
 - (i) Cross-referral arrangements between Mastercard and the Company, whereby:
 - (A) Mastercard will seek to steer acquiring processing customers to the Company to increase the adoption of card and digital payments which will involve integration of selected Mastercard modules, where commercially and technically feasible; and
 - (B) without prejudicing the Company's ability to be able to offer other payment schemes to customers based on their preferences and while acknowledging the Company's status as a scheme-agnostic payment service provider, the Company will position Mastercard as a preferred scheme to existing and prospective issuing customers;
 - (ii) The Company will receive fixed and variable fees and other benefits from the overall Mastercard enterprise partnership which are expected to be in excess of USD 7 million per annum;
 - (iii) Mastercard intends to use the Company as a preferred, but non-exclusive distributor of selected value added services and payment technologies provided by Mastercard, including cyber and intelligence tools, payment gateway, tokenisation solutions, data and analytics tools and new brand-agnostic value added services being developed by Mastercard; and
 - (iv) Joint assessment and development of value added services and innovative solutions such as loyalty, analytics and micro-lending solutions.
- (d) The commercial agreement to be entered into between Mastercard and the Company will be for a five year duration, with the option for both sides to extend by another five years. Any commercial agreement entered into will terminate if Mastercard's shareholding in the Company is reduced by more than 30 per cent. compared to its shareholding at Admission, unless both parties agree otherwise. The Company has also agreed not to enter into a similar strategic partner arrangement with other international payment schemes during the term of any commercial agreements or for so long as Mastercard holds at least 70 per cent. of the shares acquired by it from the Selling Shareholders in the Global Offering.
- (e) Mastercard has agreed to a two year lock up of the shares acquired by it in the Global Offering, subject to certain customary exceptions. Mastercard has also agreed not to acquire any shares or other securities in the Company for a period of three years from Admission, save that Mastercard may subscribe for shares in any rights issue or other pre-emptive share offering by the Company and the restriction on Mastercard agreeing not to acquire any shares or other securities shall cease to apply if, and for so long as, a recommended offer is made for the Company.
- (f) Under the Cornerstone Agreement, the parties have agreed that Mastercard shall, for so long as Mastercard does not dispose of any shares acquired by it from the Selling Shareholders in the Global Offering, have the right to appoint an observer to the board of the Company. The Observer may attend all board meetings and receive all board papers, but may not vote at board meetings. The observer may also be excluded where a conflict arises or where a majority of the Directors determine a matter to be commercially or legally sensitive in nature such that disclosing it to the observer may potentially be prejudicial to the Group, its business or interests.
- (g) The Cornerstone Agreement is governed by English law.

14.4 Emirates NBD Master Services Agreement

- (a) Network International LLC and Emirates NBD (which shall for the purposes of this section 14.4 be interpreted to refer only to Emirates NBD Bank PJSC) have entered into an amended and restated Master Services Agreement dated 29 March 2019 relating to the provision to Emirates NBD and its subsidiaries of credit card issuing and management, ATM acquiring and personalisation of payment cards (the **Restated MSA**). The Restated MSA replaces various agreements previously entered into between Network International LLC and Emirates NBD and Emirates Islamic PJSC (**EI**). The Restated MSA also incorporates the terms of the addenda recently entered into between Network

International LLC and Emirates NBD, and Network International LLC and EI. Under the Restated MSA, read in conjunction with the SOWs, Network International LLC is appointed as Emirates NBD's and EI's sole and exclusive service provider in relation to the services covered in the SOWs (along with the dynamic currency conversion at ATMs service).

- (b) The term of the Restated MSA is deemed to have commenced on 1 January 2019, and shall be for an initial period of five years (the **Term**), at which point the Restated MSA may be renewed by written agreement of the parties.
- (c) The Restated MSA may be terminated immediately at any time by either party giving written notice in the event that the other party becomes insolvent or fails to remedy a material breach (which is capable of being remedied) after having been given 30 business days in which to do so.
- (d) Emirates NBD shall have the option to partially terminate those services relating to transactions acquired on Emirates NBD ATMs (**ATM Acquiring**) by giving a minimum of six months advance notice prior to the end of the calendar year (with the termination to take effect from the commencement of the next calendar year). In the year when any such termination takes effect, the minimum charges (as set out below) for such year shall be adjusted by reducing the preceding year's fees to the extent of that year's fee attributed to ATM Acquiring. Emirates NBD may terminate the Restated MSA if permits necessary for Network International LLC to operate its business are revoked indefinitely.
- (e) The statements of work issued under the Restated MSA (**SOWs**) provide for the payment by Emirates NBD and EI of a variety of fixed and variable per unit fees for "services" and "additional services". Network International LLC is required to issue invoices monthly, for payment in arrears within 30 days of receipt of the invoice. In addition to the agreed per unit fees, the parties have agreed to the following arrangements:

For services and additional services provided to Emirates NBD:

- (i) The fees relating to services shall be capped at AED 136 million, effective from 1 January 2019 to 31 December 2019.
- (ii) The fee cap for the services shall increase year-on-year by 2 per cent., effective from 1 January 2020. The increase shall be calculated based on the fee cap in the immediately preceding calendar year (in other words, for the 2020 calendar year, the fee cap will be AED 138.7 million (AED 136 million plus 2 per cent.)).
- (iii) The fee caps described in paragraphs (i) and (ii) above shall apply where:
 - (A) there is annual transaction volume growth of up to 25 per cent., based on actual transactions in the immediately preceding calendar year (where a transaction is any request initiated through a card which is processed and approved using Network International's systems); and
 - (B) an annual increase in the number of cards (credit, debit or prepaid cards) hosted on Network's systems of up to 15 per cent., based on actual number of cards hosted on Network's systems in the immediately preceding calendar year((A) and (B) together constituting the **ENBD Volume Growth Cap**).
- (iv) Network International LLC may charge specified fees for additional services which will fall outside of the fee caps described in paragraphs (i) and (ii) above.
- (v) In the event the transactions which are switched through Network International LLC's systems exceed the relevant component of the ENBD Volume Growth Cap, for each such incremental transaction, Network International LLC shall be entitled to charge USD 0.04 per transaction. In the event the card account hosted with Network International LLC exceeds the relevant component of the ENBD Volume Growth Cap, for each such card account hosted, Network International LLC shall charge Emirates NBD USD 5.88 per credit card and USD 0.875 per prepaid or payroll card per annum.

For the services and additional services to be provided to EI:

- (i) The fee cap relating to services shall be capped at AED 40 million, effective from 1 January 2019 to 31 December 2019.

- (ii) The fee cap for the services shall increase year-on-year by 5 per cent., effective from 1 January 2020. The increase shall be calculated based on the fee cap of the immediately preceding calendar year (in other words, for the 2020 calendar year, the fee cap will be AED 42 million (AED 40 million plus 5 per cent.)).
- (iii) The fee caps described in paragraphs (i) and (ii) above shall apply where:
 - (A) there is annual transaction volume growth of up to 21 per cent., based on actual transactions in the immediately preceding calendar year (where a transaction is any request initiated through a card which is processed and approved using Network International's systems); and
 - (B) an annual increase in the number of cards (credit, debit or prepaid cards) hosted on Network's systems of up to 9 per cent., based on actual number of cards hosted on Network's systems in the immediately preceding calendar year,
 ((A) and (B) together constituting the **EI Volume Growth Cap**).
- (iv) Network International LLC may charge specified fees for additional services which will fall outside of the fee caps described in (i) and (ii) above.
- (v) In the event the transactions which are switched through Network International LLC's systems exceed the relevant component of the EI Volume Growth Cap, for each such incremental transaction, Network International LLC shall be entitled to charge USD 0.04 per transaction. In the event the card account hosted with Network International LLC exceeds the relevant component of the EI Volume Growth Cap, for each such card account hosted, Network International LLC shall charge EI USD 5.88 per credit card and USD 0.875 per prepaid or payroll card per annum.
- (f) In consideration for Emirates NBD agreeing to the Term, Network International LLC has agreed to provide to Emirates NBD certain incentives by way of credit notes. The credit notes are to be applied in the following manner:
 - (i) a credit note of AED 10 million on signing of the Restated MSA;
 - (ii) a credit note of AED 10 million on or around 1 January 2020; and
 - (iii) a credit note of AED 10 million on or around 1 January 2021.
 The credit notes are to be adjusted against the invoices which Network International LLC shall raise on Emirates NBD for the services and additional services and may not be refunded in the form of cash or bank transfer.
- (g) In consideration for Emirates Islamic PJSC agreeing to the Term, Network International LLC has agreed to provide to EI certain incentives by way of credit notes. The credit notes are to be applied in the following manner:
 - (i) a credit note of AED 2.5 million on signing of the Restated MSA; and
 - (ii) a credit note of AED 2.5 million on or around 31 December 2019.
 The credit notes are to be adjusted against the invoices which Network International LLC shall raise on EI for the services and additional services and may not be refunded in the form of cash or bank transfer.
- (h) The SOWs issued under the Restated MSA require Network International LLC to meet certain service levels in respect of the services. The SOWs entered into in respect of the services to be provided to Emirates NBD and EI provide for the payment of service credits, in the event of a failure by Network International LLC to deliver the services in accordance with the stipulated service levels.
- (i) The Restated MSA has been entered into on arm's length terms. The services provided by Network International LLC under the precursor agreements to the Restated MSA accounted for 16.2 per cent. of the Group's total revenues for the year ended 31 December 2018.

14.5 Master Transitional Services Agreement

- (a) Network International LLC and Emirates NBD have entered into a master transitional services agreement (**MTSA**). Under the MTSA, Emirates NBD provides certain IT and operational services (**Services**) to Network International LLC for a transitional period of three years, unless agreed otherwise by the parties in writing.

- (b) The MTSA is a framework agreement under which statements of work (**SOWs**) can be entered into by the parties. Each SOW is a separate agreement between the parties that incorporates the terms of the MTSA and is deemed to have commenced on 1 January 2019.
- (c) The Services are described in each SOW and comprise the following:
 - (i) support services for Network International LLC’s entire IT infrastructure (**IT Services**); and
 - (ii) human resources, finance and accounting and central operations (**Operational Services**).
- (d) Charges for the Services are as set out in each SOW and comprise the following: AED 15.6 million a year for the IT Services and approximately AED 2.1 million a year for the Operational Services. Each undisputed invoice submitted by Emirates NBD for the Services is payable by Network International LLC within 30 days of receipt; however, Network International LLC is not liable to pay invoices received more than three months after the date of the provision of the Services to which the invoice relates.
- (e) Emirates NBD is required to provide the Services in accordance with certain agreed quantities and qualitative service levels, which are set out in each SOW.
- (f) Emirates NBD shall maintain up-to-date business continuity and disaster recovery plans. Emirates NBD agrees to test the business continuity plans at least once per year and provide Network International LLC with written results of the testing and details of the steps taken to remedy any shortcomings or failures identified. Emirates NBD shall also perform a secure back-up of Network International LLC’s data.
- (g) Both parties’ liability is limited to 100 per cent. of the annual charges paid or payable by Network International LLC to Emirates NBD under the MTSA in the 12 month period preceding the event of default (or the last event of default in a series of connected defaults). The approximate total annual value of the MTSA is AED 17.7 million.
- (h) Emirates NBD agrees to permit annual audits of the provision of the Services (including access to premises) by the auditors of Emirates NBD, at the request of Network International LLC.
- (i) Network International LLC may terminate the MTSA or any SOW, whether in whole or in part, immediately if (i) the Services (or a particular Service) fall below a service level termination threshold set out in a SOW, or (ii) Emirates NBD undergoes a change of control not previously approved in writing by Network International LLC. Additionally, Network International LLC may terminate the MTSA, in whole or in part, without cause on 90 days’ written notice. Either party may terminate the MTSA or any SOW, whether in whole or in part, immediately for the other party’s material breach or insolvency. On termination of the MTSA no further SOWs may be signed, however, each existing SOW will (unless otherwise terminated) continue to be in force.
- (j) Emirates NBD will be responsible for providing certain exit services in relation to the coordination and planning of migration of the Services to a replacement provider in accordance with a migration plan, a template of which is attached to the MTSA along with an agreed set of migration principles. In addition, Emirates NBD will co-operate with Network International and/or any replacement supplier to the extent reasonably required to facilitate the smooth migration of the Services from Emirates NBD to Network International and/or any replacement supplier. The migration plan will be finalised by the parties within three months after the date of the MTSA and reviewed and updated as required by Emirates NBD at least once a year.
- (k) The Services are subject to a multi-layered governance process. There is an agreed escalation process in the event of disputes between the parties. The governing law of the MTSA is the federal laws of the United Arab Emirates as applicable in the Emirate of Dubai.

14.6 Other Material Contracts

- (a) The USD 350,000,000 equivalent Syndicated Conventional and Murabaha Acquisition Facilities described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*”; and
- (b) The Overdraft Revolving Credit Facility described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*”.

15. Material litigation

Other than as disclosed below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months preceding the date of this Prospectus which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

The Group is involved in various litigation matters and from time to time may in the future be involved in governmental or regulatory investigations or similar matters arising out of its current or future business. For example, the Company and a Middle Eastern telecommunications company recently agreed to settle (subject to final execution of documentation) an ongoing discussion since 2017 regarding the amount of payments of certain commissions for approximately AED 9.8 million. The Group's insurance or indemnities may not cover all claims that may be asserted against it, and any claims asserted against it, regardless of merit or eventual outcome, may harm its reputation. Furthermore, there is no guarantee that the Group will be successful in defending itself in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending litigation or future litigation or investigation significantly exceed the Group's insurance coverage, they could have a material adverse effect on its business, financial condition and results of operations.

Management believes, based on the opinion of legal counsel and other factors, that the aggregated liabilities, if any, arising from such actions will not have a material adverse effect on the Group's financial condition, results of operations and cash flows.

16. Significant change

There has been no significant change in the Group's financial or trading position since 31 December 2018, the date to which the Group's Historical Financial Information was prepared.

17. Working capital statement

In the opinion of the Company, taking into account the debt facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

18. Significant subsidiary undertakings

The Company is the principal holding company of the Group. The following table sets forth a list of the Group's significant subsidiary undertakings:

Name	Country of incorporation and registered office	Class of share capital (issued and fully paid unless otherwise stated)	Proportion of capital held	Proportion of voting power held (if different from capital held)	Principal activity
Network International Holding 1 Limited	Dubai International Financial Centre, United Arab Emirates, registered number 3204. Registered Office: Level 1, Gate Village Building 3	Paid up capital of USD 100, consisting of 100 shares of nominal value of USD 1.00 each	100 per cent.	100 per cent.	Holding company for UAE Entities
Network International Holding 2 Limited	Dubai International Financial Centre, United Arab Emirates, registered number: 3179. Registered Office: Level 1, Gate Village Building 3	Paid up capital of USD 100, consisting of 100 shares of nominal value of USD 1.00 each	100 per cent.	100 per cent.	Holding company for Non-UAE Entities
Network International LLC	United Arab Emirates, licence number: 234939. Registered office: Level:101-201 Owned by Emirates NBD—AL BARSHA (2), PO Box 4487, Dubai, UAE	Paid up capital of AED 50,000,000, consisting of 50,000 shares of nominal value AED 1000 per share	49 per cent.	100 per cent.	Payment services provider
Mercury Payments Services LLC	United Arab Emirates, licence number: 770115. Registered office: Level: 101-201- Owned by Emirates NBD—AL BARSHA (2), PO Box 4487, Dubai, United Arab Emirates	Paid up capital of AED 34,900,000, consisting of 349,000, shares of nominal value AED 100 per share	70 per cent.	70 per cent.	Payment services provider
Diners Club (UAE) LLC	Dubai, United Arab Emirates, licence number: 219183. Registered office: Level:101-201- Owned by Emirates NBD—AL BARSHA (2), PO Box, 777, Dubai UAE	Paid up capital of AED 4,200,000, consisting of 4,200 shares of nominal value AED 1,000 per share	99 per cent.	99 per cent.	Credit card issuing services.
Transguard Cash LLC	Dubai, United Arab Emirates, licence number 648483. Registered office: Dubai Airport Free Zone, Emirates Group Security Building, P.O. Box 22630, Dubai, United Arab Emirates.	Paid up capital of AED 300,000 consisting of 300 shares of nominal value AED 1,000 per share	50 per cent.	50 per cent.	Cash in transit.
Network International Egypt SAE	Egypt, commercial licence number: 143844. Registered office: 55 Kods Sharif Street, Mohandessin, Giza, Egypt	Paid up capital of EGP 31,026,865, consisting of 6,205,373 shares of nominal value EGP 5 per share	98 per cent.	98 per cent.	Designing and developing software and operating systems
Egyptian Smart Cards Company SAE	Egypt, commercial licence number: 44721. Registered office: 92, Tahrir Street, Dokki, Giza	Paid up capital of USD 8,000,000 consisting of 8,000,000 shares of nominal value USD 1 each	99.99 per cent.	99.99 per cent.	Designing and preparing smart card programmes
Emerging Markets Payments Africa SAE	Egypt, commercial licence number: 141809. Registered office: 92, Tahrir Street, Dokki, Saridar Building, Egypt	Paid up capital of EGP 28,762,712, consisting of 741,307 shares of nominal value EGP 38.8 each	99.9 per cent.	99.9 per cent.	Operating telecommunication plants and networks and designing and producing computer programmes
Diners Club Services Egypt SAE	Giza, Egypt, commercial licence number: 11480. Registered office: 55 Kods Sharif Street, Mohandessin, Giza, Egypt	Paid up capital of EGP 3,700,000, consisting of 37,000 shares of nominal value EGP 100 each	98 per cent.	96 per cent.	Credit card issuing services

<u>Name</u>	<u>Country of incorporation and registered office</u>	<u>Class of share capital (issued and fully paid unless otherwise stated)</u>	<u>Proportion of capital held</u>	<u>Proportion of voting power held (if different from capital held)</u>	<u>Principal activity</u>
Network International Investment Holding Ltd	Mauritius, company number: C090800. Registered office: Les Cascades, Edith Cavell Street, Port- Louis, Mauritius	Paid up capital of USD 29,935,000 consisting of 1 share of nominal value USD 29,935,000	100 per cent.	100 per cent.	Investment holding
Network International Services (Mauritius) Limited	Mauritius, company number: C0908838. Registered office: Les Cascades, Edith Cavell Street, Port- Louis, Mauritius	Paid up capital of USD 1 consisting of 1 share of nominal value USD 1	100 per cent.	100 per cent.	Bank processing
Network International Services Ltd	Jordan, entity national number: 200013973. Registered office: Abdul Raheem Al-Wakeed St, Building No.43 Shmeisani Amman, Jordan	Paid up capital of 3,900,000 dinar consisting of 3,900,000 shares of nominal value 1 dinar each	100 per cent.	100 per cent.	Payment services provider
Network International Payment Services (Pty) Ltd	South Africa, company number: 2000/024586/07. Registered Office: Letterstedt House, Newlands on Main, Main Road, Claremont, 7708, South Africa	Paid up capital of Rand 6,100 consisting of 6,100 shares of nominal value 1 rand each	100 per cent.	100 per cent.	Payment services provider
Network International Payments Services Nigeria Ltd	Nigeria, RC number: 957819. Registered address: 4th Floor, Block B, 3 Force Road, Onikan, Lagos, Nigeria	Paid up capital of 1,000,000,000 shares consisting of 1,000,000,000 shares of nominal value USD 1 each	100 per cent.	100 per cent.	Payment services provider
Network International Arabia Limited Co	Saudi Arabia, commercial registration number: 1010476949 P.O. Box 15870, Riyadh 11454, Kingdom of Saudi Arabia	Paid up capital of 500,000 shares consisting of 500,000 shares of nominal value of 1 Saudi riyal each	100 per cent.	100 per cent.	Data processing, hosting and related activities

19. Consents

KPMG Lower Gulf Limited has given and has not withdrawn its written consent to the inclusion in this Prospectus of its reports set out under heading “*Historical Financial Information*”, in the form and context in which they appear and has authorised the contents of those parts of the Prospectus which comprise its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules. As the Ordinary Shares have not been and will not be registered under the Securities Act, the KPMG Lower Gulf Limited has not filed and will not be required to file a consent under the Securities Act. KPMG Lower Gulf Limited has no material interest in the Company.

Edgar, Dunn & Company (EDC) has given and has not withdrawn its written consent to the inclusion in this Prospectus of information extracted from the EDC Report it prepared at the request of the Company, which information has been sourced to EDC, as set out in the paragraph headed “Market, Economic and Industry Data” in the section headed “*Presentation of Financial and Other Information*”, in the form and context in which it appears and has authorised the content of such information for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules. EDC accepts responsibility for the information in this Prospectus which has been sourced to it and declares that, to the best of the knowledge of EDC (who has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect the import of such information.

20. Third-party information

The Group confirms that all third-party information included in this Prospectus has been accurately reproduced and, so far as the Group is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21. General

The fees and expenses to be borne by the Company in connection with Admission including the FCA fees, professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to approximately USD 15 million (including VAT).

The financial information contained in this document does not amount to statutory accounts within the meaning of Section 434(3) of the Companies Act 2006.

22. Withdrawal Rights

In the event that the Company is required to publish a supplementary prospectus, applicants who have applied to purchase Offer Shares in the Global Offering will have at least two Business Days following the publication of the supplementary prospectus within which to withdraw their offer to acquire Offer Shares in the Global Offering.

In addition, in the event that the Offer Price is set above the Price Range (or the Price Range is revised higher), or the Offer Size is set above or below the Offer Size Range, applicants who have applied to purchase Offer Shares in the Global Offering would have a statutory right to withdraw their offer to purchase Offer Shares in the Global Offering in its entirety pursuant to section 87Q of FSMA before the end of a period of two Business Days commencing on the first Business Day after the date on which an announcement of this is published via a Regulatory Information Service announcement for each later date as may be specified in that announcement. In those circumstances, the Pricing Statement would not be issued until this deadline for exercising such statutory withdrawal rights has ended. The arrangements for withdrawing offers to purchase Offer Shares would be made clear in the announcement or the supplementary prospectus.

If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares in the Global Offering will remain valid and binding.

23. Mandatory bids and compulsory acquisition rules relating to Ordinary Shares

Other than as provided by the City Code on Takeovers and Mergers (the **City Code**) and Chapter 28 of the Companies Act 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company.

23.1 Rule 9 of the City Code

The City Code applies to the Company.

Rule 9.1 of the City Code states that, except with the consent of the Takeover Panel (the **Panel**), when:

- (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or
- (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable and the Panel should be consulted in advance in such cases.

“Interests in shares” is defined broadly in the City Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

“Voting rights” for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are deemed under the City Code to be acting in concert with each other unless the contrary is established.

The Panel Executive has confirmed to the Company that it would not presume ENBD and WP/GA to be acting in concert with one another for the purposes of presumption 9 under the definition of “acting in concert” in the Takeover Code.

At Admission, assuming no exercise of the Over-allotment Option, each of ENBD and WP/GA may be interested in Ordinary Shares which (i) carry less than 30 per cent. of the voting rights in the Company or (ii) carry 30 per cent. or more of the voting rights in the Company, but neither of them would hold Ordinary Shares amounting to more than 50 per cent. of such voting rights in the Company. Following Admission, under Rule 9 of the Takeover Code, if ENBD or WP/GA acquired any interest in Ordinary Shares and the effect of such acquisition was:

- (a) to increase the percentage of Ordinary Shares carrying voting rights in the Company in which the relevant acquirer (together with the other persons acting in concert with either of ENBD or WP/GA (as the case may be)) is interested to 30 per cent. or more of the of Ordinary Shares carrying voting rights in the Company, but not more than 50 per cent. of such voting rights (where the relevant acquirer had previously held less than 30 per cent. of the of Ordinary Shares carrying voting rights in the Company); or
- (b) to increase the percentage of Ordinary Shares carrying voting rights in the Company in which the relevant acquirer (together with the other persons acting in concert with either of ENBD or WP/GA (as the case may be)) is interested (where the relevant acquirer was already interested in Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, but did not hold shares carrying more than 50 per cent. of such voting rights),

such acquirer (and, depending on the circumstances, persons acting in concert with it) would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding Ordinary Shares at a price not less than the highest price paid for interests in Ordinary Shares by such acquirer or its concert parties during the previous 12 months.

23.2 Authority of the Company to redeem or purchase its own shares

When a company redeems or purchases its own voting shares, under Rule 37 of the City Code any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code. Rule 37 of the City Code provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the City Code is followed. Appendix 1 to the City Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37 of the City Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company’s purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, concert parties with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are concert parties solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders’ authority for any such purchase.

Under Note 2 on Rule 37 of the City Code, the exception in Note 1 on Rule 37 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place. Note 2 generally will not be relevant unless the relevant person knows that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).

The Panel must be consulted in advance in any case where Rule 9 of the City Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30 per cent. or more but do not hold shares carrying more than 50 per cent. of the voting rights of a company, or may become interested in 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares. In addition, the Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30 per cent. or more, or may be increased to 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares.

In the present case, and assuming that the Cornerstone Investor acquires 9.99 per cent. of the Ordinary Shares, at the time of Admission:

- (a) ENBD is expected to hold between 82,900,500 Ordinary Shares (representing 16.58 per cent. of the total Ordinary Shares in the Company, assuming full exercise of the Over-allotment Option, and no underwriting commitment (as addressed in 23.4 below) taken up) and 176,556,750 Ordinary Shares (representing 35.31 per cent. of the total Ordinary Shares in the Company, assuming no exercise of the Over-allotment Option, and full underwriting commitment taken up); and
- (b) WP/GA is expected to hold between 79,649,500 Ordinary Shares (representing 15.93 per cent. of the total Ordinary Shares in the Company, assuming full exercise of the Over-allotment Option) and 159,274,500 Ordinary Shares (representing 31.85 per cent. of the total Ordinary Shares in the Company, assuming no exercise of the Over-allotment Option),

in each case, based on the Offer Price and the Share Offer Size being within the Price Range and the Share Offer Size Range.

Both ENBD and WP/GA currently have, and at the time of Admission will have representative directors appointed to the Board, with whom they will be presumed to be acting in concert.

Prior to Admission, and subject to certain limits, the Company will be seeking authority to purchase its own shares under the terms of the shareholder resolutions summarised in paragraph 3.8 of “*Additional Information*”. The maximum number of shares that the Company may purchase under this authority will be 50,000,000 Ordinary Shares. The authority will expire at the conclusion of the first annual general meeting of the Company (or, if earlier, on the date falling 15 months after the resolution conferring it is passed).

If, prior to such expiry:

- (c) the Company were to exercise that authority in full;
- (d) the aggregate percentage shareholding of ENBD is 35.31 per cent. (being the maximum contemplated position at the time of Admission set out in (a));
- (e) the aggregate percentage shareholding of WP/GA is 31.85 per cent. (being the maximum contemplated position at the time of Admission set out in (b)); and
- (f) none of the Ordinary Shares which ENBD or WP/GA hold are purchased by the Company under that authority and no Ordinary Shares have been issued by the Company between the date of Admission and the date that the authority to purchase its own shares fully exercised,

then:

- (g) ENBD’s shareholding would increase to approximately 39.23 per cent. (including for these purposes the maximum holdings of its current and former representative directors (if any), as described above); and
- (h) WP/GA’s shareholding would increase to approximately 35.39 per cent. (including for these purposes the maximum holdings of its current and former representative directors (if any), as described above).

Notwithstanding the provisions of Rule 37 of the Takeover Code, the Panel Executive has confirmed to the Company that it would not require either ENBD or WP/GA or any person presumed to be acting in concert with either such entity to make a mandatory offer under Rule 9 of the Takeover Code on the grounds that their interest in the Company has increased only as a result of the purchase by the Company of its own shares pursuant to the shareholder resolution summarised above and that the maximum potential shareholdings of each of ENBD and WP/GA resulting from the Company’s purchase of Ordinary Shares pursuant to the shareholder resolution have been set out herein.

The Company currently expects to seek renewal of that authority from shareholders at the first annual general meeting of the Company following Admission and to seek independent shareholder (for the purposes of the City Code) consent to an equivalent waiver in respect of any renewed authority to purchase Ordinary Shares that is sought. The granting of the waiver will then also be subject to renewed approval from the Takeover Panel, without which Rule 9 of the Takeover Code will apply with respect to increases in interests in the Ordinary Shares caused by the purchase by the Company of its own shares.

23.3 *Stabilisation arrangements in connection with the Offer*

Under the stabilisation arrangements described in “*Details of the Global Offering*”, the Stabilising Manager may borrow Ordinary Shares (representing in aggregate up to 15 per cent. of the total number of Offer Shares (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares)) from the

Over-allotment Shareholders under the terms of the Stock Lending Agreement for the purposes of satisfying over-allotments of Ordinary Shares. The Stabilising Manager will, within 30 calendar days of the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange, redeliver to the Over-allotment Shareholders equivalent securities in respect of any borrowing it makes under the terms of the Stock Lending Agreement by transferring the same number of Ordinary Shares to the Over-allotment Shareholders as the Stabilising Manager has borrowed from the Over-allotment Shareholders. The Stabilising Manager may also utilise the Over-allotment Option to acquire Ordinary Shares representing in aggregate up to 15 per cent. of the total number of Offer Shares (prior to the utilisation of the Over-allotment Option, and excluding the Cornerstone Shares) from the Over-allotment Shareholders whereupon the Over-allotment Shareholders will be obliged to transfer such Ordinary Shares to the Stabilising Manager.

As a result of the combined effect of lending Ordinary Shares pursuant to the Stock Lending Agreement and granting the Over-allotment Option, each Over-allotment Shareholder's shareholding in the Company can only remain the same or decrease from what its shareholding would be if it were not party to any stabilisation arrangements. In particular, each Over-allotment Shareholder's shareholding in the Company will return to its original level when the loan is repaid and then decrease if the Stabilising Manager acquires Ordinary Shares from it pursuant to utilisation of the Over-allotment Option. The Panel Executive has confirmed that, pursuant to Note 4 on the definition of "Interests in securities" and Note 18 on Rule 9.1 in the City Code, none of the Over-allotment Shareholders will be treated as having disposed of an interest in any Ordinary Shares when it lends Ordinary Shares to the Stabilising Manager under the Stock Lending Agreement and will not therefore be treated as having increased its interest in Ordinary Shares upon the redelivery of the lent Ordinary Shares. Accordingly, no Rule 9 mandatory offer obligation will arise under the stock lending arrangements.

An announcement will be made by the Company or by the Stabilising Manager on its behalf following utilisation of the Over-allotment Option, and a further announcement will be made to record the movements that have taken place in the Over-allotment Shareholders' shareholding in the Company consequent upon the arrangements referred to above.

23.4 ENBD Capital PSC underwriting commitment

In connection with the underwriting arrangements, ENBD Capital PSC, as one of the underwriters, may be required to purchase a proportion of the Ordinary Shares being offered in the Global Offering. The relevant proportion of Ordinary Shares to be underwritten by ENBD Capital PSC is not expected to be more than 7.5 per cent. of the Ordinary Shares offered in the Global Offering (prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares).

As a result of these arrangements ENBD Capital PSC could be required to purchase a proportion of the Ordinary Shares offered in the Global Offering, although, given the structure of the Global Offering, this requirement to purchase should only arise if investors procured by the Joint Bookrunners and Co-Lead Manager default in purchasing Ordinary Shares.

While, as a result of the sale by ENBD of Ordinary Shares in the Global Offering, the overall voting interests of Emirates NBD Group in the Company will decrease from the interests of the Emirates NBD Group immediately prior to Admission, if ENBD Capital PSC is required to purchase Ordinary Shares as a result of its underwriting commitment, the voting interests of Emirates NBD Group in the Company will increase from the interests of the Emirates NBD Group immediately following the sale by ENBD of Ordinary Shares in the Global Offering.

It is understood that, in the event ENBD Capital PSC is required to purchase Ordinary Shares as a result of its underwriting commitment, ENBD Capital PSC (or the relevant member of the Emirates NBD Group which acquired the Ordinary Shares on ENBD Capital PSC's behalf) would not see itself as a long term shareholder and would look to sell such Ordinary Shares as soon as practicable, when it considers market conditions to be appropriate. In addition, ENBD Capital PSC (or another member of the Emirates NBD Group) may hold Ordinary Shares on a temporary basis in connection with customary settlement arrangements and the delivery of shares to investors, and it is not anticipated that there will be any opportunity for such Ordinary Shares to be voted during this period.

The Panel Executive has confirmed to the Company that no mandatory offer for the Company need be made as a result of any increase in the number of Ordinary Shares held by the Emirates NBD Group or in the voting interests of the Emirates NBD Group in the Company as a result of performance by ENBD Capital PSC of its underwriting obligations or any customary settlement arrangements by any Emirates NBD Group entity and that the maximum potential shareholdings of the Emirates NBD Group resulting from ENBD Capital PSC's underwriting obligations have been set out herein.

23.5 Maximum potential controlling position

When the maximum control position of ENBD following Admission, as set out in 23.2(a) above, is consolidated with the full exercise by the Company of the authority to purchase its own shares under the terms of the shareholder resolution, as set out in paragraph 23.2(g) above, the Emirates NBD Group is expected to hold a maximum potential controlling interest of approximately 39.23 per cent. of the voting rights of the Company.

23.6 Squeeze-out rules

Under the Companies Act 2006, if a “takeover offer” (as defined in Section 974 of the Companies Act 2006) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which such offer relates, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to the outstanding members informing them that it will compulsorily acquire their shares and, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration for the outstanding shares to the Company which would hold the consideration on trust for the relevant members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

23.7 Sell-out

The Companies Act 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the shares and not less than 90 per cent. of the voting rights carried by the shares in the Company, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his or her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

24. Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of publication of this Prospectus at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD:

- (a) the Articles;
- (b) the EDC Report;
- (c) the reports from KPMG Lower Gulf Limited set out under heading “*Historical Financial Information*”;
- (d) the Historical Financial Information of the Group as of and for the three years ended 31 December 2016, 2017 and 2018;
- (e) the Historical Financial Information of EMP for the year ended 31 December 2016;
- (f) the consent letters referred to in “—*Consents*” above; and
- (g) this Prospectus.

GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

2016 Standalone EMP Financial Information	financial statements (and the accountant's report thereon) of EMP for the year-ended 31 December 2016
3D Secure	3 Domain Server, a three-factor authentication fraud prevention scheme
Admission	admission of the Ordinary Shares to the Official List and to trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with LR 3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards published by the London Stock Exchange
Africa	the collection of nations in North Africa, Sub-Saharan Africa and Southern Africa
Annual Exemption	the level of the annual allowance of tax-free gains in that UK tax year
APAC	the Asia-Pacific region
APIs	application programming interfaces
Articles	the Company's Articles of Association to be adopted conditional upon Admission
ATM Acquiring	core services relating to transactions acquired on Emirates NBD ATMs
associated participants	means certain third parties including merchants, third-party service providers and other agents
Banks	the Joint Bookrunners, the Co-Lead Manager and ENBD Capital PSC
Barclays	Barclays Banks PLC
Base 24	the Group's core switch system underpinning its POS and ATM capabilities and the core interface with the payment schemes
Board	the board of directors of the Company
CAGR	compound annual growth rate
Capital expenditure (ex. transformation)	capital expenditure (excluding the impact of the Group's transformation programme)
Capital Market Authority	the Board of the Capital Market Authority which issues the Saudi Regulations
cards managed	over 13 million, including retail accounts in South Africa
CBN	Central Bank of Nigeria
CISA	Swiss Federal Act on Collective Investment Schemes
Citigroup	Citigroup Global Markets Limited
City Code	City Code on Takeovers and Mergers
Closing Date	8.00 am (London time) on 16 April 2019
CMC	the Company's Credit Risk Management Committee
Code	US Internal Revenue Code of 1986
Co-Lead Manager	Liberum Capital Limited
Commission's Proposal	the 14 February 2013 proposal by the European Commission for the FTT

Company	Network International Holdings Limited, to be re-registered as a public limited company, and re-named Network International Holdings plc, prior to Admission
Concealment Law	UAE Federal Law no. 17 of 2004, which concerns Commercial Concealment
Consolidated Financial Statements	the selected consolidated information of the Group as of and for the three years ended 31 December 2016, 2017 and 2018
Cornerstone Agreement	the cornerstone investment agreement between Mastercard Asia/Pacific Pte. Ltd., the Selling Shareholders and the Company, as described in “ <i>Material Contracts—Cornerstone Investment Agreement</i> ”
Cornerstone Investor	Mastercard Asia/Pacific Pte. Ltd.
Cornerstone Shares	the Offer Shares to be acquired by the Cornerstone Investor under the terms of the Cornerstone Agreement, as part of the Global Offering.
Corporations Act	the Corporations Act 2001 of the Commonwealth of Australia
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland limited is the operator
DCC	dynamic currency conversion
DDF	Dubai Duty Free
Default Share	any share has been given Section 793 Notice
DFSA	Dubai Financial Services Authority
DIFC	Dubai International Financial Centre
Directors	the directors of the Company whose names appear on page 60 of this Prospectus
EBITDA	earnings before interest, tax, depreciation and amortisation
EDC Report	the report into market and industry information prepared by Edgar, Dunn & Company, an independent and global strategy consulting firm specialising in payments and digital financial services of 3 St Helen’s Place, London, EC3A 6AB, United Kingdom, at the request of the Company for the purposes of this Prospectus, consisting of the following components: (a) Market Sizing, dated 11 January 2019; (b) Market Attractiveness, dated 25 January 2019; (c) Competitive Assessment, dated 31 January 2019; and (d) Technology Trends Analysis, dated 11 January 2019.
Emirates NBD or Emirates NBD Group	means Emirates NBD Bank PJSC and its consolidated subsidiaries
EMP	Emerging Market Payments
EMV	the Europay-Mastercard-Visa technical standard for smart payments cards and for payments terminals and ATMs
ENBD	Emirates NBD Bank PJSC
ENBD Capital Ltd	Emirates NBD Capital Limited
ENBD Capital PSC	Emirates NBD Capital PSC
ENBD Relationship Agreement	the relationship agreement between the Company and Emirates NBD Bank PJSC dated 1 April 2019
Euronet	the Group’s core technology system in Egypt

Evercore	Evercore Partners International LLP
Exempt Investors	select investors in Australia who are able to demonstrate that they fall within one or more of the categories of investors under section 708 of the Corporations Act
Falcon	real-time fraud solution programme included in the Company's product suite
FCA	the UK Financial Conduct Authority
FDI Law	2018 UAE Federal Law no. 19 in respect to Foreign Direct Investment
FIEL	Japan's Financial Instruments and Exchange Law
Financial Adviser	Evercore Partners International LLP
FSMA	the UK Financial Services and Markets Act 2000, as amended
FTT	a common financial transaction tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia proposed by the European Commission on 14 February 2013
GCC	Gulf Cooperation Council, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE
Global Offering	the proposed offer of Ordinary Shares to certain institutional and professional investors
Goldman Sachs	Goldman Sachs International
Governance Code	UK Corporate Governance Code issued by the Financial Reporting Council
Group	the Original Group and following the Pre-IPO Reorganisation, the Company and its subsidiaries (including any intended subsidiaries following completion of the Pre-IPO Reorganisation, to the extent not completed by the date of the Prospectus)
Headquarters of the Group	Level 1, Network Building Al Barsha 2 Dubai United Arab Emirates
HMRC	Her Majesty's Revenue and Customs, the UK tax department
ICT	information and communications technology
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
interchange fees	card issuer fees
Interim Articles	interim articles of association of the Company
ISO	International Organization for Standardization
J.P. Morgan Cazenove	J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove)
Joint Bookrunners	The Joint Global Coordinators, Barclays and Goldman Sachs
Joint Global Coordinators	Citigroup, J.P. Morgan, Morgan Stanley and ENBD Capital Ltd
JONET	the principal ATM switch in Jordan, which is operated by the Group
key countries	the Group's key countries of operations for the purposes of this Prospectus are Egypt, Jordan, Nigeria, Saudi Arabia, South Africa, United Arab Emirates
KSA	Kingdom of Saudi Arabia

Liberum	Liberum Capital Limited
Listing Rules	the listing rules of the FCA relating to admission to the Official List
Local Sponsor	Leaf Holding Limited
Local Sponsor Documentation	has the meaning given to it in “ <i>The Group’s Corporate Structure—Local Sponsor and Local Sponsor Arrangements—Overview</i> ”
Local Sponsor’s Shareholder	Links Commercial Brokers LLC
London Stock Exchange	London Stock Exchange plc
mada	Saudi digital payments platform
Main Market	the London Stock Exchange’s main market for listed securities
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
Markets Law	DIFC Law No. 12 of 2004, as amended
Mastercard	Mastercard Asia/Pacific Pte. Ltd.
MEA	Middle East and Africa
MEPS	Middle East Payment Services
merchant solutions customers	includes both the Group’s direct acquiring customers and the merchant solutions customers it indirectly serves through its acquirer processing
Middle East	UAE, Jordan, Saudi Arabia, Oman, Kuwait, Qatar, Bahrain and Lebanon
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
Morgan Stanley	Morgan Stanley & Co. International plc
mPOS	mobile POS
MSC	merchant service charge
NeO	the Group’s Network Online platform, which is its e-commerce payments gateway
Network One	the Group’s new Openway Way 4 technology platform
Network International LLC Subsidiaries	will comprise Network International LLC and its subsidiaries. 49 per cent. of the legal interest in Network International LLC will be held, indirectly, by the Company, with 51 per cent. held by the Local Sponsor (subject to Local Sponsor Documentation)
Nil Rate Amount	the first GBP 2,000 of dividend income received by individual Shareholders in a tax year
Non-IFRS Measures	Underlying EBITDA, Underlying EBITDA Margin Excluding Share of an Associate, Underlying Net Income, Underlying Effective Tax Rate, IT Transformation Capital Expenditure, Underlying Free Cash Flow and Constant Currency Organic Revenues, Underlying Personnel Expenses, Underlying Selling, Operating & Other Expenses, Share of EBITDA of an Associate, Underlying Depreciation and Amortisation, Share of Depreciation of an Associate, Underlying Net Interest Expense and Underlying Taxes
non-recurring revenues	revenues (despite changes in components) which do not qualify as recurring revenues, including project related work, sale of terminals, plastic procurement and one off incentives

Non-UAE Entities	the subsidiaries of Network International Holding 2 Limited
Non- US Holder	a beneficial owner of Ordinary Shares that is neither a US Holder nor a partnership
North Africa	Egypt, Libya and Algeria
NPAP	New Product Accelerator Process, a product and innovation incubator
NPS	South Africa’s National Payment, Clearing and Settlement Systems
OFAC	the US Office of Foreign Assets Control
Offer Price	the price at which each Offer Share is to be sold under the Global Offering
Offer Price Range	GBP 3.95 to GBP 4.65 per Ordinary Share
Offer Shares	up to 337,450,000 Ordinary Shares being offered by the Selling Shareholders in the Global Offering (including 37,500,000 Ordinary Shares under the Over-allotment Option)
Offer Size	means the total number of Offer Shares
Offer Size Range	between 174,524,932 Ordinary Shares and 299,950,000 Ordinary Shares
Official List	the Official List maintained by the FCA
ORCC	the Company’s Operational Risk and Compliance Committee
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Ordinary Shares	ordinary shares of ten pence each in the capital of the Company
Original Group	Network International LLC, the UAE Entities and the Non-UAE Entities
Over-allotment Option	The allotment option to purchase up to a maximum of 15 per cent. of the total number of Offer Shares (before exercise of the Over-allotment Option and excluding the Cornerstone Shares) during the period commencing on the date of commencement of conditional dealings of the shares on the London Stock Exchange and ending no later than 30 calendar days thereafter at the Offer Price to cover Over-allotments, if any, made in connection with the Global Offering and to cover any short positions resulting from stabilisation transactions
Over-allotment Shareholders	each of the Selling Shareholders
Overdraft Revolving Credit Facility	the committed unsecured revolving credit facility between the Group, as borrower, and Emirates NBD Bank PJSC as lender
Ownership Requirement	the UAE law that requires that “every company incorporated in the state must have one or more national partners whose shares in the company’s capital must not be less than 51 per cent. of the company’s capital”
Panel	the Takeover Panel of the City Code
participating Member States	states participating in the FTT
PASA	South African payments platform management body
payment scheme rules	Visa, Mastercard and other payment scheme rules and regulations
PCI	Payment Card Industry
PCI/DSS	the PCI Data Security Standards
PFIC	Passive foreign investment company for US federal income tax purposes

PIN	personal identification number
POI	point of interaction
POS	point of sale or point of sale devices
Positive List	a list of sectors and activities, determined by the UAE cabinet, whereunder it will be possible for a company to apply to the relevant regulator for a licence that permits the company to have foreign ownership of between 49 per cent. and 100 per cent.
Pre-IPO Reorganisation	the reorganisation of the Group’s corporate structure prior to Admission and as further described in “ <i>Additional Information</i> ”
Price Range	the range of prices within which the Offer Price is expected to fall, being GBP 3.95 to GBP 4.65 per Share
Pricing Statement	the statement expected to be published by the Company on or around 11 April 2019, in which the Offer Price will be announced
Prospectus	this prospectus
Prospectus Rules	the prospectus rules of the FCA made under Part VI of the FSMA relating to offers of securities to the public and admission of securities to trading on a regulated market
QIB	qualified institutional buyer as defined in Rule 144A
recurring revenues	revenues which are periodic in nature such as revenues based on volume of services provided during a contract term and exclude one-time revenues
Registered office of the Company . . .	Suite 1, 3rd Floor 11–12 St James’s Square London, SW1Y 4LB United Kingdom
Registrar	Link Asset Services
Regulation S	Regulation S under the Securities Act
Relationship Agreements	the ENBD Relationship Agreement and the WP/GA Relationship Agreement
Relevant Member State	each member of the European Economic Area
Relevant Province	Alberta, British Columbia, Quebec and Ontario
Rule 144A	Rule 144A under the Securities Act
SARB	South African Reserve Bank
Saudi Regulations	the Saudi Offers of Securities Regulations
SCA	the UAE Securities or Commodities Authority
SDRT	the UK stamp duty and stamp duty reserve tax
SEC	US Securities and Exchange Commission
Section 793 Notice	notice required under section 793 of the Companies Act 2006
Securities Act	US Securities Act of 1933
Securities and Futures Act	the Securities and Futures Act, Chapter 289 of Singapore
Selling Shareholders	Emirates NBD PJSC and WP/GA IV B.V.
SID	senior independent director
SIX	the SIX Swiss Exchange
SME	small and medium enterprise
Southern Africa	South Africa, Angola, Rwanda, Zimbabwe, Namibia, Botswana, Zambia, Malawi, Madagascar, Tanzania, Burundi, Mozambique, Lesotho and Swaziland

Stabilising Manager	Citigroup Global Markets Limited
Stabilisation Period	no later than 30 calendar days after the date of commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange
Stock Lending Agreement	the stock lending agreement entered into by the Stabilising Manager and the Over-allotment Shareholders pursuant to which the Stabilising Manager will be able to borrow from the Over-allotment Shareholders a number of Ordinary Shares equal in aggregate to up to 15 per cent. of the total number of Offer Shares prior to any exercise of the Over-allotment Option and excluding the Cornerstone Shares.
Sub-Saharan Africa	Nigeria, Ghana, Kenya, Togo, Democratic Republic of the Congo, Uganda, Benin, Cape Verde, Mali, Somalia, Cameroon, Senegal, Gabon, Ivory Coast, Chad, Burkina Faso, Mauritania, Guinea, Niger, Liberia, Guinea Bissau, Gambia, Sierra Leone, Djibouti and Republic of the Congo
Total Net Debt	Gross Debt plus ATM Lease Liability (excluding bank overdraft) less Cash Balance (including the Group's share of cash balance of an associate)
TPV	total processed volume
US Holder	a beneficial owner of Ordinary Shares that is for US federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia; (iii) an estate the income of which is includible in gross income for US federal income tax purposes regardless of its source; or (iv) a trust subject to the control of one or more US persons and under the primary supervision of a US court or that has validly elected to be treated as a domestic trust for US federal income tax purposes
UAE	the United Arab Emirates
UAE Companies Law	UAE Federal Law No.2 of 2015 relating to commercial companies, as amended
UAE Entities	the Network International LLC Subsidiaries, together with Network International
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
Underlying Depreciation and Amortisation	depreciation and amortisation excluding the depreciation and amortisation of capital expenditures relating to the Group's IT transformation programme as well as amortisation of intangibles acquired as part of the EMP acquisition
Underwriters	means Citigroup, Morgan Stanley, J.P. Morgan, Barclays, Goldman Sachs, Liberum and ENBD Capital PSC
Underwriting Agreement	the Underwriting Agreement entered into between the Company, the Directors, the Selling Shareholders and the Banks
US or United States	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Securities Act	the US Securities Act of 1933
VAT	value added tax
WP/GA	WP/GA Dubai IV B.V.
WP/GA Relationship Agreement	the relationship agreement between the Company and WP/GA Dubai IV B.V. dated 1 April 2019

SCHEDULE OF CHANGES

The registration document published by the Company on 14 March 2019 (the **Registration Document**) contained the information required to be included in a Share Registration Document by Annex I of the Prospectus Directive Regulation. The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a Share Securities Note and Summary as prescribed by Annexes III and XXII of the PD Regulation. The Prospectus updates and replaces in whole the Registration Document. Any equity investor participating in the Offer should invest solely on the basis of the Prospectus, together with any supplement thereto.

This schedule of changes to the Registration Document (the **Schedule of Changes**) sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

Purpose

The purpose of this Schedule of Changes is to:

- (a) highlight material changes made in the Prospectus, as compared to the Registration Document;
- (b) highlight the new disclosure made in the Prospectus to reflect information required to be included in a Securities Note; and
- (c) highlight the new disclosure made in the Prospectus to reflect information required to be included in a Summary.

1. REGISTRATION DOCUMENT CHANGES

- 1.1 The paragraph entitled “In the event of Admission, the Group’s existing shareholders would continue to be able to exercise significant influence over it, its management and its operations” on page 11 of the Registration Document and the information under the heading “Margin Loan Arrangements” on pages 187 and 188 of the Registration Document has been amended in the Prospectus, to reflect the completion and execution of this agreement since the publication of the Registration Document. Please see page 202 of the Prospectus.
- 1.2 The information under the heading “Corporate Governance” on page 114 of the Registration Document has been amended in the Prospectus, to reflect the Company’s expected corporate governance structure following Admission, which reflects the implementation of changes to the Group’s corporate governance arrangements appropriate for a listed company. Please see page 133 of the Prospectus.
- 1.3 The information under the heading “USD 350,000,000 equivalent Syndicated Conventional and Murabaha Acquisition Facilities” on pages 141 and 142 of the Registration Document has been amended in the Prospectus, to reflect the completion and execution of this agreement since the publication of the Registration Document. Please see pages 158 to 159 of the Prospectus.
- 1.4 The paragraph entitled “Share capital” on page 146 of the Registration Document has been updated in the Prospectus to reflect the Company’s expected share capital structure prior to and immediately following Admission and resolutions to be passed prior to Admission. Please see pages 186 to 188 of the Prospectus.
- 1.5 The paragraph entitled “Reorganisation” on page 147 of the Registration Document has been updated to reflect the further reorganisation steps that have been undertaken since the date of the Registration Document. Please see pages 188 to 191 of the Prospectus.
- 1.6 The paragraph entitled “Directors’ and Senior Management’s interests in the Company” on page 165 of the Registration Document has been updated in the Prospectus to reflect: (i) the expected interests in the share capital of the Company of the Directors and Senior Managers immediately prior to and immediately following Admission. Please see pages 200 to 201 of the Prospectus.
- 1.7 The paragraph entitled “Significant shareholders’ interests in the Company” on page 165 of the Registration Document has been updated in the Prospectus to reflect expected interests in the share capital of the Company of 3 per cent. or more by Shareholders immediately prior to and immediately following Admission. Please see pages 201 to 203 of the Prospectus.

- 1.8 Changes have been made to the paragraph entitled “Material contracts” on page 180 of the Registration Document, including the addition of the Underwriting Agreement and lock-up arrangements, to reflect the completion and execution of certain other material agreements since the publication of the Registration Document. Please see pages 214 to 221 of the Prospectus.

2. SECURITIES NOTE INFORMATION

- 2.1 A new section entitled “Risks related to the Global Offering” has been added into the Prospectus to describe the risks relating to the Offer and the Ordinary Shares, including risks relating the liquidity or trading price of the Ordinary Shares, dilution risks, and risks relating to Shareholders in the United States. Please see pages 53 to 55 of the Prospectus.
- 2.2 New subsections or paragraphs related to the Cornerstone Agreement entered into between the Company, the Selling Shareholders and Mastercard, as well as the agreement in the Cornerstone Agreement to work together to in good faith to implement certain strategic commercial arrangements have been added to the Prospectus. These updates are located in a new risk factor titled “*The Company’s strategic partner arrangement with Mastercard limits its ability to enter into similar arrangements with other international payment schemes, such as Visa and American Express, which could result in more limited opportunities for strategic partnerships in the future*” in the Risk Factors section, under “*Strategy—Potential commercial arrangements with a strategic new partner*” and “*Strategy—Outlook*” in the Business Section, under the subheader “*Cornerstone Agreement with Mastercard*” in the Management and Corporate Governance section, under the subheader “*Cornerstone Investor*” and in a new paragraph in the “*Lock-up Arrangements and Exceptions*” in the Details of the Global Offering section, and under the subheader “*Cornerstone Investment Agreement*” in the Additional Information section of the Prospectus. Please see pages 35, 88, 91, 135, 165, 168 and 217 of the Prospectus.
- 2.3 New sections entitled “Expected Timetable of Principal Events and Offer Statistics” and “Details of the Global Offering” have been added into the Prospectus, describing the means through which the Ordinary Shares will be offered to institutional investors pursuant to the Offer. Please see pages 62 to 63 and pages 164 to 179 of the Prospectus. The “Details of the Global Offering” disclosure also includes: (i) the arrangements entered into between the Company and the Banks, among other parties, pursuant to which the Underwriters agreed to underwrite the Offer; and (ii) the lock-up arrangements that have been entered into or will be entered into ahead of Admission.
- 2.4 A new section entitled “Capitalisation and Indebtedness” has been added into the Prospectus, describing the capitalisation of the Group as at 31 December 2018 and indebtedness of the Group as at 28 February 2019. Please see page 163 of the Prospectus.
- 2.5 A new section entitled “Taxation” has been added into the Prospectus to provide a general guide to certain tax considerations relevant to the acquisition, ownership and disposition of Ordinary Shares. Please see pages 180 to 185 of the Prospectus.
- 2.6 A new paragraph entitled “Working capital statement” has been added into the Prospectus, confirming the adequacy of the Group’s working capital. Please see page 222 of the Prospectus.
- 2.7 A new paragraph entitled “Withdrawal Rights” has been added into the Prospectus, confirming the rights available to applicants to withdraw from the Global Offering. Please see page 225 of the Prospectus.
- 2.8 A new paragraph entitled “Mandatory bids and compulsory acquisition rules relating to Ordinary Shares” has been added into the Prospectus, describing rules and provisions relating to mandatory bids and/or squeeze-out and sell-out rules relating to the Company. Please see page 225 of the Prospectus.

3. SUMMARY INFORMATION

- 3.1 A new section entitled “Summary Information” has been added into the Prospectus, to reflect the addition of a Summary as required by Annex XXII of the PD Regulation. Please see pages 6 to 28 of the Prospectus.

HISTORICAL FINANCIAL INFORMATION

SECTION A - ACCOUNTANT'S REPORT ON THE NETWORK INTERNATIONAL LLC HISTORICAL FINANCIAL INFORMATION FOR THE YEARS ENDED 2016, 2017 AND 2018



KPMG Lower Gulf Limited
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Accountant's report on historical financial information - NI

The Directors
Network International Holdings Limited
Suite 1, 3rd Floor
11 - 12 St. James's Square
London SW1Y 4LB
United Kingdom
1 April 2019

Dear Sirs

Network International LLC

We report on the consolidated financial information set out on pages F-3 to F-80 for the three years ended 31 December 2018, 31 December 2017 and 31 December 2016 of Network International LLC. This financial information has been prepared for inclusion in the prospectus dated 1 April 2019 of Network International Holdings Limited on the basis of the accounting policies set out in note 3. This report is required by paragraph 20.1 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Network International Holdings Limited are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.



Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the consolidated financial information gives, for the purposes of the prospectus dated 1 April 2019, a true and fair view of the state of affairs of Network International LLC as at 31 December 2018, 31 December 2017 and 31 December 2016 and of its profits, cash flows and changes in equity for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 in accordance with the basis of preparation set out in note 2 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 3.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

A handwritten signature of the KPMG firm, written in a dark blue or black ink, appearing as 'KPMG' in a stylized, cursive-like font.

KPMG Lower Gulf Limited

SECTION B – HISTORICAL FINANCIAL INFORMATION FOR NETWORK INTERNATIONAL LLC FOR THE YEARS ENDED 2016, 2017 AND 2018

Consolidated statement of financial position

As at 31 December

	<i>Note</i>	2016	2017	2018
		-----	USD'000	-----
Assets				
<i>Non-current assets</i>				
Property and equipment	7	45,645	45,552	54,489
Intangible assets and goodwill	8	387,577	401,810	409,007
Investment in joint venture and associate	9	51,660	51,272	51,856
Investment securities	10	8,187	11,648	246
Long term receivables		6,511	673	740
Total non-current assets		499,580	510,955	516,338
<i>Current assets</i>				
Scheme debtors	11	169,322	247,106	222,693
Trade and other receivables	12	52,638	59,403	73,848
Restricted cash		3,948	98,197	71,896
Cash and cash equivalents	13	87,646	100,769	60,275
Assets held for sale	17	-	12,480	4,417
Total current assets		313,554	517,955	433,129
Total assets		813,134	1,028,910	949,467
Liabilities				
<i>Non-current liabilities</i>				
Borrowings	16	339,338	323,741	279,297
Other long term liabilities	18	10,988	12,379	24,693
Deferred tax liabilities	26.2	4,281	1,851	2,324
Total non-current liabilities		354,607	337,971	306,314
<i>Current liabilities</i>				
Merchant creditors	11	109,230	199,092	185,523
Trade and other payables	15	74,152	108,865	116,575
Borrowings	16	18,041	120,759	147,691
Liabilities held for sale	17	-	6,206	1,668
Total current liabilities		201,423	434,922	451,457
Shareholders' equity				
Share capital	19	13,615	13,615	13,615
Statutory reserves	20	7,008	7,008	7,253
Other reserves	20	(35,790)	(25,353)	(22,985)
Retained earnings		270,109	259,147	195,028
Equity attributable to equity holders		254,942	254,417	192,911
Non-controlling interest		2,162	1,600	(1,215)
Total shareholders' equity		257,104	256,017	191,696
Total liabilities and shareholders' equity		813,134	1,028,910	949,467

Consolidated statement of profit or loss

For the year ended 31 December

	Note	2016	2017	2018
		----- USD'000 -----		
Continuing operations				
Revenues	21	234,706	262,006	297,935
Personnel expenses	22	(58,537)	(63,775)	(88,084)
Selling, operating & other expenses	23	(68,144)	(72,070)	(85,455)
Depreciation and amortisation		(22,147)	(24,423)	(34,572)
Impairment losses on assets	7,8	(24,175)	-	(17,945)
Share of profit of an associate		6,400	3,493	3,325
Profit before interest and tax		68,103	105,231	75,204
Net interest expense	24	(12,587)	(18,921)	(20,159)
Gain on disposal of investment securities	10	-	-	2,648
Profit before tax		55,516	86,310	57,693
Taxes	26	(3,117)	(5,694)	(10,956)
Profit from continuing operations		52,399	80,616	46,737
<u>Discontinued operations</u>				
Loss from discontinued operations, net of taxes	17	(10,434)	(27,106)	(23,317)
Net profit for the year		41,965	53,510	23,420
Attributable to:				
Equity holders of the Group		42,535	54,072	26,235
Non-controlling interest		(570)	(562)	(2,815)
Net profit for the year		41,965	53,510	23,420
Earnings per share (Basic and diluted)	25	0.851	1.081	0.525
Earnings per share – Continuing operations (Basic and diluted)	25	1.048	1.612	0.934

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

	2016	2017	2018
	USD'000		
Net profit for the year	41,965	53,510	23,420
Other comprehensive income / (loss)			
<i>Items that may subsequently be reclassified to profit or loss</i>			
Foreign currency translation difference on foreign operations	(18,354)	6,890	6,414
Net change in fair value of available for sale financial assets	792	3,567	-
<i>Items that will never be reclassified to profit or loss</i>			
Re-measurement of defined benefit liability	(22)	(23)	268
Tax on items that will never be reclassified to profit or loss	3	3	-
Net change in other comprehensive income / (loss)	(17,581)	10,437	6,682
Total comprehensive income for the year	24,384	63,947	30,102
Attributable to:			
Equity holders of the Group	25,076	64,509	32,917
Non-controlling interest	(692)	(562)	(2,815)
Total comprehensive income	24,384	63,947	30,102

Consolidated statement of changes in equity

For the year ended 31 December

	Share capital	Statutory reserve	Other reserve	Foreign exchange reserves	Retained earnings	Equity attributable to equity holders	Non-controlling interest	Total equity
	USD'000							
As at 1 January 2016	13,615	6,807	16	(18,347)	251,919	254,010	6	254,016
Total comprehensive income for the year								
Profit for the year	-	-	-	-	42,535	42,535	(570)	41,965
<i>Other comprehensive income for the year</i>								
Change in statutory reserves	-	201	-	-	(201)	-	-	-
Foreign currency translation differences in foreign operation	-	-	-	(18,232)	-	(18,232)	(122)	(18,354)
Net change in fair value of available for sale financial assets	-	-	792	-	-	792	-	792
Re-measurement of defined benefit liability	-	-	(22)	-	-	(22)	-	(22)
Tax on items that will never be reclassified to profit or loss	-	-	3	-	-	3	-	3
Total other comprehensive income for the year	-	201	773	(18,232)	(201)	(17,459)	(122)	(17,581)
Total comprehensive income for the year	-	201	773	(18,232)	42,334	25,076	(692)	24,384
Acquisition of subsidiary with NCI	-	-	-	-	-	-	2,848	2,848
Director's fees	-	-	-	-	(999)	(999)	-	(999)
Dividends paid	-	-	-	-	(23,145)	(23,145)	-	(23,145)
As at 31 December 2016	13,615	7,008	789	(36,579)	270,109	254,942	2,162	257,104

Consolidated statement of changes in equity

For the year ended 31 December

	Share capital	Statutory reserve	Other reserve	Foreign exchange reserves	Retained earnings	Equity attributable to equity holders	Non-controlling interest	Total equity
----- USD'000 -----								
As at 1 January 2017	13,615	7,008	789	(36,579)	270,109	254,942	2,162	257,104
Total comprehensive income for the year								
Profit for the year	-	-	-	-	54,072	54,072	(562)	53,510
<i>Other comprehensive income for the year</i>								
Foreign currency translation differences in foreign operation	-	-	-	6,890	-	6,890	-	6,890
Net change in fair value of available for sale financial assets	-	-	3,567	-	-	3,567	-	3,567
Re-measurement of defined benefit liability	-	-	(23)	-	-	(23)	-	(23)
Tax on items that will never be reclassified to profit or loss	-	-	3	-	-	3	-	3
Total other comprehensive income for the year	-	-	3,547	6,890	-	10,437	-	10,437
Total comprehensive income for the year	-	-	3,547	6,890	54,072	64,509	(562)	63,947
Director's fees	-	-	-	-	(500)	(500)	-	(500)
Dividends paid	-	-	-	-	(64,534)	(64,534)	-	(64,534)
As at 31 December 2017	13,615	7,008	4,336	(29,689)	259,147	254,417	1,600	256,017

Consolidated statement of changes in equity (continued)

For the year ended 31 December

	Share capital	Statutory reserve	Other reserve	Foreign exchange reserves	Retained earnings	Equity attributable to equity holders	Non-controlling interest	Total equity
	----- USD'000 -----							
As at 1 January 2018	13,615	7,008	4,336	(29,689)	259,147	254,417	1,600	256,017
Impact of adopting IFRS 9 at 1 January 2018 (note 2 (e))	-	-	(4,364)	-	955	(3,409)	-	(3,409)
Impact of adopting IFRS 16 at 1 January 2018 (note 2 (e))	-	-	-	-	343	343	-	343
Restated balance at 1 January 2018	13,615	7,008	(28)	(29,689)	260,445	251,351	1,600	252,951
Total comprehensive income for the year								
Profit for the year	-	-	-	-	26,235	26,235	(2,815)	23,420
Other comprehensive income for the year								
Foreign currency translation differences in foreign operation	-	-	-	6,414	-	6,414	-	6,414
Disposal of remeasurement of defined benefit plan	-	-	50	-	(50)	-	-	-
Re-measurement of defined benefit liability	-	-	268	-	-	268	-	268
Total other comprehensive income for the year	-	-	318	6,414	(50)	6,682	-	6,682
Total comprehensive income for the year	-	-	318	6,414	26,185	32,917	(2,815)	30,102
Transferred to statutory reserve	-	245	-	-	(245)	-	-	-
Director's fees	-	-	-	-	(1,500)	(1,500)	-	(1,500)
Dividends paid	-	-	-	-	(89,857)	(89,857)	-	(89,857)
As at 31 December 2018	13,615	7,253	290	(23,275)	195,028	192,911	(1,215)	191,696

Consolidated statement of cash flows

For the year ended 31 December

	Notes	2016	2017	2018
		----- USD'000 -----		
Operating activities				
Profit for the year from operations		41,965	53,510	23,420
▪ <i>Adjustments for:</i>				
Depreciation, amortisation and impairment		60,143	40,544	54,117
Financing cost and taxes		15,704	24,615	31,115
Foreign exchange losses / (gain) and others		(134)	6,889	5,826
Loss on sale of assets		-	1,435	11,331
Share of profit from joint venture and an associate		(6,692)	(3,634)	(3,325)
▪ Changes in long term receivables and other liabilities		4,385	3,651	11,137
▪ Interest cost paid		(10,198)	(18,795)	(19,892)
▪ Net taxes paid		(1,934)	(2,684)	(5,420)
▪ Director's fees paid		(1,000)	(500)	(1,500)
▪ Changes in narrow working capital ⁽¹⁾		(15,848)	(1,172)	(2,575)
Net cash flows before settlement related balances		86,391	103,859	104,234
▪ Changes in settlement related balances ⁽²⁾		736	(61,165)	12,685
Net cash flows from operating activities		87,127	42,694	116,919
Investing activities				
▪ Purchase of intangible assets, property and equipment		(57,779)	(64,692)	(68,470)
▪ Sale of intangible assets, property and equipment		15,462	1,650	-
▪ Dividends received from an associate		2,042	2,723	2,741
▪ Interest received		725	637	1,644
▪ Disposal of investment securities		-	-	14,050
▪ (Acquisition) / disposal of subsidiary		(234,238)	13,298	4,812
Net cash outflows from investing activities		(273,788)	(46,384)	(45,223)
Financing activities				
▪ Proceeds from borrowings		350,000	-	-
▪ Repayment of borrowings		(82,825)	(16,336)	-
▪ Payment of debt issuance fee		(11,357)	-	-
▪ Payment of dividends		(23,145)	(64,534)	(89,857)
▪ Payment of lease liabilities		-	-	(2,298)
Net cash inflows / (outflows) from financing activities		232,673	(80,870)	(92,155)
Net increase / (decrease) in cash and cash equivalents		46,012	(84,560)	(20,459)
▪ Cash reclassified as part of held for sale		-	(5,195)	(1,977)
▪ Effect of movements in exchange rates on cash held		(5,950)	160	(40)
Cash and cash equivalents at the beginning of the year		29,543	69,605	(19,990)
Cash and cash equivalents at the end of the year	13	69,605	(19,990)	(42,466)

1- Changes in narrow working capital reflects movements in trade and other receivables and trade and other payables adjusted for non-cash items; 2- Changes in settlement related balances reflects movement in scheme debtors, merchant creditors, restricted cash and related parties payable.

Notes to the historical financial information

1 Legal status and activities

Network International LLC (“the Company”) was incorporated with limited liability in the Emirate of Dubai in June 1994 and registered with the Department of Economic Development under license no. 234939. The Company commenced operations on 1 January 1995 by taking over the assets and liabilities of the Card Services Division of Emirates NBD PJSC at book value.

The historical financial information of the Group as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities.

The principal activities of the Group are enabling payments acceptance at merchants, acquiring processing, switching financial transactions, hosting cards and processing payment transactions and providing end to end management services, digital payment services and e-Payments.

The registered address of the Company is Network International LLC, Al Barsha 2, P.O. Box 4487, Dubai, U.A.E.

2 Basis of preparation

(a) Statement of compliance

These historical financial information has been prepared in accordance with International Financial Reporting standards (“IFRS”) as adopted by European Union for all the periods presented, and applicable provisions of the UAE Federal law No. 2 of 2015 (“UAE Companies Law of 2015”). This is the first set of the Group’s annual consolidated financial statements in which IFRS 15 Revenue from Contracts with Customers, IFRS 9 Financial Instruments and IFRS 16 Leases have been applied.

Included within these historical financial information the following disclosures which are non-IFRS.

- Underlying EBITDA and Underlying EBITDA Margin excluding Share of an Associate
- Underlying Net Income
- Underlying Effective Tax Rate
- IT Transformation Capital Expenditure
- Underlying Free Cash flow

(b) Basis of measurement

The historical financial information has been prepared under the historical cost basis except for the liability for defined benefit obligation, which is recognised at the present value of the defined benefit obligation and financial assets at fair value through profit or loss which are measured at fair value.

(c) Functional and presentation currency

The Group’s functional currency is UAE Dirham. The presentation currency of the Group is United States Dollar (“USD”) as this is a more globally recognised currency. All financial information presented in USD has been rounded to the nearest thousands, except when otherwise indicated.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(d) Use of estimates and judgments

The preparation of historical financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in these historical financial information is included in the following notes:

Note 2 (e) and 10 – valuation of financial assets at fair value through profit or loss;

Note 26 – taxation;

Note 8 – intangible assets and goodwill;

Note 18.1 – employee benefits;

Note 2 (e) and 8.1 and 8.2 – impairment;

Note 12 – provisions.

(e) New standards and interpretations

Standards and interpretations issued but not yet effective

IFRS 16 “Leases” has been published and is mandatory for the accounting periods beginning after 1 January 2019 or later periods, but has elected to early adopt the standard.

The Group applied IFRS 16 with a date of initial application of 1 January 2018. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2018. The details of the changes in accounting policies are disclosed below.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

Standards and interpretations issued but not yet effective (continued)

IFRS 16 “Leases”

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 27.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2018.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right of use assets and lease liabilities for most leases – i.e. these leases are on statement of financial position.

i. Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rate as at January 2018. Right of use assets are measured at either:

- Their carrying amount as if IFRS 16 has been applied since the commencement date, discounted using the lessee’s incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment – the Group applied this approach to all other leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right of use assets by the amount of IAS 37 onerous contract provision (if any) immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right of use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right of use assets at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

IFRS 16 “Leases” *(continued)*

ii. *Leases previously classified as finance leases*

For leases that were classified as finance leases under IAS 17, the carrying amount of the right of use asset and the lease liability at 1 January 2018 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with IFRS 16 from the date of initial application.

The Group applied IFRS 15 “Revenue from Contracts with Customers” to allocate consideration in the contract to each lease and non-lease component.

Impacts on historical financial information

On transition to IFRS 16, the Group recognised an additional USD 9.9 million of “right of use assets” and USD 9.6 million of lease liabilities, recognising the difference of USD 0.3 million in retained earnings.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2018. The rate applied was different for each contract depends on the incremental borrowing rate for each country in which the property is located. The Group has used 6% and 17% for UAE and Egypt respectively

New standards and interpretations that are effective

The following new standards became applicable for the current reporting period and the Group had to change its accounting policies and make appropriate adjustments as a result of adopting these standards:

- IFRS 15 “Revenue from Contracts with Customers”, and;
- IFRS 9 “Financial Instruments”.

The impact of the adoption of these standards and the new accounting policies is disclosed below.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

New standards and interpretations that are effective (continued)

i. IFRS 15 - Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue. IFRS 15 ‘Revenue from contracts with customers’ outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes IAS 11 which covers construction contracts and IAS 18 which covers contracts for goods. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. Determining the timing of the transfer of control at a point in time or over time which requires judgement.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Group has adopted IFRS 15 from 1 January 2018 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2017 has not been restated, it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The Group has applied the new standard on the Group’s historical financial information and has not identified any material impact on the historical financial information given the nature of Group business model. Additionally, the Group has assessed the contracts and no different performance obligations were identified which could have an impact on the recognition of revenue.

Revenue recognition

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

i. IFRS 15 - Revenue from Contracts with Customers *(continued)*

Revenue recognition *(continued)*

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

As part of the impact assessment exercise, Group has concluded that, significant portion of transaction based revenues (as explained in note 21) are recognised point in time whereas non transaction based revenues (as explained in note 21) are recognised over time depending upon the satisfaction of the performance obligation as per the contractual arrangement with the customers

Pre-contract cost of obtaining a contract with a customer is recognised as an asset if the contract is awarded to the Group

Revenue is recognised in the statement of profit or loss to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

ii. IFRS - 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 (Financial Instruments: Recognition and Measurement) that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the historical financial information for the year ended 31 December 2018. The new accounting policies are set out below.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

ii IFRS - 9 Financial Instruments *(continued)*

- **Transition from IAS 39**

In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore not comparable to the information presented for period under IFRS 9.

- **IFRS 7 Financial Instruments: Disclosures**

IFRS 7 Financial Instruments: Disclosures, which was updated to reflect the differences between IFRS 9 and IAS 39, was also adopted by the Group together with IFRS 9, for the year beginning 1 January 2018. Changes include transition disclosures and reconciliations from opening to closing ECL allowances are presented below. The detailed accounting policy of the financial instruments is disclosed in note 29 to the historical financial information.

- **Impact of application of IFRS 9**

Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The Group continues to measure financial liabilities at amortised cost under IFRS 9. Management has concluded that there are no material reclassifications of financial assets other than disclosed below.

	IAS 39		IFRS 9	
		31 December 2017		1 January 2018
Financial assets	Classification	Carrying amount	Classification	Carrying amount
		USD'000		USD'000
Investment securities	Available for sale	11,648	FVTPL	11,648
Long term receivables	Loans and receivables	673	Amortised cost	673
Trade and other receivables and scheme debtors	Loans and receivables	306,509	Amortised cost	306,509
Restricted cash	Loans and receivables	98,197	Amortised cost	98,197
Cash at banks	Loans and receivables	100,769	Amortised cost	100,769

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

ii. IFRS 9 - Financial Instruments *(continued)*

- Impact of application of IFRS 9 *(continued)*

Classification and measurement (continued)

The Group continues to measure financial liabilities at amortized cost under IFRS 9.

Based on management assessment, The Group elected to present in consolidated statement of profit or loss the changes in the fair value of all its equity investments previously classified as available-for-sale, because management has redefined its business model and assess that these investments are held for trading and are expected to be sold in the short to medium term. As a result, assets with a fair value of USD 11.4 million were reclassified from available-for-sale financial assets to financial assets at fair value through profit or loss (FVTPL). Fair value gains were transferred from other comprehensive income reserves to retained earnings on 1st of January 2018.

Impairment of financial assets

The Group was required to revise its impairment methodology under IFRS 9 for all financial instruments except for instruments classified as fair value through profit or loss (FVTPL).

The IFRS 9 expected credit loss (ECL) model is forward looking compared to the current incurred loss approach. Expected credit losses reflect the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. ECL should reflect an unbiased, probability-weighted outcome as opposed to the single best estimate allowed under the current approach. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts.

The Group is following the Simplified approach for trade receivables which according to it the Group measures the loss allowance at an amount equal to full lifetime expected credit losses. The Group applies provision matrix which uses historical loss experience for each trade receivables segment and adjust historical loss rates to reflect information about current condition, and reasonable and supportable forecasts of future economic conditions. The Group has considered receivables outstanding for more than 180 days as default under IFRS 9. Management has performed the impact assessment on the financial assets measured at amortised cost, For trade and other receivables, Management identified that the impact of Expected Credit Losses on the opening retained earnings as of 1 January 2018 is equal to USD 3.4 million.

IFRS 9 considers the calculation of ECL by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) New standards and interpretations *(continued)*

ii. IFRS 9 - Financial Instruments *(continued)*

• Impact of application of IFRS 9 *(continued)*

The following table analyses the impact on reserves and retained earnings arising as a result of the transition to IFRS 9. The impact relates to the fair value reserve and retained earnings. There is no impact on other components of equity.

Fair value reserve	USD'000
Closing balance as of 31 December 2017 under IAS 39	4,364
Reclassification of equity securities from available for sale to fair value through profit and loss	(4,364)
<i>Opening balance as of 1 January 2018 under IFRS 9</i>	<i>-</i>

Retained earnings	USD'000
Closing balance as of 31 December 2017 under IAS 39	259,147
Reclassification of equity securities from available for sale to fair value through profit and loss	4,364
Remeasurement of impairment of trade receivables and other receivables under ECL	(3,409)
<i>Opening balance as of 1 January 2018 under IFRS 9</i>	<i>260,102</i>

The following table reconciles the closing balance of financial assets under IAS 39 to the opening balance of financial assets under IFRS 9 on 1 January 2018.

	31 December 2017 (IAS 39)	Reclassification	Impairment	1 January 2018 (IFRS 9)
	----- USD'000 -----			
Trade and other receivables and scheme debtors	306,509	-	(3,409)	303,100
Available for sale investments	11,648	(11,648)	-	-
Financial assets at fair value through profit and loss	-	11,648	-	11,648

Notes to the historical financial information

3 Significant accounting policies

Except as described in Note 2 (e), the Group has consistently applied the accounting policies to all periods presented in these historical financial information.

The below accounting policies relates to historical financial information as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

(a) Basis of consolidation

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration paid by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred or assumed and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Any Goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the consolidated statement of profit or loss immediately.

i. Subsidiaries

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement in the entity and has the ability to affect those returns through its powers over the entity. The financial statements of subsidiaries are included in the historical financial information from the date on which control commences until the date on which control ceases.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the historical financial information. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Non-controlling interests

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Parent Company. Non-controlling interests are measured at their proportionate share of the subsidiaries' identifiable net assets. They are presented as a separate item in the historical financial information.

iv. Loss of control

On the loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss account. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or in accordance with Group accounting policy for financial instruments depending on the level of influence retained.

Notes to the historical financial information

3 Significant accounting policies *(continued)*

(b) Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date.

The foreign currency gains or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective profit and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in consolidated statement of profit or loss, except for available for sale securities, where the exchange translation is recognised in the consolidated statement of profit or loss and other comprehensive income.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates at the dates of the transactions or an appropriate average rate. Equity elements are translated at the date of the transaction and not retranslated in subsequent periods.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ('foreign exchange') in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the historical financial information

4. Non-IFRS financial measures

The Group uses these Non-IFRS measures as key measures for assessing the Group's financial results, evaluating the performance of its operations, developing budgets and measuring performance against those budgets. In addition, the Group view these Non-IFRS measures as a supplemental tool to assist in evaluating business performance as it excludes the impact of the specially disclosed items described below.

4.1 Specially Disclosed Items

Specially disclosed items below are items of income or expenses that have been recognised in a given period which management believes, due to their nature or size should be disclosed separately, to give a more comparable view of the period to period underlying financial performance. The table below presents a breakdown of the specially disclosed items for each of the years ended 31 December 2016, 2017 and 2018.

	2016	2017	2018
	----- USD'000 -----		
<i>Items affecting Underlying EBITDA</i>			
Reorganisation, restructuring and settlements ⁽¹⁾	897	7,497	3,375
Share-based compensation ⁽²⁾	1,341	(2,357)	10,907
M&A and IPO related costs ⁽³⁾	5,389	441	3,681
Other one-off items ⁽⁴⁾	1,142	623	3,377
Total specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340
<i>Items affecting Underlying Net Income</i>			
Amortisation related to IT transformation ⁽⁵⁾	-	-	5,499
Amortisation of acquired intangibles ⁽⁶⁾	3,503	4,204	4,204
Amortisation of debt issuance costs ⁽⁷⁾	695	738	506
Tax expense for legacy matters ⁽⁸⁾	-	-	4,364
Total specially disclosed items affecting Underlying Net Income	4,198	4,942	14,573
Total specially disclosed items	12,967	11,146	35,913

(1) Includes non-recurring costs related to reorganisation & restructuring of the Group (USD 0.9 million in 2016, USD 2.8 million in 2017 and USD 1.8 million in 2018) and settlement with third parties for various matters (Nil in 2016, USD 4.7 million in 2017 and USD 1.6 million in 2018).

(2) Cash or share based employee compensation cost for the incentive program in relation to the Offering.

(3) Costs relating to acquisitions of EMP (including post-acquisition integration of the business) (USD 5.4 million in 2016, USD 0.4 million in 2017 and Nil in 2018) and other non-recurring expenses in relation to the Offering (Nil for 2016 & 2017 and USD 3.7 million in 2018).

Notes to the historical financial information

4. Non-IFRS financial measures *(continued)*

4.1 Specially Disclosed Items *(continued)*

- (4) Comprised of items that do not fit into any of the categories above and includes provisions against unrecoverable balances and settlement accruals (USD 3.0 million in 2016, Nil in 2017 and USD 3.9 million in 2018), and unrealised (gain) or loss on re-measurement of foreign currency denominated assets or liabilities (USD (1.9) million in 2016, USD 0.6 million in 2017 and USD (0.5) million in 2018).
- (5) Amortisation of capitalised costs associated with the Group's IT Transformation Programme.
- (6) Amortisation charge on the intangible assets recognised in the Group's statement of financial position as part of the Group's acquisition of EMP in 2016.
- (7) Amortisation of debt issuance costs related to loan availed for acquisition of EMP by the Group.
- (8) Includes payments made for settlement of legal cases in respect of EMP tax matters for periods prior to the date of acquisition by the Group and accruals, on a best estimate basis for potential tax liabilities, in respect of years for which assessments and tax audits are not closed yet for various jurisdictions.

4.2 Underlying EBITDA

Underlying EBITDA is defined as earnings before interest, taxes, depreciation & amortisation, impairment losses on assets, gain on sale of investment securities, share of depreciation of an associate and specially disclosed items affecting Underlying EBITDA.

	2016	2017	2018
	----- USD'000 -----		
Profit from continuing operations	52,399	80,616	46,737
Depreciation and amortisation	22,147	24,423	34,572
Impairment losses on assets	24,175	-	17,945
Net interest expense	12,587	18,921	20,159
Taxes	3,117	5,694	10,956
Gain on disposal of investment securities	-	-	(2,648)
Share of depreciation of an associate	1,992	2,765	2,978
Specially disclosed items affecting Underlying EBITDA	8,769	6,204	21,340
Underlying EBITDA	125,186	138,623	152,039

Notes to the historical financial information

4. Non-IFRS financial measures *(continued)*

4.3 Underlying EBITDA Margin Excluding Share of an Associate

The Group calculates its Underlying EBITDA Margin Excluding Share of an Associate as a measure of determining the profitability of its operations. Underlying EBITDA Margin Excluding Share of an Associate is defined as Underlying EBITDA before Share of an Associate divided by the revenues.

	2016	2017	2018
	-----USD'000-----		
Revenues	234,706	262,006	297,935
Underlying EBITDA	125,186	138,623	152,039
Share of EBITDA of an Associate	(8,392)	(6,258)	(6,303)
Underlying EBITDA Before Share of an Associate	116,794	132,365	145,736
Underlying EBITDA Margin Excluding Share of an Associate	49.8%	50.5%	48.9%

4.4 Underlying Net Income

Underlying Net Income represents the Group's Profit from continuing operations adjusted for impairment losses on assets, gain on disposal of investment securities and specially disclosed items. Underlying Net Income is considered by the Group to give a more comparable view of period-to-period profitability

The table below presents a reconciliation of the Group's reported profit from continuing operations to Underlying Net Income for each of 2016, 2017 and 2018.

	2016	2017	2018
	-----USD'000-----		
Profit from continuing operations	52,399	80,616	46,737
Impairment losses on assets	24,175	-	17,945
Gain on disposal of investment securities	-	-	(2,648)
Specially disclosed items affecting Underlying EBITDA (refer to 4.1)	8,769	6,204	21,340
Specially disclosed items affecting Underlying Net Income (refer to 4.1)	4,198	4,942	14,573
Underlying Net Income	89,541	91,762	97,947
Taxes (excluding taxes for legacy matters)	3,117	5,694	6,592
Underlying Net Income before Tax	92,658	97,456	104,539

Notes to the historical financial information

4. Non-IFRS financial measures *(continued)*

4.5 Underlying Effective Tax Rate

The Group's Underlying Effective Tax Rate is defined as the tax expense (excluding taxes for legacy matters) as a percentage of the Group's Underlying Net Income before Tax.

The Underlying Effective Tax Rate for the Group for each of 2016, 2017 and 2018 was 3.4 per cent, 5.8 per cent and 6.3 per cent respectively.

4.6 IT Transformation Capital Expenditure

The table below provides the split of total capital expenditure into IT Transformation, Growth and Maintenance capital expenditure for each of 2016, 2017 and 2018. Growth and Maintenance capital expenditure collectively are referred to as Capital expenditure (ex. IT transformation).

	2016	2017	2018
	----- USD'000 -----		
Total capital expenditure	64,878	70,418	66,102
IT Transformation Capital Expenditure	(32,991)	(26,611)	(31,564)
Capital expenditure (ex. IT Transformation)	31,887	43,807	34,538
of which is growth capital expenditure	17,473	19,442	16,500
of which is maintenance capital expenditure	14,414	24,365	18,038

The Group has invested in significant technological upgrades over the last several years, principally comprised of the development of the Group's Network One platform, significant upgrade to the Base 24 switch and the development of the Group's new proprietary gateway, N-Genius Online. Once these technological upgrades and associated customer migrations are completed, the Group does not expect any significant additional technological upgrades and hence the Group believes that the capital expenditure (ex. IT Transformation) presents a better indication of the ongoing capital expenditure requirements of the business (including both maintenance and investment requirements).

4.7 Underlying Free Cash Flow

Underlying Free Cash Flow is calculated as the profit from continuing operations adjusted for depreciation & amortisation, impairment losses, net interest expense, taxes, gain on disposal of investment securities, share of depreciation of an associate, specially disclosed items affecting Underlying EBITDA, changes in narrow working capital, taxes paid and maintenance capital expenditure.

Notes to the historical financial information

4. Non-IFRS financial measures *(continued)*

4.7 Underlying Free Cash Flow *(continued)*

The table below presents adjustments made to profit from continuing operations to derive Underlying Free Cash Flow for the Group for each of 2016, 2017 and 2018. The Group uses Underlying Free Cash Flow as an operating performance measure that helps management determine the conversion of Underlying EBITDA to Underlying Free Cash Flow.

	2016	2017	2018
	----- USD'000 -----		
Profit from continuing operations	52,399	80,616	46,737
Depreciation and amortisation	22,147	24,423	34,572
Impairment losses on assets	24,175	-	17,945
Net interest expense	12,587	18,921	20,159
Taxes	3,117	5,694	10,956
Gain on disposal of investment securities	-	-	(2,648)
Share of depreciation of an associate	1,992	2,765	2,978
Specially disclosed items affecting Underlying EBITDA (refer to 4.1)	8,769	6,204	21,340
Underlying EBITDA	125,186	138,623	152,039
Changes in narrow working capital ⁽¹⁾	(15,848)	(1,172)	(2,575)
Taxes paid ⁽²⁾	(1,934)	(2,684)	(5,420)
Maintenance capital expenditure	(14,414)	(24,365)	(18,038)
Underlying Free Cash Flow	92,990	110,402	126,006

- (1) Changes in narrow working capital is the amount of capital used by the Group to fund its day-to-day trading operations and excludes settlement related balances.
- (2) Reflects taxes paid during the year.

Notes to the historical financial information

5 Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (Group leadership team) to allocate resources and assess performance. For each identified operating segment, the Group has disclosed information that are assessed internally to review and steer performance.

The Group manage its business operations on a geographic basis and reports two operating segments, i.e. i) Middle East and ii) Africa. The Group reviews and manages the performance of these segments based on total revenues and Contribution for each operating segment.

Contribution is defined as segment revenues less operating costs (personnel cost and selling, operating & other expenses) that can be directly attributed to or controlled by the segments. Contribution does not include allocation of shared costs that are managed at group level and hence shown separately under central function costs.

31 December 2016

	Middle East	Africa	Central functions	Total
	----- USD'000 -----			
<i>Statement of profit or loss</i>				
Revenues	185,979	48,727	-	234,706
Contribution	138,782	30,059	-	168,841
<i>Contribution margin (%)</i>	75%	62%	-	72%
Central functions costs	-	-	(52,047)	(52,047)
Specially disclosed items affecting Underlying EBITDA	-	-	-	(8,769)
Depreciation and amortisation	-	-	-	(22,147)
Impairment losses on assets	-	-	-	(24,175)
Share of profit of an associate	-	-	-	6,400
Net interest expense	-	-	-	(12,587)
Taxes	-	-	-	(3,117)
Profit from Continuing Operations				52,399

Notes to the historical financial information

5 Segment reporting (continued)

	Middle East	Africa	Corporate/ Consolidation	Total
	----- USD'000 -----			
<i>Statement of financial position</i>				
Current Assets	196,273	13,748	103,533	313,554
Non-current assets	14,806	800	483,974	499,580
Total assets	211,079	14,548	587,507	813,134
Current liabilities	131,561	3,309	66,553	201,423
Non-current liabilities	9,755	-	344,852	354,607
Total liabilities	141,316	3,309	411,405	556,030

Notes to the historical financial information

5 Segment reporting (continued)

<u>31 December 2017</u>	Middle East	Africa	Central functions	Total
	----- USD'000 -----			
<i>Statement of profit or loss</i>				
Revenues	201,883	60,123	-	262,006
Contribution	145,506	43,261	-	188,767
<i>Contribution margin (%)</i>	72%	72%	-	72%
Central functions costs	-	-	(56,402)	(56,402)
Specially disclosed items affecting Underlying EBITDA	-	-	-	(6,204)
Depreciation and amortisation	-	-	-	(24,423)
Share of profit of an associate	-	-	-	3,493
Net interest expense	-	-	-	(18,921)
Taxes	-	-	-	(5,694)
Profit from Continuing Operations				80,616
	Middle East	Africa	Corporate/ Consolidation	Total
	----- USD'000 -----			
<i>Statement of financial position</i>				
Current Assets	277,331	17,653	222,971	517,955
Non-current assets	20,706	739	489,510	510,955
Total assets	298,037	18,392	712,481	1,028,910
Current liabilities	224,604	6,527	203,791	434,922
Non-current liabilities	9,688	-	328,283	337,971
Total liabilities	234,292	6,527	532,074	772,893

Notes to the historical financial information

5 Segment reporting (continued)

<u>31 December 2018</u>	Middle East	Africa	Central functions	Total
	----- USD'000 -----			
<i>Statement of profit or loss</i>				
Revenues	223,822	74,113	-	297,935
Contribution	163,887	52,358	-	216,245
<i>Contribution margin (%)</i>	73%	71%	-	73%
Central functions costs	-	-	(70,509)	(70,509)
Specially disclosed items affecting Underlying EBITDA	-	-	-	(21,340)
Depreciation and amortisation	-	-	-	(34,572)
Impairment losses on assets	-	-	-	(17,945)
Share of profit of an associate	-	-	-	3,325
Net interest expense	-	-	-	(20,159)
Gain on disposal of investment securities	-	-	-	2,648
Taxes	-	-	-	(10,956)
Profit from Continuing Operations				46,737
	Middle East	Africa	Corporate/ Consolidation	Total
	----- USD'000 -----			
<i>Statement of financial position</i>				
Current assets	263,776	22,560	146,793	433,129
Non-current assets	39,169	660	476,509	516,338
Total assets	302,945	23,220	623,302	949,467
Current liabilities	227,676	8,800	214,981	451,457
Non-current liabilities	9,986	-	296,328	306,314
Total liabilities	237,662	8,800	511,309	757,771

Notes to the historical financial information

5 Segment reporting *(continued)*

Middle East

The Group's primary market in the Middle East region is UAE whereas the second most significant market is Jordan. In both the markets, the Group provides merchant solutions and issuer solutions to various financial and non-financial institutional clients.

Africa

The Group's key markets in Africa are North Africa, Sub-Saharan Africa and Southern Africa.

(i) *North Africa*

One of the most significant markets in North Africa is Egypt. The Group currently provides services to several of Egypt's leading financial institutions, for both their merchant and issuer solutions needs. North Africa contributed 46% of the total Africa revenues in 2018.

(ii) *Sub-Saharan Africa*

One of the most significant markets in sub-Saharan Africa is Nigeria where the Group has an established presence in Nigeria serving several of Nigeria's leading financial institutions, (mainly issuer processing) Sub-Saharan Africa contributed 34% of the total Africa revenues in 2018.

(ii) *Southern Africa*

The significant market in Southern Africa is South Africa, where the Group provides retail processing services. South Africa contributed 20% of the total Africa revenues in 2018.

6 Business combination and disposals

6.1 Network International Investment Pte. Ltd.

On 29 October 2012, the Group through its subsidiary Network International Investment Pte. Ltd., ('NIPL') entered into an agreement to purchase 75% shareholding of TimesofMoney Private Limited, (ToM) for a consideration of USD 49.2 million.

With this acquisition, the Group aimed to launch an online remittance service between GCC and India, introduce new value-added remittance and retail based services.

For the remaining 25% shareholding, the Group entered into a call-put option agreement, where after 3 years from the acquisition date until the completion of 7 years from the acquisition date, the seller would have the right to exercise the put option to sell the balance stake to NIPL at USD 2.6 (AED 9.6) per share. Alternatively NIPL would have the right to exercise a call option to buy the remaining stake at a same agreed option price highlighted above.

In 2016, the Group has acquired the remaining 25% shareholding of ToM at a consideration of USD 21.65 million, by honoring the put option exercised by the seller

On 31 July 2017, the Group disposed of a subsidiary, Network International Global Service India Pvt. Ltd., at a consideration of USD 0.8 million and accordingly, the Group has booked a loss of USD 1.3 million.

Notes to the historical financial information

6 Business combination and disposals *(continued)*

6.1 Network International Investment Pte. Ltd.

On 22 August 2017, the Group disposed of a subsidiary, TOM Technology Services Private Limited, to sell the Remittance Technology Business at a consideration of USD 12.9 million against the same net asset value of the business. Accordingly, no gain / loss has been booked by the Group. Further, upon disposal, foreign exchange loss of USD 6.1 million has been reclassified from OCI to the consolidated statement of profit or loss.

On 14 November 2018, the Group disposed of the other part of the business i.e. software business division at a consideration of USD 4.8 million and resultant loss amounted to USD 4.3 million has been booked in the consolidated statement of profit or loss. Further, upon disposal, unrealised foreign exchange loss previously recognised in the OCI, amounting to USD 8.3 million, has been reclassified in to the consolidated statement of profit or loss.

6.2 Mercury Payments Services LLC

On 13 November 2016, the Group entered into an agreement First Abu Dhabi Bank (previously known as National Bank of Abu Dhabi PJSC (NBAD)) to form a limited liability company, Mercury Payments Services LLC (Mercury). Mercury operates the “Mercury” payment scheme in UAE which is a domestic payment card network that permits members to issue cards on network and to acquire transactions on such network and offers other value added services.

During the year, the Group has classified Mercury as discontinued operations. Further, the Group has also assessed the carrying amount for impairment and written off its entire carrying amount

6.3 Sinnad W.L.L.

On 8 November 2017, the Group has sold its investment in joint venture “Sinnad W.L.L.” for a consideration of USD 1.2 million. At the date of disposal, the carrying value of the investment amounted to USD 1.3 million and accordingly, loss of USD 0.1 million has been booked in the consolidated statement of profit or loss.

6.4 Network International Investment Holding Limited (previously known as Emerging Markets Payments Holding (Mauritius) Limited)

On 1 March 2016, the Group entered into an agreement to purchase 100% shareholding of Network International Investment Holding Limited for a consideration of USD 255.8 million.

With this acquisition, the Group aims to expand its acquiring and processing capabilities in the Middle East and Africa region and capitalise on the synergies that this acquisition brings to the Group. The details of the business combination are as follows:

Notes to the historical financial information

6 Business combination and disposals (continued)

6.4 Network International Investment Holding Limited (previously known as Emerging Markets Payments Holding (Mauritius) Limited) (continued)

	USD'000
Fair value of consideration transferred - settled in cash - A	255,817
<i>Recognised amounts of identifiable net assets</i>	
Property, plant and equipment	16,490
Other intangible assets	4,343
Acquired intangibles	32,207
Investment - Available for sale assets	7,591
Trade and other receivables	17,810
Cash and cash equivalents	18,730
Total assets - B	97,171
Long term loans	79,200
Trade and other payables	15,271
Accrued expenses	4,643
Deferred and current tax	2,346
Total liabilities - C	101,460
Goodwill on Acquisition (A - B + C)	260,106

Since the acquisition date, EMP revenue of USD 47.2 million and Net profit of USD 21.6 million has been recorded in the consolidated statement of profit or loss for 2016. Had EMP been consolidated from the beginning of the year, the consolidated revenues and net profit of the Group would have been USD 250.5 million and USD 35.7 million. Further, in 2016, the Group has incurred USD 3.5 million related to acquisition cost which is recorded in consolidated statement of profit or loss (under legal and professional charges)

Acquired intangibles consists of customer contracts amounting to USD 29.4 million (identified across erstwhile EMP entities) and Brand (JONET) in EMP Jordan amounting to USD 2.7 million.

Notes to the historical financial information

7 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct employee cost, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss as incurred.

Depreciation

Depreciation is recognised in consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives are as follows:

	Years
Leasehold improvements	3 – 10
Furniture & fixtures	3 – 10
Office equipment	3 – 5
Land and Building	20 – 50
Computer hardware	3 – 10

Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The differences are included in the consolidated statement of profit or loss.

Notes to the historical financial information

7 Property and equipment (continued)

	Land and Building	Lease-hold improvement, furniture & fixtures	Computer and office equipment	Capital work in progress (CWIP)	Total
	----- USD'000 -----				
2016					
Cost					
Balance as at 1 January 2016	12,380	4,301	82,403	6,770	105,854
Additions	1,161	1,625	3,542	11,288	17,616
Disposals	(11,648)	(1,660)	(3,312)	-	(16,620)
Transfers from CWIP	-	107	8,034	(8,141)	-
Assets acquired during business combinations	6,226	3,352	19,964	571	30,113
Effects of change in foreign exchange	(2,402)	(909)	(8,483)	-	(11,794)
As at 31 December 2016	5,717	6,816	102,148	10,488	125,169
Accumulated depreciation					
Balance at 1 January 2016	2,520	2,458	61,333	-	66,311
Charge for the year	124	817	13,249	-	14,190
Disposals	(2,137)	(749)	(3,350)	-	(6,236)
Assets acquired during business combinations	580	1,866	11,178	-	13,624
Effects of change in foreign exchange	(546)	(599)	(7,220)	-	(8,365)
Balance as at 31 December 2016	541	3,793	75,190	-	79,524
Carrying Value	5,176	3,023	26,958	10,488	45,645

Notes to the historical financial information

7 Property and equipment (continued)

	Land and Building	Lease-hold improvement, furniture & fixtures	Computer and office equipment	Capital work In progress (CWIP)	Total
	----- USD'000 -----				
2017					
Cost					
Balance as at 1 January 2017	5,717	6,818	102,147	10,488	125,170
Additions	8	92	3,399	12,893	16,392
Disposals	-	(2)	(330)	-	(332)
Transfers from CWIP	-	179	11,160	(11,339)	-
Write-off	-	(1,129)	-	-	(1,129)
Disposal of subsidiary	-	(1,308)	(1,988)	-	(3,296)
Reclassified as held for sale	-	(537)	(1,586)	-	(2,123)
Effects of change in foreign exchange	14	62	319	5	400
As at 31 December 2017	5,739	4,175	113,121	12,047	135,082
Accumulated depreciation					
Balance at 1 January 2017	541	3,794	75,191	-	79,526
Charge for the year	68	1,115	12,653	-	13,836
Disposals	-	(1)	(324)	-	(325)
Write-off	-	(1,129)	-	-	(1,129)
Disposal of subsidiary	-	(161)	(1,069)	-	(1,230)
Reclassified as held for sale	-	(348)	(1,415)	-	(1,763)
Impairment loss	-	129	158	-	287
Effects of change in foreign exchange	3	37	288	-	328
Balance as at 31 December 2017	612	3,436	85,482	-	89,530
Carrying Value	5,127	739	27,639	12,047	45,552
2018					
Cost					
Balance as at 1 January 2018	5,739	4,175	113,121	12,047	135,082
Additions	-	47	6,465	17,399	23,911
Disposals	-	-	(102)	-	(102)
Transfers from CWIP	-	15	10,743	(10,758)	-
Transfers to Intangibles	-	-	-	(5,769)	(5,769)
Right of use asset	9,917	-	-	-	9,917
Reclassified as held for sale	-	(59)	(2,683)	-	(2,742)
Effects of change in foreign exchange	(10)	(9)	(458)	43	(434)
As at 31 December 2018	15,646	4,169	127,086	12,962	159,863
Accumulated depreciation					
Balance at 1 January 2018	612	3,436	85,482	-	89,530
Charge for the year	68	255	13,682	-	14,005
Disposals	-	-	(102)	-	(102)
Depreciation on right of use asset	1,858	-	-	-	1,858
Reclassified as held for sale	-	(30)	(2,229)	-	(2,259)
Impairment loss	-	-	-	3,268	3,268
Effects of change in foreign exchange	4	(102)	(828)	-	(926)
Balance as at 31 December 2018	2,542	3,559	96,005	3,268	105,374
Carrying Value	13,104	610	31,081	9,694	54,489

**** Impairment loss in 2017 relates to entity classified as discontinued operations and is included under impairment losses in note 17**

Notes to the historical financial information

8 Intangible assets and goodwill

Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested annually for impairment.

Acquired intangibles

At the date of acquisition of a subsidiary or associate, intangible assets that are deemed separable and that arise from contractual or other legal rights are capitalised and included within the net identifiable assets acquired. These intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Group, and are amortised on the basis of their expected useful lives. At each reporting date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately.

The estimated useful lives are as follows:

	Years
Technology Platform	8 - 9
Customer Relationship	6 - 7
Brands	Indefinite

Other Intangible assets

Except for goodwill, intangible assets are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives are as follows:

	Years
Computer Software	4 – 10

Computer software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment loss (if any).

Subsequent expenditure on software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

Research & Development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the consolidated statement of profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the consolidated statement of profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Notes to the historical financial information

8 Intangible assets and goodwill (continued)

	Goodwill*	Computer software	Customer contracts	Brands and technology platform	CWIP	Total
	----- USD'000 -----					
2016						
Cost						
Balance as at 1 January 2016	40,484	37,342	7,690	12,932	46,583	145,031
Additions	-	7,806	-	26	39,430	47,262
Disposal/Utilisations	-	(1,250)	-	(38)	(4,083)	(5,371)
Transfers from CWIP	-	6,501	-	-	(6,501)	-
Assets acquired during business combination	260,106	9,620	29,427	3,193	284	302,630
Effects of change in foreign exchange	(3,744)	(1,823)	(114)	(264)	(14)	(5,959)
As at 31 December 2016	296,846	58,196	37,003	15,849	75,699	483,593
Amortisation & impairment						
Balance at 1 January 2016	15,180	27,752	4,328	3,273	-	50,533
Charge for the year	-	6,025	4,577	1,019	-	11,621
Disposal/Utilisations	-	(414)	-	(13)	-	(427)
Impairment loss	5,896	-	-	-	24,175	30,071
Assets acquired during business combination	-	5,796	-	178	-	5,974
Effects of change in foreign exchange	-	(1,608)	(69)	(79)	-	(1,756)
Balance as at 31 December 2016	21,076	37,551	8,836	4,378	24,175	96,016
Carrying Value	275,770	20,645	28,167	11,471	51,524	387,577

* Goodwill recorded in these historical financial information is on account of EMP, ToM and NI Egypt, amounting to USD 260.1 million, USD 13.5 million and USD 2.17 million, respectively. Impairment loss on goodwill relates to discontinued operations (refer to Note 17).

Notes to the historical financial information

8 Intangible assets and goodwill (continued)

	Goodwill*	Computer software	Customer contracts	Brands and technology platform	CWIP	Total
	----- USD'000 -----					
2017						
Cost						
Balance as at 1 January 2017	296,846	58,196	37,003	15,849	75,699	483,593
Additions	-	5,554	-	9	48,463	54,026
Disposal/Utilisations	-	(994)	-	(81)	(1,308)	(2,383)
Transfers from CWIP	-	5,538	-	-	(5,538)	-
Disposal of subsidiary	(18,636)	-	(2,649)	(9,515)	(1,378)	(32,178)
Reclassified as held for sale	(15,930)	(2,555)	(2,171)	(3,844)	(509)	(25,009)
Effects of change in foreign exchange	49	176	300	867	-	1,392
As at 31 December 2017	262,329	65,915	32,483	3,285	115,429	479,441
Amortisation & impairment						
Balance at 1 January 2017	21,076	37,551	8,836	4,378	24,175	96,016
Charge for the year	-	7,753	5,089	755	-	13,597
Disposal/Utilisations	-	(687)	-	(67)	-	(754)
Impairment loss	6,217	619	97	604	-	7,537
Disposal of subsidiary	(11,363)	-	(2,089)	(2,533)	-	(15,985)
Reclassified as held for sale	(15,930)	(2,300)	(1,978)	(3,154)	-	(23,362)
Effects of change in foreign exchange	-	51	219	312	-	582
Balance as at 31 December 2017	-	42,987	10,174	295	24,175	77,631
Carrying Value	262,329	22,928	22,309	2,990	91,254	401,810

* Goodwill recorded in these historical financial information is on account of EMP and NI Egypt, amounting to USD 260.1 million and USD 2.2 million, respectively.

** Impairment loss in 2017 relates to entity classified as discontinued operations and is included under impairment on assets in Note 17.

Notes to the historical financial information

8 Intangible assets and goodwill (continued)

2018	Goodwill*	Computer software	Customer contracts	Brands and technology platform	CWIP	Total
	USD'000					
Cost						
Balance as at 1 January 2018	262,329	65,915	32,483	3,285	115,429	479,441
Additions	-	4,119	-	-	38,071	42,190
Transfers from CWIP	-	93,902	-	-	(93,902)	-
Disposal of subsidiary	-	5,769	-	-	-	5,769
Reclassified as held for sale	-	(7,649)	-	-	-	(7,649)
Effects of change in foreign exchange	(22)	257	(86)	(71)	175	253
As at 31 December 2018	262,307	162,313	32,397	3,214	59,773	520,004
Amortisation & impairment						
Balance at 1 January 2018	-	42,987	10,174	295	24,175	77,631
Charge for the year	-	14,793	4,507	199	-	19,499
Impairment loss	-	-	-	-	14,677	14,677
Reclassified as held for sale	-	(1,080)	-	-	-	(1,080)
Effects of change in foreign exchange	-	235	96	(61)	-	270
Balance as at 31 December 2018	-	56,935	14,777	433	38,852	110,997
Carrying Value	262,307	105,378	17,620	2,781	20,921	409,007

* Goodwill recorded in these historical financial information is on account of EMP and NI Egypt, amounting to USD 260.1 million and USD 2.12 million, respectively.

Notes to the historical financial information

8 Intangible assets and goodwill *(continued)*

8.1 Impairment Testing

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (Cash Generating Unit). Goodwill arising out of business combination is allocated to CGU's or group of CGU's that are expected to benefit from the Synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset or CGU.

Impairment loss is recognised if the carrying amount of an asset or CGU exceed its recoverable amount.

Impairment losses are recognised in the consolidated statement of profit or loss. They are first allocated to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU on pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other asset, an impairment loss is reversed to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Goodwill is not deductible for tax purposes.

Impairment testing of goodwill was done based on CGU. For this purpose, management considered three CGUs based on their geographical location, namely; Levant Business, Africa Business and TimesOfMoney (ToM).

Levant and Africa Business

During the year, the impairment testing resulted in Nil impairment for Levant and Africa CGUs (2017: Nil / 2016: Nil).

For 2018, the recoverable amount of USD 961.6 million has been calculated based on the CGU's fair value less cost to sell. The fair value measurement was categorised as a level 3 fair value based on the inputs in the valuation technique used. The fair value is based on 2019 forecast EBITDA and peer companies EBITDA multiples. The average EBITDA multiples used is "15".

For 2017, the recoverable amount of USD 708.7 million has been calculated based on the CGU's fair value less cost to sell. The fair value measurement was categorised as a level 3 fair value based on the inputs in the valuation technique used. The fair value is based on 2018 forecast EBITDA and peer companies EBITDA multiples. The average EBITDA multiples used is "13.2".

For 2016, impairment testing was done only on Network International Egypt SAE (NI Egypt) considering it as CGU which resulted in Nil impairment. The recoverable amount of USD 11 million have been calculated based on CGU's value in use. It was determined by discounting the future cash flows expected to be generated.

Notes to the historical financial information

8 Intangible assets and goodwill *(continued)*

Levant and Africa Business *(continued)*

The calculation of the value in use (for 2016) was based on the following key assumptions:

- a) Management has estimated based on past experience and expectations of future changes in the market, the revenue growth, net margin and the level of working capital required to support future operations.
- b) Cash flows are projected based on past experience, actual operating results, future business plan for 5 years (2015: 5-year business plan) and high level estimates for periods after 5 years, wherever considered appropriate based on declining revenue growth rate. The forecast period is based on the Group's long-term perspective with respect to the operation of each CGU.
- c) Discount rate used for NI Egypt CGU was 32.6% (2015: 26.4%) in determining the recoverable amounts for the CGUs and perpetuity rate is 4% (2015: 4%). The key assumptions described above may change as economic and market condition change. The Group estimates that possible changes in these assumptions are not expected to cause recoverable amount to decline below the carrying amount.

The recoverable amount is considerably higher than the carrying amount hence no impairment was recognised and even a reasonable possible change in the assumptions by ($\pm 5\%$) would not result in an impairment.

TimesOfMoney (ToM)

During the year, the Group has disposed of FinTech Business (refer to Note 6 for the details).

The impairment testing in 2017 and 2016 resulted in an impairment as the estimated recoverable amount of the CGU was lower than its carrying amount by approximately 2017: USD 10.4 million and 2016: USD 5.9 million, respectively.

For 2017, the recoverable amounts for USD 4.5 million of FinTech Business has been calculated based on the CGU's fair value less cost to sell. The fair value less cost to sell of the FinTech Business is based on the estimated selling price agreed with the potential buyer. The fair value measurement was categorised as a level 2 fair value. The carrying amount of the business was USD 14.9 million, resulting in an impairment of USD 10.4 million

For 2016, the recoverable amount Remittance Technology Business was USD 13.9 million and was calculated based on the CGU's fair value less cost to sell. The fair value less cost to sell of the Remittance Technology Business was based on the acquisition price of the business offered by the potential buyer. The recoverable amount of the other part of ToM's business (FinTech) was USD 9.8 million. The fair value was based on best estimates of valuation of the business computed using EBITDA with the multiples of 10. The carrying amount of the cumulative ToM business was USD 29.6 million, resulting in an impairment of USD 5.9 million. The fair value measurement was categorised as a level 2 fair value.

Following the impairment loss recognised in the Group's ToM CGU, the recoverable amount was equal to the carrying amount, and any further decline in the assumptions used to determine the recoverable amount would lead to an impairment loss.

Notes to the historical financial information

8 Intangible assets and goodwill *(continued)*

8.2 Impairment testing of IT Transformation and other projects

IT Transformation project

During the year, the management has conducted an impairment assessment exercise on IT Transformation project spends due to the fact that certain re-work had to be done, prompting a review of spends incurred and recalibration of project timelines. After detailed assessment, management concluded that the future economic benefits associated with certain cost incurred for consultants services and internal personnel cost, will not flow to the Group in future. Accordingly, the management has recorded an impairment of USD 10.3 million in the consolidated statement of profit or loss.

Similar exercise was done in comparative period (2016 and 2017) and on the basis of these assessment, the management had recorded an impairment of USD 24.18 million in 2016 and no impairment was recognised during 2017.

Other Tangible and Intangible assets

During 2018, the Group has started developing a new state of the art e-commerce platform to replace legacy platform to reduce outages and dependency on third party vendors. Management believes that the legacy e-commerce platform will become redundant once all the merchants are migrated to the new platform. As a result the Group has concluded old platform is obsolete and therefore carrying amount as at 31 December 2018 amounting to USD 2.8 million is impaired and recognised under consolidated statement of profit or loss

The Group entered into an arrangement with the customer for providing card hosting and acquirer processing services. The Group had incurred an amount of USD 1.3 million to develop customised platform to enable delivery of the services as per the agreed contractual terms. During the year, the customer terminated relationship due to ongoing disputes on functionalities related to system build and as a result the amount incurred on developing this software is impaired as no future economic benefits will flow to the entity from the use of this platform as system build has no alternative deployment potential. Accordingly, the complete carrying amount has been considered impaired and recognised under consolidated statement of profit or loss.

Notes to the historical financial information

9 Investment in joint venture and associate

The Group's interest in equity-accounted investees comprises interest in associates and joint ventures. Interest in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the historical financial information include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment.

	Transguard Cash LLC			Sinnad WLL		
	Associate 50% United Arab Emirates			Joint Venture 49% Bahrain		
	USD'000			USD'000		
	2016	2017	2018	2016	2017	2018
Nature of investment						
Ownership						
Place of incorporation						
As at 1 January	46,144	50,502	51,272	866	1,158	-
Share of EBITDA	8,392	6,258	6,303	295	142	-
Share of depreciation of an associate	(1,992)	(2,765)	(2,978)	(3)	(1)	-
Share of profits	6,400	3,493	3,325	292	141	-
Dividends received	(2,042)	(2,723)	(2,741)	-	-	-
Disposal of joint venture (refer to Note 6.3)	-	-	-	-	(1,299)	-
As at 31 December	50,502	51,272	51,856	1,158	-	-
Current assets	39,027	41,453	36,342	2,858	2,314	-
Non-current assets	27,781	33,411	46,405	9	1,377	-
Current liabilities	8,704	14,486	20,833	414	891	-
Non-current liabilities	2,665	3,127	3,640	-	-	-
Net assets	55,439	57,251	58,274	2,453	2,800	-
Total revenues	67,883	75,209	80,785	2,631	2,465	-
Total expenses	(55,083)	(68,223)	(74,135)	(1,997)	(2,118)	-
Net profit	12,800	6,986	6,650	634	347	-

Notes to the historical financial information

10 Financial assets measured at fair value through profit or loss

	2016	2017	2018
	----- USD'000 -----		
Visa Inc. (refer 10.1)	7,835	11,402	-
Mobile Payments Company	352	246	246
	8,187	11,648	246

10.1 The Group, through its subsidiary, Network International Investment Holding Limited (previously known as Emerging Markets Payments Holdings (Mauritius) Limited), has investment in Visa Inc., classified as financial assets measured at fair value through profit or loss. The Company holds 25,000 C Class Shares, convertible into 100,000 A Class Shares. For accounting policy, refer to Note 29.

In 2018, The Group has disposed of the entire investment in Visa Inc. for an amount equal to USD 14.0 million which results in a gain of USD 2.6 million.

11 Scheme debtors and merchant creditors

Scheme debtors and merchant creditors represent intermediary balances that arise as part of the daily acquiring settlement process.

Scheme debtors

Scheme debtors consist primarily of the Group's receivables from the card schemes or networks for transactions processed on behalf of merchants, where it is a member of that particular scheme or network

Merchant creditors

Merchant creditors consist primarily of the Group's liability to merchants for transactions that have been processed but not yet settled.

The Group has limited ability to influence the working capital related to scheme debtors and merchant creditors, which is referred to settlement related balances, on a day-to-day basis, as these are principally driven by the volume of transactions and the time elapsed since the last clearing by card issuers/payment schemes, which is why these balances fluctuate from one reporting date to another.

Notes to the historical financial information

12 Trade and other receivables

Trade and other receivables are initially recognised at fair value in the period to which they relate. They are held at amortised cost, less any provision for bad or doubtful debts. Provisions for bad or doubtful debts are presented net with the related receivable on the balance sheet.

	2016	2017	2018
	----- USD'000 -----		
Trade receivables	47,980	56,987	68,225
Chargeback receivables	3,834	2,048	1,862
Prepaid expenses	4,419	3,282	4,153
Security deposits	1,410	1,421	1,421
Other assets	6,110	6,774	4,631
	63,753	70,512	80,292
Less: Provision for impairment	(11,115)	(11,109)	(6,444)
	52,638	59,403	73,848

The movements in the provision for impairment are as follows:

	2016	2017	2018
	----- USD'000 -----		
As at 1 January	10,420	11,115	11,109
Provision in opening retained earnings as per IFRS 9	-	-	3,409
Provision during the year	4,259	2,717	809
Acquired through business combination	242	-	-
Amounts written off / reversed during the year	(3,806)	(2,723)	(8,883)
As at 31 December	11,115	11,109	6,444

13 Cash and cash equivalents

13.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant credit risk, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

	2016	2017	2018
	----- USD'000 -----		
Cash and cash equivalents as per statement of financial position			
Cash and cash equivalents	87,646	100,769	60,275
Cash and cash equivalents as per statement of Cash flows			
Cash and cash equivalents	87,646	100,769	60,275
Overdraft	(18,041)	(120,759)	(102,741)
	69,605	(19,990)	(42,466)

Notes to the historical financial information

13 Cash and cash equivalents *(continued)*

13.2 Restricted cash

Restricted cash represents amounts payable for deferred settlements of transactions to merchants and other third parties that have been withheld in accordance with its contractual rights or otherwise remained unpaid not in ordinary course of business and are eventually payable on demand or as mutually agreed.

14 Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include associates, joint ventures, parent, subsidiaries, and key management personnel or close family members. The terms and conditions of these transactions have been mutually agreed between the Group and the related parties.

The Group enters into transactions with Emirates NBD PJSC and its subsidiaries. In the normal course of business, Emirates NBD PJSC also acts as a banker to the Group.

The Management believes that the terms and conditions of these transactions are comparable with those that could be obtained from third parties.

The amounts due from Emirates NBD PJSC and its subsidiaries are receivable on demand.

	2016	2017	2018
	----- USD'000 -----		
Emirates NBD PJSC			
<i>Transactions for the year</i>			
Revenues	40,991	43,758	48,384
Expenses	5,565	5,845	7,772
Net Interest expense / (income)	1,082	1,357	(96)
<i>Balances as at 31 December</i>			
Due from - balances	9,078	9,001	10,955
Due to - balances	-	(21,006)	-
Bank balance	47,173	162,841	101,822
Overdraft facility	(12,110)	(114,091)	(97,995)
Commitments (off-balance sheet)	655	1,317	1,764
Transguard Cash LLC			
<i>Transactions for the year</i> (refer to Note 9)			
<i>Balances as at 31 December</i>			
Due to - balance	329	364	122
Key management compensations			
Personnel expenses	6,521	4,845	6,306
Share based compensation (refer to Notes 15 & 18)	1,341	(2,357)	10,907

Notes to the historical financial information

15 Trade and other payables

Trade and other payables are recognised initially at fair value in the period to which they relate. They are subsequently held at amortised cost using the effective interest rate method. It also includes provisions which are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

	2016	2017	2018
	----- USD'000 -----		
Accrued expenses	40,475	41,794	48,145
Staff benefits	12,267	10,341	19,031
Merchant deposits	6,294	6,525	5,911
Unclaimed balances	3,809	4,144	4,746
Statutory liabilities	2,847	6,555	15,153
Interest payable	2,205	2,110	2,639
Deferred income	418	4,089	5,347
Due to related parties	329	21,370	122
Other liabilities	5,508	11,937	15,481
	74,152	108,865	116,575

16 Borrowings

Non-current borrowings

The Group has taken a term loan facility (“Facility”) of USD 350 million to finance the acquisition of Network International Investment Holding Limited (previously known as Emerging Markets Payments Holdings (Mauritius) Limited). The loan is a syndicated facility from various banks and Citibank N.A., London Branch acted as the lead arranger for the facility. The facility consists of USD 320 million of commercial financing and USD 30 million of Murabaha financing. The facility carries an applicable interest period coupon rate of EIBOR plus 3.25% per year applicable on the AED commercial financing and Murabaha financing and LIBOR plus 3.5% per year applicable on the USD commercial financing. The repayment of the principal amount of the facility is from 2019 in semi-annual installments up to 2022. In 2017, the Group has made an early repayment of USD 16.3 million against all tranches proportionally. The Group has incurred the debt issue cost amounting to USD 11.4 million which has been capitalised and netted off from the carrying amount of the loan.

Current borrowings

It represents the current portion of term loan facility amounted to 45 million. In addition to, the unsecured overdraft facility from Emirates NBD. Interest would be payable at the rate of EIBOR plus 250 basis points (2017 & 2016: EIBOR plus 250 basis points).

Notes to the historical financial information

17 Discontinued operations and assets held for sale

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Assets and liabilities held for sale comprises assets and liabilities that are classified as held-for sale or distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re measured in accordance with the Group's other accounting policies. Thereafter, generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities in a pro rata basis, except that no loss is allocated to financial assets, employee benefits assets or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on re measurement are recognised in the consolidated profit and loss statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property & equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

The Group has classified the following as discontinued operations.

- a) TimesOfMoney
- b) Acquiring operation with Ahli United Bank B.S.C.
- c) Mercury Payments Services LLC
- d) Sinnad W.L.L.
- e) Network International Global Services India Private Limited

For more details about the mentioned above entities, refer to Note 6.

Notes to the historical financial information

17 Discontinued operations and assets held for sale (continued)

Loss from discontinued operations

	2016	2017	2018
	----- USD'000 -----		
Revenues	7,792	5,510	4,496
Expenses	(13,413)	(16,487)	(8,606)
Operating loss	(5,621)	(10,977)	(4,110)
Impairment losses	(5,896)	(10,395)	(7,666)
Loss on disposal	-	-	(3,418)
Taxes	791	202	127
Share of results from a joint venture	292	141	-
Transfer of foreign exchange loss from OCI on disposal of subsidiary	-	(6,077)	(8,250)
Net loss	(10,434)	(27,106)	(23,317)

Cash flows generated from/ (used in) discontinued operations

	2016	2017	2018
	----- USD'000 -----		
Net cash generated from / (used in) operating activities	3,730	4,932	(501)
Net cash generated from / (used in) investing activities	15,114	14,367	(238)
Net cash used in financing activities	(8,200)	-	-
Net cash flows generated from / (used in) discontinued operations	10,644	19,299	(739)

Assets and liabilities of entity held for sale

	2017	2018
	----- USD'000 -----	
Assets		
Property and equipment	359	214
Intangible assets	1,647	10
Long term receivables	2,733	-
Cash at banks	5,195	745
Trade and other receivables	2,546	3,448
Total	12,480	4,417
Liabilities		
Other liabilities	121	-
Deferred tax liabilities	412	-
Trade and other payables	5,673	1,668
Total	6,206	1,668
Foreign exchange loss under OCI	6,974	-

Notes to the historical financial information

18 Other long term liabilities

	2016	2017	2018
	----- USD'000 -----		
Staff benefits (refer to 18.1)	8,124	10,258	15,279
Other long term liabilities	2,864	2,121	9,414
	10,988	12,379	24,693

18.1 Staff benefits

Employee end of service benefits (refer (a))	7,056	7,568	8,481
Other staff benefits (includes share based compensation – refer (b))	1,068	2,690	6,798
	8,124	10,258	15,279

a) Employee end of service benefits

i. Termination gratuity benefit scheme

The Group provide end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

iii. Defined benefit plans

In line with the U.A.E. General Authority for Pensions and Social Security Law, the Group contributes the appropriate amounts due to the UAE pension fund on behalf of its Emirati employees.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

Notes to the historical financial information

18 Other long term liabilities (continued)

18.1 Staff benefits (continued)

Employee end of service benefits movement:

	2016	2017	2018
	----- USD'000 -----		
At 1 January	6,233	7,056	7,568
Actuarial gain recognised in OCI	-	-	(291)
Defined benefit cost recognised in P&L	1,595	1,314	1,834
Paid during the year	(772)	(802)	(630)
At 31 December	7,056	7,568	8,481

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date:

	1 January 2018	31 December 2018
Discount rate p.a.	3.25%	4.25%
Involuntary termination rate p.a.	Nil	Nil
Pre-retirement non-death/disability termination rate p.a.	10% until end-2019 going down by 0.5% each year to an ultimate rate of 7.5% p.a from 2024 onward	10% until end-2019 going down by 0.5% each year to an ultimate rate of 7.5% p.a from 2024 onward
Pre-retirement non-death/disability terminations as involuntary	25%	25%
Salary escalation rate p.a.	3.50%	3.50%
Retirement age	60	60

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the

	(+) 0.5 percentage	(-) 0.5 percentage
Discount rate p.a.	4.75%	3.75%
<i>Defined benefit obligation</i>	8,228	8,874
Salary escalation rate p.a.	4.00%	3.00%
<i>Defined benefit obligation</i>	8,882	8,217

Notes to the historical financial information

18 Other long term liabilities (continued)

18.1 Staff benefits (continued)

b) Share based compensation

The Group has established the following incentive plans:

- a) Management Incentive Award Plan (with current shareholders)
- b) Long Term Incentive Plan (with previous shareholders)

Both these plans are treated as cash-settled share-based payment plans dependent upon fulfillment of any of the following conditions that determine whether the Group has received the services that entitles the employees to receive cash, other assets or equity instruments of the entity, under a share based payment arrangement:

- Service conditions
- Performance conditions
- Period of employment

In such incentive plans vesting conditions are either service conditions or performance conditions. Service conditions require the employee to complete a specified period of service. Performance conditions require the employees to complete a specified period of service and specified performance targets. Award payments vest when the associated vesting conditions are satisfied and the Group recognises the cost associated with such incentive plans in the consolidated profit or loss statement.

The period over which cost needs to be recognised will commence from the grant date and will continue till such periods over which the employees render associated services or meet the conditions of the plan. The total liability of the grants vested at a reporting date is fair valued. Subsequently the fair value of the liability is re-measured at each reporting date and the date of settlement. Any change in fair value is recognised within the consolidated statement of profit or loss in that period, for any catch up element.

The Group established share option programs that entitle key management personnel for a share based compensation, which will be triggered on a full or partial exit of Network by its shareholder.

As at 31 December 2016, the Group had a liability of USD 4.2 million and nil as at 31 December 2017 as it was reversed (amounting to USD 4.2 million) at the time of final settlement in 2017.

The details of Management Incentive Award Plan payable are as follows:

	2016	2017	2018
	----- USD'000 -----		
Management Incentive Award Plan			
Current portion (included under Note 15)	-	-	6,798
Non-current portion (included under Note 18.1)	-	2,690	6,798
	-	2,690	13,596

Notes to the historical financial information

18 Other long term liabilities *(continued)*

18.1 Staff benefits *(continued)*

b) Share based compensation *(continued)*

Below are the key features of Management Incentive Award Plan:

Management Incentive Award Plan

The Group established a Management Incentive Award Plan (MIP) that entitles key management personnel for a cash payment, which will be triggered on an exit event of the Group by its shareholder.

Details of the plan are as follows:

- Total number of awards under the plan is 100,000;
- Participants of the plan will be issued Award certificate by the Group which will be subject to the terms and conditions of the plan as the Board may determine in its sole discretion;
- No payment by the participants shall be required for the grant of an Award;
- The amount of incentive payment will be 5% of the accretion in the equity value of the Group
- Vesting of the Award allocated will be subject to the following conditions;
 - 50% as Time Based Management Incentive Shares, will vest as follows
 - one fourth on each of second, third and fourth anniversary of the plan; and
 - one fourth the earlier of (i) the Final Vesting Date or (ii) the Trigger Event.
 - 50% as Net Income Management Incentive Shares – based on achieving the Net Income as compared to target Net Income for the Group as defined in the plan.

The amount of Incentive payment will be determined with reference to the exit equity value of the Group, which will be calculated as per the guidelines of the plan. During the year, the Group has recognised a charge of USD 10.9 million (2017: USD 1.8 million, 2016: USD 0.9 million) in the consolidated statement of profit or loss, based on 53,000 shares awarded as at 31 December 2018 using a discount rate of 15.6% (2017: 15.1%, 2016: 14.8%). The Group has calculated the exit equity value of the Group by using the relevant EBITDA multiplier.

Notes to the historical financial information

19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

	2016	2017	2018
	----- USD'000 -----		
Issued and fully paid up			
50,000 shares of USD 272.3 each	13,615	13,615	13,615

20 Reserves

Statutory reserves

In accordance with clause 22 of the Company's Memorandum and Articles of Association, a minimum of 10% of the net profit for the year is allocated to a non-distributable statutory reserve. Such allocations may cease when the statutory reserve becomes equal to half of the paid up share capital.

In accordance with Law no. 8 of 1997 and clause 55 of the Articles of Association of Network International Egypt SAE and EMP Africa SAE, a legal reserve of 5% of the accumulated net profit is allocated to a non-distributable statutory reserve. Such allocations may cease when the statutory reserve becomes equal to half of the paid up share capital.

Foreign exchange reserve

The foreign exchange reserve includes the cumulative net change due to changes in value of subsidiaries functional currency to United Arab Emirates Dirham from the date of previous reporting period to date of current reporting period. As at 31 December 2018, cumulative foreign exchange loss amounted to USD 23.3 million (2017: USD 29.7 million / 2016: USD 36.6 million).

Movement of other reserve is as follows:

	2016	2017	2018
	----- USD'000 -----		
Balance at 1 January	16	789	4,336
Adoption of new IFRS	-	-	(4,364)
Re-measurement of defined benefit liability*	-	-	268
Disposal of re-measurement of defined benefits plan	(19)	(20)	50
Net change in fair value of available for sale financial assets	792	3,567	-
Balance at 31 December	789	4,336	290

*Re-measurement of defined benefit liability includes the movement for discontinued operations.

Notes to the historical financial information

21 Revenues

Merchant solution

Under Merchant solution, the Group provides a broad range of technology-led payment solutions to its merchants through a full omni-channel service allowing them to accept payments of multiple types, across multiple payment channels. The Group offers functionality in most aspects of payment acceptance, whether in-store, online or on a mobile device, by providing access to a global payments network through its agile, integrated, secure, reliable and highly scalable technology platforms, Network One and Network Lite. The Group's merchant solutions business comprises its direct acquiring businesses and acquirer processing services, whereby the Group provides processing for its financial institutions direct acquiring business.

Issuer Solution

Through its issuer solutions business line, the Group provides a range of innovative card products and services to its consumers. The Group provides its issuer solution customers with a comprehensive proposition supporting all components of the card issuing value chain, including account hosting, transaction processing, settlement, reconciliation, chargebacks and other ancillary services. The Group provides its issuer solution customers with the ability to open card accounts for consumers and issue and create a range of card products, including credit, debit, Islamic, pre-paid and digital/virtual cards. The Group also provides support for its issuer solution customers to enable them to host and manage a large portfolio of card product solutions ranging from simple card usage to VIP card products, including highly configurable and personalised usage.

The Group's sources of revenues can be broadly categorised into transaction based revenues and non-transaction based revenues.

- **Transaction based revenues:** includes revenue generated through a combination of (a) a Gross Merchant Service Charge (MSC), charged to the merchant on the total processed volume (TPV); (b) a fee per transaction processed and billed, (c) a fee per card hosted and billed and d) a variable fee for provision of value added services including foreign exchange services. The revenue is reported on a net basis, i.e., after the deduction of interchange and scheme fees paid to the card issuer and payment schemes respectively.
- **Non-transaction based revenues,** which includes but not limited to revenue generated through provision of various value-added services (those that are fixed periodic charge), rental from point-of-sale (POS) terminals and project related revenues.

Interchange fees are the fees that is paid to the card issuing banks which is generally based on transaction value, but could also be a fixed fee combined with an ad valorem fee. Scheme fees are the fees paid to the payment schemes for using cards licensed under their brand names and for using their network for transaction authorisation and routing.

Notes to the historical financial information

21 Revenues (continued)

The breakdown of revenues is as under:

	2016	2017	2018
	----- USD'000 -----		
Merchant solutions	106,371	118,508	136,317
Issuer solutions	121,457	138,496	157,069
Other income	6,878	5,002	4,549
	234,706	262,006	297,935

22 Personnel expenses

The Group's personnel expenses include salaries & wages, allowances, bonuses and terminal & other benefits recognised during the period, when the associated services are rendered by the employees. The details of personnel expenses are as follows:

	2016	2017	2018
	----- USD'000 -----		
Salaries and allowances	43,103	48,926	56,986
Bonus and sales incentives	6,668	9,962	11,564
Share based compensation	1,341	(2,357)	10,907
Terminal and other benefits	7,425	7,244	8,627
	58,537	63,775	88,084

23 Selling, operating and other expenses

Selling, operating and other expenses consist primarily of selling costs, technology and communication related expenses, processing service costs, legal & professional charges, provision for doubtful debts and other general and administrative expenses

The details of selling, operating and other expenses are as follows:

	2016	2017	2018
	----- USD'000 -----		
Technology and communication cost	32,419	38,226	43,426
Third party processing services cost	14,972	14,797	16,833
Legal and professional fees	8,230	5,174	11,263
Provision for doubtful debts	4,259	2,717	809
Other general and administrative expenses *	8,264	11,156	13,124
	68,144	72,070	85,455

*Other benefits include social contribution amounting to USD 10.9 thousand (2017: USD 9.4 thousand).

Notes to the historical financial information

24 Net interest expense

Interest expenses comprise of interest expense on borrowings. All borrowing costs are recognised in consolidated statement of profit or loss using the effective interest method.

Interest income comprises of income on funds invested. Interest income is recognised in the consolidated statement of profit or loss, using the effective interest method.

The breakdown of net financing costs is as follows:

	2016	2017	2018
	----- USD'000 -----		
Interest cost	13,227	19,558	21,804
Interest income	(640)	(637)	(1,645)
	12,587	18,921	20,159

25 Earnings per share

Basic earnings / (loss) per share amounts are calculated by dividing the profit / (loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

Diluted earnings / (loss) per share amounts are calculated by dividing the profit/ (loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period adjusted for the effects of potentially dilutive options

The basic and diluted earnings per share is based on earnings of USD 26.2 million (2017: USD 54.1 million / 2016: USD 42.5 million) and USD 46.7 million for continuing operations (2017: USD 80.6 million / 2016: USD 52.4 million). The profit attributable to the equity holders for the year ended 31 December 2018 is based on 50,000 shares (2017: 50,000 shares / 2016: 50,000 shares).

	2016	2017	2018
	----- USD'000 -----		
Earnings per share (Basic and diluted)	0.851	1.081	0.525
Earnings per share – Continuing operations (Basic and diluted)	1.048	1.612	0.934
Earnings per share – discontinued operations (Basic and diluted)	(0.198)	(0.531)	(0.409)

26 Taxes

Tax expense comprises of current and deferred tax. Current tax and deferred tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Goodwill is not deductible for tax purposes.

Notes to the historical financial information

26 Taxes (continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

26.1 Taxes

The tax expense recognised in the consolidated statement of profit or loss is as follows:

	2016	2017	2018
	----- USD'000 -----		
Current tax expense	2,622	5,222	6,309
Prior years tax expense	-	-	4,364
Deferred tax expense	495	472	283
Tax expense	3,117	5,694	10,956

26.2 Deferred tax liability

	2016	2017	2018
	----- USD'000 -----		
Balance as at 1 January	5,369	4,281	1,851
From business combination	(77)	-	-
Deferred tax expense / (benefit)	495	472	283
Held for sale / disposal of a subsidiary	(708)	(2,300)	-
Effects of change in foreign exchange	(798)	(602)	190
Balance as at 31 December	4,281	1,851	2,324

Notes to the historical financial information

26 Current and deferred tax (continued)

26.3 Reconciliation of effective tax

	2016	2017	2018
	----- USD'000 -----		
Profit before tax from continuing operations	55,516	86,310	57,693
Tax using the Company's domestic tax rate	-	-	-
Effect of tax rates in foreign jurisdictions	5,481	9,248	12,174
Tax effect of:			
Non-deductible expenses	1,296	745	673
Tax-exempt income	(170)	(448)	(148)
Other allowable deduction	(2,935)	(806)	(473)
Tax incentives / Rebates	(908)	(3,718)	(6,213)
Carry forward losses	(52)	-	(64)
Deferred tax	495	472	283
Changes in estimates related to prior years	-	-	4,364
Other adjustments	(90)	201	360
Tax expense	3,117	5,694	10,956

26.4 Reconciliation of deferred tax

	Balance at 1 Jan	Recognised in P&L	Held for sale / disposal in P&L	Recognised in OCI	Balance at 31 Dec
	----- USD'000 -----				
2016					
Deferred tax asset					
Provisions and other items	202	571	77	-	850
Deferred tax liability					
PPE & Intangible	(3,912)	189	708	-	(3,015)
Foreign exchange differences	(1,659)	(1,255)	-	798	(2,116)
Balance as at 31 December 2016	(5,369)	(495)	785	798	(4,281)
2017					
Deferred tax asset					
Provisions and other items	850	(446)	-	-	404
Deferred tax liability					
PPE & Intangible	(3,015)	(149)	2,300	-	(864)
Foreign exchange differences	(2,116)	123	-	602	(1,391)
Balance as at 31 December 2017	(4,281)	(472)	2,300	602	(1,851)
2018					
Deferred tax asset					
Provisions and other items	404	38	-	-	442
Deferred tax liability					
PPE & Intangible	(864)	68	-	-	(796)
Foreign exchange differences	(1,391)	(389)	-	(190)	(1,970)
Balance as at 31 December 2018	(1,851)	(283)	-	(190)	(2,324)

Notes to the historical financial information

27 Leases

Overview

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 2 (e).

Policy applicable from 1 January 2018

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- The group has the right to direct the use of the asset. The group has this right when it has the decision making rights that are relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - The group has the right to operate the asset; or
 - The group designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applied to contract entered into, or changed, on or after 1 January 2018.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 January 2018

For contracts entered into before 1 January 2018, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfilment of the arrangement was dependent on the use of a specific asset or assets
- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output
 - The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output
 - Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

Notes to the historical financial information

27 Leases (continued)

Accounting Policy for the lessee

The group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other payables' in the consolidated statement of financial position.

Short term leases and leases of low-value assets

The group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Notes to the historical financial information

27 Leases (continued)

Policy applicable before 1 January 2018

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Accounting Policy for the Lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other income'

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

Notes to the historical financial information

27 Leases (continued)

The Group leases offices to carry out its operations in different locations. Information about leases for which the Group is a lessee is presented below:

27.1 Right of use assets

	2018
	USD'000
Balance as at 1 January	9,917
Depreciation charge for the year	(1,858)
Balance as at 31 December	8,059

Additions to the right to use assets during 2018 were USD 7.9 million.

27.2 Lease liabilities

	2018
	USD'000
Maturity analysis – contractual undiscounted cash flows	
Less than one year	1,563
One to five years	8,999
More than five years	6,295
Total undiscounted lease liabilities at 31 December	16,857
Current	193
Non- current	7,909
Lease liabilities included in the statement of financial position at 31 December	8,102

27.3 Amounts recognised in profit or loss

	2018
	USD'000
Interest on lease liabilities	827
Depreciation of right of use assets	1,858

Notes to the historical financial information

28 Reconciliation of movements of liabilities to cash flows arising from financing activities

<u>2016</u>	Lease liability	Borrowings	Retained earnings
	-----USD'000-----		
Proceeds from borrowings	-	350,000	-
Loan acquired on business combination	-	82,825	
Debt issuance cost		(11,356)	
Repayment of borrowing	-	(82,825)	-
Amortisation of borrowing fees	-	694	-
Payment of dividends	-	-	(23,145)
As at 31 Dec 2016	-	339,338	(23,145)
<u>2017</u>	Lease liability	Borrowings	Retained earnings
	-----USD'000-----		
Opening balance	-	339,338	-
Repayment of borrowing	-	(16,336)	-
Amortisation of borrowing fees	-	739	-
Payment of dividends	-	-	(64,534)
As at 31 Dec 2017	-	323,741	(64,534)
<u>2018</u>	Lease liability	Borrowings	Retained earnings
	-----USD'000-----		
Opening balance	-	323,741	-
Recognition of lease liabilities under IFRS 16	9,573		
Interest expense	-	-	-
Amortisation of borrowing fees	-	506	-
Payment of lease liabilities	(2,298)	-	-
Payment of dividends	-	-	(89,857)
Closing balance	7,275	324,247	(89,857)
Current portion	-	44,950	-
Non-current portion	-	279,297	-

Notes to the historical financial information

29 Financial instruments

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss),
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows on specified date that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise to cash flows on specified date that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to designate the instrument under the classification of FVTOCI with subsequent changes in fair value being recorded in other comprehensive income. This election is made on an investment-by-investment basis.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

Notes to the historical financial information

29 Financial instruments *(continued)*

Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets at fair value through other comprehensive income (FVOCI) are carried at fair value. After initial measurement, the Group present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses in respect of equity investment securities designated as FVOCI to consolidated income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

De-recognition of financial instruments

The Group derecognises financial assets when the contractual right to the cash flows from the financial assets expires, or when it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risk and rewards of the ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Impairment

During the year, the Group has applied ECL model in accordance with IFRS 9 as disclosed in note 2(e).

Notes to the historical financial information

29 Financial instruments (continued)

Financial assets – Policy applicable before 1 January 2018

Classification and subsequent measurement

The Group classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
 - held for trading;
 - derivative hedging instruments; or
 - designated as at FVTPL.

Financial assets – Subsequent measurement and gains and losses

- Financial assets at FVTPL: Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
- Held-to-maturity: Measured at amortised cost using the effective interest method.
- Loans and receivables: Measured at amortised cost using the effective interest method.
- Available-for-sale financial assets: Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Identification and measurement of impairment

Financial assets not classified at fair value through profit and loss, including an interest in equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, an amount due to the Group on terms that the Group would not otherwise consider, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets. For an investment in an equity security, objective evidence of impairment includes significant and prolonged decline in its fair value below its cost. The Group considers a decline of 30% to be significant and 90 days to be prolonged.

Assets at amortised cost

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the consolidated statement of profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the consolidated statement of profit or loss. In assessing collective impairment, the Group uses historical information

As the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be great or lesser suggested by the historical trends.

Notes to the historical financial information

29 Financial instruments *(continued)*

Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Fair value hierarchy

The Group measures the fair value using the following fair value hierarchy that reflects the significance of input used in making these measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Notes to the historical financial information

29 Financial instruments (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Accounting classifications and fair values

As at 31 December 2016 USD'000	Carrying value			Fair value			
	Financial Assets	Financial liabilities	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Available for sale financial assets	8,187	-	8,187	8,187	7,835	352	-
Financial assets not measured at fair value							
Scheme debtors	169,322	-	169,322	169,322	-	-	169,322
Trade and other receivables	52,638	-	52,638	52,638	-	-	52,638
Restricted cash	3,948	-	3,948	-	3,948	-	-
Cash and cash equivalents	87,646	-	87,646	87,646	87,646	-	-
Long term receivables	6,511	-	6,511	6,511	4,330	-	2,181
	320,065	-	320,065	316,117	95,924	-	224,141
Financial liabilities not measured at fair value							
Merchant creditors	-	109,230	109,230	109,230	-	-	109,230
Trade and other payables	-	74,152	74,152	74,152	-	-	74,152
Borrowings - Current	-	18,041	18,041	18,041	-	-	18,041
Other long term liabilities	-	10,988	10,988	10,988	-	-	10,988
Borrowings - Non-current	-	339,338	339,338	339,338	-	-	339,338
	-	551,749	551,749	551,749	-	-	551,749

Notes to the historical financial information

29 Financial instruments (continued)

Accounting classifications and fair values

As at 31 December 2017	Carrying value			Fair value			
	Financial Assets	Financial liabilities	Total carrying value	Total fair value	Level 1	Level 2	Level 3
USD'000							
Financial assets measured at fair value							
Available for sale financial assets	11,648	-	11,648	11,648	11,402	246	-
Financial assets not measured at fair value							
Scheme debtors	247,106	-	247,106	247,106	-	-	247,106
Trade and other receivables	59,403	-	59,403	59,403	-	-	59,403
Restricted cash	98,197	-	98,197	98,197	98,197	-	-
Cash and cash equivalents	100,769	-	100,769	100,769	100,769	-	-
Long term receivables	673	-	673	673	-	-	673
	506,148	-	506,148	506,148	198,966	-	307,182
Financial liabilities not measured at fair value							
Merchant creditors	-	199,092	199,092	199,092	-	-	199,092
Trade and other payables	-	108,865	108,865	108,865	-	-	108,865
Borrowings - Current	-	120,759	120,759	120,759	-	-	120,759
Other long term liabilities	-	12,379	12,379	12,379	-	-	12,379
Borrowings - Non-current	-	323,741	323,741	323,741	-	-	323,741
	-	764,836	764,836	764,836	-	-	764,836

Notes to the historical financial information

29 Financial instruments (continued)

Accounting classifications and fair values (continued)

	Carrying value			Fair value			
	Financial Assets	Financial liabilities	Total carrying value	Total fair value	Level 1	Level 2	Level 3
As at 31 December 2018							
USD'000							
Financial assets measured at fair value							
Investment in fair value through profit or loss	246	-	246	246	-	246	-
Financial assets not measured at fair value							
Scheme debtors	222,693	-	222,693	222,693	-	-	222,693
Trade and other receivables	73,848	-	73,848	73,848	-	-	71,848
Restricted cash	71,896	-	71,896	71,896	71,896	-	-
Cash and cash equivalents	60,275	-	60,275	60,275	60,275	-	-
Long term receivables	740	-	740	740	-	-	740
	429,452	-	429,452	429,452	132,171	-	295,281
Financial liabilities not measured at fair value							
Merchant creditors	-	185,523	185,523	185,523	-	-	185,523
Trade and other payables	-	116,575	116,575	116,575	-	-	116,575
Borrowings – Current	-	147,691	147,691	147,691	-	-	147,691
Other long term liabilities	-	24,693	24,693	24,693	-	-	24,693
Borrowings - Non-current	-	279,297	279,297	279,297	-	-	279,297
	-	753,779	753,779	753,779	-	-	753,779

Notes to the historical financial information

30 Risk management

The Group has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these historical financial information.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk thresholds and controls, and to monitor risks and adherence to thresholds. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and robust control environment in which all employees understand their roles and obligations with respect to risk management.

To monitor compliance with the Group's risk management policies and procedures and to review adequacy of the risk management framework in relation to the risks faced, the Group has a risk management team and an in-house internal audit function. These function undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Risk & Audit Committee of the Group.

Credit Risk

Credit risk is a risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables.

The Group's principal exposure to credit risk for its merchant solution business is the risk of chargebacks by card issuers and payment schemes where the merchant is unable to settle the sum due. The Group seek to mitigate such risk in part by creating reserve balances for merchants with a higher risk profile. The Group is also subject to credit risk for the receivables due from the payment schemes for its acquiring business and to banks and financial institutions for its issuer solutions business.

As part of Group's issuer solutions business, the Group provides card issuance, hosting, transaction processing and other value added services to various financial institutions. Some of these financial institutions also rely on the Group's principal membership with various payment schemes to issue credit and debit cards as affiliate banks of the Group which results in counterparty risk arising through possible non-payment of settlement funds. To mitigate this risk, wherever possible, the Group conducts transactions with reputed financial institutions only and seeks to hold reserve balances on a case by case basis as well.

Notes to the historical financial information

30 Risk management (continued)

Credit Risk (continued)

Trade and other receivables

The Groups' exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. However, management also considers the factors that may influence the credit risk of its counterparties, including the default risk of the industry and the country in which counterparties operate.

A vast majority of the Group counterparties have been transacting with the Group for over four years. Management has established a process under which each new counterparty is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available and in some cases bank references.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of receivables.

At 31 December, the maximum exposure to credit risk (net of provisions) by geographic region is as follows:

	2016	2017	2018
	----- USD'000 -----		
Middle East	263,518	463,714	383,110
Africa	29,542	38,337	40,828
Rest of Asia	19,907	-	-
	312,967	502,051	423,938

The maximum exposure to credit risk (net of provisions) by type of counterparty is as follows:

	2016	2017	2018
	----- USD'000 -----		
Schemes	169,322	247,106	222,693
Banks	125,037	235,706	193,834
Others	18,608	19,239	7,411
	312,967	502,051	423,938

Notes to the historical financial information

30 Risk management (continued)

Credit Risk (continued)

	2018	
	USD'000	
Not credit impaired (0-180 days)	420,053	
Credit impaired (181 days and above)	10,329	
Less: Loss allowances	(6,444)	
	423,938	
	2016	2017
	USD'000	USD'000
Neither past due nor impaired	279,559	460,633
Past due		
1-30 days	23,290	29,466
31-180 days	9,578	8,205
181-360 days	2,909	3,925
More than 360 days	95	69
Past due and impaired	8,651	10,862
	342,082	513,160
Less: Provision for impairment	(11,115)	(11,109)
	312,967	502,051

Exposure to credit risk is monitored on an ongoing basis. Cash is placed with good credit rating banks. Major bank ratings are as follows:

Name of the bank	2016	Rating	Agency
	USD'000		
Emirates NBD PJSC	47,173	P-2	Moody's
Standard Chartered Bank	14,897	P-1	Moody's
Arab African International Bank	2,737	B	Capital Intelligence
Citibank N.A. Singapore	115	P-1	Moody's
2017			
Name of the bank	USD'000	Rating	Agency
Emirates NBD PJSC	162,841	P-2	Moody's
Standard Chartered Bank	14,280	P-1	Moody's
Arab African International Bank	1,956	B	Capital Intelligence
Citibank N.A. Singapore	478	P-1	Moody's
2018			
Name of the bank	USD'000	Rating	Agency
Emirates NBD PJSC	101,822	P-2	Moody's
Standard Chartered Bank	22,200	P-1	Moody's
Arab African International Bank	1,093	B	Capital Intelligence
Citibank N.A. Singapore	181	P-1	Moody's

Notes to the historical financial information

30 Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligation associated with its financial liabilities that are settled by cash or other financial assets. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's business and reputation. The Group maintains adequate working capital facilities for various Group entities with reputable banks in respective countries. A significant part of the Group's short-term liquidity requirements arises out of its settlement requirements pertaining to its direct acquiring business, where it typically make payments to settle with merchants in advance of receiving payment from the schemes for the payment amount incurred on the card. In particular, in the UAE, the Group generally only receives payments from the card issuing banks and payment schemes one business day after it has remitted funds to the merchants and these receivables are recorded on its balance sheet as scheme debtors. Since the Group's settlement amount with merchants is based on the total amount of the card transaction less merchant discount and settlement fees, its acquiring payment cycle can result in temporary, but significant, liquidity requirements for which it principally uses its revolving credit facility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payment and exclude the impact of netting agreement.

31 December 2016

USD'000	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Merchant creditors	109,230	109,230	101,961	7,269	-	-	-
Trade and other payables	74,152	74,152	34,671	39,481	-	-	-
Borrowings – Current	18,041	18,041	18,041	-	-	-	-
Other long term liabilities	10,988	10,988	-	-	1,999	8,989	-
Borrowings – Non-current	339,338	417,606	2,741	14,216	16,380	251,263	133,006
Total	551,749	630,017	157,414	60,966	18,379	260,252	133,006

31 December 2017

USD'000	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Merchant creditors	199,092	199,093	124,353	74,740	-	-	-
Trade and other payables	108,865	108,865	71,267	37,598	-	-	-
Borrowings – Current	120,759	120,759	120,759	-	-	-	-
Other long term liabilities	12,379	12,379	-	-	3,456	1,724	7,199
Borrowings – Non-current	323,741	411,875	-	16,711	77,966	317,198	-
Total	764,836	852,971	316,379	129,049	81,422	318,922	7,199

Notes to the historical financial information

30 Risk management (continued)

31 December 2018

USD'000	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Merchant creditors	185,523	185,523	185,523	-	-	-	-
Trade and other payables	116,575	116,575	116,575	-	-	-	-
Borrowings – Current	147,691	150,458	102,741	47,717	-	-	-
Other long term liabilities	24,693	24,693	-	-	170	10,102	14,421
Borrowings – Non-current	279,297	327,905	-	17,195	164,167	146,543	-
Total	753,779	805,154	404,839	64,912	164,337	156,645	14,421

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's exposure to market risk arises from:

- Equity price risk
- Currency risk
- Interest rate risk

Equity price risk

Equity price risk arises from the change in fair value of equity investments. The Group's investment in quoted securities classified as investment in fair value through profit or loss is exposed to equity price risk. With the change of 100 basis point in the price, keeping other factors constant, the price of the securities would increase / (decrease) by USD 2,460.

Interest rate risk

The Group's long term indebtedness and revolving line of credit for acquiring settlement needs and other working capital requirements are held at a variable rate on interest. The interest rates for these credit facilities are based on a fixed margin plus a market rate of interest. Interest rate changes do not affect the market value of such debt but could impact the amount of the Group's interest payments and accordingly the Group's future earnings and cash flows.

At the reporting date, the interest profile of the Group's interest bearing financial assets and liabilities are as follows:

Notes to the historical financial information

30 Risk management (continued)

	2016	2017	2018
	----- USD'000 -----		
Fixed rate instruments			
Financial assets	10,066	22	20
Financial liabilities	9,254	6,667	2,487
Variable rate instruments			
Financial assets	4,037	3,726	72,365
Financial liabilities	351,448	437,832	424,501

Currency risk

The Group is exposed to foreign exchange rate risk as a result of its foreign operations as well as transactions in currencies other than AED which is the Group's functional currency. A substantial portion of the Group's revenues and costs (96.6 per cent of revenues and 93.6 per cent of costs for the year ended 31 December 2018) are either incurred in U.S. dollars or currencies pegged to the U.S. dollar, including the AED. The Group's foreign operations are principally in Egypt, Nigeria, Jordan and South Africa whose functional currencies are the Egyptian Pound, Nigerian Naira, Jordanian Dinar and South African Rand respectively. Translation of foreign operations is recognised under "other comprehensive (loss) / income", whereas the translation effect of transactions and balances in foreign currencies are reflected in the income statement of the respective period. In addition, as part of the Group's role as a merchant acquirer, it may settle with merchants in currencies other than those in which it receives funds from payment schemes. Although the Group settles such transactions using the spot market rates, it is subject to a certain degree of currency risk and it recognises any such gains or losses under [income statement].

In addition, in some countries where the Group operates, such as Egypt, Nigeria or South Africa, the ability of the Group to transfer cash internationally is subject to local currency controls. The Group endeavours to proactively manage such restrictions and only had an amount of less than USD 6 million of cash that was subject to local currency restrictions as at 31 December 2018.

The Group has funded the acquisition of EMP through a borrowing which is denominated in USD and AED. Since the UAE dirham, the Group's functional currency, is pegged to the US dollar, there is no foreign exchange exposure in settling the loan facility and the related interest obligations.

Notes to the historical financial information

30 Risk management (continued)

Currency risk (continued)

At 31 December 2016	AED	BHD	INR	USD	EGP	JOD	Others	Total
	-----USD'000-----							
Total financial assets								
Scheme debtors	20,824	2,232	-	144,838	-	-	1,428	169,322
Trade and other receivables	30,625	-	2,697	12,079	3,030	2,782	1,425	52,638
Restricted cash	-	-	2,354	-	1,575	-	19	3,948
Cash at banks	25,814	1,958	11,500	15,347	4,811	12,183	16,033	87,646
Long term receivables	-	-	5,451	-	104	914	42	6,511
Available for sale investment	-	-	-	8,187	-	-	-	8,187
	77,263	4,190	22,002	180,451	9,520	15,879	18,947	328,252
Total financial liabilities								
Merchant creditors	86,071	536	-	17,463	-	1,323	3,838	109,231
Trade and other payables	60,640	-	5,464	2,206	3,274	2,412	156	74,152
Borrowings - current	12,110	-	-	2,328	-	3,603	-	18,041
Other long term liabilities	10,633	-	355	-	-	-	-	10,988
Borrowings - Non-current	189,515	-	-	149,823	-	-	-	339,338
	358,969	536	5,819	171,820	3,274	7,338	3,994	551,750
Net position	(281,706)	3,654	16,183	8,631	6,246	8,541	14,953	(223,498)
At 31 December 2017	AED	BHD	INR	USD	EGP	JOD	Others	Total
	-----USD'000-----							
Total financial assets								
Scheme debtors	136,980	2,639	-	107,482	5	-	-	247,106
Trade and other receivables	29,755	-	-	19,785	5,173	1,852	2,838	59,403
Restricted cash	21,007	-	-	77,149	20	-	21	98,197
Cash at banks	5,150	2,577	-	56,786	7,722	12,029	16,505	100,769
Long term receivables	-	-	-	-	102	571	-	673
Available for sale investment	-	-	-	11,648	-	-	-	11,648
	192,892	5,216	-	272,850	13,022	14,452	19,364	517,796
Total financial liabilities								
Merchant creditors	101,537	18	-	53,212	-	1,407	42,918	199,092
Trade and other payables	96,530	-	-	3,059	4,767	3,914	595	108,865
Borrowings - current	114,092	-	-	2,262	-	4,405	-	120,759
Other long term liabilities	12,379	-	-	-	-	-	-	12,379
Borrowings - Non-current	175,975	-	-	147,766	-	-	-	323,741
	500,513	18	-	206,299	4,767	9,726	43,513	764,836
Net position	(307,621)	5,198	-	66,551	8,255	4,726	(24,149)	(247,040)

Notes to the historical financial information

30 Risk management (continued)

Currency risk (continued)

At 31 December 2018	AED	BHD	INR	USD	EGP	JOD	Others	Total
	-----USD'000-----							
Total financial assets								
Scheme debtors	208,893	-	-	13,800	-	-	-	222,693
Trade and other receivables	47,801	-	-	20,040	5,665	205	137	73,848
Restricted cash	-	-	-	71,896	-	-	-	71,896
Cash at banks	32,961	-	-	24,375	1,113	1,826	-	60,275
Long term receivables	-	-	-	-	-	740	-	740
Available for sale investment	-	-	-	246	-	-	-	246
	289,655	-	-	130,357	6,778	2,771	137	429,698
Total financial liabilities								
Merchant creditors	108,014	-	-	56,501	-	1,171	19,837	185,523
Trade and other payables	99,322	-	-	2,921	3,757	9,346	1,229	116,575
Borrowings - current	129,711	-	-	17,980	-	-	-	147,691
Other long term liabilities	16,625	-	-	89	7,866	-	113	24,693
Borrowings – Non current	167,578	-	-	111,719	-	-	-	279,297
	521,250	-	-	189,210	11,623	10,517	21,179	753,779
Net position	(231,595)	-	-	(58,853)	(4,845)	(7,746)	(21,042)	(324,081)

Operational risk

Operational risk is the risk of direct or indirect losses arising from a variety of incidents with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks. The Group has implemented an Operational Risk Management Framework to assess and manage its operational risks across all business processes to ensure the risks are identified, measured, managed and monitored. The key components of the framework include;

- Operational Risk Governance Model
- Risk Management
 - Risk Identification, Assessment & Reporting
 - Risk Mitigation & Control
 - Risk Monitoring
- Policies and Procedures
- Operational Risk Methods and Awareness

Management of the risk is based on three lines of defense. First line of defense is operationalised through the various business and support function units who are the owners of the identified risks. Second line of defense includes oversight by Operational Risk and Control team including, Compliance, Legal and other Risk functions who are responsible for translating risk appetite and strategy into actionable risk review and mitigation actions. The third line of defense is the Internal Audit function which is responsible for providing the Senior Management with independent assurance designed to evaluate and improve the effectiveness of risk management, control and governance processes across the organisation.

Notes to the historical financial information

30 Risk management *(continued)*

Capital management

The Board of Directors monitors the Group's performance in relation to its long range business plan and its long-term profitability objectives.

There were no changes in the Group's approach to capital management during the year. The Company has complied with all externally imposed capital requirement.

31 Group entities

Significant subsidiaries

Company name	Country of incorporation	Ownership interest (%)		
		2016	2017	2018
Network International Investment Holding Limited (previously known as Emerging Markets Payments Holdings (Mauritius) Limited)*	Mauritius	100%	100%	100%
Mercury Payments Services LLC	UAE	70%	70%	70%
Network International Egypt SAE*	Egypt	98%	98%	98%
Network International Investment Pte. Ltd.	Singapore	100%	100%	100%
Diners Club UAE LLC	UAE	99%	99%	99%
Network International Arabia Ltd. Co	KSA	NA	NA	100%

*The above entities consolidate various entities under them.

32 Contingencies and commitments

	2016	2017	2018
	----- USD'000 -----		
Contingent liabilities	5,793	4,048	4,966
Commitments	4,416	4,416	11,497
	10,209	8,464	16,463

33 Subsequent events

There were no subsequent events identified til the date of the issuance of these historical financial information.



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Accountant's report on historical financial information - EMP

The Directors
Network International Holdings Limited
Suite 1, 3rd Floor
11 - 12 St. James's Square
London SW1Y 4LB
United Kingdom
1 April 2019

Dear Sirs

Accountant's report on historical financial information – Emerging Market Payment Holdings (Mauritius) Limited

We report on the consolidated financial information set out on pages F-83 to F-121 for the year ended 31 December 2016 of Emerging Market Payment Holdings (Mauritius) Limited. This financial information has been prepared for inclusion in the prospectus dated 1 April 2019 of Network International Holdings Limited on the basis of the accounting policies set out in note 3. This report is required by paragraph 20.1 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose. We have not audited or reviewed the financial information for Emerging Market Payment Holdings (Mauritius) Limited for the twelve months ended 31 December 2015, which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Responsibilities

The Directors of Network International Holdings Limited are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.



Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the prospectus dated 1 April 2019, a true and fair view of the state of affairs of Emerging Market Payment Holdings (Mauritius) Limited as at 31 December 2016 and of its profits, cash flows and changes in equity for the year ended 31 December 2016, in accordance with the basis of preparation set out in note 2 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 3.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG

KPMG Lower Gulf Limited

Consolidated statement of financial position

As at 31 December

	<i>Note</i>	2016 ----- USD'000 -----	2015 -----
Assets			
<i>Non-current assets</i>			
Property and equipment	4	15,768	15,957
Intangible assets	5	3,657	3,284
Goodwill	5	87,084	96,567
Available for sale investments	6	8,154	8,107
Long term receivables		486	1,050
Deferred tax asset	15	289	63
Total non-current assets		115,438	125,028
<i>Current assets</i>			
Trade and other receivables	7	21,395	17,560
Cash and cash equivalents		22,855	22,003
Total current assets		44,250	39,563
Total assets		159,688	164,591
Liabilities			
<i>Non-current liabilities</i>			
Borrowings	8	-	79,200
Deferred tax liabilities	15	2,366	244
Total non-current liabilities		2,366	79,444
<i>Current liabilities</i>			
Trade and other payables	9	15,244	19,272
Due to related parties	12	78,122	19
Total current liabilities		93,366	19,291
Shareholders' equity			
Share capital	10	29,935	29,935
Share premium		300	300
Statutory reserves		2,103	1,980
Fair value reserve		5,364	5,255
Foreign currency translation and other reserves	11	(33,988)	(15,632)
Retained earnings		60,242	44,018
Total shareholders' equity		63,956	65,856
Total liabilities and shareholders' equity		159,688	164,591

Consolidated statement of profit or loss

For the year ended 31 December

		2016	2015
	<i>Note</i>	----- USD'000 -----	-----
Revenues	<i>13</i>	55,122	54,708
Personnel expenses		(12,521)	(13,427)
Selling, general & other expenses	<i>14</i>	(23,461)	(16,125)
Depreciation and amortisation		(4,557)	(4,507)
Operating Profit		14,583	20,649
Interest income		102	116
Interest cost		(1,049)	(3,104)
Dividend income		-	1,222
Foreign exchange gain		9,326	2,119
Profit before Tax		22,962	21,002
Income taxes	<i>15</i>	(6,615)	(4,075)
Net profit for the year		16,347	16,927

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

	2016	2015
	----- USD'000 -----	
Net profit for the year	16,347	16,927
Other comprehensive loss		
<i>Items that may subsequently be reclassified to profit or loss</i>		
Foreign currency translation difference on foreign operations	(18,356)	(7,684)
Change in fair value of available for sale investments	47	1,200
Cash flow hedge	62	215
Net change in other comprehensive loss	(18,247)	(6,269)
Total comprehensive (loss) / income for the year	(1,900)	10,658

Consolidated statement of changes in equity

For the year ended 31 December

	Share capital	Share premium	Statutory reserve	Fair value reserve	Foreign exchange reserves	Retained earnings	Total Equity
	----- USD'000 -----						
As at 1 January 2016	29,935	300	1,980	5,255	(15,632)	44,018	65,856
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	16,347	16,347
<i>Other comprehensive income / (loss) for the year</i>							
Foreign currency translation differences in foreign operation	-	-	-	-	(18,356)	-	(18,356)
Change in fair value of available for sale investments	-	-	-	47	-	-	47
Cash flow hedge	-	-	-	62	-	-	62
<i>Total other comprehensive income / (loss) for the year</i>	-	-	-	109	(18,356)	-	(18,247)
Total comprehensive income / (loss) for the year	-	-	-	109	(18,356)	16,347	(1,900)
Transfer to statutory reserve	-	-	123	-	-	(123)	-
As at 31 December 2016	29,935	300	2,103	5,364	(33,988)	60,242	63,956

Consolidated statement of changes in equity

<i>For the year ended 31 December</i>	Share capital	Share application monies	Share premium	Statutory reserve	Fair value reserve	Foreign exchange reserves	Retained earnings	Total Equity
	----- USD'000 -----							
As at 1 January 2015	29,780	450	-	1,914	3,840	(7,948)	28,371	56,407
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	16,927	16,927
Other comprehensive income / (loss) for the year								
Foreign currency translation differences in foreign operation	-	-	-	-	-	(7,684)	-	(7,684)
Change in fair value of available for sale investments	-	-	-	-	1,200	-	-	1,200
Cash flow hedge	-	-	-	-	215	-	-	215
Total other comprehensive income / (loss) for the year	-	-	-	-	1,415	(7,684)	-	(6,269)
Total comprehensive income / (loss) for the year	-	-	-	-	1,415	(7,684)	16,927	10,658
Transfer to statutory reserve	-	-	-	66	-	-	(66)	-
Share application monies	150	(450)	300	-	-	-	-	-
Issue of shares	195	-	-	-	-	-	-	195
Redemption of shares	(190)	-	-	-	-	-	(241)	(431)
Dividends paid	-	-	-	-	-	-	(973)	(973)
As at 31 December 2015	29,935	-	300	1,980	5,255	(15,632)	44,018	65,856

Consolidated statement of cash flows

For the year ended 31 December

	2016	2015
	----- USD'000 -----	
Operating activities		
Profit for the year from operations	16,347	16,927
<i>Adjustments for:</i>		
Depreciation and amortisation	4,557	4,507
Interest cost	1,049	3,104
Interest income	(102)	(116)
Income tax expense	6,615	4,075
Provision for impairment	1,462	163
Loss on sale of PPE and intangible assets	(77)	(138)
Write-off of intangible assets	-	(110)
	29,851	28,412
<i>Operating profit before working capital changes</i>		
Interest paid	(54)	(3,053)
Net taxes paid	(3,083)	(3,584)
Changes in trade and other receivables	(5,296)	(6,846)
Changes in due to related parties	78,103	19
Changes in long term receivables	564	(1,050)
Changes in trade and other payables	(5,034)	4,720
	95,051	18,618
<i>Net cash flows from operating activities</i>		
Investing activities		
Purchase of intangible assets and property and equipment	(6,538)	(6,013)
Interest received	102	116
	(6,436)	(5,897)
<i>Net cash outflows from investing activities</i>		
Financing activities		
Repayment of borrowings	(79,200)	(9,300)
Payment of dividends	-	(973)
Issue of shares	-	195
Redemption of shares	-	(431)
	(79,200)	(10,509)
<i>Net cash outflows from financing activities</i>		
Net increase in cash and cash equivalents	9,415	2,212
Cash flow hedge	-	215
Effect of movements in exchange rates	(8,563)	(2,489)
	22,003	22,065
Cash and cash equivalents at the beginning of the year		
	22,855	22,003
Cash and cash equivalents at the end of the year		

Notes to the historical financial information

1 Legal status and activities

Emerging Markets Payments Holdings (Mauritius) Limited (“the Company”) was incorporated as a private limited Company in the Republic of Mauritius on 5 October 2009. The address of the Company's registered office is Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius. The principal activity of the Company is that of investment holding.

On 1 March 2016, Network International LLC, a Company incorporated in the United Arab Emirates, entered in an agreement to acquire the company's 100% shareholding from Actis EMPH Ltd and other minority shareholders.

The historical financial information of the Group as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group's interest in associates and jointly controlled entities.

The principal activities of the Group are enabling payments acceptance at merchants, acquiring processing, switching financial transactions, hosting cards and processing payment transactions and providing end to end management services and digital payment services.

2 Basis of preparation

(a) Statement of compliance

These historical financial information has been prepared in accordance with International Financial Reporting standards (“IFRS”) as adopted by European Union for all the periods presented.

(b) Basis of measurement

The historical financial information have been prepared under the historical cost basis except for the available for sale financial assets which are measured at fair value.

(c) Functional and presentation currency

These historical financial information are presented in United States Dollar (“USD”). All financial information presented in USD has been rounded to the nearest thousands, except when otherwise indicated.

(d) Change in accounting policy - Adoption of new standards

The Group has adopted new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2016. The changes did not have a material impact on the Group's historical financial information.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) Use of estimates and judgments

The preparation of historical financial information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1. Critical judgments in applying accounting policies

Management has not made any critical judgments in the process of applying the Group accounting policies that have significant effects on the amounts reported in the historical financial information, a part from those involving estimations (see 2 below).

2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty, at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of tangible and intangible assets

At the end of each annual reporting period the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Management periodically reconsiders their assumptions in light of the macroeconomic developments regarding future anticipated margins on their products.

Detailed sensitivity analysis has been carried out and the directors are confident that the carrying amount of these assets will be recovered in full even if returns are reduced.

This situation will be closely monitored and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(e) Use of estimates and judgments *(continued)*

2. Key sources of estimation uncertainty *(continued)*

Useful lives of property and equipment

Management's assessment of the useful life of property and equipment is based on the expected use of the assets, the expected physical wear and tear on the assets technological developments as well as past experience with comparable assets.

A change in the useful life of any asset may have an effect on the amount of depreciation that is to be recognised in profit or loss for future periods.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the end of the current reporting period is USD 87,083,867. The recoverability of goodwill is tested for impairment annually during the fourth quarter, or earlier, if an indication of impairment exists. The significant assumptions are disclosed in note 5. As at 31 December 2016 the annual impairment test showed no impairment loss (31 December 2015: Nil). Changes to the assumptions may result in further impairment losses in subsequent periods.

Provisions

Changes in the amount of provisions due to change in management estimates are accounted for on a prospective basis and recognised in the period in which the change in estimates arises.

Impairment of trade and other receivables as well as other current assets

An allowance for doubtful receivables is recognised in order to record foreseeable losses arising from events such as a customer's insolvency.

In determining the amount of the allowance several factors are considered. These include the aging of accounts receivables balances, the current solvency of the customer and the historical write-off experience.

The actual write-offs and / or impairment charges might be higher than expected if the actual financial situation of the customers and other counterparties is worse than originally expected.

Deferred income taxes

The measurement of deferred tax assets and liabilities is based on the judgment of management. Deferred tax assets are only capitalized if it is probable that they can be used.

Whether or not they can be used depends on whether the deductible tax temporary difference can be offset against future taxable gains. In order to assess the probability of their future use estimates must be made of various factors including future taxable profits.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(f) New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on and after 1 January 2016 and have not been applied in preparing these historical financial information. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Standards	Description	Effective Date
IAS 7 (Amendments)	Statement of Cash Flows	Effective 1 January 2017
IFRS 9	Financial Instruments (2014)	Effective 1 January 2018
IFRS 15	Revenue from Contracts with Customers	Effective 1 January 2018
IFRS 16	Leases	Effective 1 January 2019

Amendments to IAS 7 – Disclosure Initiative

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

IFRS 9: Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

IFRS 16: Leases

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Notes to the historical financial information

2 Basis of preparation *(continued)*

(f) New standards and interpretations not yet effective *(continued)*

Management has completed its assessment for the impact of IFRS 9, IFRS 15 and IFRS 16 on the historical financial information and these will be reflected in the financial statements for the annual reporting period commencing 1 January 2018.

3 Significant accounting policies

Except as described in Note 2 (d), the Group has consistently applied the accounting policies to all periods presented in these historical financial information.

(a) Basis of consolidation

i. Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred or assumed and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Any Goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the consolidated statement of profit or loss immediately.

ii. Non-controlling interests

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Parent Company. Non-controlling interests are measured at their proportionate share of the subsidiaries' identifiable net assets. They are presented as a separate item in the historical financial information.

iii. Subsidiaries

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement in the entity and has the ability to affect those returns through its powers over the entity. The financial statements of subsidiaries are included in the historical financial information from the date on which control commences until the date on which control ceases.

iv. Loss of control

On the loss of control, the Group de-recognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss account. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

Notes to the historical financial information

3 Significant accounting policies (*continued*)

(a) Basis of consolidation (*continued*)

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the historical financial information. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective profit and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in consolidated statement of profit or loss, except for available for sale securities, where the exchange translation is recognised in the consolidated statement of profit or loss and other comprehensive income.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ('foreign exchange') in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the historical financial information

3 Significant accounting policies (*continued*)

(c) Financial instruments

Non-derivative financial instruments

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another equity.

Non-derivative financial instruments comprise trade and other receivables, investment in available for sale securities, long term receivables, due from related parties, cash at banks, trade and other payables and other liabilities. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant credit risk, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Receivables

Receivables (including trade and other receivables and long term receivables) are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Notes to the historical financial information

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Non-derivative financial instruments (continued)

Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure.

Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio. The Group recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. When a market for a financial instrument is not active, the Group establishes fair value using valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, net present value techniques and discounted cash flow methods.

Notes to the historical financial information

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

Non-derivative financial instruments (continued)

Fair value hierarchy

The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The Group measures the fair value using the following fair value hierarchy that reflects the significance of input used in making these measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Recognition of financial instruments

Financial assets and liabilities are recognised on the date that the Group becomes a party to the contractual provisions of the instrument.

De-recognition of financial instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when it is extinguished.

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount is presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activities in investment securities.

Notes to the historical financial information

3 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

Non-derivative financial instruments *(continued)*

Identification and measurement of impairment

Financial assets not classified at fair value through profit and loss, including an interest in equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, an amount due to the Group on terms that the Group would not otherwise consider, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets. For an investment in an equity security, objective evidence of impairment includes significant and prolonged decline in its fair value below its cost. The Group considers a decline of 30% to be significant and 90 days to be prolonged.

Assets at amortised cost

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the consolidated statement of profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the consolidated statement of profit or loss. In assessing collective impairment, the Group uses historical information as the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be great or lesser suggested by the historical trends.

Equity accounted investee

Any impairment is measured by comparing the recoverable amount of investment by its carrying amount. An impairment loss is recognised in the consolidated statement of profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Notes to the historical financial information

3 Significant accounting policies (continued)

(d) Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss as incurred.

Depreciation

Depreciation is recognised in consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives are as follows:

	<u>Annual depreciation rates</u>
Buildings	5%
Computer hardware	25%
Office equipment and Office furniture and fixture	10% - 15%
POS and Automated teller machines & software	12% - 25%
Vehicle	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The differences are included in the consolidated statement of profit or loss.

Notes to the historical financial information

3 Significant accounting policies (*continued*)

(e) Intangible assets and goodwill

i. Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

ii. Research & Development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the consolidated statement of profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognised in the consolidated statement of profit or loss as incurred. Capitalized development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

iii. Acquired intangibles

At the date of acquisition of a subsidiary or associate, intangible assets that are deemed separable and that arise from contractual or other legal rights are capitalized and included within the net identifiable assets acquired. These intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Group, and are amortised on the basis of their expected useful lives. At each reporting date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately.

Advertising Rights are amortised over the life of the agreement on the basis of placements of advertisements.

Notes to the historical financial information

3 Significant accounting policies (continued)

(e) Intangible assets and goodwill (continued)

iv. Other Intangible assets

Except for goodwill, intangible assets are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives are as follows:

	<u>Years</u>
Computer Software	4 – 10
Patents & Trademarks	9

Computer software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment loss (if any).

Subsequent expenditure on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

v. Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (Cash Generating Unit). Goodwill arising out of business combination is allocated to CGU's or group of CGU's that are expected to benefit from the Synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset or CGU.

Impairment loss is recognised if the carrying amount of an asset or CGU exceed its recoverable amount.

Impairment losses are recognised in the consolidated statement of profit or loss. They are first allocated to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU on pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other asset, an impairment loss is reversed to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Notes to the historical financial information

3 Significant accounting policies (*continued*)

(f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(g) Provisions

Provisions are recognised in the consolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(h) Revenue recognition

Revenue from the rendering of services is generally recognised by reference to the stage of completion of the transaction at the end of the reporting period. Revenue is measured at the fair value of the consideration received or receivable.

The majority of the Group's revenues comprise transaction-based fees which typically constitute a percentage of dollar volume processed, a fee per transaction processed, account on file or some combination thereof.

In limited circumstances, the amount of revenue is allocated to the separate units of accounting in a multiple-element transaction based on relative selling prices, provided each element has standalone value to the customer and delivery of any undelivered items is probable and substantially within the Group's control.

In case of merchant contracts owned and managed by the Group, revenue primarily comprise fees charged to the merchant, net of interchange and assessments charged by the credit card associations. Such revenue is recognised at the time of sale. The fees amount charged to the merchants either a percentage applied to the dollar value of credit card and signature based debit card transaction, a fixed amount or a combination of both.

Issuer processing services revenue is recognised upon providing the service to the customer and bill issuance.

Commission revenue from sale of coupons and Cash coupons is recognised upon completion of the sale transaction and obtaining approval on the withdrawal transaction.

ATM management services revenue is recognised upon Completion of the ATM transaction. Moreover, monthly and quarterly subscription revenue is recognised on an accrual basis.

(i) Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

(j) Interest income and interest cost

Interest income comprises of interest income on funds invested. Interest income is recognised as it accrues in the consolidated statement of profit or loss, using the effective interest method.

Interest cost comprise of interest expense on borrowings. All borrowing costs are recognised in consolidated statement of profit or loss using the effective interest method.

Notes to the historical financial information

3 Significant accounting policies (*continued*)

(k) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Available for sale securities

Available for sale securities are measured at fair value and changes therein, other than impairment and foreign exchange gains and losses on available for sale monetary items, are recognised in other comprehensive income and presented within equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Notes to the historical financial information

4 Property and equipment

	Lease-hold improvement	Office equipment and Furniture & Fixtures	Computer hardware	Vehicle	POS and ATM Machines	Land	Capital Work In Progress (CWIP)	Total
-----USD'000-----								
Cost								
Balance as at 1 January 2015	5,077	4,277	7,738	601	9,405	2,947	523	30,568
Additions	56	673	312	42	246	-	2,371	3,700
Disposals	(1)	(88)	(1,014)	(152)	(581)	-	-	(1,836)
Transfers from CWIP	-	16	118	-	1,091	-	(1,225)	-
Effects of change in foreign exchange	(119)	(158)	(215)	(19)	(339)	(45)	(45)	(940)
As at 31 December 2015	5,013	4,720	6,939	472	9,822	2,902	1,624	31,492
Accumulated depreciation								
Balance at 1 January 2015	1,591	2,034	4,576	227	5,774	-	-	14,202
Charge for the year	308	633	1,069	106	1,513	-	-	3,629
Disposals	(1)	(82)	(1,014)	(89)	(512)	-	-	(1,698)
Effects of change in foreign exchange	(68)	(97)	(165)	(11)	(257)	-	-	(598)
As at 31 December 2015	1,830	2,488	4,466	233	6,518	-	-	15,535
Carrying Value	3,183	2,232	2,473	239	3,304	2,902	1,624	15,957
Cost								
Balance as at 1 January 2016	5,013	4,720	6,939	472	9,822	2,902	1,624	31,492
Additions	4	142	1,644	-	2,225	-	1,199	5,214
Disposals	(2)	(29)	(543)	(140)	(2,265)	-	-	(2,979)
Transfers from CWIP	-	-	204	-	740	-	(944)	-
Effects of change in foreign exchange	(691)	(924)	(1,279)	(93)	(1,767)	(269)	(260)	(5,283)
As at 31 December 2016	4,324	3,909	6,965	239	8,755	2,633	1,619	28,444
Accumulated depreciation								
Balance at 1 January 2016	1,830	2,488	4,466	233	6,518	-	-	15,535
Charge for the year	263	584	1,138	73	1,532	-	-	3,590
Disposals	(2)	(24)	(543)	(75)	(2,264)	-	-	(2,908)
Effects of change in foreign exchange	(450)	(604)	(922)	(71)	(1,494)	-	-	(3,541)
As at 31 December 2016	1,641	2,444	4,139	160	4,292	-	-	12,676
Carrying Value	2,683	1,465	2,826	79	4,463	2,633	1,619	15,768

Notes to the historical financial information

5 Intangible assets and goodwill

	Computer Software	Total
	----- USD'000 -----	
2016		
Cost		
Balance as at 1 January 2016	6,651	6,651
Additions	1,324	1,324
Disposal/Utilisations	(25)	(25)
Effects of change in foreign exchange	(83)	(83)
As at 31 December 2016	7,867	7,867
Amortisation & impairment		
Balance at 1 January 2016	3,367	3,367
Charge for the year	967	967
Disposal/Utilisations	(25)	(25)
Effects of change in foreign exchange	(99)	(99)
Balance as at 31 December 2016	4,210	4,210
Carrying Value	3,657	3,657
2015		
Cost		
Balance as at 1 January 2015	5,106	5,106
Additions	2,313	2,313
Disposal/Utilisations	(420)	(420)
Write-off during the year	(178)	(178)
Effects of change in foreign exchange	(170)	(170)
As at 31 December 2015	6,651	6,651
Amortisation & impairment		
Balance at 1 January 2015	3,044	3,044
Charge for the year	878	878
Disposal/Utilisations	(415)	(415)
Write-off during the year	(68)	(68)
Effects of change in foreign exchange	(72)	(72)
Balance as at 31 December 2015	3,367	3,367
Carrying Value	3,284	3,284

Notes to the historical financial information

5 Intangible assets and goodwill (continued)

5.1 Impairment Testing

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (Cash Generating Unit). Goodwill arising out of business combination is allocated to CGU's or group of CGU's that are expected to benefit from the Synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset or CGU.

Impairment loss is recognised if the carrying amount of an asset or CGU exceed its recoverable amount.

Impairment losses are recognised in the consolidated statement of profit or loss. They are first allocated to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets in the CGU on pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other asset, an impairment loss is reversed to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Goodwill is not deductible for tax purposes.

Impairment testing of goodwill was done based on CGU. For this purpose, management considered two CGUs based on their geographical location, namely; Levant Business and Africa Business.

Levant and Africa Business

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- | | |
|--------------------|---|
| a) Levant Business | POS and ATM services |
| b) Africa Business | Financials and retail processing services |

The carrying amount of goodwill was allocated to these cash-generating units as follows:

	2016	2015
	----- USD'000 -----	
Levant Business	69,242	69,242
Africa Business	17,842	27,325
	87,084	96,567

Notes to the historical financial information

5 Intangible assets and goodwill *(continued)*

5.1 Impairment testing *(continued)*

Levant and Africa Business *(continued)*

During the year, the impairment testing resulted in Nil impairment for Levant and Africa CGUs (2015: Nil).

For 2016, the recoverable amount of USD 377.7 million has been calculated based on the CGU's fair value less cost to sell. The fair value measurement was categorised as a level 3 fair value based on the inputs in the valuation technique used. The fair value is based on 2016 actual EBITDA and peer companies EBITDA multiples. The EBITDA multiples used is "11.8".

For 2015, the recoverable amount of USD 353.5 million has been calculated based on the CGU's fair value less cost to sell. The fair value measurement was categorised as a level 3 fair value based on the inputs in the valuation technique used. The fair value is based on 2015 actual EBITDA and peer companies EBITDA multiples. The average EBITDA multiples used is "11.8".

6 Available for sale investments

	2016	2015
	----- USD'000 -----	
Visa Inc. (refer 6.1)	7,802	7,755
Mobile Payments Company	352	352
	8,154	8,107

6.1 The Group has investment in Visa Inc., classified as available for sale securities. The Company holds 25,000 C Class Shares, convertible into 100,000 A Class Shares.

7 Trade and other receivables

	2016	2015
	----- USD'000 -----	
Trade receivables	15,257	12,601
Prepayments	1,510	1,352
Restricted cash	1,357	1,378
Refundable deposits	1,484	1,485
Accrued revenue	391	390
Other receivables	2,421	673
	22,420	17,879
Less: Provision for impairment	(1,025)	(319)
	21,395	17,560

Notes to the historical financial information

7 Trade and other receivables (continued)

The movements in the provision for impairment are as follows:

	2016	2015
	----- USD'000 -----	
As at 1 January	319	156
Provision during the year	1,462	163
Amounts written off / reversed during the year	(756)	-
As at 31 December	1,025	319

8 Borrowings

	2016	2015
	----- USD'000 -----	
Shareholder's loan (a)	-	33,000
Bank loan (b)	-	46,200
	-	79,200

- (a) Shareholder's loan to Emerging Markets Payments Holdings (Mauritius) Limited is unsecured and bears interest at the rate of 0% for first five years and thereafter bears interest at 10% p.a. The loan is repayable upon the directors of the borrower being satisfied that the borrower has sufficient excess cash available to fund such payments, provided that all other corporate expenses and anticipated investment requirements have been adequately provided for.

During 2016, the loan was settled by Network International LLC on acquisition of Emerging Markets Payments Holdings (Mauritius) Limited in 2016 and corresponding liability of USD 33 million recognised in current account with Network International LLC under related parties (note 12).

- (b) Bank loan from Standard Chartered Bank bears interest at the rate of six months LIBOR plus 4.5%. This is a secured loan. As a security for the financial accommodation granted under the Facilities Agreement, Emerging Markets Payments Holdings (Mauritius) Limited (Pledgor) granted in favor of Standard Chartered Bank (Pledgee) a first ranking pledge over 1 ordinary share it owns in the Company, representing 100% of its issued and fully paid up share capital.

In 2016, the Group has settled the bank loan and the security was released.

Notes to the historical financial information

9 Trade and other payables

	2016	2015
	----- USD'000 -----	
Accrued expenses	5,223	4,805
Due to banks	3,604	5,318
Tax payable	2,451	3,411
Trade payables	1,686	2,546
Deferred income	147	145
Staff payables	132	183
Other payables	2,001	2,864
	15,244	19,272

All amounts of trade payables are short term. The carrying amount of these payables is considered to be a reasonable approximation of fair value.

10 Share capital

	2016	2015
	----- USD'000 -----	
Balance at 1 January	29,935	29,780
Issued during the year	-	345
Redeemed during the year	-	(190)
Balance at 31 December	29,935	29,935

At 31 December 2016, the stated capital comprised of 29,935,000 ordinary shares (2015: 29,935,000) of par value USD 1 each.

At 31 December 2015, 150,000 shares were issued at a premium of 299,557 for share application monies of USD 449,557. 195,000 additional shares were issued during the year ended 31 December 2015 at USD 1 each and 190,000 shares of USD 1 each has been redeemed in 2015.

The ordinary shares shall confer on the holder the following rights unless decided otherwise by a special resolution of the shareholders:

- i. The right to vote on a poll for every share held at a meeting of the Company on any resolution;
- ii. The right to an equal share in dividends authorized by the board;
- iii. The right to an equal share in distribution of the surplus assets of the Company.

Notes to the historical financial information

10 Share capital (continued)

Share application monies

	2016	2015
	----- USD'000 -----	
Balance at 1 January	-	450
Issue of shares	-	(450)
Balance at 31 December	-	-

11 Reserves

Statutory reserves

In accordance with Law no. 8 of 1997 and clause 55 of the Articles of Association of EMP Africa SAE, a legal reserve of 5% of the accumulated net profit has been created till 2010 and 2016, respectively. Such allocations may cease when the statutory reserve becomes equal to half of the paid up share capital.

In accordance with article (70) of the companies law in Jordan, Network International Services Limited Jordan shall deduct 10% of its annual net profits for the statutory reserve. Such allocations may cease when the statutory reserve becomes equal to the paid up share capital.

Foreign exchange reserve

The foreign exchange reserve includes the cumulative net change due to changes in value of subsidiaries functional currency to United States Dollars from the date of previous reporting period to date of current reporting period. As at 31 December 2016, cumulative foreign exchange loss amounted to USD 33,988 (2015: USD 15,632).

12 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include associates, joint ventures, parent, subsidiaries, and key management personnel or close family members. The terms and conditions of these transactions have been mutually agreed between the Group and the related parties.

Notes to the historical financial information

12 Related party transactions (continued)

	2016	2015
	----- USD'000 -----	
Transactions for the year		
Actis EMPH Ltd (previous Shareholder) – Shareholders loan	(33,000)	-
Network International LLC (Shareholder) – current account	78,075	-
Cim Corporate Services Ltd – management fees	15	14
Balances as at 31 December		
<u>Due to related parties</u>		
Network International LLC	78,075	-
Network international – Egypt	28	-
Actis EMPH LTD	19	19
	78,122	19
Key management compensations		
Directors fees	4	4

Post-acquisition of the Group by Network International LLC (“parent”) , the key decision making were taken at the parent level by the key management personnel of the parent, therefore, Key management compensation disclosure is not included in these historical financial information.

13 Revenue

	2016	2015
	----- USD'000 -----	
Merchant solutions	12,812	14,301
Issuer solutions	42,034	39,602
Other income	276	805
	55,122	54,708

14 Selling, general & other expenses

	2016	2015
	----- USD'000 -----	
Legal and professional fees	10,190	5,449
Technology and communication expenses	3,790	4,272
Provision for impairment	1,462	163
Other general and other expenses	8,019	6,241
	23,461	16,125

Notes to the historical financial information

15 Current and deferred tax

Tax on the profit or loss for the year comprises current and deferred tax. Current tax, including all applicable UAE and foreign taxes, is the expected tax payable on the taxable income for the year, using tax rates and bases of calculation which have been enacted or substantively enacted in the applicable jurisdiction for the current accounting year, together with any necessary adjustments to tax payable in respect of previous accounting periods. Current tax is recognised in the income statement unless it arises from a transaction recognised directly in equity, in which case the associated tax is also recognised directly in equity.

The tax expense recognised in the consolidated statement of profit or loss is as follows:

	2016	2015
	----- USD'000 -----	
Current tax expense	3,089	4,043
Deferred tax expense / (benefit)	3,520	(46)
Foreign withholding tax	6	78

Tax expense	6,615	4,075

Deferred tax assets

	2016	2015
	----- USD'000 -----	
Balance as at 1 January	63	143
Deferred tax benefit / (expense)	233	(46)
Effects of change in foreign exchange	(7)	(34)

Balance as at 31 December	289	63

Deferred tax liability

	2016	2015
	----- USD'000 -----	
Balance as at 1 January	244	363
Deferred tax expense / (benefit)	3,753	(92)
Effects of change in foreign exchange	(1,631)	(27)

Balance as at 31 December	2,366	244

Notes to the historical financial information

15 Current and deferred tax (continued)

15.1 Reconciliation of effective tax

	2016	2015
	----- USD'000 -----	
Profit before tax	22,962	21,002
Tax using the Company's domestic tax rate	1,061	133
Effect of tax rates in foreign jurisdictions	4,351	4,068
Tax effect of:		
Non-deductible expenses	1,293	506
Tax-exempt income	(170)	(241)
Other allowable deduction	(2,609)	(86)
Tax incentives / Rebates	(908)	(90)
Carry forward losses	(52)	(291)
Deferred tax	3,520	(46)
Other adjustments	129	122
Tax expense	6,615	4,075

15.2 Reconciliation of deferred tax

	Balance at 1 Jan	Recognised in P&L	Recognised in OCI	Balance at 31 Dec
	----- USD'000 -----			
2016				
Deferred tax asset				
Provisions and other items	63	233	(7)	289
Deferred tax liability				
PPE & Intangible	-	(107)	43	(64)
Foreign exchange differences	(244)	(3,646)	1,588	(2,302)
Balance as at 31 December 2016	(181)	(3,520)	1,624	(2,077)
2015				
Deferred tax asset				
Provisions and other items	143	(46)	(34)	63
Deferred tax liability				
Foreign exchange differences	(363)	92	27	(244)
Balance as at 31 December 2015	(220)	46	(7)	(181)

Notes to the historical financial information

16 Financial instruments – Fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Accounting classifications and fair values

As at 31 December 2016 USD'000	Carrying value			Fair value			
	Financial Assets	Financial liabilities	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Available for sale investments	8,154	-	8,154	8,154	7,802	352	-
Financial assets not measured at fair value							
Trade and other receivables	21,395	-	21,395	21,395	1,357	-	20,038
Cash and cash equivalents	22,855	-	22,855	22,855	22,855	-	-
Long term receivables	486	-	486	486	-	-	486
	44,736	-	44,736	44,736	24,212	-	20,524
Financial liabilities not measured at fair value							
Trade and other payables	-	15,244	15,244	15,244	-	-	15,244
Due to related parties	-	78,122	78,122	78,122	-	-	78,122
	-	93,366	93,366	93,366	-	-	93,366

Notes to the historical financial information

16 Financial instruments – Fair values (continued)

Accounting classifications and fair values

As at 31 December 2015 USD'000	Carrying value			Fair value			
	Financial Assets	Financial liabilities	Total carrying value	Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Available for sale investments	8,107	-	8,107	8,107	7,755	352	-
Financial assets not measured at fair value							
Trade and other receivables	17,560	-	17,560	17,560	1,378	-	16,182
Cash and cash equivalents	22,003	-	22,003	22,003	22,003	-	-
Long term receivables	1,050	-	1,050	1,050	-	-	1,050
	40,613	-	40,613	40,613	23,381	-	17,232
Financial liabilities not measured at fair value							
Trade and other payables	-	19,272	19,272	19,272	-	-	19,272
Due to related parties	-	19	19	19	-	-	19
Borrowings	-	79,200	79,200	79,200	-	-	79,200
	-	98,491	98,491	98,491	-	-	98,491

Notes to the historical financial information

17 Risk management

The Group has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk; and
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these historical financial information.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk thresholds and controls, and to monitor risks and adherence to thresholds. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations with respect to risk management.

To monitor compliance with the Group's risk management policies and procedures and to review adequacy of the risk management framework in relation to the risks faced, the Group has risk management team and an in-house internal audit function. These function undertakes both regular and ad-hoc review of risk management controls and procedures, the results of which are reported to the Audit Committee of the Group.

Credit Risk

Credit risk is a risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group has adopted a policy of only dealing with credit worthy counterparties as a mean of mitigating the risk of financial loss from default.

This risk arises mainly from receivables and other financial assets that are similar in nature. Trade receivables consist of a large number of customers, spread across diverse geographical areas.

At 31 December, the maximum exposure to credit risk (net of provisions) by geographic region is as follows:

	2016	2015
	----- USD'000 -----	-----
Middle East	19,066	21,136
Africa	23,674	17,075
	42,740	38,211

Notes to the historical financial information

17 Risk management (continued)

Credit Risk (continued)

The maximum exposure to credit risk (net of provisions) by type of counterparty is as follows:

	2016	2015
	----- USD'000 -----	
Schemes	4,800	4,503
Banks	32,807	30,430
Others	5,133	3,278
	42,740	38,211
	2016	2015
	----- USD'000 -----	
Neither past due nor impaired	30,130	27,713
Past due		
1-30 days	6,973	6,666
31-180 days	4,660	3,302
181-360 days	1,544	630
More than 360 days	458	219
Past due and impaired	-	-
	43,765	38,530
Less: Provision for impairment	(1,025)	(319)
	42,740	38,211

The carrying amounts of the financial assets, as reported in the consolidated statement of financial position, represent the Group's maximum exposure to credit risk at the specified reporting dates.

Exposure to credit risk is monitored on an ongoing basis. Cash is placed with good credit rating banks. Major bank ratings are as follows:

Name of the bank	2016 USD'000	Rating	Agency
Standard Chartered Bank	12,902	P-1	Moody's
Arab African International Bank	571	B	Capital Intelligence
Name of the bank	2015 USD'000	Rating	Agency
Standard Chartered Bank	7,958	P-1	Moody's
Arab African International Bank	200	B	Capital Intelligence

Notes to the historical financial information

17 Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligation associated with its financial liabilities that are settled by cash or other financial asset. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's business and reputation. The Group maintains adequate working capital facilities for various Group entities with reputable bank in respective countries.

The financial liabilities of the Group comprise mainly unsettled payables to banks and merchants (which are non-interest bearing with a maturity of less than six months) and due to related parties. The contractual cash flows are not materially different from their carrying amounts.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payment and exclude the impact of netting agreement.

	2016 USD'000				2015 USD'000			
	Carrying amount	Total	Within one year	More than one year	Carrying amount	Total	Within one year	More than one year
Trade and other payables	15,244	15,244	15,244	-	19,272	19,272	19,272	-
Due to related parties	78,122	78,122	78,122	-	19	19	19	-
Borrowings	-	-	-	-	79,200	79,200	-	79,200
Total	93,366	93,366	93,366	-	98,491	98,491	19,291	79,200

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group's exposure to market risk arises from:

- Equity price risk
- Currency risk
- Interest rate risk

Equity price risk

Equity price risk arises from the change in fair value of equity investments. The Group's investment in quoted securities classified as available for sale is exposed to equity price risk. With the change of 100 basis point in the price, keeping other factors constant, the price of the securities would increase / (decrease) by USD 81.54 thousand (2016: USD 81.07 thousand).

Notes to the historical financial information

17 Risk management (continued)

Interest rate risk

At the reporting date, the interest profile of the Group's interest bearing financial assets and liabilities are as follows:

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group as follows:

	2016	2015
	----- USD'000 -----	
Fixed rate instruments		
Financial assets	20	16
Financial liabilities	3,604	38,318
Variable rate instruments		
Financial assets	252	247
Financial liabilities	-	46,200

Currency risk

The Group is exposed to currency risk (through holding in foreign currencies through investments in subsidiary) and regulatory / other restrictions on the outflow of remittance of funds out of certain geographies. The Group's transactional exposure gives rise to foreign currency gains and losses that are recognised in the consolidated statement of profit or loss. These exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the presentation currency of the Group.

At 31 December 2016	USD	JOD	EGP	ZAR	Others	Total
	-----USD'000 -----					
Total financial assets						
Trade and other receivables	11,975	7,480	488	1,381	71	21,395
Cash and cash equivalents	9,111	12,624	165	900	55	22,855
Long term receivables	-	481	-	-	5	486
Available for sale investments	7,802	352	-	-	-	8,154
	28,888	20,937	653	2,281	131	52,890
Total financial liabilities						
Trade and other payables	4,253	8,295	2,405	76	215	15,244
Due to related parties	71,616	-	3,707	100	2,699	78,122
	75,869	8,295	6,112	176	2,914	93,366
Net position	(46,981)	12,642	(5,459)	2,105	(2,783)	(40,476)

Notes to the historical financial information

17 Risk management (continued)

Currency risk (continued)

At 31 December 2015	USD	JOD	EGP	ZAR	Others	Total
	-----USD'000-----					
Total financial assets						
Trade and other receivables	8,310	7,008	388	1,697	157	17,560
Cash and cash equivalents	4,021	14,967	1,472	1,508	35	22,003
Long term receivables	-	1,050	-	-	-	1,050
Available for sale investments	7,755	352	-	-	-	8,107
	20,086	23,377	1,860	3,205	192	48,720
Total financial liabilities						
Trade and other payables	5,001	10,650	3,022	270	329	19,272
Due to related parties	19	-	-	-	-	19
Borrowings	79,200	-	-	-	-	79,200
	84,220	10,650	3,022	270	329	98,491
Net position	(64,134)	12,727	(1,162)	2,935	(137)	(49,771)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

To mitigate the operational risk, the Group has policies in place that frequently monitor and assess these risks and put together specific measures to address them.

Capital management

The Board of Directors monitors the Group's performance in relation to its long range business plan and its long-term profitability objectives.

There were no changes in the Group's approach to capital management during the year. The Company has complied with all externally imposed capital requirement.

Notes to the historical financial information

18 Group entities

Emerging Markets Payments Holdings (Mauritius) Limited has control on all the subsidiaries below either direct or through controlling the parent company of those subsidiaries. Details of the subsidiaries as of December 31 are as follows:

Company name	Country of incorporation	Ownership interest (%)	
		2016	2015
Emerging Markets Payments Services	Mauritius	100%	100%
Emerging Markets Payments Middle East	Jordan	100%	100%
Emerging Markets Payments Africa	Egypt	100%	100%
Emerging Markets Payments West Africa	Nigeria	100%	100%
Emerging Markets Payments Southern Africa	South Africa	100%	100%
Emerging Markets Payments Kenya	Kenya	100%	100%
Mediterranean Smart Cards IT Services DMCC	UAE	100%	100%
Egyptian Smart Cards Company	Egypt	100%	100%

19 Contingent liability and capital commitments

During the year, Network International LLC, the parent company, has taken a term loan facility (“facility”) of USD 350 million to finance the acquisition of Emerging Markets Payments Holdings (Mauritius) Limited. The loan is syndicated facility from various banks and Citibank N.A, London Branch acting as the lead arranger for the facility. As per the term of the loan agreement, the Group has also acceded as Guarantor for the facility.

20 Subsequent events

Subsequent to year end, the Company, by way of a written resolution, has decided to change its name from Emerging Markets Payments Holdings (Mauritius) Limited to Network International Investment Holding Limited. Additionally the subsidiaries name has changed as follows:

Previous name	New name
Emerging Markets Payments Services	Network International Services (Mauritius) Limited
Emerging Markets Payments Middle East	Network International Services Limited, Jordan
Emerging Markets Payments West Africa	Network International Payments Services Nigeria Ltd
Emerging Markets Payments Southern Africa	Network International Payment Services (PTY) Ltd

The change of name is effective from 11 October 2017.

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