A transformation to faster growth

Network International Holdings Plc
Annual Report and Accounts 2021

network›

The leading payment solutions provider in the Middle East and Africa.

Visit investors.networkinternational.ae
to read our Annual Report

We made significant strides in 2021 and ended the year in a position of strength. I am excited about our future and I remain confident that Network's capabilities will best serve the industry in which we operate.

Nandan Mer
Group Chief Executive Officer

Our purpose
Helping businesses and economies prosper by simplifying commerce and payments

Our ESG Strategy P28

Our ambition
Be the fastest growing and most innovative customer-centric payments company in the Middle East and Africa

Our Strategy P12

A focused growth strategy

Accelerate
Serve more customers

Innovate
Serve customers better

Our financial highlights

Revenue

USD 352.2m
+23.7% y/y

2021 USD 352.2m
2020 USD 284.8m

Cash flow from operating activities

USD 17.4m
(83.8%) y/y

2021 USD 17.4m
2020 USD 107.5m

Underlying EBITDA[1]

USD 143.5m
+27.5% y/y

2021 USD 143.5m
2020 USD 112.6m

Underlying EPS[1]

USD 11.6cents
+70.6% y/y

2021 USD 11.6cents
2020 USD 6.8cents

Profit for the year

USD 56.6m
+910.3% y/y

2021 USD 56.6m
2020 USD 5.6m

Reported EPS

USD 10.4cents
+766.7% y/y

2021 USD 10.4cents
2020 USD 1.2cents

Underlying free cash flow[1]

USD 61.9m
+19.5% y/y

2021 USD 61.9m
2020 USD 51.8m

1 This is an Alternative Performance Measure ('APM'). See note 4 of the consolidated financial statements for APM definitions and the reconciliations of reported figures to APMs.

Strategic report

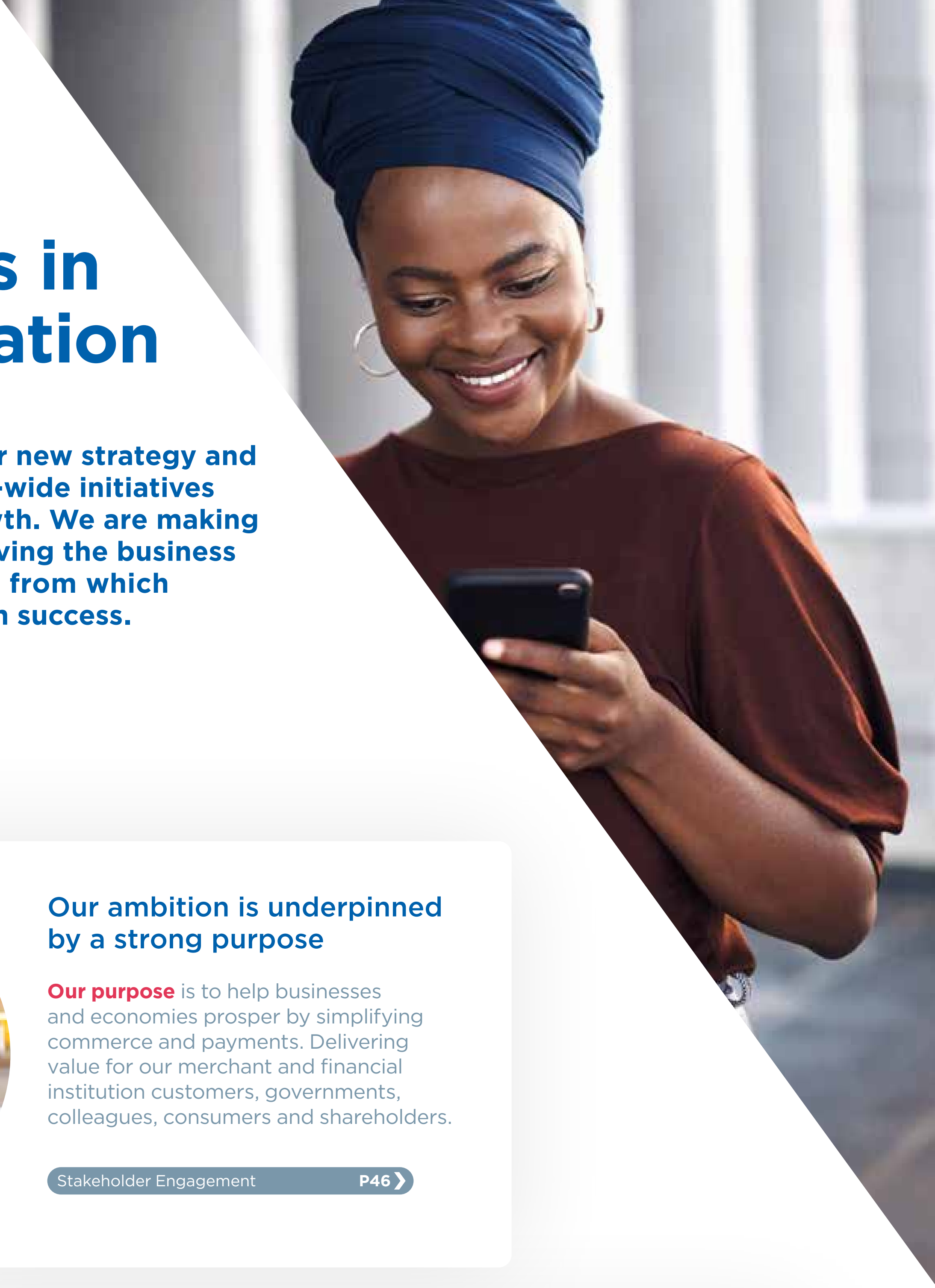
Corporate governance

Financial statements

A YEAR IN REVIEW

A business in transformation

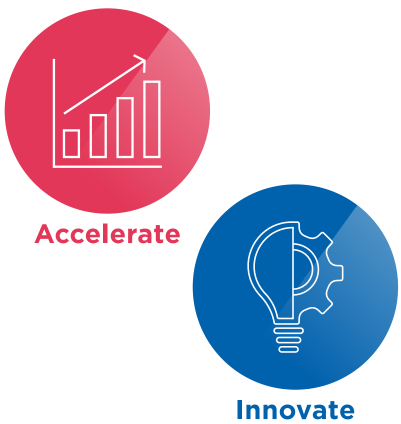
We have set out our new strategy and a number of Group-wide initiatives to drive faster growth. We are making steady progress, giving the business strong foundations from which to deliver long-term success.



Our ambition is underpinned by a strong purpose

Our purpose is to help businesses and economies prosper by simplifying commerce and payments. Delivering value for our merchant and financial institution customers, governments, colleagues, consumers and shareholders.

Stakeholder Engagement P46



Transforming our business to drive revenue growth

Our ambition is to be the fastest growing and most innovative customer-centric payments company in the Middle East and Africa. Delivering our ambition through a refreshed, focused growth strategy.

Our Strategy P12

Operating at scale across high growth, attractive markets

We are strongly positioned to accelerate growth, operating across structurally attractive markets where cash remains dominant and there is a high growth transition to digital payments.

Our Markets P10

Becoming the e-commerce payments champion across the MEA

Our recent acquisition of DPO Group, the largest e-commerce payments service provider operating across Africa, further strengthens our online offer. Network and DPO Group (DPO) are natural partners and together, we will provide the widest range of payment acceptance options for merchants across the region, whilst also consolidating our exposure to the fastest growing payments markets.

DPO Case Study P24

A cultural transformation is underpinning faster growth

The Network Way sits firmly at the heart of our business and is instrumental in the delivery of our strategy. Our values underpin our activities and support our colleagues in achieving their professional aspirations and financial well-being.

ESG Strategy P28

Newly launched ESG strategy

Our new ESG framework seeks to enhance our approach and drive the right behaviours through more comprehensive reporting and the setting of new KPIs. This is supported by the newly launched Company values and behaviours, driving a cultural transformation which is underpinning our faster growth.

ESG Strategy P28

Understanding our business

A high growth consumer payments focused business

We have a diversified business model, operating across the consumer payments value chain through two business lines:

- **Merchant Solutions:** enable our merchant customers to 'take payments' from consumers; by providing them with online and offline payment acceptance methods
- **Issuer Solutions:** support our financial institution, fintech and other payment credential issuing customers in enabling consumers to 'make payments'; by managing and processing their consumer payment credentials and transactions

Structurally attractive markets
Supported by the rapid secular shift away from cash towards digital payments in the underpenetrated markets in which we operate.

Our Markets P10

Licence to win
Through our comprehensive capabilities, scale, local presence in multiple markets, and trusted payments experts.

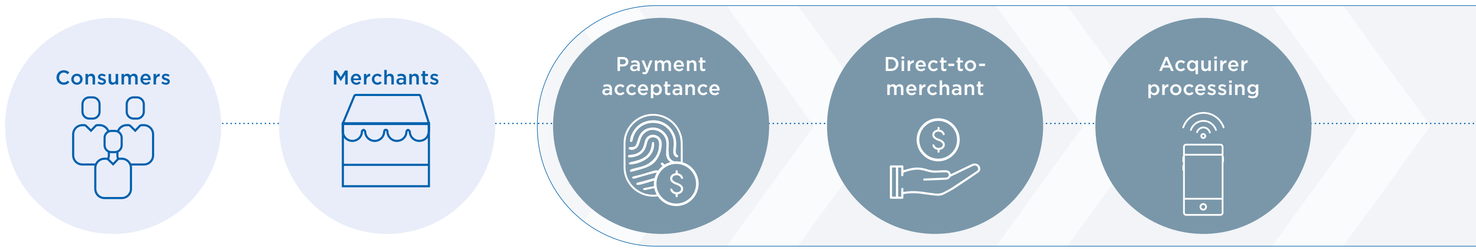
Our Business Model P8

Focused growth strategy
Through our focused growth strategy, we are targeting 20%+ profitable growth.

Our Strategy P12

Our services help businesses and economies prosper by simplifying commerce and payments

Our Merchant Solutions
(46% of Group revenue[4])



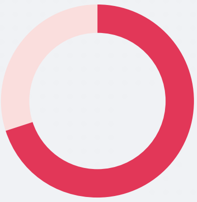
We process over **USD 42bn** in payment volumes[1] on behalf of over **154k** merchants[2]

We provide merchants with online or offline ways to accept payments. We provide this either directly to the merchant or to a financial institution (FI) who holds the relationship with the merchant

The majority of our Merchant Solutions business comes via a direct relationship with the merchant. Enabling them to accept digital payments and settling funds directly back to them following a consumer transaction

In the case where an FI maintains the relationship with the merchant, we provide processing and operational services to the FI

A growing presence across the MEA

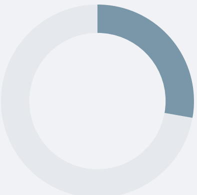


Middle East

70%

of revenue

Key addressable markets include UAE, Jordan and Saudi Arabia



Africa

28%[3,4]

of revenue

Key addressable markets include Egypt, South Africa and Kenya

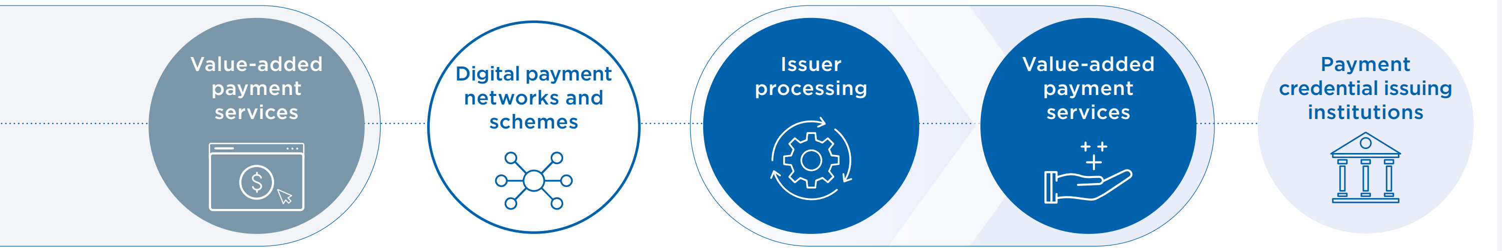
50+

countries served across the MEA region

Business Review P66

Our Issuer Solutions

(52% of Group revenue[4])



We also provide value-added services including FX solutions, data analytics, merchant lending[5] and an e-commerce store builder

We act as an outsourced service provider on behalf of FIs, fintechs and other payment credential issuing customers; managing and processing their consumer payment credentials and transactions

We also offer value-added services including advanced fraud solutions, data analytics, loyalty programmes, credit card controls and Easy Payment Plan options

We manage more than

16m

payment credentials and process

980m

transactions on behalf of over

200

financial institution and fintech customers

1 Includes TPV (Total Processed Volume) processed on behalf of processing customers.
2 Includes direct-to-merchant at Network and DPO Group.
3 Includes contribution from DPO Group.
4 Remaining 2% relates to the revenue from Mastercard strategic partnership.
5 Network does not provide lending directly. Lending is facilitated through a third-party bank partner.

Ron Kalifa OBE
Chairman

Dear shareholders, over the past year, our focus has continued to be on ensuring the well-being of colleagues, supporting our customers and communities and protecting the interests of shareholders. We launched a refreshed strategy focused on delivering growth and we renewed our purpose and values.

Improved execution and performance

I am very pleased with the business' performance and the progress we have made on our new strategy under Nandan's leadership. We have returned revenues to pre-pandemic levels having seen a strong recovery across all our markets. Our performance is a result of more determined sales strategies and new capabilities, as well as the broader economic recovery from COVID-19 and an acceleration in digital payment trends. We completed the acquisition of DPO Group and refreshed our market entry to the Kingdom of Saudi Arabia at a lower cost, with stronger projected returns. These two strategic actions provide new opportunities for our business and further accelerate our goals of delivering high growth.

Our margins continue to recover, although they remain below pre-pandemic levels, largely as a result of our investment in capabilities to support a faster future growth trajectory. At this stage in our strategic evolution, our Board and management have prioritised investment to deliver growth, aligned with our strategic goals and a disciplined capital allocation framework. As a result, we do not expect to pay dividends in the short term, although we will continue to review this policy, allocating the best use of capital to drive further growth and value creation.

Group Chief Financial Officer's Review P68

Maintaining strong governance and leadership

We were delighted to welcome Nandan Mer as our Chief Executive Officer in February 2021. Nandan came to us with a 30 plus year proven track record of building and growing businesses in a number of global

Our purpose: To help businesses and economies prosper by simplifying commerce and payments, has never been clearer as we transform our business to an accelerated growth pathway.

Ron Kalifa OBE
Chairman

markets with leading financial institutions, including most recently at Mastercard. Nandan's experience in both the consumer credit and payment industries has served the Group well during his first year as CEO, having renewed the Group's strategy and set the business on a course to faster growth.

We also welcomed Diane Radley and Monique Shivanandan to the Board in January 2021. Both have brought invaluable skills, further strengthening the Board's independence and diversity, as well as its experience in finance, risk, technology and the African marketplace. This expertise has proven invaluable to the Board's oversight of our renewed strategy.

On behalf of the Board of Directors, I want to thank Ali Mazanderani for his service and contributions as a Director. Ali stepped down in September 2021 and we wish him well in his future endeavours.

Corporate Governance Report P100

A purposeful transformation

Our purpose has never been clearer. We enable sellers of goods and services to find more ways to trade and grow their businesses, and we support financial institutions in providing a wide range of payment solutions to their consumers. We also work alongside industry and government bodies in shaping the payments landscape. This has relevance, as it facilitates the flow of trade, of capital, and it supports the financial inclusion goals of governments, which is particularly important in the emerging economic markets where we operate. This is why we must lead with purpose – we are here to help businesses and economies across our markets prosper, by simplifying commerce and payments.

At our Capital Markets Day in September 2021, we detailed our approach to deliver accelerated growth, which aligns seamlessly with our purpose. With this comes a renewed sense of pace, underpinned by a cultural transformation and a relaunch of our values and behaviours – the Network Way. We have not fundamentally changed, but we continue to build on who we are and where we are differentiated.

We are also committed to ensuring the professional success and financial well-being of our colleagues and acting in a way that benefits the communities around us. We have clarified our position on environmental and social matters, developing a comprehensive framework that is aligned to our new strategy, with a strong commitment to behaving responsibly. Driving financial inclusion is in our DNA and this year, we are introducing a new financial inclusion programme. By enabling digital payment services in our key markets and facilitating the journey away from cash, Network will be a powerful driver of economic development.

ESG Strategy P28

A faster profitable growth outlook

The Board will continue to oversee the execution of the Group's refreshed strategy and is committed to delivering a faster revenue growth profile in excess of 20% over the medium-long term. Whilst the health and economic impacts of COVID-19 will be felt for some time, the global rollout and uptake of vaccines has started to restore confidence. The combination of international travel returning to our regions and improved consumer spending supports our outlook. Outside of the tragic impacts of events in the Russia-Ukraine conflict it brings new risks for the world economy. In terms of the direct impacts, whilst we have some exposure to cross-border spending from Russian and Ukrainian visitors in our Merchant Solutions business, the value represents only a c.1% exposure as a proportion of total Group revenue. We will continue to monitor any broader economic and political impacts on our business carefully and report on them if and when they emerge.

We see our markets evolving quickly, which requires us to react faster and continue innovating and enhancing our digital capabilities to maintain our competitive positioning and extend our lead. We have a revitalised management team and strategy to augment our growth trajectory.

Group Chief Executive Officer's Review P14

As a Board we appreciate the continued support of our colleagues and customers and recognise that success will be determined by successful execution of our strategy. I am confident we will continue to raise the bar to deliver value for our shareholders.

Ron Kalifa OBE
Chairman
8 March 2022

Helping businesses and economies prosper by simplifying commerce and payments

Our licence to win

Comprehensive capabilities
- Ability to develop the payments ecosystem as a whole
- One-stop-shop provider to customers
- Range of value-added-services to diversify revenue streams

Scale with services across >50 markets
- Cost advantage
- Ability to invest in market leading capabilities
- One partner for pan-regional merchants or financial institutions

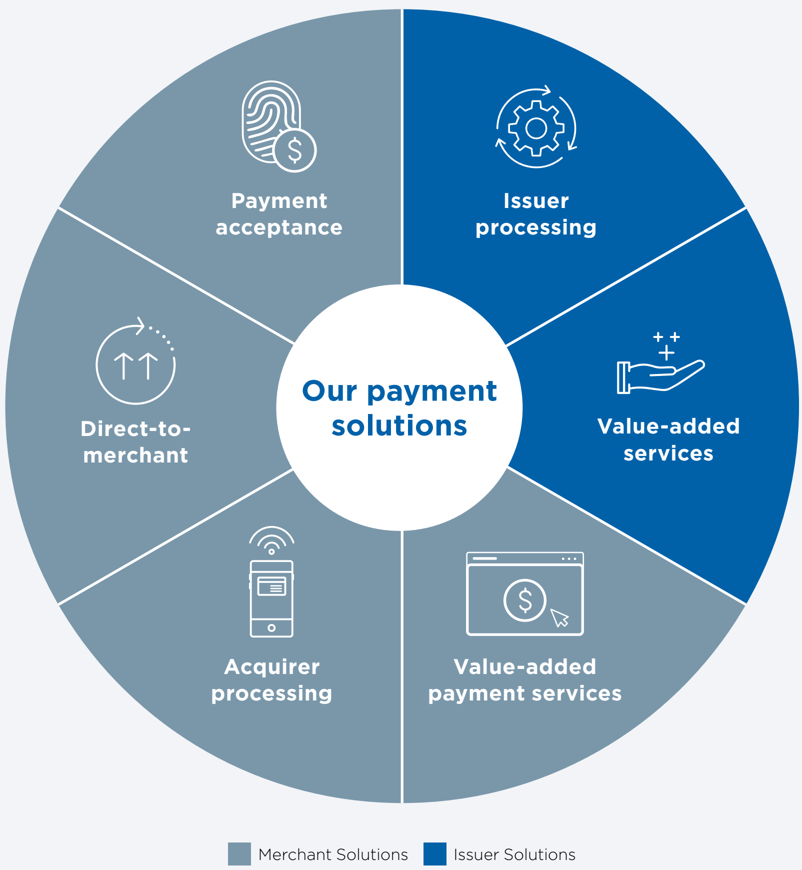
On the ground presence in 23 markets
- Helps win local and pan-regional financial institution business
- Local customer relationship management
- Abreast of regulatory changes and market specific nuances

Trusted payments experts with >1,700 employees
- To deliver high technology resilience
- Ensuring local regulatory licences are obtained
- Leads to long standing relationships and low attrition

Our Strategy P12

Operating at scale across the consumer focused payments value chain

Powered by partnerships
With key global payments leaders, such as our strategic partnership with Mastercard. Through partnership, we can accelerate innovation, enhance our capabilities in key growth areas and lower our cost of delivery



Underpinned by strong governance
Led by an Executive Committee (ExCo) and a Board of Directors with substantial experience across payments, international finance and developing market regulations

Operating Review P56

A wide range of capabilities and value-added services anchor our competitive position

Our revenue streams

How we generate Merchant Solutions revenue:

Transaction based revenue: The aggregate value of digital transactions processed by our merchant customers is known as the Total Processed Volume ('TPV'). Our revenue is the Net Merchant Service Fee, which is based on a percentage of the TPV.

Non-transaction based revenue: Fees from value-added services, rental streams from point-of-sale ('POS') terminals and project related revenues.

USD 42.8bn[1]
Total Processed Volume ('TPV')

How we generate Issuer Solutions revenue:

Revenue per credential hosted: A fee based on the number of credentials hosted for a customer (not linked to the number of transactions conducted on the credential).

Revenue per transaction: A fee per transaction processed (not linked to the value of the transaction).

Value-added services: A blend of fixed fees, or fees linked with credentials hosted, or transactions processed.

16.6m[1] credentials hosted

979.9m[1] transactions

1 This is a KPI. For definition please refer to page 81.

Generating value for all our stakeholders

Merchants
Enable sellers of goods and services to grow their businesses by simplifying payments

>154k
diverse merchant relationships

Colleagues
Achieve their professional aspirations and financial well-being

65%
engagement score

Consumers
Provide unconstrained low cost ways to pay for goods and services

16.6m
customer credentials under management

FIs, fintechs, MNOs
Enable issuers to provide a range of payments solutions to their consumers

200+
financial institution and fintech customers

Governments
Support financial inclusion and economic growth

19%
MEA digital Tx as % of total Tx volume[2]

Shareholders
Deliver superior revenue growth and returns

11.6cents[3]
Underlying EPS

Stakeholder Engagement P46

2 Source: Edgar, Dunn & Company 2021 data. Reflects MEA transaction volumes.
3 This is an Alternative Performance Measure ('APM'). See note 4 of the consolidated financial statements for APM definitions and the reconciliations of reported figures to APMs.

Well positioned to succeed in our fast-growing markets

We operate in structurally attractive, underpenetrated markets which are experiencing an accelerated shift towards digital payments.

Key drivers of digital payments in the Middle East and Africa

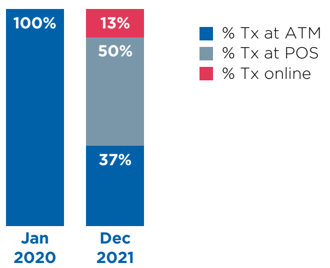
Cash remains dominant, faster shift towards digital payments

Cash remains dominant: only **19%** of total transaction volumes[1] in the MEA are digital, giving us headroom for further growth.

Why:
The move away from cash has been supported by social trends, with more consumers opting for quick and easy digital payments. COVID-19 has accelerated the shift, as consumers look for more ways to transact online and avoid the use of cash for hygiene reasons.

Our response:
We have strengthened our services and products to facilitate the digital payments experience, including the launch of new fraud solutions for financial institution customers; launching low-cost acceptance that allows merchants to accept digital payments on a smartphone; and broadening the range of digital payments merchants can accept.

Change in usage behaviour by one cohort of UAE debit cardholders, since the start of the pandemic



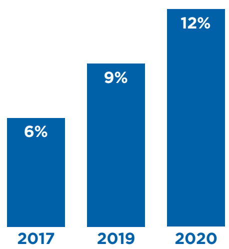
E-commerce is expanding rapidly from a low base

E-commerce participation remains low at c.2.6%[2] of PCE within the MEA, but growth is accelerating and is expected to reach c.4% of PCE in 2025[2].

Why:
Consumers are looking for more ways to purchase goods and services. This is supported by developing delivery infrastructure, growing smartphone penetration and improving internet connections.

Our response:
We are expanding our online payment services, including faster onboarding for customers. With the support of DPO, we are also bringing an e-commerce store builder to merchants.

UAE e-commerce Tx value as a % of PCE[3]



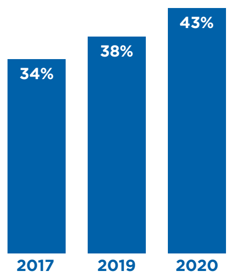
Alternative payments are fast growing

Despite cards being the most common form of digital payment across the MEA, growth in alternative payment methods such as mobile money and other digital wallets is expected to be higher.

Why:
Large unbanked populations mean consumers are looking for alternative ways to digitally store and transfer their money, as well as wanting low cost and convenient payment tools outside of traditional methods.

Our response:
We have introduced new types of payment acceptance for our merchants, including mobile money wallets through our partnership with TerraPay; and Buy Now Pay Later through our partnership with Tabby.

Africa, growth in mobile money and other wallets[4]



1 Edgar, Dunn & Company 2020 data, Transaction volumes.
2 E-commerce transaction value, including E-commerce (non-cash), M-commerce and E-Commerce Cash on delivery, as a proportion of Personal Consumption Expenditure (PCE).
3 Transaction value, includes E-commerce (non-cash), M-commerce and E-Commerce Cash on delivery.
4 Mobile money and other wallets Tx volume y/y growth.

Establishing scale in our focus markets

Our focus markets are structurally attractive and provide us with significant growth opportunities as a result of:

1. **Large consumer spending pools**
2. **Significant headroom for growth in digital payments**
3. **Expected high growth in digital payments**

All low-risk markets in nature (ease of doing business/FX/capital controls)	**Large consumer spending pool** (PCE USD)[1]	**Significant headroom** (digital payments as % of consumer transaction volumes)	**Fast growing** (forecast digital payment growth)[2]
Saudi Arabia	500m	18%	12–13%
Egypt	340m	25%	29–30%
South Africa	250m	39%	8–9%
UAE	230m	23%	8–9%
Kenya	100m	12%	11–12%[3]
Jordan	45m	22%	16–17%

Note: All data points are from Edgar, Dunn & Company and refer to 2020, unless otherwise specified.
1 Edgar, Dunn & Company data, PCE – Personal Consumption Expenditure.
2 Total Transaction value for non-cash payment (excluding Account to Account) 2021–2025 CAGR.
3 Edgar, Dunn & Company data, credit, debit and prepaid value of payments, 2021–2025 CAGR.

A focused growth strategy

Maximising opportunities to deliver sustainable high growth

Our purpose
Helping businesses and economies prosper by simplifying commerce and payments.

Our ambition
Be the fastest growing and most innovative customer-centric payments company in the Middle East and Africa.

New responsible business framework
Enhancing our existing commitment to strong governance, responsible behaviour and supporting financial inclusion.

Strategic initiatives in action

Accelerate
Serve more customers

Key initiatives

1

Faster signup of merchants and financial institutions

Why:
Enhances the customer experience; increases conversion rates and reduces costs.

How:
Investment in automated digital onboarding.

Innovate
Serve customers better

Key initiatives

1

Harness the power of partnerships

Why:
Enhances our customer proposition and further enriches our capabilities for a lower capital investment outlay.

How:
Enter partnerships with the highest quality providers of adjacent products and value-added services in key growth areas.

We have nine principal risks that apply to each of our strategic pillars

Principal Risks and Uncertainties P82

Key Performance Indicators P54

2

Grow the merchant base

Why:
Scale drives improved returns on fixed investment through operating leverage.

How:
Deploy Tap-on-Phone acceptance app, eliminating substantial costs for merchants by removing the need for traditional terminal hardware.

Add more stores of value which merchants can accept.

3

Access new revenue pools

Why:
The Kingdom of Saudi Arabia represents a huge untapped opportunity with only c.18% digital payments penetration, but seeing fast growth. We see potential to generate USD 50 million of revenue in the medium-long term.

How:
Target outsourcing opportunities with large financial institutions, most of whom conduct processing operations in-house, with 8 of the 10 largest banks[2] in the region insourcing their processing operations.

2

Add new revenue streams to every transaction

Why:
Monetise our investment in customer relationships by channelling more products and services through our distribution network.

How:
Investment in the delivery of adjacent value-added services, either proprietarily or via partnerships, including tailored solutions for particular sectors.

3

Be the e-commerce champion in the region

Why:
Enhance volume and revenue growth by capturing more share of this faster growing channel.

How:
Leverage DPO, the largest e-commerce payments platform operating across Africa, to provide the widest range of acceptance options for merchants, bring DPO's expertise to our existing customers and to enable us to provide direct-to-merchant services into new markets.

1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial statements for APMs definition.
2 Two banks merged, hence now 10 largest banks vs. previous 12.

Medium-long-term objectives

20%+
revenue CAGR

45–50%
underlying EBITDA margin[1]

Further growth opportunities, above our financial objectives, would be supported by...

New markets

Winning large financial institution and multi-market customers

Enabling new payment flows across Business to Business, Person to Person or Account to Account payments

Would also require further operational and capital investment beyond our financial guidance objectives

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Nandan Mer
Group Chief Executive Officer

Network made significant strides in 2021 and ended the year in a position of strength. Our KPIs not only recovered to pre-pandemic levels but showed solid growth, reflecting our successful strategic delivery and the broader regional economic recovery. I am pleased with our financial performance, having delivered ahead of expectations, with revenue growth of 24% and expanding EBITDA margins leading to underlying EBITDA growth of 27%. Our balance sheet remains strong and we are well within our lending covenants at a 0.9x net debt: EBITDA ratio.

During my first year in the business, I have been focused on refreshing our strategy to deliver a higher growth outlook, revitalising our management team with a number of new appointments and launching a new ESG framework. I am particularly proud of the accelerated growth we achieved in our UAE merchant business, the successful cross-selling of services to our existing customers from the acquisition of DPO, as well as the progress made in our Saudi Arabia market entry. The credit for this success goes to our colleagues. The ultimate glue in any company is its purpose and all 1,700 colleagues at Network are united in this respect – to help businesses and economies prosper by simplifying commerce and payments.

My focus remains on the delivery of our organic growth strategy, which continues to give us confidence as we work towards our target of 20%+ revenue growth. Our plans are not limited to organic expansion and we will also continue to evaluate acquisition opportunities on an ongoing basis.

Outside of the tragic impacts of the Russia-Ukraine conflict, it brings new risks for the world economy that has yet to fully recover from the impact of the global pandemic.

I continue to be positively surprised by the scale of opportunities in our markets. I am confident that Network's capabilities will best serve the industry in which we operate and we will deliver on our ambition to be the fastest growing and most innovative customer centric payments company in our regions.

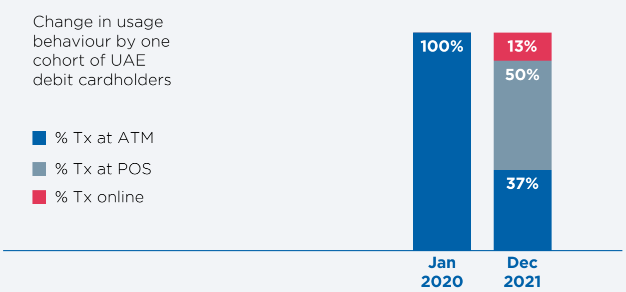
Business response to COVID-19

We have seen a sustained improvement in trading through 2021 and as we exited the year, KPIs had recovered to pre-pandemic levels or were already in growth. Whilst we have seen a number of COVID-related social and travel restrictions across our markets, there were no significant lockdowns or travel bans that materially impacted trading. As a result, we did not implement any COVID-specific operational, risk management, or financial response measures. Our payment processing activities continued uninterrupted, customers have operated under more normal trading conditions and colleagues have largely returned to our offices. Our financial position is strong, including leverage well within lending covenants.

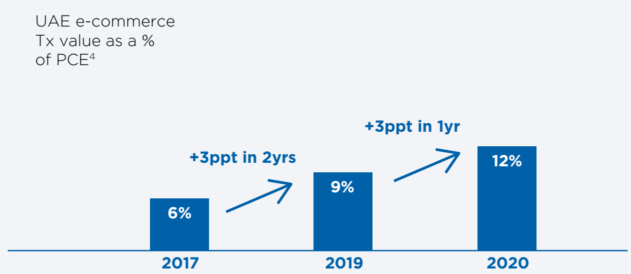
Our markets are recovering and seeing an accelerated transition to digital payments

Our purpose, to help businesses and economies prosper by simplifying payments and commerce, has become even more relevant through the pandemic. We support the financial inclusion of communities and data indicates that COVID-19 has acted as an accelerant in the transition from cash to digital payments. In our major market of the UAE, general business activity improved through 2021, supported by a successful vaccination programme. There are minimal COVID-19 related restrictions and there has been a return to office-based working. As we exited the year, UAE PMI[1] remained close to its peak, indicating an expanding economy. The return of tourism, an important GDP driver for the region, has also continued. Whilst our own trading data shows that international visitor spending in the UAE exceeds pre-pandemic levels, flight activity has not yet returned to normal[2], indicating further recovery to come. In other core markets, Egypt's economic growth declined slightly in 2021[3], however, exposed sectors that had seen a contraction as a result of the pandemic (such as tourism, manufacturing, extractives) started to rebound in the second quarter and there is a positive growth economic outlook for 2022[3]. Jordan and South Africa have been slower to recover but GDP growth is improving, according to World Bank[3] reports. In South Africa, this partly reflects further COVID-19 waves and the challenge to the tourism industry from travel restrictions. Whilst our regions have not seen a full economic recovery, our trading results for core markets have exceeded the implied recovery. We believe this is a result of two factors: i) the accelerated market transition to digital payments (detailed in the charts below) and ii) our strategic and operational delivery (detailed through the rest of this report).

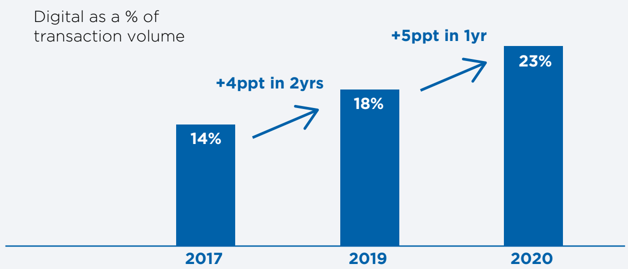
Faster shift away from cash



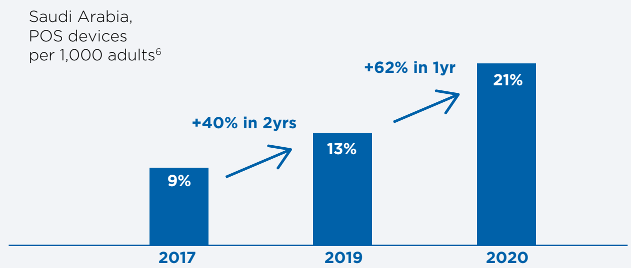
E-commerce accelerating



Africa, digital transaction participation[5]



Momentum in digital payment acceptance points



Note: Edgar, Dunn & Company, 2020 data.

1 PMI is the Purchasing Managers' Index and stood at a level of 55.6 in December 2021.
2 Source: Citigroup research.
3 World Bank economic updates for Egypt, Jordan and South Africa published during September and October 2021.
4 Transaction value includes E-commerce (non-cash), M-commerce and E-commerce Cash on delivery, as a proportion of Personal Consumption Expenditure (PCE).
5 Digital Tx as a % of transaction value.
6 World Bank population data, no. of POS from Edgar, Dunn & Company. POS 'point-of-sale' payment acceptance devices.

Delivering on our focused growth strategy

Our growth ambition is supported by the multitude of opportunities open to us in our fast-growing markets. To harness those opportunities, we are taking two strategic approaches:

Accelerate:

Which focuses on growth in our largest markets such as the UAE, Saudi Arabia, South Africa, Egypt and Jordan, growing our customer base faster than we did previously.

Initiatives in action	2021 highlights	Future focus
Faster signup of merchants and financial institution customers We are continuing to automate and digitise the process of onboarding our merchant and financial institution customers, which will drive faster signups, lower our costs and enhance the customer experience.	› Record levels of merchant signups, including a number of key merchant signings away from competitors. › 60-minute onboarding launched. › Rapid SME growth supported by dedicated relationship management, referral partnerships and bespoke services such as merchant lending. SME TPV represented 25% of total direct TPV in 2021, a significant improvement vs. 17% in 2019. › Strong online momentum, with TPV up 39% y/y (excl. Government & airline TPV). We started 2021 with three banks in six countries using our white label N-Genius™ gateway and ended the year with seven banks, including a number of pan-regional customers, making our solution present in 27 countries. › 17 new financial institution customer signings. › A number of major financial institution contract renewals, including Abu Dhabi Commercial Bank.	› Progressive automation and streamlining of merchant and financial institution signup processes. › Maintain momentum in new merchant signings across strategically significant sectors such as SME, travel and entertainment, and e-commerce. › Strategic identification and relationship development with financial institution targets.
Grow the merchant base by lowering the cost of payment acceptance We are lowering the cost of payment acceptance for merchants which will expand our potential marketplace, as well as support financial inclusion across our regions.	› 'Tap-on-Phone' low-cost payment acceptance launched. The enhancement of our technology capabilities means our merchant customers can accept payments through an App on their own smartphone, without the need for a traditional point-of-sale (POS) terminal.	› Rollout of 'Tap-on-Phone' capability to merchants across the UAE and Jordan, as well as to our financial institution merchant solutions processing customers. › Target the cross-sell and launch of 'Tap-on-Phone' with DPO merchants in South Africa.
Access new revenue pools New markets represent large, untapped revenue opportunities into which we can expand our services.	› Focused on our market entry to the Kingdom of Saudi Arabia. The region offers a dynamic payments landscape, where digital payments penetration is only 18% of total payment transactions but seeing fast growth. There are also significant payment outsourcing opportunities, as 8 of the 10 largest banks in the region insource their processing operations[1]. › KSA market entry is on track and we will be launching services in the coming weeks, ahead of the original plan and below the original budget, where our total investment will be up to USD 10 million. › New processing customer signed and a healthy pipeline in place.	› We expect new customer revenues in 2022 and see the region as at least a c.USD 50 million revenue opportunity in the medium–long term. › Issuer processing services to be available to customers in the coming weeks. › Focus on the signing of more new financial institution customers. › Explore direct-to-merchant services as a further growth opportunity.

Further growth opportunity, which will deliver revenue over and above our financial objectives

We intend to begin providing payment services directly to merchants in Egypt, realising a further growth opportunity. Whilst we currently offer outsourced merchant and issuer payment services in Egypt to financial institutions, going directly to merchants will be a new service offering. Egypt has an attractive merchant acquiring market, with c.USD 22 billion in volumes (source: Edgar, Dunn & Company). In 2022, we will enable the technology and systems to support services, seek the appropriate licences and establish a local sales team; with an expected initial capital investment of USD 3–4 million, mainly relating to the procurement of physical point-of-sale terminals which we will offer alongside our 'Tap-on-Phone' solution.

1 Two of the largest banks recently merged, hence the 10 vs. 12 previously announced.

Innovate:

Where we need to be at the forefront of the evolution in consumer payment trends and develop our capabilities beyond traditional cards and into the alternative payments landscape.

Initiatives in action	2021 highlights	Future focus
Harness the power of partnerships Through partnerships we can accelerate innovation, enhance our products and services in key growth areas and lower our cost of delivery.	› Leveraged partners to launch new payment types that can be accepted by merchants, including: Rupay, the Indian card scheme; UPI Payments, a popular App payment method for Indian consumers; mobile money wallets with Terrapay; and Buy Now Pay Later with Tabby. › Key Mastercard partnership initiatives included the launch of 'SME in a box' payment services for small merchants; delivering next-generation fraud authentication solutions for UAE merchants and financial institutions through 3-D Secure 2.0; and signing our first two financial institution customers to receive services from the Mastercard Digital Product Platform. › Launching Chat banking solutions to financial institutions in partnership with Infobip, which will enable account transaction enquiries, real-time customer service chat and push notifications to consumers.	› Continue to leverage on our commercial partnership arrangement with Mastercard. › Further expand our range of merchant payment acceptance through partners, including loyalty points. › Explore partnerships which can widen our services to financial institution customers, with a focus on the procurement of B2B (business to business) finance solutions and KYC (know your customer) decisioning solutions.
Add new revenue streams to every transaction Value-added services deliver more solutions to our customers and provide additional revenue streams for our business. We are also focused on adapting our services to specific sectors and local markets, bringing more value and insights to customers.	› Launched Smartview interactive dashboards that provide valuable insights on consumer spending trends for merchants. › Enabled lending services to merchants through a partnership with the Commercial Bank of Dubai. › Data analytics and analysis services provided to a number of Government customers.	› Expand our lending services to larger merchants through partnership with financial institutions. › Take our data analytic capabilities to merchants in Jordan and across DPO's markets in Africa. › Support financial institution customers with analytic services that develop their understanding of consumer card portfolios and behaviour.
Be the e-commerce champion in the region Our acquisition of DPO Group, the largest e-commerce payments platform operating across Africa, provides us with direct-to-merchant services in 21 African markets. Network and DPO are natural partners and together, we will provide the widest range of payment acceptance options for merchants across the region whilst also consolidating our exposure to the fastest growing payments markets.	› Acquisition completed at a net revenue multiple of less than 11x. DPO performing ahead of our expectations, having delivered positive underlying EBITDA earlier than expected and 2021 twelve-month revenue of USD 26.9 million, +45.0% y/y. › Good progress in supporting future revenue synergies, with the signing of three cross-selling agreements for DPO's services to existing Network financial institution customers in Africa. › Launched 'DPO Pay' to UAE merchants, a convenient solution for SMEs which includes an online store and payment checkout.	› Leverage DPO's capabilities such as mobile money payment acceptance, fast digital onboarding and value-added services, to be the leading merchant payment services provider in our regions. › Cross-sell DPO's services to further existing Network financial institution customers and roll out 'DPO Pay' to our merchants in the UAE and Jordan, building foundations for generating revenue synergies from the acquisition. › Expand DPO's merchant services to more new markets across Africa.

Business model transformation to drive **20%+** revenue growth

Our heritage	Our path moving forward
Direct-to-merchant in the UAE and Jordan	Extend our leadership in the UAE and Jordan; establish scale in our six focus markets
'Transaction processing' the cornerstone of our customer proposition	'Value-added services' based customer proposition
Consumer card payments focused	Consumer cards, business to business, person to person and account to account payments
Majority processing revenues	Faster growth in direct-to-merchant revenues
Majority UAE revenues	Wider geographical diversification of revenues

Selective M&A will also have a role to play

Accelerate
Serve more customers
› In market consolidation
› Scale faster in new markets

Innovate
Serve customers better
› Shorten our time to market for new capabilities

Investments rigorously assessed against strategic and financial lenses

Divesting non-core assets

As part of the strategy refresh, we took the opportunity to divest two non-core assets.

Holding in TG Cash sold for USD 74 million
We sold our 50% shareholding in Transguard Cash LLC (TG Cash) to Transguard Group LLC in November 2021 for USD 74.4 million. TG Cash provides end to end ATM and cash management services for banks and retailers in the UAE, which, as an entirely cash focused business, was not aligned with our digital payments strategy. Proceeds from the sale will be deployed in the future to higher growth and value enhancing opportunities. In 2021, the Group's share of profit from TG Cash was USD 4.7 million and no cash dividends were received.

Exit of Mercury investment
Shortly after the 2021 year end we sold our 70% holding in domestic UAE card scheme, Mercury Payments Services LLC. The consideration was c.USD 3 million before completion adjustments and the divestment will have an immaterial impact to future Group financials.

Launching our new responsible business framework

Network's ambition is to be the fastest growing and most innovative customer-centric payments company in the Middle East and Africa.

Our purpose is to help businesses and economies prosper by simplifying commerce and payments. We serve a range of diverse markets in terms of income levels, infrastructure development, and connectivity. By enabling digital payment services in these markets and facilitating the journey away from cash, we believe that Network will be a powerful driver of financial inclusion, economic development and sustainable growth.

This year, alongside refreshing our corporate strategy, we have taken the opportunity to refine our position on ESG (environment, social and governance matters) and to institute a more systematic approach. We have developed a new ESG strategy, underpinned by four clear strategic objectives covering: financial inclusion, responsible business practices, equal and fair treatment of employees, and our environmental footprint, where we are confident we will be carbon neutral on Scope 1 and 2 emissions before 2030.

These objectives are where we can drive the greatest sustained positive impact, in a manner consistent with the execution of our corporate strategy and our purpose. Alongside the ESG strategy, we have put in place an ESG execution framework designed to advance progress against our objectives by aligning policies and incentives across our organisation.

Given the nature of our business activities and our view that positive impacts are most likely to be sustained where they are aligned with commercial goals, the natural social objective for us to focus on is financial inclusion. We define financial inclusion by reference to an individual's ability to participate fully in commerce and enjoy the financial, social, health and other fundamental benefits arising from this. A key element of participation is access to the banking system or other means of securely storing and exchanging value, whereby most of the population across the markets in which we operate is unbanked. Three particular initiatives which support our financial inclusion goals include:

- Launching direct-to-merchant payment services in Egypt, exclusively targeting smaller merchants with our low cost 'Tap-on-Phone' payment acceptance capability, making digital payment acceptance economically viable for many small merchants for the first time.
- Partnering with a financial institution customer in Malawi to enable the onboarding of unbanked citizens through a branchless virtual service that harnesses Network's digital platform.
- Assisting the Jordanian Government and NGOs to support the use of mobile wallet payments by sections of the community who are currently unbanked, including low income and refugee communities.

More detail on our ESG strategy, including KPIs and targets, can be found in the ESG section of this report. In the coming year we will undertake further work to refine the KPI framework for each component of our ESG strategy, enhance our data collection processes and develop longer range, timebound emissions targets.

As a provider of digital payment solutions in MEA Network is building a strong foundation for the future. However, we will only succeed if we deliver this responsibly and adhere to the highest ESG standards. We must not only walk our talk but also raise the bar as we embark on this exciting journey.

Nandan Mer
Group Chief Executive Officer

In summary

Looking ahead, our focus remains on the delivery of our organic growth strategy, which continues to give us confidence as we work towards our target of 20%+ revenue growth. Key milestones in the year ahead will include the successful launch of our services and more customer signings in the Kingdom of Saudi Arabia; further cross-selling contracts between our existing customers and DPO to support the delivery of revenue synergies; continuing to build our value-added services and new capabilities for both merchant and financial institution customers; and the launch of payment services directly to merchants in Egypt.

Given our conviction around the potential growth opportunities for the business and desire to maintain financial flexibility to invest, the Board has decided not to declare an ordinary dividend in respect of the 2021 financial year. This decision ensures capital allocation is prioritised towards growth and attractive returns for shareholders. Whilst organic expansion will remain our core driver, we will continue to seek options to drive further growth through disciplined selective acquisitions. Our capital allocation policy prioritises investment for growth, with investments and returns rigorously assessed against internal strategic and financial lenses, such as ROCE.

Outside of the tragic impacts of the Russia-Ukraine conflict, it brings new risks for the world economy that has yet to fully recover from the impact of the global pandemic. In our Merchant Solutions business, we have some exposure to cross-border spending from Russian and Ukrainian visitors and we have taken action to comply with all sanctions. Our direct exposure to Russian and Ukrainian spends as a proportion of total Group revenue is c.1%. Whilst we are mindful of the potential future broader impacts of international tensions, we continue to expect Group revenue growth of 27–29% in 2022, as previously guided.

On behalf of our colleagues across the region, we are convinced that Network's capabilities will best serve the industry in which we operate and we will deliver on our ambition to be the fastest growing and most innovative customer-centric payments company in the Middle East and Africa.

Nandan Mer
Group Chief Executive Officer
8 March 2022

Q&A

with Nandan Mer
Group Chief Executive Officer

Our 20% growth ambition is supported by the multitude of opportunities open to us in our fast-moving markets.

Nandan Mer
Group Chief Executive Officer

Q.

During your first year as CEO, what have you been focused on and what has surprised you to the upside, or has been more challenging than expected?

I have been very focused on two aspects – on acceleration, and innovation. Innovating to ensure our solution set stays ahead of the competitive landscape and we continue to be the best at serving customer needs. But at the same time accelerating and having the ambition to achieve our true potential from a growth perspective; and fast-tracking the acquisition of new customers on both sides of the business.

I have been surprised by the sheer scale of opportunity for growth in this region and for our business. Having been in payments for a while and seeing the secular shift play out, it shouldn't have come as a surprise. But this is a very dynamic region and the main challenge is also related to the breadth of opportunity. Every organisation has limits to its human resources and financial capacity. The leadership team and I have to keep asking ourselves "are we keeping enough of our powder dry and ready for the next dial moving opportunity?".

Q.

How do you keep your team inspired and committed, ensuring your employees feel valued and are well looked after?

The ultimate glue in any company is its purpose. All 1,700 colleagues at Network are driven and united by our purpose – to help businesses and economies prosper by simplifying commerce and payments. As payment professionals, our feedback loop is seeing our financial institution and merchant customers thrive and I get especially excited when I see small businesses in the region completing sales through electronic payment tools. That's when we know we have done well by them, their families and through them, the economies we serve.

Internally, we are building a culture that thrives on teamwork and active collaboration, based on open and honest conversations, and a deep desire to do the right thing and deliver the right outcomes for all stakeholders. Needless to say, compensation is important and rewards both good performance and the right behaviours. We couple this with training, development and opportunities for personal growth. Bringing all this together, we ensure that we're attracting and retaining the best talent.

Q.

DPO is the newest addition to the Network family – what do they bring to the business and do you see more M&A on the roadmap?

DPO is a great collection of assets, both in South Africa as well as across their 20 other markets. DPO has many strengths, but the top three are: firstly, DPO gives their merchant customers a very wide range of methods to accept payments from consumers. I would argue it's the widest range in the market. That is a real competitive advantage. Secondly, they enable merchants who are offline to easily and simply move online, through the DPO e-comm store builder. Last but not least, DPO serves multiple merchant segments. It is a diverse business, from micro-SMEs all the way to large enterprises.

Like I mentioned earlier, we still have a huge number of organic growth options open to us. So our primary focus is to accelerate our business organically. Having said that, if there are M&A opportunities that present themselves to us, such as to scale faster in existing markets or to enter new markets at scale, then we will take a close look and determine if it's the right thing, both strategically and financially, for us to pursue.

Q.

What do you think Network will look like in five to ten years' time? How will the business be different, or similar, to today?

I am convinced that Network's capabilities will best serve the economies in which we operate, and that we will have played a humble role in the development of the economies in which we are present.

In five to ten years' time, I expect many things to remain consistent – that we continue to deliver market leading consumer focused payment services to merchants and financial institutions, and that we remain focused on the MEA region. But I also expect much evolution – to a faster growth trajectory, a wider geographical distribution of revenues and less reliance on the UAE, a greater focus on the merchant business, and more capabilities in value-added services. I expect us to have exponentially amplified our customer numbers and I expect us to have fulfilled our purpose: to help businesses and economies prosper by simplifying commerce and payments.

Q.

Network operates in attractive markets – is competition intensifying and are you seeing global players take more of an interest in the region?

Let me start by embracing the role of competition, because it helps expand the market, as well as ensuring we continue to put our best foot forward in serving our customers. We are very well placed to compete in the markets we serve, because we're well invested in technology, we have a local presence in 23 markets in the region and we process data locally in all the major regions. Increasingly, regulation is requiring domestic presence and data processing capability and because of our footprint, we are well placed to lean into and benefit from these changes. At the same time, we see some international players retreat as a consequence of these regulations. As we all know, payments is a local business and the ability for us to enable the provision or acceptance of local payment methods is one of the most important sources of competitive advantage in any payments business. We are pleased that this local presence is the cornerstone of our strategy and the new capabilities we are developing.

Q.

Tell us more about the goal to drive revenue growth to 20%. What are the key drivers and what lies at the core of the growth plan?

Our 20% growth ambition is supported by the multitude of opportunities open to us in our fast-moving markets. To harness those opportunities, we are taking two approaches. The first we call accelerate, which is essentially a focus on our largest markets such as the UAE, Saudi Arabia, South Africa and Egypt; and growing our customer base faster than we did previously, through faster merchant signups and winning larger financial institution outsourcing deals. But payments is a fast changing landscape, so we need a second approach, which is to innovate. We need to be at the forefront of the constant evolution in consumer payment trends, and to develop our capabilities to support payments beyond traditional card rails and expand out into the alternative payments landscape.

Accessing new revenue pools

Through our new market entry to the Kingdom of Saudi Arabia, the largest economy in the Middle East

A dynamic payments landscape

- The Kingdom of Saudi Arabia represents the largest economy in the Middle East, with GDP of c.USD 800bn[1] and a relatively young population of c.35 million[1]
- Significant potential for Network, with digital payments penetration at 18%[2] in 2020, with the government targeting 70% digital penetration by 2030[3]
- Saudi Arabia's adoption of contactless payments is also the highest in the Middle East and North Africa at 95%[4] participation of digital payments made
- Outsourcing of payment activities remains nascent, with operations largely in-house at 8 of the 10 largest banks[5]

Our go-to-market strategy

- We will provide outsourced payment processing services to financial institutions and fintechs in the region
- We upgraded our technology approach to be cloud-native and accelerated our service deployment through our enhanced entry strategy, lowering our cost of market entry. The total capital investment to enter the market and deploy processing payment services will be up to c.USD 10 million
- The first customer revenues are expected in 2022, in the low single digit millions range, building towards c.USD 50 million over a number of years as we grow our customer base
- We expect strong cash flow generation and a payback on our investment within 3–4 years
- We see the potential for further revenue opportunities, above our current plan, by expanding our payment services directly to merchants

c.USD 800bn
GDP of Saudi Arabia[1]

12–13%
expected digital payments growth CAGR between 2021–25[3]

1 IMF Kingdom of Saudi Arabia at a glance.
2 Edgar, Dunn & Company, 2020 data, as a % of Tx volumes.
3 Edgar, Dunn & Company, expected digital Tx value growth 2020 data.
4 MADA, October 2021.
5 Four banks merged since our Capital Markets Day, hence now 10 largest banks vs. previous 12.

Accelerate

We are well placed to win as a payments partner to financial institutions in the Kingdom of Saudi Arabia

- A one-stop-shop, providing comprehensive payments solutions
- Established track record with customers in the neighbouring UAE
- Existing strong relationships with financial institutions in the Kingdom of Saudi Arabia
- Best-in-class technology stack

We have already made significant progress

- Technology platform deployed at the end of 2021 and ready to onboard customers at the start of 2022
- Signed a new processing customer that is expected to become a key contributor to long-term revenues
- Strong sales pipeline with potential customers in the region
- Engaged with regulators and schemes for licensing and certification
- Appointed a new Managing Director in the region, who is well known in the Saudi payments industry and has played a major role in several payment initiatives

CASE STUDY

Becoming the e-commerce champion in the region

The acquisition of DPO Group expands our online capabilities and consolidates our presence in the fastest growing payments markets in the world

DPO – the largest e-commerce payments platform operating across rapidly growing Africa

- The acquisition of DPO Group was completed in September 2021
- DPO is a single payments partner and platform, working with **>63k online merchants across 21 African countries**
  - **A high growth business,** delivering 2021 TPV[1] of USD 3.6bn, up 55% y/y, with twelve-month revenue of USD 26.9 million up 45% y/y, and underlying EBITDA of USD 4.4 million
  - **Online payments experts,** offering the widest range of payment methods, alongside attractive value-added services
  - **A customised, local approach**, helping merchants accept mobile money, cards, bank transfers and other payment types

30%+[2] CAGR
expected market growth in African online payments between 2021–2025

>63k
DPO merchants

Network and DPO are natural partners

- **DPO is a distribution and relationship enhancer**, bringing direct merchant relationships in Africa to our business for the first time
- The acquisition brings **significant cross-selling and revenue synergy opportunities**, including expanding our direct-to-merchant services into new African countries such as Egypt; and the ability for us to bring DPO's mobile money acceptance and e-commerce store builder to our existing merchants in the UAE and Jordan
- DPO will **support the doubling of Network's e-commerce TPV** over time and together we will **provide the widest range of payment acceptance options** for merchants

Innovate

Strengthening our market leading capabilities through cross-selling opportunities

We are combining our strong relationships with our financial institution clients to provide online acquiring services and capabilities for merchants throughout Africa through DPO.

Shortly after completing the acquisition of DPO and following our agreement with Tyme Bank, we secured a cross-sell win with Bank of Kigali in Rwanda. These agreements showcase our ability to leverage both acquiring and processing capabilities in the markets we serve. The agreements allow DPO and the bank to recruit merchants in a coordinated, go-to-market strategy. The bank acts as the 'acquirer', and DPO acts as the merchant facing counterpart, enabling online payment acceptance and the settlement of funds to the merchant.

This benefits both parties as the bank gains new revenue streams through referral fees and the provision of added services to its merchant customers. DPO achieves more volumes, and a fee is charged to the merchant for the online payment services.

The power of a single payments platform for online merchants

DPO is the obvious partner for international players seeking a single payments partner across the continent. KFC were looking for a centralised online ordering system for franchisees in South Africa, and the ability to scale this quickly across the rest of Africa. DPO has provided them with an online payments service that allows consumers to place and pay for orders through any KFC outlet using cards, or online account transfers. With flexibility to expand into East Africa using mobile money payments.

>900
KFC outlets using DPO as a payments partner across Africa

1 TPV – Total Processed Volume.
2 Edgar, Dunn & Company data. Transaction value, E-commerce (non-cash) 2021–2025 CAGR.

CASE STUDY

Faster signup and growth of our merchant base

Why merchants choose Network

Scale, working with >154,000 merchants[1]	› Giving us the ability to invest in the latest market leading payment acceptance solutions for our merchants
On the ground presence across 23 markets	› >100 relationship managers[2] on the ground, local language, culturally embedded. Able to act as one partner for pan regional merchants
Trusted brand reputation >10 years	› Long-standing history in the region, trusted partner with average merchant relationships of >10 years
Number of payment brands accepted >25 brands	› Widest range of local and international payment types accepted › Across physical cards, virtual cards, mobile wallets, mobile money and others
More ways to pay	› Offline, online, mobile › Tailored solutions for SMEs and large enterprise merchants across different sectors
Breadth of value-added services	› Good base of existing services with a strong pipeline to come › Now offering 60 minute onboarding for merchants

1 Includes direct-to-merchant and processing.
2 Sales managers, includes sales and relationship management roles focused on our direct to merchant business.
3 NOL is a smart card that enables you to pay for the use of various transport modes in Dubai.
4 Network is not a lender and does not provide any lending directly.

Accelerate

Giving our merchants a wider range of online payment services through 'DPO Pay'

We recently launched 'DPO Pay' to our merchant customers in the UAE, leveraging the capabilities we have gained as a result of the DPO acquisition. DPO Pay is a cost-effective online payment solution targeted at the SME merchant sector. It includes the setup of an online payment store, hosting a secure and trusted payment page, and the ability to accept a wide range of payment types.

We are launching an innovative range of capabilities that give our merchants more ways to accept digital payments

Types of payment acceptance

- Rupay (the Indian card scheme)
- Mobile money wallets
- BNPL (Buy Now Pay Later)
- Locally relevant loyalty scheme points redemption

Ways to accept payments

- Low-cost digital payment acceptance through our N-Genius™ App, which uses the merchant's own mobile phone as the payment acceptance device

Speed of service delivery

- Faster merchant digital onboarding in 60 minutes
- Queue-busting payment solutions through our partnership with Ezetap; using a pocket-sized mobile card payment acceptance machine, which can scan products and accept payments both in-store or by delivery, without an integrated till system or need for customers to wait in-line

Value-added services

- Customised, sector specific capabilities including Pay-by-link; NOL acceptance[3]
- Data analytics and consumer spending dashboards and analysis
- Merchant lending[4]; facilitating pre-approved business loans, with no lending risk to our business, where repayments to the lender can be settled through online gateway/point-of-sale (POS) payment receivables

ESG strategy introduction

Introduction

The Board plays an instrumental role in leading our strategy on ESG and has ultimate accountability on all ESG related matters. The Board believes that alongside the Group's values, ESG considerations are central to ensuring the business is truly sustainable over the long term, and this can be achieved by embedding ESG considerations in all relevant areas.

During the year we undertook a thorough review of our position on ESG related matters taking into account the evolving legal, regulatory and stakeholder landscape.

The overarching objective of this review was to identify and focus on our role within the responsible business landscape and to develop some refined ESG goals where we can have the greatest sustained positive impacts in a manner aligned with our corporate strategy and our purpose.

As a result of this review we have instituted a more systematic approach to ESG underpinned by a new ESG strategy and supporting execution framework. We have made progress against each of these goals already and over the next year we will continue to further develop our KPIs and supporting data sets to provide increasingly robust short and long-range target setting.

The Board has reviewed and approved the revised ESG strategy and execution framework. While doing this, the Board has focused on the broader ESG implications, including financial inclusion, diversity & inclusion, modern slavery and climate change risk.

Our new ESG strategy and execution framework

Our new ESG strategy is built on four ESG strategic objectives

1 Support the advancement of financial inclusion in the markets where we operate

2 Promote responsible business practices under a robust governance framework

3 Continue to build a well-trained, happier, inclusive, equal and diverse working environment

4 Minimise our environmental impact

We adopt an integrated approach in considering progress against these objectives which are mutually reinforcing of progress against our broader corporate strategy. We believe that this approach is important in managing risk and ensuring that our ESG strategy creates value in the short, medium and long term.

Our ESG objectives are being integrated into the way we do business and to embed the right discipline and behaviours across our organisation we have instituted an ESG execution framework. The tenets of this framework are:

Aspire

Engage with key stakeholders and set ambitious targets against which we expect to be measured. We have published in this report some initial baseline measures and together with our key stakeholders will give more precision to these and ongoing target setting in the coming year.

Measure

Set measurable ESG metrics together with our key stakeholders. This year, we have revisited our ESG KPIs to ensure alignment with our objectives.

Manage

Integrate ESG principles and oversight into our policies and procedures aligned with our ESG strategic objectives, with the aim of embedding behaviours that promote practical progress against them.

Disclose

Provide transparent disclosures against these KPIs in the Annual Report. We commit to expand and update the scope of our disclosures in line with evolution of regulatory and investor requirements in the future.

Unless otherwise stated, all data presented in this ESG section excludes DPO, the acquisition of which completed in September 2021.

Notable areas of progress in 2021

We have continued to advance each element of the strategy during 2021:

- Financial inclusion programmes in Egypt, Malawi and Jordan, with more to follow including leveraging the Mastercard funded digital platform
- We continue to operate a very diverse workforce with over 60 different nationalities represented with continued progress on Board and total workforce female representation. Our recruitment and internal promotion activity is increasingly underpinned by a commitment where possible to local workforces being managed by local people across our operational centres
- We remain committed to operating an ethical supply chain supported by responsible business practices and policies which we have further enhanced this year
- Enhanced data collection and modelling in relation to carbon emissions, giving us increasing confidence in our ability to give an appropriate estimate of our Scope 3 emissions and to responsibly commit to a time frame for net zero emissions in the near future

Impact on our employees

An important benefit of our new ESG strategy will be to give clarity and prominence to our employees on our ESG strategic objectives. We aim to galvanise our employees around these objectives and to develop a positive ESG culture, supporting our employee engagement and motivation levels and enhancing the Group's reputation in the labour market more broadly. Our goal is for all of our employees to take pride and satisfaction in working for a company that is a force for good.

ESG STRATEGY CONT.

Our ESG strategy in summary

	1 Financial inclusion	2 Responsible business practices and robust governance	3 Diversity & inclusion	4 Environmental impacts
Strategic priorities	› Facilitate access to banking/mobile money systems	› Fair treatment of customers and suppliers › Adherence to highest ethical standards › Respect for human rights	› Increase female representation › Increase ethnic diversity › Increase employee engagement	› Reduce Scope 1 & 2 emissions › Estimate and reduce Scope 3 emissions
Tools	› Lower cost acceptance, e.g. via SOFTPOS › Digital platform	› Policies › ESG Risk Framework › Employee awareness and feedback	› Diversity & Inclusion policy › Employee engagement surveys › Learning & Development	› Use of renewables, "where possible" › Carbon offsets
Initial KPIs	› Number of direct to market Micro SME[1] merchants onboarded in Jordan and Africa › Number of net new credentials in countries with limited financial inclusion[2]	› Zero tolerance for fraud and corruption	› Employee turnover rate › Senior Manager[3] level nationalities › % of female representation at Senior Manager level › Training hours › Employee engagement survey	› Gross CO_2 emissions – Scope 1 (tCO_2e) › Gross CO_2 emissions – Scope 2 (tCO_2e) › Carbon intensity per employee › Gross Scope 1 and Scope 2 CO_2 emissions relative to revenue (KGs per $ of revenue) › Scope 3 emissions – business travel[4]
UN SDG alignment	1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	13 CLIMATE ACTION

1 Micro SME merchants defined as those with transaction volumes under USD 1 million.
2 Countries with low financial inclusion defined as those where combined penetration rate of bank accounts or mobile money accounts among adult population is below 50%, based on data sourced via Edgar, Dunn & Company.
3 Senior Manager defined as an employee reporting directly to a member of the Executive Committee (includes Network and DPO).
4 Based on available data for offices in UAE, Egypt and South Africa, together comprising 67% of Group travel spend.

1 Supporting the advancement of financial inclusion in the markets in which we operate

The Group operates in fast-growing markets in the Middle East and Africa (MEA) where economic opportunity and financial inclusion are key government policy objectives. Access to financial services is a critical driver of economic and social development, enabling safe and secure storage and exchange of value, spurring commerce and over time opening up access to credit, insurance and other products that foster economic growth.

We have defined financial inclusion as access to financial services, primarily via access to the banking system, but also via access to mobile money providers.

The Group's activities promote financial inclusion by enabling banks and other institutions to facilitate the issuance of digital payment form factors and to process payments on behalf of their customers, and by enabling merchants to affordably accept payments from consumers via these digital form factors.

We are particularly proud of the success we have had in supporting SME and Micro SME merchants to accept digital payments, given the high social impact of this activity. Reflecting our strategic focus on this segment, the proportion of our total TPV (excluding DPO) processed on behalf of SME merchants has risen from 17% in 2019 to 25% in 2021.

There is inevitably always more that we can do to promote financial inclusion and we are continually adapting our business focus to accelerate the up-take of digital payments, particularly among groups where there is a high resulting social impact. We expect to further develop our programmes over time, targeting two key impacts:

- To enable merchants to accept digital payments, in particular where this has not been possible or economic previously, including by the use of SOFTPOS (Tap-on-Phone technology), and especially among SME and Micro SME merchants; and
- To enable individual consumer customers of our bank customers to make digital payments, in particular where this has not previously been possible.

Progress during 2021

- Defined financial inclusion agenda and initial KPIs against which we will measure progress
- Advanced plans to launch Tap-on-Phone acceptance offering in Egypt, weighted to SMEs and Micro SMEs, and other financial inclusion programmes in Malawi and Jordan (see case studies overleaf)

Initial KPIs

Network KPIs	2021 baseline
Number of direct to market Micro SME merchants onboarded in Jordan and Africa	2,305[1]
Number of net new credentials in countries with limited financial inclusion	611,999

1 Comprising 0 onboarded in Africa and 2,305 onboarded in Jordan.

Focus areas for 2022

- We will explore additional use cases for the Mastercard funded digital platform that can promote financial inclusion in our markets
- Depending on the success of our Egyptian Tap-on-Phone launch we will consider whether to replicate this programme in other geographies, focusing on high impact SME and Micro SME merchants
- We will institute a financial inclusion policy to codify our approach

Financial inclusion case studies:

Progress in 2021 is outlined in the key initiatives underway across the Group that are particularly high impact in terms of promoting financial inclusion, highlighting features of these programmes that have been implemented to bring about particular socially beneficial outcomes.

In 2022, the Group will commit aggregate combined OPEX and CAPEX to these programmes in excess of USD 5 million. This list of initiatives is non-exhaustive and designed to give a flavour of activities pursued across the Group with a financial inclusion impact.

Tap-on-Phone in Egypt

Description

In 2022 the Group will launch acquiring services to merchants in Egypt via partner banks, through a payments facilitation model. The service will be delivered in part using a Tap-on-Phone (also known as SOFTPOS) acceptance solution, allowing merchants to accept payments via an app on a smartphone. Avoiding or reducing the need for a hardware terminal eliminates significant expense and makes digital payments acceptance economic for the first time for many smaller merchants, improving convenience and supporting livelihoods. The Group will be one of the first SOFTPOS acceptance solution providers in Egypt. We will exclusively target smaller merchants (with annual volumes of up to USD 200,000/EGP 3.14 million per annum), who are less likely than larger merchants to be current or previous adopters of digital payments acceptance.

Financial inclusion impact

Digital payments penetration rates in Egypt remain very low by international standards. Transactions via digital payments amounted to 25% of total transaction volumes in Egypt in 2020. The Group expects that a substantial proportion of merchants onboarded to its Tap-on-Phone proposition will be accepting digital payments for the first time. By offering a Tap-on-Phone acceptance solution that is up to 15x cheaper than equivalent terminal hardware, the Group will digitally enfranchise SMEs and Micro SMEs for whom terminal rental fees have been uneconomic. To access our digital acceptance services, merchants will need to open bank accounts. The Group will assist with this process. As a result, not only will these merchants be able to accept a greater volume of payments by more diverse means, increasing their turnover and profitability, they will also form banking relationships enabling them over time to access credit and other products, with the effect of spurring investment and economic growth in Egypt more broadly. In 2022, the Group expects to complete the infrastructure build and onboard 5,000 merchants, of which approximately one third are expected to be entirely new to digital payments acceptance.

Group's commitment

In 2022 we will invest to support this initiative, including completing the SOFTPOS build and integration, and the recruitment of a team of sales agents to market to and onboard target merchants. Our innovative acceptance offering will be broad-based across payment types, to include a QR solution and wallet acceptance, alongside traditional cards.

Consistent with our strategic roadmap, over time we intend to launch similar SOFTPOS-driven acceptance initiatives in other jurisdictions, either directly or in partnership with local financial institutions. We will examine the potential to structure these programmes in a way that maximises the financial inclusion impact wherever possible.

Supporting the financial inclusion of unbanked citizens in Malawi via a branchless digital offering

Description
During 2022 the Group intends to partner with NBS Bank, a mid-sized retail bank in Malawi and a longstanding client/partner, to enable the onboarding of unbanked citizens via a branchless offering that harnesses the Group's digital platform. The digital platform was created in partnership with our co-investment from Mastercard as part of our core strategy. The Malawi use case for this platform is a good example of how the Group is applying our core strategy to drive positive financial inclusion outcomes.

Financial inclusion impact
Malawi is one of the poorest countries in the world, with a population of 19 million and GDP/capita of USD 637 (2020), despite having made significant economic and structural reforms to encourage growth. Only 40% of adults in Malawi are financially included (defined as "using financial institutions"). There are 493 ATMs (as at March 2021) in the country, and 2,854 (as at December 2020) points of sale that accept card payments. Like many banks in Malawi, NBS Bank faces a challenge reaching customers in remote areas. Using a new digital platform Network launched last year, NBS Bank in Malawi will issue a Mastercard virtual card that will enable its customers to make a wide range of e-commerce payments to merchants that accept Mastercard locally and internationally.

Group's commitment
We are examining the potential to commit to similar programmes with other banks in Malawi, and to leverage our digital platform investment for use in other jurisdictions where similar challenges exist.

Promoting financial inclusion in Jordan

As the market leader in Jordan for acquiring and processing services, the Group is in a strong position to advance financial inclusion. GDP/capita in Jordan was USD 4,283 in 2020 and rates of financial inclusion remain relatively low by comparison to the Middle East region, with digital payments accounting for 22% of total transaction volumes in 2020. The Group is supporting numerous initiatives to advance financial inclusion in the country, two of which are described as follows:

a. Collaboration with Jordan Payments and Clearing Company (JOPACC), enabling account to account payments

Description
The Group is currently working with CliQ (the Jordanian Instant Payment System) and Jomopay (Jordanian mobile payment switch) to enable account-to-account payments via wallets. The programme is expected to go live in Q2-2022.

Financial inclusion impact
The objective in supporting this programme is to assist the Jordanian Government and NGOs to support the use of mobile wallet payments by sections of the population who are currently unbanked, including low income and refugee communities.

Group's commitment
The Group is investing c.USD 200,000 to build the platform that will be used to integrate with CliQ, upgrade all existing Point of Sale terminals and revamp back-end operations to support the new account-to-account payment mechanism.

b. Issuance of pre-loaded cards to lower income groups

Description
The Group supports the Jordanian Government (Royal Hashemite Court) in a social initiative where twice a year pre-loaded cards are distributed to low-income individuals for use in two marketplaces – the Military marketplace and the Civil marketplace (army related marketplaces) – to buy certain goods.

Financial inclusion impact
Approximately 60,000 lower income individuals benefit from this initiative. Beyond the immediate benefit of efficiently delivering funds to disadvantaged citizens to purchase certain goods (mainly groceries and food) the programme introduces many citizens to digital payments for the first time, encouraging adoption amongst the financially excluded.

Group's commitment
Reflecting the benefits to financial inclusion, the Group provides the issuer processing services supporting this programme for a nominal fee.

2 Promoting responsible business practices under a robust governance framework

The Group recognises the importance of operating responsibly and with the highest ethical standards as we seek to advance our business objectives.

We define responsible business behaviour broadly to include, for example:

Business ethics:

- Treating customers fairly;
- Operating a reliable, resilient and ethical supply chain; and
- Respecting human rights and labour standards in all our operations and markets, across staff and suppliers.

Social:

- Promoting equality, diversity and inclusion and ensuring fair treatment of all employees (refer to ESG strategic objective 3 from page 38).

Governance:

- Embedding ESG considerations in all activities of the Group;
- Being transparent about taxes, levies and duties due in the jurisdictions in which we operate; and
- Playing our part in protecting payments systems from fraudulent actors and cyber threats.

We are cognisant that we conduct business in jurisdictions where there are substantial growth opportunities, but where in some cases the risks surrounding financial crime and unethical or irresponsible business practices are elevated. We understand the need for a robust culture, policy framework and governance architecture to mitigate against these risks and to promote ethical business practices.

Further details of our governance framework are included below and in the corporate governance section of this Annual Report from page 100. The Board is responsible for providing oversight and direction on all facets of the Company's operations and in applying the Code of Conduct, which applies to staff, management, and the Board.

Progress during 2021

- Enhanced our Whistleblowing arrangements and taken steps to increase awareness of our confidential facility amongst all employees
- Enhanced the annual training given to all employees in respect of:
  - anti-bribery, anti-corruption and anti-money laundering policies; and
  - the implementation of 'know your customer', standard due diligence and enhanced due diligence procedures
- Further strengthened our risk culture, which had been enhanced by the roll out of our Enterprise Risk Management Framework (ERMF) in 2020 and the early part of 2021, by conducting risk assessments in each country/market in which we operate and conducting regular assurance reviews, complemented by selected internal audits, to ensure that our policies are effective. Remedial action has been taken overseen by the Enterprise Risk Management Committee (ERMC) and Audit Committee
- Commenced the execution of a detailed programme to fully integrate our strong governance standards into DPO upon completion of the acquisition

- Further progressed our People agenda by developing and engaging our employees on a revised set of values, which underpin the execution of our revised strategy and continued our strong engagement mechanisms with all our stakeholders and particularly our employees, offering support to them as they returned to the workplace as government restrictions in relation to the COVID-19 pandemic were lifted
- At Board level, the creation of a new Risk & Technology Committee, separate to the Audit Committee, strengthening the Board's oversight of risk and the Group's culture of risk management

Focus areas for 2022

- We are focused on continuing to embed ESG across all areas of the business, building capabilities, capacity and improving how we measure and disclose our progress on ESG
- We will perform assessments of our business operations and the markets that we operate in, to identify the climate risks and build capacity in the front-line business teams to manage climate risks as a part of usual business operations
- We will perform assessments of third-party vendors on ESG risks and remediate based on our policies
- We will devise remediation plans for adverse climate risk scenarios based on the level of the risks
- We will prepare in advance for the regulatory requirements and mandates which will come into force in the future

Initial KPIs

At the highest-level the Board has accepted management's proposal that progress against this ESG strategic objective will be assessed against a zero tolerance position in relation to fraud, corruption and abuses of human rights. The Board will continue to monitor action taken by management under this zero tolerance policy in exposure to any breaches that come to light either from the business or its customers and suppliers.

In addition, we will track and take into account the following metrics.

Network KPIs	2021 baseline
Customer complaints	1,018
Number of ESG Board/ Board Committee meetings	3
Ethical supply training % completed	Under development
Employees' views on human rights record based on engagement survey	Under development
Fines for unpaid or overdue taxes	Nil
% of employees aware of whistleblowing options including Safecall hotline	94%

General approach to ESG governance and risk framework

Management is responsible for the delivery of our ESG strategy under the oversight of the Board. The Board will continue to play an instrumental role in leading and supervising the delivery of our ESG strategy by management. The refined ESG strategy was considered by the Board on three separate occasions in 2021 and during 2022 the Audit Committee will be made responsible for overseeing the further development of longer-term ESG KPIs with a specific focus on the quality of ESG reporting and its verifiable, repeatable and objective nature. This is in addition to its specific requirements under the Task Force on Climate-related Financial Disclosures (TCFD).

Our overall risk management approach is built on our risk appetite and implemented Company-wide through the ERMF. The ERMF helps the Group to proactively respond to changes in our business environment, whilst supporting our strategy of increased transparency and simultaneously creating value for our shareholders and our wider stakeholder base (more information on our risk approach is on page 85). Our ESG approach is integrated in our risk framework in the following ways:

- Close interaction between the policy owners and the Risk function to identify and manage ESG-specific risks;
- Close monitoring of the impact of climate change across our operations and calibrating our response in line with evolving regulations; and
- Regular review of the management of ESG risks by the Board in the context of the overall ESG strategy and execution framework.

We recognise that the establishment of our refreshed ESG strategy and execution framework is an important step in validating our commitment as a responsible Company. The Group is in regular communication with our clients, governments, supply chain, investors, and the wider public to gather feedback on a range of business and operational issues, including perspectives on our ESG strategy and execution framework. We will be in regular communication with our stakeholders on how the framework could be further strengthened in the years ahead.

In addition, Internal Audit will continue to review the risk management framework in 2022 providing independent assurance on the embedding of management of ESG across all lines of defence.

Business ethics:

Policies and procedures

The Group is committed to applying the highest ethical standards. This commitment is established in our Code of Conduct, which requires all our employees and any third parties acting on behalf of the Group to act ethically and in full compliance with all applicable laws and regulations. All employees receive annual refresher training on the Code of Conduct and related policies. Our approach to business ethics is further set out in a range of supporting policies (not published externally). This includes our:

- Anti-Bribery and Anti-Corruption Policy;
- Sanctions Policy;
- Anti-Money Laundering/ Counter Terrorism Funding ('AML/CTF') Policy;
- Conflicts of Interest Policy;
- Market Abuse Regulation ('MAR') Manual;
- Whistleblower Policy; and
- Modern Slavery Statement.

We strengthened our compliance procedures through the launch of a confidential and anonymous 24-hour whistleblowing hotline and related online reporting channel in 2020, operated by an independent third party. Pleasingly over 90% of staff are now aware of the ability to speak up on any unethical behaviour or wrongdoing including through this service and feel able and willing to do so. Employees can also continue to raise concerns via a direct telephone line to our Chief Risk Officer and Group Company Secretary. These channels enable employees to safely raise concerns about actual or potential fraud, malpractice, or wrongdoing and without fear of reprisal. In addition to business ethics, these channels accept concerns related to any other matter that employees feel is unacceptable in the workplace. Our approach to business ethics is described in more detail in the Corporate Governance Report on page 100.

Complaints

We reviewed all customer complaints to consider whether these complaints highlight any indication of potential wrongdoing and to ensure that we are treating our customers fairly and that their experience of our products and services is consistent with our commitments to them. In 2021, the number of customer complaints (excluding DPO) was 1,018, a 14% reduction on 2020 and well below our KRI threshold of 2,600. Top categories of complaints were due to service disruptions and delays in delivery of new capabilities to customers. We closely monitor all customer complaints with a clear focus on root cause analysis and ensure that remediating actions are taken to prevent recurrence.

Human rights

Internal

The Group is committed to respecting fundamental human rights and labour standards. Whilst we do not have a standalone human rights policy, we have implemented a range of policies that support these commitments. These include our Code of Conduct and Whistleblower Policies. We will be adding a question on the Group's respect for human rights to our employee engagement survey in order to measure the perspectives of our own people on how we are doing in this regard.

External

In addition, our human rights requirements are embedded within our Group Procurement Policy, as well as our Vendor Code of Conduct. These require suppliers to demonstrate that they provide safe working conditions, treat workers with dignity and respect and apply ethical and legal employment practices. Violations of the Vendor Code of Conduct will lead to the termination of our relationship with a supplier.

The Group operates a zero-tolerance approach to modern slavery and human trafficking. We do not employ bonded, forced or compulsory labour and would never knowingly support or do business with any organisation involved in these issues and we take active steps to ensure our high standards are maintained, including via our revised Group Procurement Policy. Based on the nature of our business and the goods and services we procure from third-party suppliers – the majority of whom are in the technology and/or payments sectors – we assess there to be a low risk of modern slavery and human trafficking in our supply chains.

We assess this risk on an ongoing basis through due diligence undertaken on all suppliers prior to engagement – and, periodically, throughout the contract term – as set out in our Group Procurement Policy and Vendor Code of Conduct. We also undertake periodic on-site audits on a number of suppliers. Finally, we include standard terms in all our contracts to reinforce our opposition to modern slavery and human trafficking.

In future, we plan to expand our mandatory compliance training programme to include awareness training for employees involved in supply chain management.

For further details, see the link to our Modern Slavery Statement at: network.ae/en/contents/view/modern-slavery-act

Governance:

Taxes

Taxes are an important part of the Group's social contributions. The Group has developed a robust tax governance framework to ensure the Group obeys both the letter and spirit of tax laws and regulations and pays the due amount of tax in all jurisdictions in which it does business.

The Group adopts a low appetite for tax risks, which is also factored in the Group's business strategy and assessment of all new opportunities. It operates a model that aims to maximise shareholder value in the most efficient and socially fair manner.

The control processes adopted ensure timely filing of returns based on local tax laws and regulations in countries in which we operate, and with a monitoring system that aims to be updated on any changes in local tax rules.

The Group regards taxes as an important part of its social contribution and communicates tax matters to all stakeholders in a clear, responsible and consistent manner in a way that enables evaluation of the Group's tax matters by relevant stakeholders.

The above matters are covered through the Group's Tax Policy Framework, which sets the principles and procedures pertaining to tax risk management and processes throughout the whole tax cycle to ensure sufficient tax governance and transparency.

3 Building a well-trained, happier, inclusive, equal and diverse working environment

People are at the heart of our business and are instrumental to the delivery of our corporate strategy and our ESG strategy. We promote the fair treatment of all our staff and we believe that diversity and inclusion are key drivers of innovation, creativity, and equity.

We have operations in 57 countries (including DPO) and benefit from a highly diverse international workforce. We emphasise the need for our local offices and sales forces to be led where possible by local people with connections and expertise specific to the market in which they operate. Accordingly, our employee base reflects the diverse cultures we work in and our varied client base, with 63 nationalities represented today (including DPO) versus 66 in 2020, and 19 at Senior Manager level (includes Network and DPO).

We continue to invest to promote gender inclusion, enhance levels of employee engagement and improve learning and development opportunities for our employees. Responding to a key area of feedback from our 2021 employee engagement survey, we will devote particular attention this year to training, carrying out a comprehensive Training Needs Analysis (TNA) exercise to identify gaps in our provision.

Our policies

Our Equality, Diversity & Inclusion Policy mandates that all employees must be treated fairly irrespective of age, gender, race, national or ethnic origin, religion, language or physical ability.

Our Employee Charter commits us to providing a working environment for our people that offers equal opportunities, competitive terms of employment, safe working conditions, and effective communication and engagement.

Other relevant policies

- **Code of Conduct** – guides employees on the Group's requirement to exemplify the highest standards of conduct and ethical behaviour and comply fully with all applicable laws and regulations. The Code of Conduct covers third parties including our suppliers, who are also required to abide by this code and exemplify the same high standards expected of our employees
- **Health and Safety Policy** – covering guidance on occupational health and safety management standards and best practices
- **Whistleblower Policy** – framework/mechanism for reporting, by employees or external parties, of information concerning wrongdoing, including in relation to:
  - Breaches of the Group's internal policies and procedures;
  - Breaches of legal and regulatory requirements;
  - Breaches of the Group's Code of Conduct;
  - Corruption, Bullying, Victimisation, Bribery, Harassment, Market Abuse; and
  - Any other actions that may bring the Group into disrepute, including money laundering and other criminal acts committed by employees.

Progress during 2021

- Continuing focus on appointing management teams that are local to our areas of operation
- Initiatives to promote gender equality, including support of the 2021 Women of the Future Summit (described in the case study below) and other initiatives
- Continuing emphasis on employee engagement through investing in external, anonymous employee surveys

Initial KPIs

Network KPIs	2021 baseline
Employee turnover rate[1]	7.9%
Training hours[1]	27,073
Employee engagement survey[1]	65%
Senior Manager level nationalities[2]	19
% female employees at Senior Manager level[2]	25%

1 Network.
2 Includes Network & DPO.

Focus areas for 2022

- Training Needs Analysis exercise
- Bullying and sexual harassment. We are holding a programme for all employees in H1-2022 on "Prevention of Bullying and Sexual Harassment by a vendor"
- Leadership and team solidarity. In conjunction with a leading business school we will be running a "Developing and Leading High Performance Teams" training programme in H1-2022, focusing on how to develop team solidarity, "followership", and broad support for change throughout the organisation

Focus on diversity and inclusion

We actively promote gender inclusion to ensure that women have a voice and representation at all levels of the organisation. Internal programmes in support of this objective include:

- Female empowerment programmes such as 'This Girl Can' and the 'Woman of the Year' summit;
- The Beacon Award to celebrate and recognise star women performers; and
- Maternity and paternity benefits and a flexible work culture to help young parents.

The table below indicates the proportion of female representation across Network and DPO:

		2021 baseline			
Category		Male (2021)	Female (2021)	% Female (2021)	% Female[1] (2020)
Total workforce		1,249	523	29%	28%
Board of Directors		7	3	30%	27%
A:	Executive Management Team	9	3	25%	30%
B:	Senior Managers	57	19	25%	27%
A+B:	Executive Management Team and their direct reports	66	22	25%	27%

1 The female percentage for 2020 has been restated to include DPO.

The Group operates diversity and inclusion training modules. These were completed by 100% of our employees in 2021[2]. There is no requirement for a target as we have already achieved 100% participation.

The Group operates in ongoing compliance with Emiratisation legislation in the UAE and with Broad-Based Black Economic Empowerment (BBBEE) legislation in South Africa.

2 Excluding DPO.

Women of the Future Summit 2021

Context: The Women of the Future Programme is a platform promoting a culture of kindness and collaboration among leaders. Its annual summit is a global forum for current and future leaders, aiming to provide practical perspectives and insights as well as inspiration and networking opportunities to its delegates.

In 2021, 27 female colleagues represented the Group at the Women of the Future summit. This year's agenda was 'Nourishing Our Next Generation Leaders'. Over the course of the summit, the delegates heard senior-level views on giving support to next-generation female leaders around the world. Adventure sports and TV personality Bear Grylls addressed the delegates about the 3 Fs required for success in life – Failure, Fear and Fire.

One of the delegates, Sowmeya Swaminathan, VP & Head of Business Planning & Analytics, described the summit as "Inspiring, insightful and empowering". The session by Dr. Claire Kaye on assembling a leadership tool box helped her to understand the values she brings to the table. She also valued the sessions focused on "Leading with Character and Purpose". She has been using the lessons from the summit in her workday to help manage change effectively. To be on a platform with women leaders and learn that everyone goes through imposter syndrome was freeing and empowering to her. The quote that stays with her from the event is "You are the sky – everything else is the weather".

Employee engagement

We invest in annual independent anonymous employee engagement surveys because we believe these are a critical tool to measure levels of employee satisfaction and inform changes necessary to improve motivation levels. Equal treatment of employees and the promotion of diversity and inclusion are critical drivers of employee engagement levels and so we regard the outcomes of these surveys as an important indicator of the progress we are making in this area.

2021 Key HR performance highlights

65%
Employee engagement score excluding DPO (2020: 73%, 2019 (Pre-COVID-19): 65%)

7.9%
Employee turnover rate excluding DPO (2020: 3.8%, 2019 (Pre-COVID-19): 7.1%)

63
No. of nationalities represented in our Group-wide workforce

We recorded a participation rate of 83% for our 2021 employee engagement survey. The satisfaction score was 65%. While the Group performs significantly better in addressing employee concerns and needs as against peers in the Gulf Cooperation Council, Commercial Banks, Middle East and Africa and FinCos, its score is down 8 points on the score for 2020. This fall in 2020 is consistent with patterns seen globally, reflecting very high scores in 2020 when senior leaders were more visible and accessible in part due to the impacts of the pandemic. The number one area of concern expressed by the Group's employees was Learning & Development.

To address this in 2022 we are conducting a Training Needs Analysis (TNA) to identify the training required across our organisation to assist with execution of our corporate strategy.

The organisation-wide TNA will identify the training needed to achieve the goals at the Group, department and region levels. The training for individuals will enhance their performance and help them to build careers with us. The TNA will also provide the foundation for strengthening the culture at all levels by identifying a three-year roadmap of culture building training and other interventions. Our Executive Committee (ExCo) is also developing a Learning & Development (L&D) Centre of Excellence, systematically upgrading the technical, managerial and leadership skills of employees through high-impact training programmes and developing standardised modules on various topics customising content specific to the Group.

Learning & development

Learning & development is a key element of employee engagement. Our Learning & Development model is based on a '70-20-10 Learning Model'. This is a blend of on-the-job learning (70%), mentorship (20%), and formal training programmes (10%). These programmes help our Company remain competitive.

Training is divided across four major categories: leadership, behavioural skills, technical/domain skills and mandatory training. While we achieved 100% coverage of employees[1] in each of 2019, 2020 and 2021, 2020 saw a decline in the total number of training hours due to the adverse impact of COVID-19. We regained pre-pandemic levels of training in 2021 and are looking at more concerted efforts to make our training more impactful.

Training metrics:

Employee training	2021	2020	2019
No. of staff trained[1]	1,351	1,309	1,309
No. of training hours	27,073	11,879	21,040

1 Excluding DPO.

4 Minimising our environmental impact

We acknowledge the scientific evidence that climate change is having a tangible and negative impact in our markets, including through the intensity and frequency of natural disasters.

We have enhanced our emissions disclosure this year and we are taking steps to understand our exposure to climate risks and opportunities, and report on progress annually.

As a digital payment solutions provider in the Middle East and Africa, the Group does not have an extensive environmental footprint. Combined Scope 1 and 2 emissions amounted to c.1,000 tons in 2021. Notwithstanding this, we are committed to reducing the environmental impact of our overall operations as it contributes to the wellbeing of our employees, customers and suppliers.

Net zero
We have historically disclosed only Scope 1 and 2 emissions. For the first time this year we are also disclosing Scope 3 emissions relating to business travel only (see table below).

The Board is overseeing work to enhance our data collection processes and build a modelling framework to enable us to appropriately estimate total Scope 3 emissions. This year we have created an internal carbon model to measure and forecast our emissions. Over the next twelve months we will work with our customers and suppliers to collect further data and to improve the sophistication of this model. Depending on the availability of customer and supplier data, and the evolution of modelling best practice, we will consider disclosing an estimate of total Scope 3 emissions in our next Annual Report.

This work should enable us to responsibly provide a timebound commitment to reach overall net zero emissions (Scope 1, 2 and 3) in the near future. We are confident that we will be carbon neutral on Scope 1 and 2 emissions before 2030.

Environmental Management Policy
During 2021, in support our ESG strategy execution framework, we carved out a separate Environmental Management Policy from our Health Safety, Environment Policy. The new standalone policy was updated, setting out the objectives, scope, measurement, and governance of Company-wide activities. Through this policy we commit to responsibly managing our environmental footprint, including via the timely capture of data and measurement of our performance, including in relation to more efficient energy usage. We will adapt the revised policy over time having regard to evolving best practice. The Health and Safety Policy remains a standalone policy focused on the Company's commitment to and management of staff welfare and safety.

Focus areas for 2022
- Further refinements to our carbon model, working with suppliers and customers to potentially enable disclosure of full estimated Scope 3 emissions
- Development of climate transition scenarios
- Positive progress against environmental KPIs

1 Scope 2 includes emissions from Network's consumption of purchased electricity (KWhr). The methodology used to calculate Scope 2 was the product of 'electricity consumption' (KwHr) of all local offices in different countries' multiplied by 'the Emission Factor for that relevant country' (derived from IEA.org – Emission factors aggregator report). The results were summed to arrive at Group-level emissions.
2 In respect of UAE, South Africa and Egypt,together representing 67% majority of our travel spend.

Initial KPIs

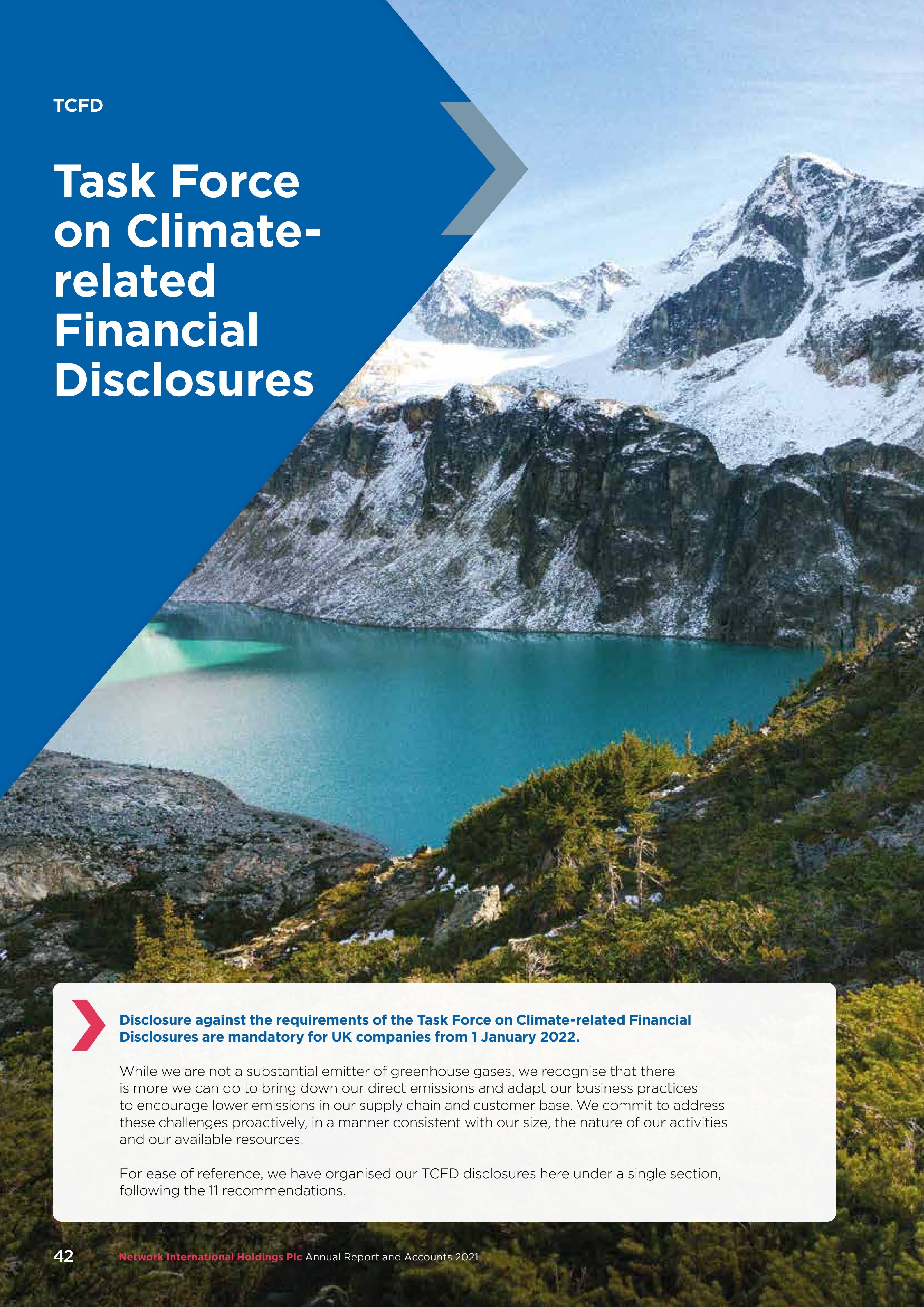
Network KPIs	2021 baseline
Gross CO_2 emissions – Scope 1	Nil
Gross CO_2 emissions – Scope 2[1]	1,007 tons
Gross Scope 1 and 2 CO_2e emissions relative to revenue ($KgCO_2$/\$m revenue)	0.003 Kg CO_2 per dollar of revenue
Carbon intensity (Scope 1 and 2) per employee	0.8 tons of CO_2 per employee p.a
Gross CO_2 emissions – Scope 3 business travel[2]	507 tons CO_2

The KPIs to the left are those that will be tracked based on our current assessment of the most impactful measures. We will continue to evolve our thinking and may make additions/changes.

In addition, water consumption in 2021 was 1,120,305 gallons (this is the first year we have collected data on water usage). We recycled 2.6 tons of waste in 2021 from our UAE offices (recycling data for our other offices is either not available or not significant). We consumed 2,188,719 KwHr of electricity in 2021 compared to 1,954,132 KwHr in 2020.

Task Force on Climate-related Financial Disclosures
Further disclosures in relation to TCFD are included from page 42.

Task Force on Climate-related Financial Disclosures



Disclosure against the requirements of the Task Force on Climate-related Financial Disclosures are mandatory for UK companies from 1 January 2022.

While we are not a substantial emitter of greenhouse gases, we recognise that there is more we can do to bring down our direct emissions and adapt our business practices to encourage lower emissions in our supply chain and customer base. We commit to address these challenges proactively, in a manner consistent with our size, the nature of our activities and our available resources.

For ease of reference, we have organised our TCFD disclosures here under a single section, following the 11 recommendations.

Below are the details for the TCFD disclosures and status of compliance on a "comply or explain" basis.

Governance

	TCFD Disclosures	Group Approach
1.	**Board's oversight of climate-related risks and opportunities**	The Board has ultimate accountability for all climate change risk-related matters and has delegated the risk oversight to the Risk & Technology Committee. Climate change risk was classified as an emerging risk for the Group for 2021 and continues to be classified as such for 2022. Emerging risks have the potential to increase in significance and affect the performance of the Group and, as such, are continually monitored through our existing risk management processes by risk owners at all levels of the Group. The outputs of these processes are reported to the Risk & Technology Committee and, through the Committee, to the Board of Directors for its review and assessment. During the year, the Board discussed the importance of climate changes to the Group's investors, and the noticeable increase in ESG-focused conversations. The Board has, after carefully reviewing the revised ESG strategy and execution framework (including the environmental pillar), approved the conclusions. The Board also discussed the broader ESG implications, including diversity & inclusion, modern slavery and financial inclusion, as well as climate change risk. The Board attended a dedicated ESG learning session covering: › ESG compliance and its impact on climate; › Focusing on financial inclusion and diversity & inclusion, and Board oversight over the policies; › The implications of and the risks and opportunities presented by, climate change for the Group's business; and › The changing expectations of the Group's investors and regulators, and the role of the Board. In the context of the refreshed ESG strategy and execution framework, the Group reviewed its overall management of its environmental footprint during the year. Steps taken included the introduction of a new Environmental Management Policy, with the objective of responsible management of the Group's limited emissions, and the creation of a carbon model to accurately capture and forecast emissions over the medium term.
2.	**Management's role in assessing and managing climate-related risks and opportunities**	

Strategy

	TCFD Disclosures	Group Approach
3.	**Climate-related risks and opportunities the company has identified over the short, medium, and long term**	The Group is at an early stage in assessing the short, medium and long-term climate-related risks and opportunities for its business model. The Board will advance analysis this year to support a preliminary view on these risks and opportunities, with the intention of articulating our approach in the subsequent twelve-month period.
4.	**Impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning**	The Group operates in fast-growing markets in the Middle East and Africa which are vulnerable to climate-related risks. We recognise the negative impacts of climate change and have taken steps this year to manage the risks through a new Environmental Management Policy and a carbon model which tracks and forecasts our emissions. As described above, over the next twelve months the Board will advance analysis to support an initial view on climate-related risks and opportunities and commits to articulate a sense of the impact of these risks and opportunities on our businesses, strategy and financial planning over the next twelve-month period.
5.	**The resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**	Management is monitoring commitments and actions taken by countries in our markets and will calibrate our scenario planning accordingly. More generally, the Group's business model of facilitating the journey from cash to digital payments is climate friendly as it will reduce paper, energy, and plastic consumption over time.

TCFD disclosures

Risk

	TCFD Disclosures	Group Approach
6.	The company's processes for identifying and assessing climate-related risks	Climate change risk-related key risk indicators (KRI) were developed based on the key performance indicators (KPI) to be monitored on a quarterly basis. Risk and control self-assessment (RCSA) standards will be documented for climate change-related risks and will be tested quarterly.
7.	The company's processes for managing climate-related risks	The Group took significant steps during the year to strengthen and manage climate-related risk mitigations. An updated Environmental Management Policy was introduced which acknowledges the negative impacts of climate change. Oversight of climate-related initiatives and risks vests with the Risk & Technology Committee and ERMC, including discussion of risks and opportunities. Our risk taxonomy will be updated to include climate-related risks which will enable risk reporting at a more granular level.
8.	How processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management	Our Group risk appetite statement was updated to reflect our refreshed ESG approach and commitment for its implementation. Climate change-related risk is included under the ERMF as an emerging risk. Climate-related risks will also be considered for strategic decision-making as part of our ERMF.

Risk/ opportunity type	Description	Our approach
Risks		
1.	Risk that our ESG strategy and execution framework may not be appropriately aligned with the TCFD requirements.	The Board will be periodically updated on the ESG strategy and execution framework, and our compliance with regulatory requirements. More generally, the Group has onboarded an ESG subject matter expert and will consider strengthening its approach in building the Group's ESG strategy and execution framework.
2.	Risk that climate-related risks may have implications for the Group's principal risks.	Our principal risks will be further assessed through a climate-related risk lens, and risk profiles will be updated for any material issue. Our risk taxonomy will also include climate-related risks, which will enable risk reporting from the bottom up.
3.	Risk that there is inappropriate governance oversight on the implementation and monitoring of TCFD requirements.	Our progress on TCFD is monitored at BRTC and ERMC on a quarterly basis. Also, our ESG strategy and execution framework are reviewed by the Board annually.

Metrics and targets

	TCFD Disclosures	Group Approach
9.	**The metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process**	These metrics are the KPIs set out under the "Minimising our environmental impact" section of this Annual Report at page 41.
10.	**Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks**	Scope 1 and 2 emissions in 2021 amounted to Nil tons and ≈1,007 tons respectively (10% increase from 2020 in Scope 2 emissions). These data do not include emissions for DPO, the acquisition of which was completed at the end of September 2021. DPO emissions will be included in our Scope 1 and 2 disclosures for 2022, the first full year of ownership. For the first time this year we are disclosing Scope 3 emissions relating to business travel. Business travel emissions by staff from UAE, Egypt and South Africa (together representing 67% majority of our travel spend) were 507 tons of CO_2 in 2021. Disclosure of the other components of Scope 3 emissions related to suppliers and customers is more challenging for the Group given the nature and size of our counterparties, the jurisdictions in which we operate and the availability of data. This challenge is more acute on the take payments side of our business where we have over 154,000 merchants across the Middle East and Africa, many of which are SMEs or micro SMEs. (*Includes Network Direct to Merchant & acquiring processing customers and DPO.) The majority of these customers do not record emissions data. However, we anticipate that practices around collecting or estimating such data will improve over time, and in some of the markets where the Group operates customers and suppliers may adopt these practices more slowly than in more developed markets. As these improvements occur we will further develop our carbon model to make informed estimates of our Scope 3 emissions applying appropriate assumptions where gaps in data persist. Over the coming twelve months we will consider what data we can request of our customers and suppliers to assist with this modelling analysis, and develop appropriate assumptions. We will update the market on our Scope 3 disclosure policy in the subsequent twelve-month period.
11.	**The targets used by the company to manage climate-related risks and opportunities and performance against targets**	Over time, we target an improvement in our climate-related KPIs. There is more that we can and will do to bring down our greenhouse gas emissions over time. Our new Environmental Management Policy is designed to drive behaviours among our employees consistent with this objective. We disclose Scope 1 and 2 emissions and elements of Scope 3 emissions relating to business travel. We are establishing appropriate data collection processes and a modelling framework enabling us to appropriately estimate total Scope 3 emissions. This should allow us to responsibly provide a timebound commitment to overall net zero emissions targets in the near future. We are confident that we will be carbon neutral on Scope 1 and 2 emissions before 2030. Carbon markets and the use of carbon offset credits may form an element of any future emissions target or commitment entered into by the Group. We expect that over time carbon markets will develop so that it is possible for companies to become carbon neutral (neutralising residual internal emissions), partly through the purchase of carbon offset credits. In the interim, the Group will continue to manage its carbon footprint responsibly. We introduced a new Environmental Management Policy in 2021 and an internal carbon model to forecast and ultimately better manage our future emissions. Our approach will evolve based on our strategy and regulatory and investor requirements.

Our engagement with major stakeholders

Merchants

>154k
diverse merchant relationships

Description and importance
Our 'Merchant' customers include businesses ranging from SMEs to multinationals, in all fields of commercial life. They are essential for driving economic growth and prosperity.

Their priorities
- Innovative products and services
- Multiple options to receive payments
- Affordable and competitive pricing
- Excellent customer experience

How we engage with them
- Putting the customers at the heart of the decisions we make
- Contract discussions and account management
- Interaction and reviews by relationship managers
- Hosting local conferences
- Product testing
- Dedicated 'Voice of Customer' team and customer support helpline
- Net Promoter Score assessment

Strategic actions and decisions
- Real-time access to customer account through digital platforms
- Continued support to SME customers in transitioning their businesses online
- Development of innovative products
- Product stewardship and quality standards
- Clear and accurate product information
- Multiple payments solutions
- Range of value-added services

Outcomes/strategic impact
- Expansion of customer base
- Retention of customers over long term
- Increased customer confidence
- Higher Net Promoter Score
- Consolidation of leadership position across geographies

Operating Review P56,58

FIs, Fintechs, MNOs

200+
financial institutions and fintech customers

Description and importance
Our 'financial institution' customers include large pan-regional and smaller single country banks and fintechs, who provide the rails for the business we are in.

Their priorities
- Innovative products and services and latest technological enhancements
- Competitive pricing and good value
- Security against fraud
- Timely delivery of solutions
- Excellent customer experience

How we engage with them
- Putting the customers at the heart of the decisions we make
- Contract discussions and account management
- Understanding growing business requirements
- Interaction and reviews by relationship managers
- Senior management engagement with customers
- Dedicated 'Voice of Customer' team
- Net Promoter Score assessment

Strategic actions and decisions
- New and innovative products to enable customers to provide enhanced services to their consumers
- Continuous technology enhancements
- Providing the right solutions to match the customers' requirements
- Acceptability of customer payment credentials over multiple platforms
- Assisting issuer customers with more efficient customer onboarding, and support for easy-to-use payments solutions such as digital wallets
- State of the art information security mechanisms
- ISO certifications, multiple security audits and performance reviews

Outcomes/strategic impact
- Expansion of customer base and retention over long term
- Expansion of services over customers' geographical footprint
- Maintaining leadership position across geographies
- Increased customer confidence
- Improvement in Net Promoter Score

Operating Review P56,62

Colleagues

65%
engagement score

Description and importance
Retention and motivation of the high level of talent of our colleagues is a key factor in consistently achieving the high service levels we strive to maintain across our business lines.

Their priorities
- Reward
- Health and safety
- Business ethics
- Career development
- Diversity and inclusion

How we engage with them
- Encouraging continued two-way open communication with managers
- Supporting health and well-being of our colleagues
- Providing regular growth and training opportunities within the organisation to enable them to build their career
- Visits by the Directors and Executive Committee members to the regional offices
- Promoting Diversity and Inclusion

Strategic actions and decisions
- A range of confidential whistleblowing channels giving ability to raise concerns
- Employee engagement surveys and Board review of the feedback
- Virtual and in-person Town Halls
- Creation of a Learning & Development centre to design & deliver high impact training programmes
- Diversity & Inclusion strategy and emphasis on Group culture
- Phased and fluid return to offices in line with government guidance in the regions where we operate

Outcomes/strategic impact
- Higher level of engagement and motivation
- Commencement of a training needs analysis linked to our strategic priorities to improve our learning and development capabilities
- Development of a three-year roadmap of culture building training
- Enhancement of skills and knowledge levels in step with the marketplace demands
- Helping our colleagues succeed

Helping our People Succeed P48

Taking key decisions by understanding the needs and expectations of our stakeholders is critical to the long-term sustainability and success of our business.

Section 172 Directors' duties

The Board is aware and highly supportive of its duties to promote the success of the Company in accordance with section 172 of the Companies Act. A summary of how we deliver for our stakeholders is outlined below.

Consumers

16.6m[1]
customer credentials under management

Description and importance

Consumers are the users of the payments value chain – a bank's customer who uses a digital payment credential, or a merchant's customer who uses the digital payment credential to pay for the goods purchased or services availed

Their priorities

- Low cost and convenient payment tools
- Secure and quick transactions
- Availability of alternative ways to digitally store and transfer money and purchase goods and services

How we engage with them

- EConnecting the consumers with businesses and financial institutions by using our capabilities
- Introducing secure, easy and multiple options for the consumers to make their payments

Strategic actions and decisions

- Continuing to deliver market leading consumer focused payment services to merchants and financial institutions
- Strengthening services to facilitate the digital payments experience, including new fraud solutions, lower cost payment acceptance and broadening the range of digital payments consumers can use with our customers
- Providing a smoother consumer experience leading to a higher transaction rate

Outcomes/strategic impact

- Aspiring to be the fastest growing and most consumer-centric payments company in the MEA
- Helping our merchant and bank/FI customers in retaining their customers over the long term
- Increased consumer confidence
- Helping our customers in growing their revenues and business
- Consolidation of leadership position across geographies

1 This is a KPI. For definition, please refer to page 81.

Operating Review P56

Governments

19%[2]
MEA digital Tx as % of total Tx volume

Description and importance

Governments play a critical role in the value chain as they promote financial inclusion, economic growth and provide regulatory oversight

Their priorities

- Drive financial inclusion and economic growth
- Compliance with all relevant regulations
- Prevention of fraud and breaches
- Orderly and efficient operation of our business in line with our purpose across all markets
- Corporate responsibility

How we engage with them

- Engagement with regulators by providing suggestions on innovative ways to promote financial inclusion and drive towards cashless economies
- Interaction with regulators while framing new regulations
- Applications for grant of licences, wherever required
- Making regular submission of information when required, or at prescribed intervals
- Discussing new products with regulators and, wherever required, seeking their approval

Strategic actions and decisions

- Collaboration with government for implementation of their digital penetration targets
- State of the art fraud monitoring mechanisms supported by best-in-class information security programmes
- Regular reviews of control mechanisms by Audit Committees at various levels
- Monitoring of business risks by the Enterprise Risk Management Committee
- Ongoing assurance programme delivered by our Compliance teams
- Operation of our three lines of defence
- Refreshed our ESG Agenda

Outcomes/strategic impact

- Increased cooperation with governments in the geographies where we operate
- Grant of regulatory licences enabling continuity of operations
- Successful completion of regulatory audits

2 Source: Edgar, Dunn & Company 2021 data. Reflects MEA transaction volumes.

ESG Strategy P28

Shareholders

11.6cents[3]
Underlying EPS

Description and importance

As the owners of our business, shareholder support is key to the delivery of our purpose, implementation of our strategy and ongoing access to capital

Their priorities

- Strategic execution, business performance and value generation
- Transparent reporting with consistent and relevant KPIs
- Strong corporate governance
- Thorough risk management and oversight
- Strength of Group leadership
- Integrated environmental, social and governance strategy

How we engage with them

- Comprehensive Investor relations programme
- Institutional shareholder meetings
- Investor roadshows, conferences, roundtables and other events
- Investor access to management and the Board
- Annual Report and Accounts, Half yearly interim financial statements
- Quarterly trading updates
- Annual General Meeting
- Regular public communications through our website and the Regulated News Service

Strategic actions and decisions

- Increased availability of management and number of investor events and meetings
- First Capital Markets Day hosted
- Increased financial disclosures and reclassified the reporting of some Specially Disclosed Items to improve understanding of the financial accounts
- Ensured all major shareholders met with the Chairman and corporate governance matters discussed

Outcomes/strategic impact

- Improved transparency, disclosure and ability for investors to understand our financial reporting and business
- Ongoing enhancement to our corporate governance standards and agenda
- Access to a wider pool of potential owners and shareholders
- Increased shareholder confidence in our financial delivery and the execution of our strategy
- Board succession planning

3 This is an Alternative Performance Measure ('APM'). See note 4 of the consolidated financial statements for APM definitions and the reconciliations of reported figures to APMs.

Operating Review P56

HELPING OUR PEOPLE SUCCEED

2021 Key HR performance highlights

65%
Employee engagement score excluding DPO (2020: 73%, 2019 (Pre-COVID-19): 65%)

7.9%
Employee turnover rate excluding DPO (2020: 3.8%, 2019 (Pre-COVID-19): 7.1%)

63
No. of nationalities represented in our Group-wide workforce

Engagement drivers

83% of the Group's employees participated in our employee engagement survey in 2021, which resulted in a satisfaction score of 65%, a drop of 8 points compared to 2020. While the Group has performed significantly better in addressing employee concerns and needs as against peers in the Gulf Cooperation Council (GCC), Commercial Banks, Middle East & Africa and FinCos, this drop can be attributed to a number of factors:

Globally, engagement levels in 2020 rose to a record high as senior leaders were more visible and accessible than ever. There was also a high focus on agile decision-making and wellness; the latter became even more important with the advent of remote/hybrid working models, and mental health issues arising from isolation, stress and efforts to achieve work-life balance. Since then, the global results have steadily dropped (or normalised) in 2021 to pre-pandemic levels.

To address the top area of concern raised by our employees, Learning & Development, we are starting with a Training Needs Analysis (TNA), which will cover the organisation's strategic priorities, BAU, as well as the roadmap to build and strengthen the culture and align it to our values.

The organisation-wide TNA will identify the training needed to achieve the goals at the Group, department and region levels. The training for individuals will enhance their performance and help them to build careers with us. The TNA will also provide the foundation for strengthening the culture at all levels by identifying a three-year roadmap of culture building training and other interventions. Our Executive Committee (ExCo) is also developing a Learning & Development (L&D) Center of Excellence, systematically upgrading the technical, managerial and leadership skills of employees through high-impact training programmes and developing standardised modules on various topics customising content specific to the Group.

The Network Way

These four behaviours become habits when we are guided by our values in everything we do

- We put the customer at the heart of everything we do
- We build better every day
- We move fast, together
- We aim for scale and market leadership

Our values

- Be open and honest with positive intent
- Own every decision
- Always do the right thing
- Celebrate wins, sunshine failures

Employee safety, health & well-being and our response to COVID-19

We believe these measures make our teams innovative, agile, empathetic and competitive. Our workforce has grown with the acquisition of DPO Group in the second half of 2021, and is currently a 1,772-strong team (see table below for team size by geography).

Region	Team size (Network & DPO)
UAE	660
Egypt	442
South Africa	325
Jordan	164
Kenya	108
Nigeria	23
Ghana	13
Israel	7
Ireland	5
Tanzania	4
Zanzibar	3
Botswana	2
Cote d'Ivoire	2
Mauritius	2
Rwanda	2
Uganda	2
Zambia	2
DR Congo	1
Ethiopia	1
Malawi	1
Namibia	1
Senegal	1
Zimbabwe	1
Total	**1,772**

Our top priority is the health, safety and well-being of our employees – both through our own initiatives and through the guidance given by local authorities.

Additionally, we took early and decisive actions to protect our business and our clients' businesses from the adverse effects of the COVID-19 pandemic. By implementing work-from-home protocols, using digital tools and increasing our communication, we ensured employee safety while providing them with the tools to support our clients.

To ensure the safety and well-being of our employees, we:

- extended the scope of our private health insurance to cover COVID-19 related illness and home-delivery of medicines
- set up health camps and vaccination drives
- conducted regular live sessions on health, mental well-being and wellness
- maintained regular contact with our employees to alleviate their isolation
- set up dedicated email channels for employees to clarify COVID-19 related questions

We recognise the emergence of work-related psychosocial and mental health risks and are committed to minimising any potential impact to our people.

As government restrictions eased, we encouraged employees to return to the office and mandated several safety protocols such as mask wearing, social distancing, and usage of hand-sanitisers.

Special programmes

The pandemic has affected us all, in some cases, in invisible ways. The 'Time to Talk' programme shines a light on topics like mental health, topics we usually shy away from. This series of "small conversations" with experts in the field helps to remove the stigma of mental illness, break down stereotypes, improve relationships, aid recovery, and enlighten us.

Special programmes

We are rolling out an e-learning module on "Prevention of Bullying and Sexual Harassment" in H1-2022. The bespoke content will be in line with our values and the Network Way. This programme will ensure we sustain a culture of collaboration, tolerance and respect in our staff.

Diversity & Inclusion

We have operations in 57 countries (including DPO), and the global nature of our business means that we benefit from a highly diverse international workforce. Our staff reflect the diverse cultures and different clients we work with: 63 nationalities are represented today within our workforce (including DPO) versus 66 in 2020. Diverse and cohesive teams generate creative and innovative ideas and help our customers solve their problems quickly. Our Diversity & Inclusion initiatives ensure we treat all employees with fairness and dignity, irrespective of age, gender, race, national or ethnic origin, religion, language or physical ability. We listen to our employees and take all perspectives into account in our decision-making. These measures are all reflected in our Equality, Diversity and Inclusion Policy.

The table below indicates the proportion of female representation across Network and DPO:

Category		Male (2021)	Female (2021)	% Female (2021)	% Female[1] (2020)
Total workforce		1,249	523	29%	28%
Board of Directors		7	3	30%	27%
A:	Executive Management Team	9	3	25%	30%
B:	Senior Managers	57	19	25%	27%
A&B:	Executive Management Team and their direct reports	66	22	25%	27%

1 The female percentage for 2020 has been restated to include DPO.

Some of our Diversity & Inclusion initiatives include:

- our ongoing compliance with Emiratisation legislation in the UAE;
- our ongoing compliance with Broad-Based Black Economic Empowerment (BBBEE) legislation in South Africa;
- women empowerment programmes such as 'This Girl Can' and the 'Woman of the Year' summit;
- the Beacon Award to celebrate and recognise star women performers; and
- maternity and paternity benefits and a flexible work culture to help young parents.

Learning & Development

Our employees are our greatest asset, and the reason we succeed. The successes we have seen in the last 12 months are a powerful testament to our people's character, commitment and talent. Our Talent Management Framework ensures we assess employee potential, create talent pools, plan for succession, and plan for employee development.

Our Learning & Development model is an effective blend of on-the-job learning (70%), mentorship (20% and formal training programmes (10%) that lends purpose and relevance to the professional growth of our employees, while keeping our Company ahead of the competitive curve. Here is a snapshot of our many learning programmes:

We identify the learning needs of our people through a number of ways – our annual Training Needs Analysis, inputs from leaders across the Group, and through direct feedback from employee surveys. We are giving particular focus to training requirements this year, based on feedback from our employee engagement survey. During the pandemic, and now, in the post-pandemic era, we switched to virtual platforms across the globe to deliver learning programmes. This has ensured that our employees are exposed to global perspectives on leadership and management. Into the future, we plan to hold leadership programmes to foster a culture of cooperation, aligned with our values.

Some of our female employees recently attended the 'Women of the Future' summit, a UK-based global forum for women leaders to share their views on key issues women face today, including empowerment and mental health.

Functional & Technical Training	These include programmes on technology platforms, financial & payments domain, Visa and Mastercard training and process maturity
Risk-based Programmes	These include Credit Delinquency, Fraud, Issuer Security, AML, Anti-Corruption, Audits, Risk Management, Data Privacy and Market Abuse
Leadership Programmes	These include Customer Focus, Performance Management, Critical Thinking in a VUCA (Volatile, Uncertain, Complex, Ambiguous) World, Presentation Skills and Advanced Negotiation Skills
Behavioural Programmes	These include Advanced Business Writing Skills, Developing Effective Interpersonal & Communication Skills and Personal Effectiveness
Product & Sales Training	Special programmes such as 'Strategic Selling with Perspective', ePOS sessions on Mobility, N-Genius™, SmartInvoice and 'Maximising E-comm Conversion'
Ethics & Conduct Training	These include programmes such as Advanced Code of Conduct Training, Prevention of Sexual Harassment, and Human Rights

Be it in the number of employee trained, or in the total number of training hours, 2021 saw an increase (as on page 40 of this Annual Report under Employee engagement), as we returned to the pre-pandemic levels – straddling the skill areas of leadership, behavioural, technical and domain, and regulatory compliance.

Here is a table of our training metrics:

Employee training	2021	2020	2019
No. of staff trained[1]	1,351	1,309	1,309
No. of training hours	27,073	11,879	21,040

We will continue to expand our organisational capabilities with more impactful learning programmes to strengthen our workforce. This, we believe, will motivate our people to perform better, develop and grow further, and encourage retention. Human resources works closely with business areas to ensure that development opportunities are integrated with learning. In many instances, they co-design learning programmes with subject matter experts from the organisation to align learning content with business needs. Development activities are clearly defined to meet organisational goals and needs, and are supported with relevant tools and resources for a well-blended approach to learning.

1 Excluding DPO.

Special programmes

We conducted a special Sales Training programme called "Strategic Selling with Perspective". The two day programme for our Sales team and managers was organised to make our Sales team effective and was conducted by veteran trainer Vince McFarlane of Korn Ferry.

Special programmes

With a view to empowering our Executives to maximise the impact of their teams, a "Developing and Leading High Performance Teams" training programme will be held in H1-2022. This will be facilitated by one of the leading business schools. This programme examines how to develop team solidarity, "followership", and broad support for change throughout the organisation.

Human rights & sustainability

As a responsible corporate citizen, we believe in upholding human dignity everywhere. We stay alert to any violation of human rights and to how we may inadvertently promote any form of misbehaviour. Our Vendor Policy prevents us from conducting business with any person or company that has been accused of corruption, slavery, child abuse, human trafficking and other human rights violations.

Rigorous due diligence is conducted before we onboard a customer. We train our Sales team on "Choosing the Right Customer" and ensure quality control. We have internal Suspicious Activity Reports (SAR) to monitor who is using our systems and to notify any suspicious transactions. We also have regular training programmes on anti-money laundering, combatting terrorist financing and complying with sanctions.

Our purpose, core values and our Network Way are core to how we conduct our business as we aim to deliver sustainable shareholder value with long-term growth. If we fail to act as a responsible business – whether that is through how we manage our environmental impacts, our contribution to a healthier and more inclusive society or how we source our products – we risk losing the trust of our people and customers, impacting shareholder value and long-term growth.

- Our Group Sustainability Plan also outlines our Responsible Sourcing Programme in detail. Our approach addresses human rights-related risks across our supply chain with due diligence requirements for specific suppliers, plus self-assessments, audits and contractual specifications.
- We assess climate change risks and have already taken a number of measures to improve our operational resilience.
- Further details on the steps we have taken to identify, manage and mitigate our sustainability risks can be found in our Modern Slavery Statement. The Board and the Executive Committee have oversight of this activity.

Other employee engagement programmes

As set out in our Employee Charter, we are committed to providing a working environment for our people that offers equal opportunities, competitive terms of employment, safe working conditions, and effective communication and engagement.

Employee engagement, how we treat our employees, is based on trust, integrity, two-way commitment and communication. Effective employee engagement helps us create the right conditions for all our employees, being fully aligned with our goals and values, and motivated to contribute to the Group's success, with an enhanced sense of their own well-being.

Through annual independent anonymous surveys, we measure our Employee Engagement Score to know how we are performing and where we can improve. These surveys also help us understand employee sentiments and concerns. In 2021, 83% of Group's employee base took the survey, with a satisfaction score of 65%.

Employee wellness and safety (86%), brand (84%) and empowerment/autonomy (75%) were rated as key strengths for Group, while learning & development was identified as the core area to focus on and improve upon. Our success in employee engagement is also reflected in our Group-wide employee turnover rate of 7.9% in 2021, versus the pre-COVID rate of 7.1% in 2019.

We operate several platforms to enhance leadership interaction with employees at all levels. Here is a snapshot of some of them:

Discussion @ ExCo	Key take-aways from ExCo meetings are broadcast across the Group
'Ask the GCEO Sessions'	In-person and virtual sessions conducted by the GCEO across the Group
GCEO & Chairman Interaction	Message from the Chairman & the GCEO to address pandemic-related concerns
HR Exchange	An open forum for HR to understand employee work culture & concerns
'Network on Air'	A monthly channel to align our employees' thoughts and ideas with those of our leaders on our Company's strategic plans as well as industry trends
Executive Remuneration	As mandated by the UK Corporate Governance Code, the Remuneration Committee addresses employees and answers questions on Company pay practices and policy
Next-gen Leaders	Brings fresh insights and inputs from across the Company's brightest employees and its future leaders

Strategic workforce planning

Our people are key to our success. The ability to attract, retain and motivate team members with diverse skills, capabilities and backgrounds will help us meet our current client obligations and build for the future.

- The successful delivery of our strategy requires a committed workforce, supported by a culture focused on accountability and simplicity. Our purpose, core values and the Network Way focus on caring for our team members as our organisation pivots to respond to our industry and organisational changes. This is overseen by our Board.
- We have a range of processes to support and manage our people through their careers such as performance management, capability assessments and key talent management.
- We are committed to capturing ongoing feedback from our team members across our organisation to drive ongoing improvement with regards to people management, through surveys and Speak Up programmes.
- We have embraced flexible working, which accelerated during COVID-19, to give our people the best opportunity to succeed in their roles, regardless of their physical location. We continue to assess these new ways of operating to understand any challenges related to achieving our desired culture.

Charitable activities

The Group's commitment to sharing its success and contributing to the socio-economic progress of the local communities where we operate is an integral part of our strategy.

Our goal is to create value for our business and for our stakeholders. Our Corporate Social Responsibility (CSR) Policy helps ensure that all our CSR activities are compliant with the spirit of the law, ethical standards, and international norms on a voluntary basis. Our twin CSR objectives of "Doing the right thing" and "Being a force for change" guide our efforts so that we are ethical in all that we do. We ensure that our CSR impact is felt in lasting, tangible ways in three broad areas: our community, our environment, and our employees.

A few CSR activities conducted in 2021 are highlighted below:

1	Supported The Al Noor Rehabilitation & Welfare Association through our initiative " Buy a Smile for Mother's Day 2021"	UAE
2	Joined the "Earth Hour" movement 2021 to support our planet and played our part in shaping the future	UAE, Jordan, Egypt, Nigeria, South Africa
3	Collaborated with the "Arab Group for the Protection of Nature" by planting 200 trees. The trees are expected to absorb more than 130,000 kgs of harmful carbon dioxide from the air within the next 30 years	Jordan
4	Participated in the Egypt Government's "GoodLife" initiative which is in collaboration with the Egyptian Association for Comprehensive Development. The initiative aimed at improving living standards across the countryside	Egypt
5	Partnered with Smart Dubai to accept donations for the "100 Million Meals" campaign during the holy month of Ramadan through our N-Genius™ platform	UAE
6	Organised "Blood Donation Drives" in June and July 2021	UAE
7	Donated laptops and mobile devices to specially abled children	Egypt
8	Supported the "Ma'ana Foundation to Save a Human Being". This foundation houses homeless people of all ages	Egypt
9	Organised the "Random Acts of Kindness" initiative. This initiative is about giving back to the community where our employees shared their talents to make a difference	UAE
10	Organised an initiative benefitting the students and staff of Kuramo Senior College in Lagos. The event emphasised the important role of technology in education and included four major activities: a Lecture, a Debate, a Donation Drive, and a Mentorship Programme	Nigeria
11	Organised events in support of the "Special Needs Future Institution". This institution helps integrate young adults with determination into the workforce by teaching them life skills	UAE

Our CSR framework

Our Community
- Health
- Literacy & arts
- Financial education
- Gender equality
- Women empowerment
- Human rights
- Special assistance for senior citizens
- Children & pets
- Humanitarian crisis responses

Our Employees
- Ethics
- Family support
- Disability training
- Well-being & health
- Diversity & inclusion
- Youth empowerment

Our Environment
- Utilisation
- Waste reduction
- Renewable energy
- 'Reduce, recycle, reuse'
- Optimisation of resources

Tree planting drive

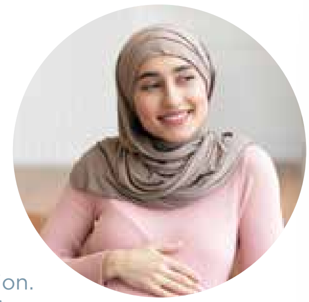
Network Jordan worked with the Madaba Women's Association under the aegis of the Green Caravan Program of the Arab Group for the Protection of Nature (APN) to plant 200 Nabali olive trees in the Al Faiha'a area. The trees are expected to absorb more than 130,000 kgs of harmful carbon dioxide from the air over the next 30 years. This initiative also provided a struggling farmer whose land was used with an additional source of revenue.

'GoodLife' eco-beautification and awareness initiative

Network Egypt and the Egyptian Association for Comprehensive Development (EACD), an NGO that supports individuals most in need, particularly rural women and children, teamed up on the successful launch of the 'GoodLife' eco-beautification and awareness initiative. Our volunteers and EACD cleaned up main streets, painted 135 street lights, planted 300 trees, and participated in environmental awareness sessions during 3,000 home visits.

Mother's Day celebration with People of Determination

Network UAE celebrated Mother's Day on the 21st March in a unique and inspired way: our employees bought special handcrafted products for their mothers from Smiles n' Stuff, the retail outlet of The Al Noor Rehabilitation & Welfare Association for People of Determination. This initiative helped Al Noor provide a better life for its wards.



Earth Hour

During this year's Earth Hour (March 27, 2021), the Group joined millions of people from 192 countries and territories in switching off their lights as a pledge to help fight for our planet and demand stronger climate action.

100 Million Meals Campaign

Network UAE worked with Smart Dubai to accept donations for the '100 Million Meals' campaign during the holy month of Ramadan through our N-Genius™ platform.

Measuring our progress

We use financial and operational metrics to measure the progress of our strategic goals.

Financial

Definition

Revenue

USD 352.2m
+23.7% y/y

Total revenue generated by the Group.

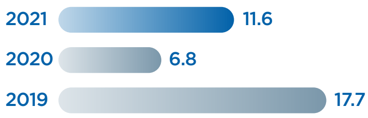
Underlying EBITDA[1]

USD 143.5m
+27.5% y/y

Earnings for the year before interest, taxes, depreciation and amortisation, write-off of unamortised debt issuance cost, unrealised foreign exchange losses, gain on disposal and share of depreciation of associate, and Specially Disclosed Items affecting EBITDA.

Underlying EPS[1]

USD 11.6cents
+70.6% y/y



Is defined as the underlying net income attributable to shareholders' divided by the weighted average number of ordinary shares during the relevant financial year.

Operational

Definition

Total Processed Volume[3] ('TPV')

USD 42.8bn
+27.7% y/y

The aggregate monetary value of purchases processed on behalf of merchants within the Merchant Solutions business line.[3]

Number of credentials hosted[2]

16.6m
+2.5% y/y

The aggregate number of digital payment credentials, such as cards or mobile money wallets, managed on behalf of our financial institution and fintech customers in the Issuer Solutions business line.

Number of transactions[2]

979.9m
+29.3%

The aggregate number of transactions processed, on digital payment credentials that we manage on behalf of our financial institution and fintech customers in the Issuer Solutions business line.

Our financial and operational KPIs include a three-month contribution from the acquisition of DPO Group, which was completed in the final quarter of 2021. The Chief Financial Officer's Review provides financial and operational KPIs both including and excluding the impact of the DPO acquisition.

1 This is an Alternative Performance Measure ('APM'). See note 4 of the consolidated financial statements for APM definitions and the reconciliations of reported figures to APMs.
2 This is a KPI. For definition please refer to page 81.
3 Includes TPV processed for our financial institution customers, as well as for direct-to-merchant relationships.

Our KPI performance is evidence of the delivery of our broader strategy.

Accelerate key initiatives

1. Faster signup of merchants and financial institutions
2. Grow the merchant base
3. Access new revenue pools

Innovate key initiatives

1. Harness the power of partnerships
2. Add new revenue streams to every transaction
3. Be the e-commerce champion in the region

Why is this important to us?

Growing revenue across the Group indicates structural underlying market growth and market share gains.

Through monitoring margins we ensure that our scale is generating cost leverage; whilst at the same time we are investing in appropriate areas in order to maintain future revenue growth.

Ensures a focus on profitable growth and value attributable to each shareholder.

Why is this important to us?

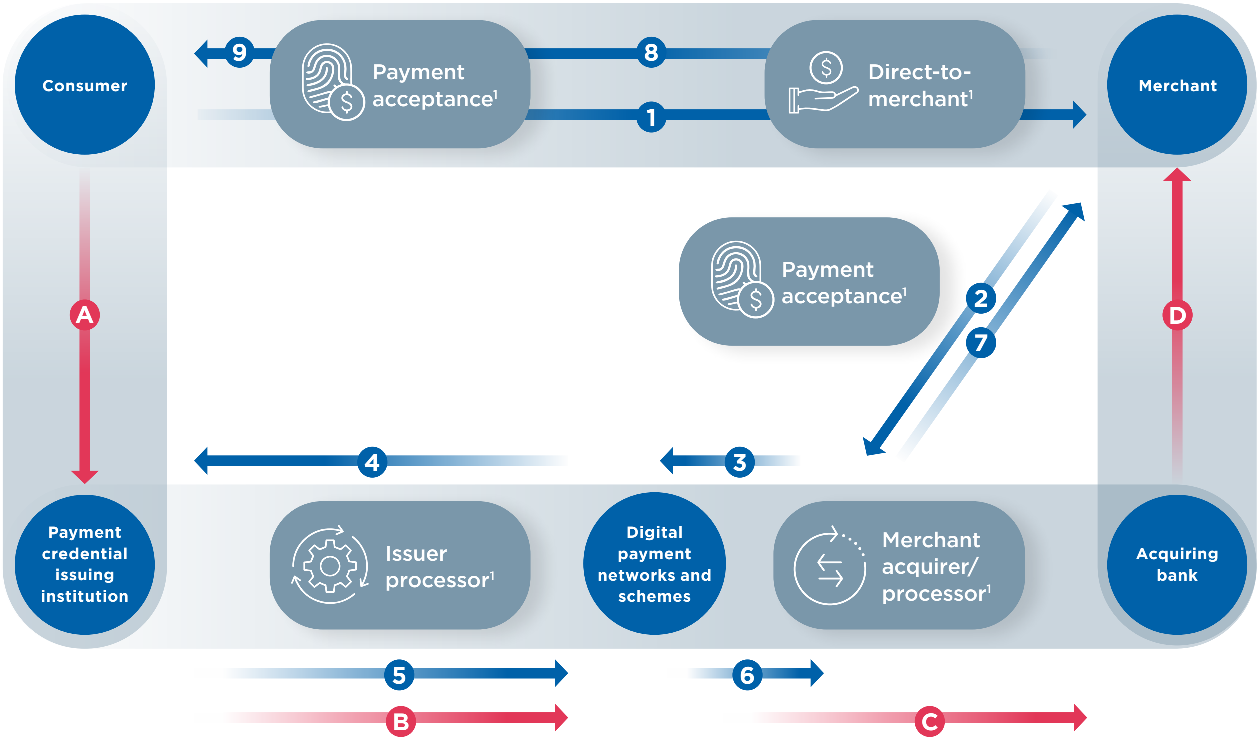
Growing TPV is a proxy for the success of the Merchant Solutions business line. Indicating an expansion in the number of merchant customers and growing volumes with both existing and new customers.

Growing the number of credentials hosted is a proxy for the success of the Issuer Solutions business line. Indicating an expansion in the number of financial institution customers and the number of payment credentials we manage on their behalf.

Growing the number of transactions hosted is another proxy for the success of the Issuer Solutions business line. Indicating an expansion in the number of financial institution customers and the number of transactions processed on the payment credentials we manage on their behalf.

How our industry works

The digital consumer payments industry is built around interlinked services that allow businesses to provide digital payment options to consumers, for goods and services provided.



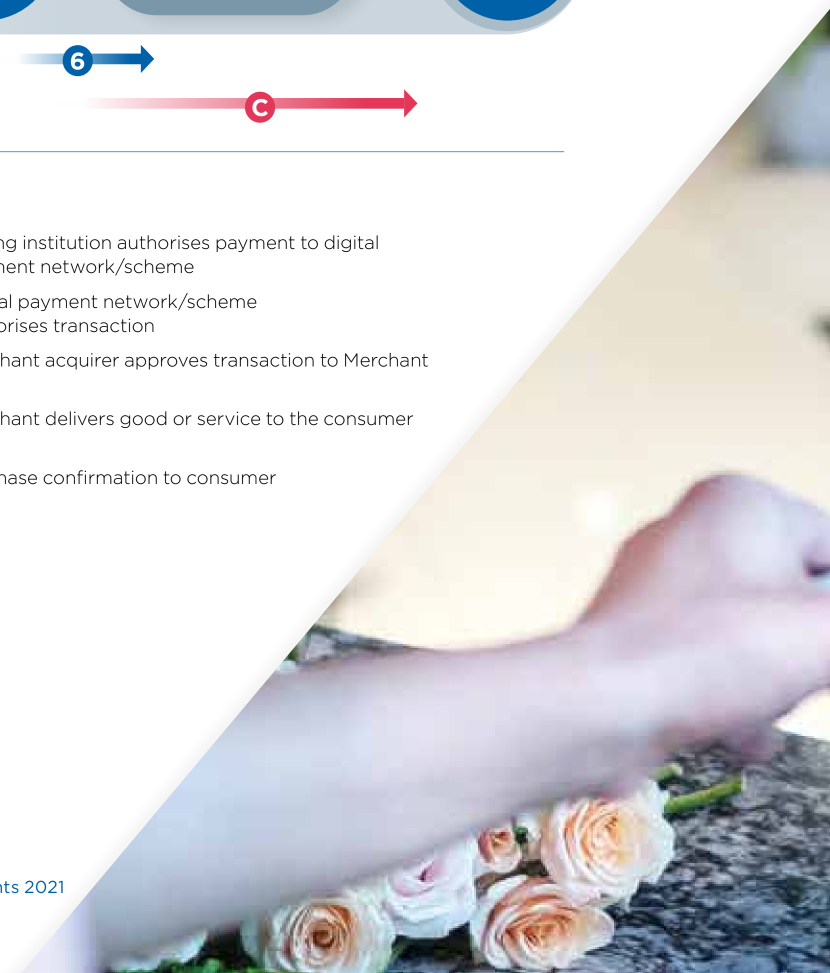
Key

Traditional payments

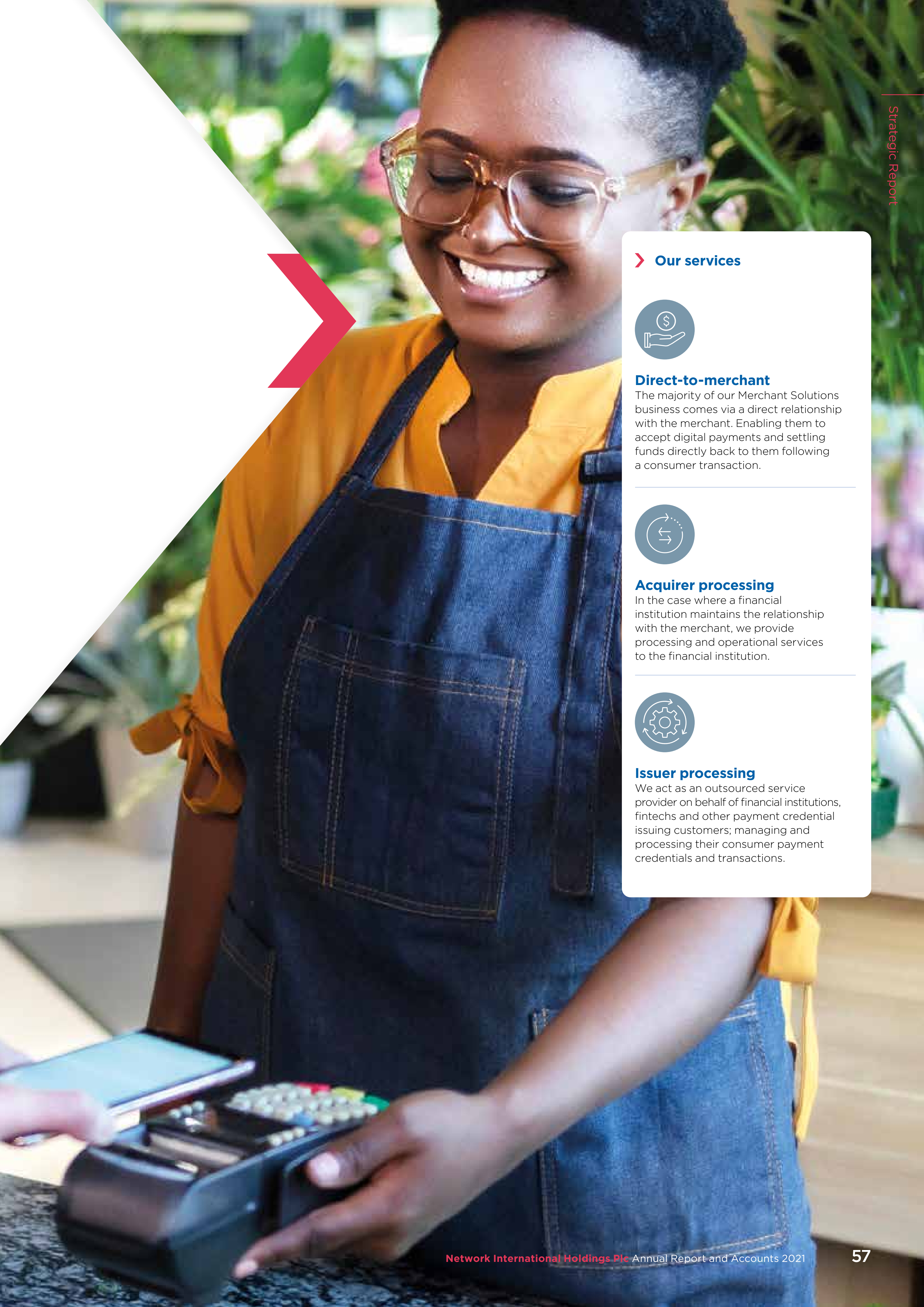
1. Consumer initiates transaction with the Merchant
2. Merchant's payment acceptance device sends transaction details to the Merchant acquirer
3. Merchant acquirer requests authorisation from digital payment network/scheme
4. Payment network/scheme requests authorisation from the issuing institution which has issued the consumer's payment cards or credential
5. Issuing institution authorises payment to digital payment network/scheme
6. Digital payment network/scheme authorises transaction
7. Merchant acquirer approves transaction to Merchant
8. Merchant delivers good or service to the consumer
9. Purchase confirmation to consumer

Push payments[2]

- A Initiate
- B Authenticate
- C Get confirmation
- D Clear and settle



1 Denotes service provided by Network.
2 A push payment transaction begins with an individual sending/'pushing' money to a recipient, rather than the recipient requesting/'pulling' payment.



Our services

Direct-to-merchant
The majority of our Merchant Solutions business comes via a direct relationship with the merchant. Enabling them to accept digital payments and settling funds directly back to them following a consumer transaction.

Acquirer processing
In the case where a financial institution maintains the relationship with the merchant, we provide processing and operational services to the financial institution.

Issuer processing
We act as an outsourced service provider on behalf of financial institutions, fintechs and other payment credential issuing customers; managing and processing their consumer payment credentials and transactions.

Merchant Solutions

We provide services and solutions that allow over 154,000[1] merchants to accept digital payments from consumers. In Merchant Solutions, we provide direct-to-merchant payment services and acquirer processing services to our financial institution customers.

Merchant Solutions revenue

USD **160.4m**
(46% Group revenue)

Our Merchant Solutions

We enable merchants to accept digital payments; offline, through a point-of-sale device, online or through a mobile.

Cards

QR codes

Mobile money wallets

Buy Now Pay Later

We facilitate and process transactions for merchants, by obtaining authorisation from digital payment networks and schemes. Once authorised by the relevant networks and schemes, we settle the funds into the merchant's bank account following a consumer transaction.

Direct-to-merchant payment acceptance solutions:
We are market leaders in the UAE and Jordan, serving over 90,000 merchants. The presence of DPO gives us the reach of a further 64,000 merchant relationships in 21 African markets.

Acquirer processing services:
In the case where a financial institution maintains the relationship with the merchant, we provide processing and operational services for the settlement of transactions, including the transfer of transaction authorisation via the payment networks/schemes to the financial institution, on behalf of their merchant relationships.

Some of our value-added services:

- **Digital onboarding** drives faster signup of merchants, lowers our costs and enhances the merchant experience.
- **Data analytics** help merchants better understand their market, sector, segment and consumer spending patterns through dashboards, reports and custom analytical studies.
- **Buy Now Pay Later (BNPL)** allows merchants to receive payments for goods in instalments. We enable this service in partnership with Tabby, the Middle East's first and largest BNPL provider, allowing users of our N-Genius™ online gateway to accept this increasingly popular method of payment.
- **Supporting merchant lending services** through our partnership with Commercial Bank of Dubai, where we facilitate the promotion of lending services offered by CBD to our merchant customers, with no lending risk to our business. The repayments to the lender can be settled through the merchants' online gateway or point-of-sale (POS) payment receivables.
- **Currency/FX solutions** remain a key service for our merchants, given their exposure to international tourism. This offering also underpins our strength across the hospitality sector.

How we generate revenue in Merchant Solutions

Total Processed Volume is the aggregate value of digital transactions processed by our merchant customers. Our revenue is the Net Merchant Service Fee (MSF), which is based on a percentage of the TPV. The Net MSF is the resultant charge after third party fees are deducted from the Gross MSF charged to the merchant.

Some of the third party fees include: interchange (which is paid to the payment credential issuing institutions) and payment networks/scheme fees (paid to the networks/schemes for the provision of the technical infrastructure).

Fee based on Total Processed Volume (TPV)
Net Merchant Service Charge
= Gross Merchant Service Charge
–Third Party Fees

KPI: Total Processed Volume ('TPV')

Other revenues
Transaction fees on foreign exchange, chargeback

Sale and rental of POS terminals

Value-added services

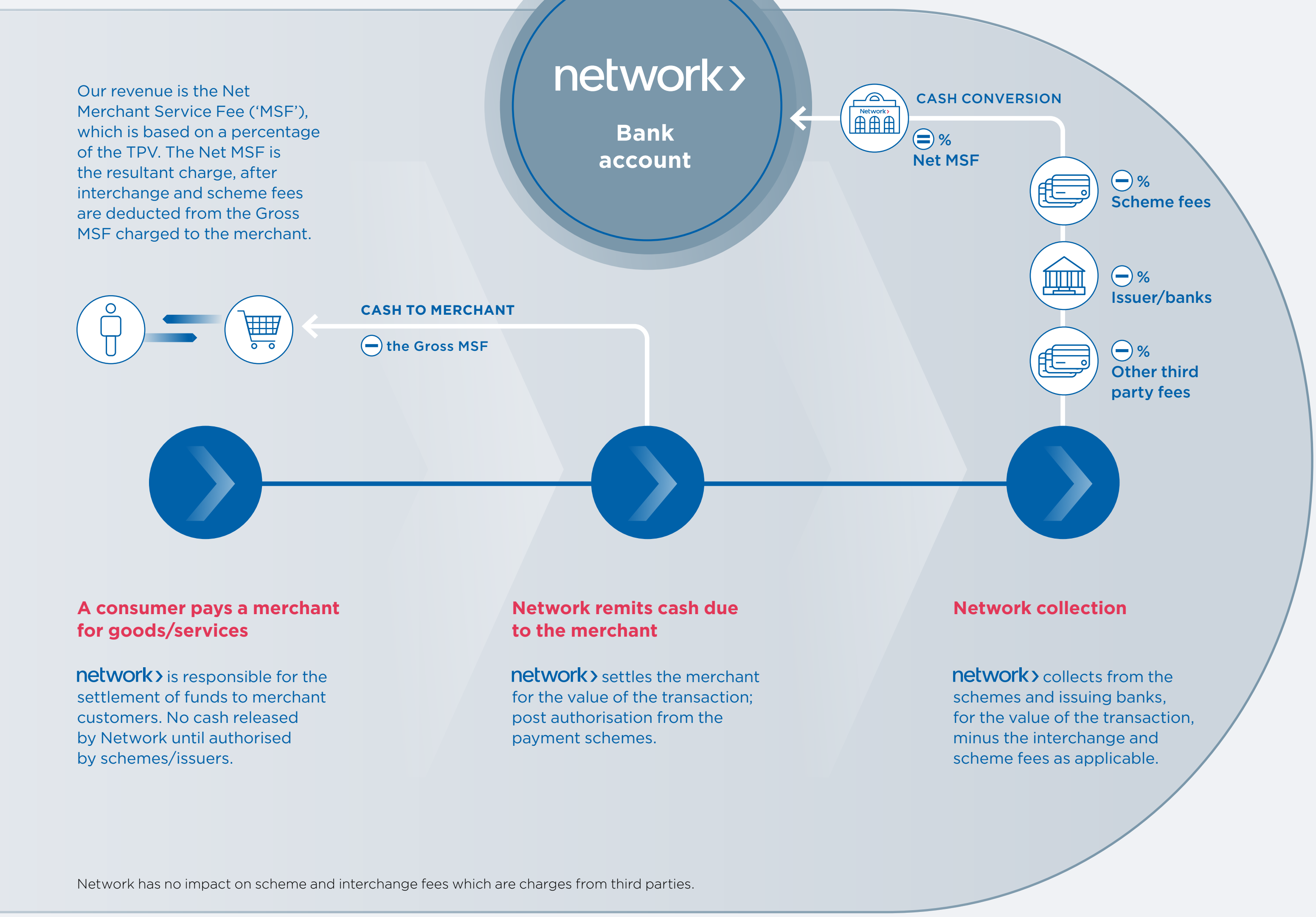
1 Refers to Network Direct-to-Merchant, DPO Group and processing merchant relationships.

Merchant settlement processes

In the direct-to-merchant business Network is responsible for the settlement of funds to merchant customers and assumes the credit risk associated with this. This settlement process is a funding cycle that iterates daily, and is reflective of the TPV processed on behalf of merchant customers, in the immediate preceding days.

In the direct-to-merchant business in the UAE and Jordan, in line with general market practice in the Middle East, when a consumer conducts a digital transaction with a merchant, Network generally remits cash due to the merchant on the day following the transaction ('T+1'). These balances payable to merchants are included in the 'other merchant creditors' balance on the Group's consolidated balance sheet. We subsequently receive funds into our bank accounts through the payment network/schemes settlement processes on T+2/3 and from issuing institutions on T+1. These balances are included in the 'scheme debtors' balance. At any given point in time there will be around two/three days of 'scheme debtor balances' outstanding to Network, whereas 'other merchant creditor' payables are usually outstanding for only a day. As a result of this, a working capital requirement arises equal to these settlement balances. This working capital requirement is funded by our banking partners via an overdraft facility which is continuously settled as the payment networks/schemes remit money to us. The relative movements of scheme debtors and merchant creditors often follow a similar trajectory, although there are a number of circumstances in which they can vary. For example: i) if the period end falls on a weekend, when banks may be closed. This will lead to some changes in the settlement process as UAE businesses align to the new weekend through 2022; ii) mix of domestic versus international transactions, which can impact settlement timelines; iii) there are a small number of merchants who are not settled daily; iv) TPV trends in the last few days prior to period end.

How we generate our Net Merchant Service Fee (MSF)



Restricted cash represents balances specifically due to merchants. At Network, restricted cash largely represents cash held as a form of collateral to manage the risk of merchant chargebacks. It also includes cash balances collected from card schemes/financial institutions but not settled to merchants, due to the settlement timeline previously described.

In the direct-to-merchant business in African countries payments to merchants are made after DPO has received settlement from banks and mobile network operators. This results in larger 'merchant creditor' balances when compared to scheme debtor balances. Restricted cash at DPO largely represents cash balances already received from banks and mobile network operators, but not yet remitted to merchants.

Chargebacks and collateral

If a consumer disputes a transaction with a merchant, and the merchant is unable or unwilling to provide a refund, the customer can raise a chargeback request to the issuing bank. Network as the acquirer holds the potential liability for that transaction. This may be the case if a consumer is unsatisfied with goods or services purchased, if there is non delivery of goods or services, if the transaction is fraudulent, or if the cardholder was charged but the transaction did not complete. In the ordinary course of business, refunds will be the responsibility of the merchant. However, if the merchant is unable to cover the cost of the refund, the acquirer will be liable for the transaction.

In order to manage our risk appropriately, Network holds collateral against selected merchants where we see a higher risk of potential chargebacks. Such collateral can be held in the form of restricted cash (where we defer payment of a proportion of the settlement funds otherwise due), or we receive a cash deposit from the merchant.

As a result of these risk management disciplines, Network has historically low chargeback losses, which in 2021 were only 0.001% of TPV.

Risk management of merchant customers

We process all the transactions associated with the merchant acquiring business line, through our own platforms, and do not rely on third parties to conduct such activities.

We follow a thorough risk assessment process before onboarding any merchant. This involves KYC (Know Your Customer) and AML (Anti-Money Laundering) checks, as well as risk based underwriting to assess the credit worthiness of the merchant.

The vast majority of our direct acquiring business is through direct relationships with merchants. However, we also process transactions for merchants who contract with an aggregator partner. An aggregator will work with a number of merchant customers, which are typically SME businesses. Whilst Network contracts with the aggregator, it is the aggregator who contracts with the end merchant and ultimately bears the credit risk. When we work with aggregators, we agree the associated risk appetite and parameters and ensure that the aggregator follows our credit risk management guidelines. Whilst the aggregator manages the merchant relationship, Network will also undertake KYC checks on each of the merchants contracted through the aggregator.

Network does not provide any merchant lending, or merchant cash-advance services, and therefore we have no financial risk associated with such services.

Issuer Solutions

We act as an outsourced service provider on behalf of financial institutions, fintechs and other payment credential issuing customers. We support them in enabling consumers to 'make payments' by managing and processing their consumer payment credentials and transactions.

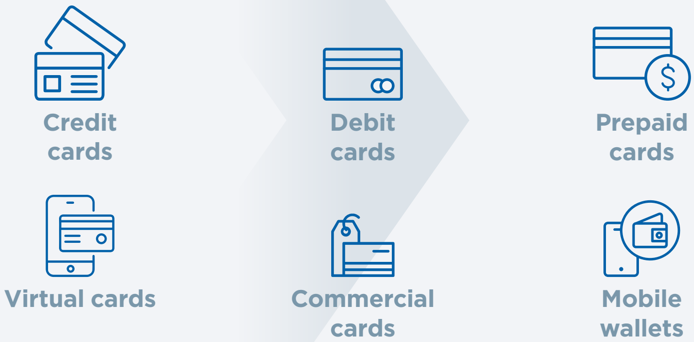
Issuer Solutions revenue

USD 182.4m (52% Group revenue)

We have a diverse customer base, working with over **200** financial institutions, digital banks and fintech customers across more than **50** countries.

Our Issuer Solutions

We provide outsourced processing services for payment credential issuing customers. We connect these customers with digital payment networks and schemes to facilitate, authorise and settle transactions for their consumers. Through this outsourced service, financial institutions, fintechs and other payment credential issuing institutions do not have to develop, invest and maintain their own in-house technology or payment operation capabilities.



(Network is not a lender and does not issue or provide credit directly to consumers.)

Some of our value-added services: We have an extensive range of value-added services that we provide to our customers, either through our own in-house capabilities or through partnerships with market leading third parties. Our value-added services include:

- **Advanced Authentication Solutions (Biometrics through 3D Secure)** which we are in the process of implementing, will allow our financial institution clients to provide their credentials with security-rich biometric identifiers including fingerprint, voice, and facial recognition to complete an online transaction, instead of a one-time password.
- **Advanced fraud solutions** where we are making progress on our partnership to provide enhanced insights and fraud checking capabilities to our customers, ultimately providing a smoother consumer experience and higher transaction approval rates.
- **Card Control Solutions in partnership with ClearSpend** enable consumers to control and amend their cards in real-time through an App, giving them features such as enabling/disabling cards, allowing/blocking transactions, setting daily and monthly spending limits, and allowing/blocking international or specific country transactions.
- **Data analytics** provides insights and benchmarks on the spending and transaction patterns of both the credentials hosted as well as aggregated regional trends. Our SmartView dashboards and reports allow our FI customers to better understand their portfolio performance and identify areas of opportunity, and our payment consultants help them to monetise those opportunities.
- **Chat Banking, in partnership with InfoBip,** where we will soon provide our financial institution clients with services such as account transaction enquiries, real-time customer service chat and push notifications to their customers.
- **APIs[1], in partnership with Tibco,** allows our clients to onboard and integrate themselves onto our platform in a cheaper, faster, and more convenient way. Our API catalogue allows us to share and promote our digital services to our customers.

How we generate revenue in Issuer Solutions

Revenue per credential is based on the number of credentials hosted for a customer. This is not linked to the number of transactions conducted.

Fee per credential
KPI: Number of credentials

Revenue per transaction is based on the number of transactions processed. This is not linked to the value of the transaction.

Fee per transaction
KPI: Number of transactions

Other revenues can include those associated with value-added services.

Value-added services
(Fixed fee or Fee per Credential/Transaction)

1 API – Application Programming Interface.

Technology

Bringing our strategy to life

Technology is at the core of our growth ambitions and our capabilities are supported by our market leading payment processing platforms.

99.9%
systems availability

Case study: Technology has enabled our market entry into the Kingdom of Saudi Arabia

The approach:
- We updated our technology approach in 2021.
- Enabling services largely through our Network One platform and the use of our Openway, Way4 payments processing software.

The services our platform will enable:
- Issuer processing including credit, debit, prepaid and commercial cards.
- Acquirer processing.
- Value added services like real-time fraud monitoring, card control and APIs[1].

What have we done differently vs our approach in other markets
- Our entry into the Kingdom of Saudi Arabia has been differentiated through use of the cloud.
- Cloud based software hosting services were recently made available in the Kingdom of Saudi Arabia, which allowed us to reduce our data centre hardware requirements and associated costs.

What is the cloud approach:
- Reduces complexity by removing the need for hardware installation and a physical technology infrastructure.
- The presence of the cloud makes our technology easier to scale, increases the pace of our roll out and facilitates entry into new markets.

Which has resulted in:
- An acceleration in our time to market;
- Delivery of solutions at a lower cost;
- Improved performance, scalability, availability and reliability.

1 API: Application Programming Interface.

Our main payment and processing platforms

Network One

The platform provides an integrated and cohesive payment suite for our larger, more sophisticated clients across both Merchant Solutions and Issuer Solutions. The platform consists of the best in breed in-house and third party technology solutions, and is highly configurable and sophisticated, processing over three million transactions a day.

Network Lite

Complementary to the Network One platform, Network Lite is suited to smaller merchants and financial institutions who require more standardised solutions.

Our technology initiatives; putting the customer at the centre

Cloud first
Simplifying the technology infrastructure

The cloud first approach allows us to operate without physical assets and data centres, eliminating complexity by removing the need for hardware installation and a physical technology infrastructure.

We are using the cloud and leveraging its benefits across our newest platforms, applications and new market entry strategy. Cloud makes our technology easier to scale, accelerates the pace of our technology deployment and facilitates new market entries.

We will also explore opportunities to migrate existing services onto the cloud.

Investing
in capabilities and talent through centres of excellence

We have a growing talent pool across our regions and will continue to innovate through our centre of excellence models across four of our key focus markets.

We will continue to hire and attract the best talent in order to boost our internal capabilities and strengthen our innovation culture, supported by our collaboration with various university campuses and technology colleges.

APIs
Supporting our payment capabilities and connecting buyers and sellers

Application Programming Interfaces (APIs) create a simplified platform through which you can connect a range of new services, solutions and products in a unified way.

We use APIs to enhance our service offering and to ensure an efficient method of service consumption and integration for our customers and partners. This allows us to better serve our customers, provide them with faster services and enhance our portfolio through faster integration with partners. This improves the customer experience through simpler and more agile integrations.

Data
A single source of truth for all data across Network geographies

We are creating a data lake to act as a single, unified source of information held across our Group. The source will be hosted on the cloud, eliminating any need for physical storage and creating easy accessibility.

Unifying our data sources will improve our services, benefit customers, increase automation and improve colleague experiences. For example, customers will have faster access to real-time insights about their portfolios or payment transactions. We can also gather and share information in a faster manner, reducing the need for manual processes.

Middle East

An accelerating payments market

Strong recovery in performance

USD
247.7m
revenue
+25.0% y/y

69.3%
contribution margin
+380 bps y/y

UAE
82%
of revenue

Rest of Middle East
18%
of revenue

- Through the first half of the year, whilst trends were improving, revenue was still affected by COVID-19 and the impact on domestic consumer spending and tourism in the region.
- Following the rollout of a successful vaccination programme, a recovery in consumer confidence and increased tourism into the region, we ended the year with revenue slightly above pre-pandemic levels, up 25% y/y.
- Compared with 2019, Middle East revenue grew 1%, with the first half broadly flat compared with 2019, where Merchant Solutions remained below pre-COVID-19 levels, as a result of the recovering level of tourism in the region. In the second half, all business lines and KPIs continued to improve alongside the regional recovery, with overall second half growth up 2% vs. 2019.
- Contribution margins expanded significantly, helped by improving revenue trends alongside a largely fixed cost base.

Group Chief Financial Officer's Review P68

Accelerating market dynamics

Increased participation in digital payments as a % of transaction volumes[1]

25%
in 2020
(c.20% in 2018/19)

Increasing e-commerce as a % of PCE[2]

c.4%
in 2020
(c.2.5% in 2018/19)

Our growth opportunity in the Middle East is underpinned by our leading market share, scale and the accelerating shift to digital payments.

Strategic priorities

- Grow the merchant base and extend our leadership in the UAE and Jordan, focusing on the fast-growing SME and online segments.
- Become the e-commerce payment champion by leveraging DPO's online capabilities.
- Accelerate new processing customer acquisition and expand the range of credentials we serve across pre-paid cards, digital wallets and other alternative payment credentials.
- Innovate and enhance our existing range of value-added services through new capabilities and harnessing the power of partners.
- Access new revenue pools by significantly expanding our market position in the Kingdom of Saudi Arabia.

Selection of our customers

Our Middle Eastern business is broadly balanced across Merchant Solutions and Issuer Solutions services.

Note: All data points refer to 2020 unless otherwise specified.
1 Edgar, Dunn & Company data, Transaction volumes.
2 Transaction value, includes E-commerce (non-cash), M-commerce and E-commerce cash on delivery, PCE being Personal Consumption Expenditure.

Africa

A region with significant headroom for growth

Continued strong performance in high growth markets

USD 100.2m[1]
revenue
+25.3% y/y

68.1%
contribution margin
+20 bps y/y

North Africa
41%
of revenue

Sub-Saharan Africa
35%
of revenue

Southern Africa
24%
of revenue

- Africa performance was less impacted by COVID-19 than the Middle East; linked to the weighting of our business activities towards Issuer Solutions, which demonstrated greater resilience due to the nature of the revenue streams and contract structures.
- Revenue growth was up 25.3% y/y. Compared with 2019, revenue increased by 11%, with trading in Southern Africa relatively stronger than Northern Africa, including DPO.
- DPO continued to trade well, contributing c.USD 7.5 million to Network revenue in the last quarter of the year, having delivered twelve-month revenue of USD 26.9 million in 2021, up 45% y/y and 33% in constant FX.
- Contribution margin was up 20bps y/y, reflecting the strong revenue growth and a change in revenue mix.
- The region has seen strong growth in KPIs compared with pre-pandemic 2019 levels, across Total Processed Volumes and credentials hosted. We also signed 15 new financial institution customers in the region.

1 Includes three-month contribution from DPO.

Group Chief Financial Officer's Review P68

Structurally underpenetrated, fast-growing markets

Increased participation in digital payments as a % of transaction volumes

20%[1]
(c.18% in 2018/19)

20%+ CAGR
Expected 2021–2025 growth in African mobile money and other wallets[3]

Significant growth expected in digital payments

30%+ CAGR
Expected 2021–25 growth in African online[2] payments

Our growth opportunity in Africa is underpinned by the nascent but fast moving consumer shift towards digital and online payments, and the outsourcing of payment activities by financial institutions.

Strategic priorities

- Accelerate and consolidate our leading market position in outsourcing payment processing services for financial institution and fintech customers.
- Accelerate new customer wins by digitising and automating the customer onboarding experience.
- Win large, transformational, outsourcing processing deals.
- Enrich the range of value-added services by introducing new capabilities and harnessing the power of partners.
- Continue delivering strong revenue growth at DPO, with growth momentum above the payments market.
- Grow our direct-to-merchant services across the continent by leveraging DPO.
- Launch direct-to-merchant services in Egypt.

Selection of our customers

Our African business is weighted more towards Issuer Solutions, with a growing contribution from Merchant Solutions following the acquisition of DPO.

Note: Edgar, Dunn & Company data.
1 Digital as a % of transaction volume.
2 Transaction value, E-commerce (non-cash) 2021–2025 CAGR.
3 Transaction value, average CAGR of mobile money and other wallets.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

Rohit Malhotra
Group Chief Financial Officer and Group Chief Strategy Officer

Financial review

	2021 USD'000[8]	2020 USD'000	y/y change
Select financials			
Revenue	**352,245**	284,844	23.7%
Underlying EBITDA[1,2]	**143,477**	112,561	27.5%
Underlying EBITDA margin (excl. share of associate)[1]	**38.3%**	36.1%	2.2pp
Profit for the year	**56,558**	5,598	910.3%
Underlying net income[1]	**63,192**	34,664	82.3%
Underlying earnings per share (USD cents)[1,3,9]	**11.6**	6.8	70.6%
Reported earnings per share (USD cents)[3]	**10.4**	1.2	766.7%
Underlying free cash flow (underlying FCF)[1]	**61,908**	51,790	19.5%
Cash flow from operating activities[4]	**17,405**	107,500	(83.8)%
Leverage[1,5]	**0.9x**	0.0x	0.9x
Segmental results			
Middle East revenue	**247,683**	198,224	25.0%
Africa revenue	**100,239**	80,020	25.3%
Other revenue[6]	**4,323**	6,600	(34.5)%
Middle East contribution margin[1]	**69.3%**	65.5%	380bps
Africa contribution margin[1]	**68.1%**	67.9%	20bps
Business line results			
Merchant Solutions revenue	**160,449**	109,415	46.6%
Issuer Solutions revenue	**182,428**	165,011	10.6%
Other revenue[6]	**9,368**	10,418	(10.1)%
Key Performance Indicators[7]			
Total Processed Volume (TPV) (USD m)	**42,814**	33,540	27.7%
Total number of credentials hosted (m)	**16.6**	16.2	2.5%
Total number of transactions (m)	**979.9**	758.1	29.3%

1 This is an Alternative Performance Measure (APM). See notes 4 and 5 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.
2 We announced the strategic exit of our stake in TG Cash on 10 November 2021. There is therefore a 10-month contribution from associate as part of underlying EBITDA.
3 Average share count has increased compared with the prior year as a result of the issuance of 11.1 million new shares to the shareholders of DPO Group following the completion of the acquisition. Underlying earnings per share is defined as underlying net income attributable to the shareholders divided by the weighted average numbers of the ordinary shares during the relevant financial year.
4 Cash flow from operating activities is impacted by the movement in settlement related balances. Refer to page 76 for details.
5 Refer to page 80 for the leverage ratio computation and reconciliation of net debt figures to the consolidated financial information. For FY 2020, leverage was zero due to the additional funds available from the equity raise relating to the DPO acquisition.
6 Other revenue primarily includes revenues recognised relating to Mastercard strategic partnership, cash advance fees on withdrawals from ATMs, and foreign exchange gains/(losses) arising from the Merchant and Issuer Solutions business lines.
7 For KPIs definition, please refer to page 81.
8 DPO was acquired on 28 September 2021. There is therefore a three-month contribution to the 2021 income statement financials, cash flows and Total Processed Volume KPI.
9 Underlying earnings per share is defined as underlying net income attributable to the shareholders divided by the weighted average numbers of the ordinary shares during the relevant financial year.
10 For constant currency calculation please refer to page 81.

We delivered a strong performance in 2021, with significant progress made across the Group as revenue trended back to pre-pandemic levels, reflecting the underlying resilience of our business. We focused on winning new business and delivering for our customers, whilst also enhancing our product capabilities and investing in the best talent to fuel our recovery, ultimately building a solid foundation for our faster growth strategy. We also ended the year with a strong balance sheet position and ample liquidity.

Rohit Malhotra
Group Chief Financial Officer and Group Chief Strategy Officer

Strategic milestones and their impact on the financial statements

i. Completion of the acquisition of DPO Group (DPO). Following the completion of the acquisition in September 2021, DPO continues to trade well, with twelve-month 2021 TPV of USD 3.6 billion, +55.2% y/y or +42.1% in constant FX; revenue of USD 26.9 million, +45.0% y/y or +32.9% in constant FX; and EBITDA of USD 4.4 million. The 2021 Group income statement includes a three-month contribution from DPO, with TPV of USD 1.1 billion, revenue of USD 7.5 million and EBITDA of USD 1.7 million. The income statement also includes amortisation of acquired intangibles of USD 1.7 million as part of Specially Disclosed Items. Further details are contained within the relevant sections of the Financial Review.

ii. Divestment of our 50% stake in Transguard (TG) Cash. The divestment of our stake in TG Cash was completed in November 2021 for USD 74.4 million. The Group income statement includes i) a USD 4.7 million share of profit from an associate, representing the 10-month contribution prior to the sale of the stake; and ii) a gain on disposal of USD 10.2 million. Further details on page 200.

iii. Disposal of our 70% holding in domestic UAE card scheme, Mercury Payments Services LLC (Mercury). We entered an agreement to sell our 70% holding in Mercury for a consideration of c.USD 3 million, before completion adjustments. The agreement to sell the asset was signed in December 2021 and subsequently, the sale transaction was completed in January 2022. Therefore, the financial results for Mercury remain included in the Group's 2021 financial performance. As per the IFRS requirement, Mercury has been presented as 'Held for sale' in the statement of financial position as at 31 December 2021.

Total revenue

Trends vs 2020: Total revenue in the year increased by 23.7% y/y (similar on a constant currency basis[10]) to USD 352.2 million (2020: USD 284.8 million). This includes a USD 7.5 million revenue contribution from DPO. Excluding DPO, revenue grew 21.0% y/y.

Trends vs 2019: We also provide our revenue growth rates compared to 2019 as a more informative way to demonstrate the recovery of the business following the pandemic. Total revenue was 5% higher compared to 2019. Excluding DPO, total Group revenue was up 3%.

Revenue results by operating segment

Middle East

The Group's largest segment is the Middle East, where revenues are generated from both Merchant and Issuer Solutions, representing 70% of total revenue (2020: 70%). The UAE, our largest market, has seen a significant improvement in consumer confidence following a successful vaccination programme and the return of tourism. In Jordan, our second largest market, trends continued to improve through the year, although lockdown restrictions and curfews were not fully lifted until the second half.

Trends vs 2020: Revenue increased by 25.0% y/y to USD 247.7 million (2020: USD 198.2 million). Growth momentum improved from flat y/y in Q1 2021, to significant growth y/y in Q2 2021, helped by the easier comparative in the prior year, with H1 revenue of USD 112.4 million up 18.9% y/y. In the second half, revenue increased period on period to USD 135.3 million, with an acceleration in growth momentum, up 30.4% y/y, which is reflective of, but not limited to: the regional economic recovery from the pandemic, improved travel confidence from tourists and seasonal activities including major sporting events and Dubai EXPO.

Trends vs 2019: Compared with 2019, Middle East revenue grew 1%. In the first half revenue was broadly flat compared with 2019, where Merchant Solutions performance remained below pre-COVID levels, largely linked to the recovering level of tourism in the region, whilst Issuer Solutions showed good growth. In the second half, all business lines and KPIs continued to improve, with revenue performance supported by the regional recovery, with overall growth of 2% in the second half, compared with H2 2019.

Contribution[1] for the Middle East segment increased by 32% to USD 171.6 million (2020: USD 130.0 million), with contribution margin[1] up 380 bps to 69.3% (2020: 65.5%). This was supported by improving volumes and take rates, alongside a largely fixed cost base, reflecting the operating leverage inherent in the business.

Africa

The Group's Africa segment contributed 28% of total revenue in the period (2020: 28%). Since the onset of the pandemic, relative performance in Africa has been stronger than the Middle East due to the business's weighting towards Issuer Solutions, which is more resilient due to the nature of its revenue streams. Going forward, the acquisition of DPO will increase the proportion of Merchant Solutions revenue in the region.

Trends vs 2020: Africa revenue increased by 25.3% y/y to USD 100.2 million (2020: USD 80.0 million), including the USD 7.5 million contribution from DPO. Excluding DPO, revenue growth was 15.9% y/y, with the business seeing slightly stronger growth in the first half of the year.

Trends vs 2019: Revenue increased by 11%, where we also saw good growth across a number KPIs, including the number of credentials hosted and TPV. Excluding DPO, revenue growth was 2% vs. 2019. Growth excluding DPO was in the high single digit levels vs. 2019 through the first three quarters, whilst the final quarter was impacted by the presence of one-off revenue streams, where a number of financial institution customers undertook card portfolio renewals and new issuance. On a sub-regional level, trading in Northern Africa was relatively stronger than Southern Africa through the year.

Contribution[1] for the Africa segment increased 25.7% y/y, to USD 68.3 million (2020: USD 54.3 million), with margins up by 20 bps y/y to 68.1% (2020: 67.9%), reflecting a continuation of the strong revenue growth and a change in the revenue mix.

Other revenue, not allocated to an Operating Segment

The Group's other revenue was USD 4.3 million (2020: USD 6.6 million). This represents various solutions introduced as part of the Mastercard strategic partnership. Our strategic partnership with Mastercard continues to progress well and together we are making significant strides in accelerating the acceptance of digital payments across all our markets.

Revenue results by business line

We serve customers via two core business lines: Merchant Solutions and Issuer Solutions.

	Growth compared with 2020					Growth compared with 2019				
	Q1	**Q2**	**Q3**	**Q4[a]**	**FY[a]**	Q1	Q2	Q3	Q4[a]	FY[a]
Total revenue	**1%**	**36%**	**19%**	**39%**	**24%**	1%	4%	(1)%	13%	5%
Merchant Solutions revenue	**(3)%**	**86%**	**38%**	**82%**	**47%**	(11)%	4%	(3)%	25%	5%
of which direct TPV	**(8)%[b]**	**69%**	**22%**	**51%**	**29%**	(15)%	(10)%	(3)%	24%	(1)%
Issuer Solutions revenue	**5%**	**15%**	**9%**	**13%**	**11%**	7%	5%	2%	(2)%	3%

a Note. Total revenue, Merchant Solutions and Direct TPV Q4 and FY growth numbers include three-month contribution from DPO group.
b Growth data presented on a like-for-like basis, removing the impact of one additional day in the calendar month of February.

1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.

Merchant Solutions revenue

Merchant Solutions business line is focused on our direct-to-merchant payment services, alongside acquirer processing activities for financial institutions. Historically, revenues have been primarily generated in the UAE and Jordan, although going forward, the acquisition of DPO expands our direct-to-merchant presence across Africa.

Trends vs 2020: Revenue, which represents 46% of total revenue (2020: 38%), grew 46.6% y/y to USD 160.4 million (2020: USD 109.4 million), including a USD 7.5 million contribution from DPO. Excluding DPO, growth was 39.8% y/y. Trends continued to improve as we progressed through the year, despite the tough comparative as we entered the second half. Absolute revenue improved significantly in the second half, supported by the accelerating trends in the digital payments market, improved consumer confidence and an increase in the inflow of tourism into the UAE. Overall, Total Processed Volume (TPV)[2] increased by 27.7% y/y to USD 42.8 billion (2020: USD 33.5 billion). Excluding DPO, Total TPV[1] growth was 24% y/y.

Trends vs 2019: Revenue including DPO grew by 5% and Total TPV[2] declined by 2%. Excluding DPO, revenue was flat and Total TPV was (5)% vs. 2019. Within this, domestic TPV, which represents spending from consumers domiciled in the region, remained below pre-pandemic levels in the first half of the year. As we moved into the second half and following a strong rebound in confidence, in line with the broader economic recovery, domestic spends grew strongly compared to 2019. International TPV, which represents consumer spending by international visitors, outperformed our expectations through the year and was in strong growth compared with pre-pandemic levels as we exited the year. Overall positive trends in TPV performance through the second half of the year were supported by the peak holiday season in Q4, sporting events and Dubai EXPO. We also continued to see an acceleration in total online TPV, with growth (excluding Government and airlines), of 112% compared with 2019.

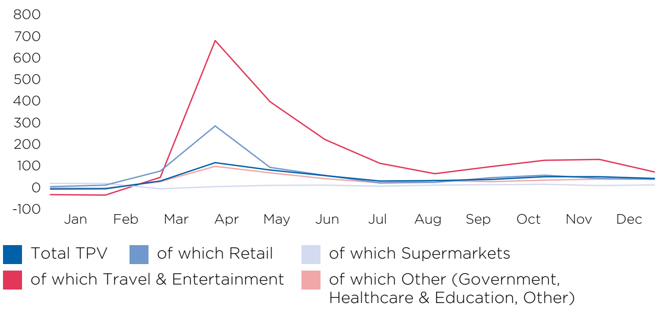
Issuer Solutions revenue

Issuer Solutions business line supports our financial institution and fintech customers with the outsourced management and processing of consumer payment credentials. Revenue for this business line is typically more resilient than Merchant Solutions, due to the nature of revenue streams, revenues which are not linked with transaction volumes and the presence of some customer agreements with contractual minimums.

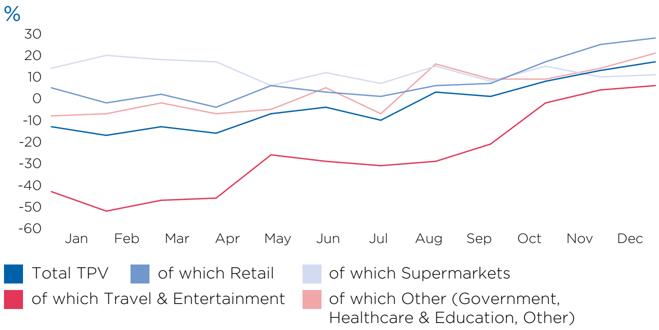
Trends vs 2020: Revenue, which represents 52% of total revenue (2020: 58%), grew 10.6% y/y to USD 182.4 million (2020: USD 165.0 million). Revenue growth trends were broadly consistent through the year, with the number of transactions seeing particularly good growth y/y. The number of credentials hosted was up slightly y/y, with growth impacted by a higher base in the prior year; as well as a change in the billing mechanism of one of our large bank customers, as previously disclosed. While performance demonstrates solid trading across all regions, Africa delivered particularly

Trends in directly acquired Total Processed Volume (TPV)[3]

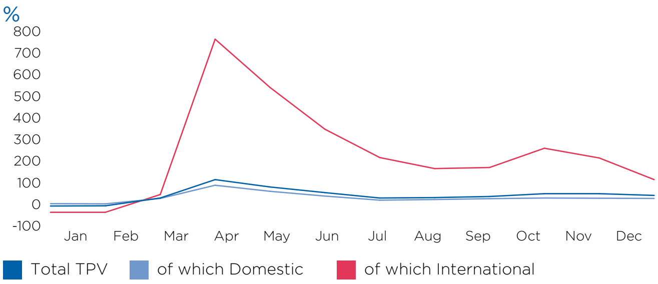
Growth in directly acquired TPV, y/y



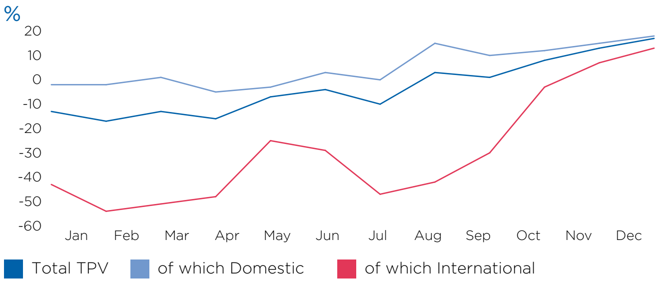
Growth in directly acquired TPV vs 2019



Domestic and International trends in directly acquired TPV, y/y growth



Domestic and International trends in directly acquired TPV vs 2019 growth



1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.
2 For KPIs definition, please refer to page 81.
3 Growth rates represent direct TPV performance of UAE and Jordan, excludes TPV from DPO and our processing business.

strong growth relative to the Middle East, reflective of the faster growing underlying markets. The momentum in new business wins with financial institutions remains positive and is encouraging, resulting in revenue from a number of new contracts, renewed portfolios of credentials and value-added services.

Trends vs 2019: Compared with 2019 revenue grew 3%, with broadly balanced performance across both the Middle East and Africa. Revenue growth in 2021 reflects a strong comparator in 2019, where a number of financial institutions undertook card portfolio renewals and new issuance, alongside the presence of some one-off revenue streams. Credentials hosted saw broadly stable growth throughout the year, with the number of transactions seeing an acceleration in growth through the second half.

Other revenue not allocated to a business line

The Group's other revenue of USD 9.4 million is mainly derived from the Mastercard strategic partnership, cash advance fees on withdrawals from ATMs, foreign exchange (losses) arising from the Merchant and Issuer Solutions business lines.

Expenses and other line items

	2021 USD'000 Reported	2021 USD'000 Specially Disclosed Items	2021 USD'000 Underlying results[1] (A)	2020 USD'000 Reported	2020 USD'000 Specially Disclosed Items	2020 USD'000 Underlying results[1] (B)	Change (A&B)
Salaries and allowances	**80,966**		**80,966**	71,965	–	71,965	12.5%
Bonus and sales incentives	**11,557**		**11,557**	3,787	–	3,787	205.2%
Share-based compensation	**7,550**	**(3,657)**	**3,893**	10,870	(10,445)	425	816.0%
Terminal and other benefits	**7,884**		**7,884**	10,311	–	10,311	(23.5)%
Total personnel expenses	**107,957**	**(3,657)**	**104,300**	96,933	(10,445)	86,488	20.6%
Technology and communication costs	**55,266**	**–**	**55,266**	44,288	–	44,288	24.8%
Third-party costs	**23,523**	**–**	**23,523**	23,518	–	23,518	(0.0)%
Legal and professional fees	**26,933**	**(7,261)**	**19,672**	22,102	(7,696)	14,406	36.5%
Provision for expected credit loss	**393**	**–**	**393**	2,183	–	2,183	(82.0)%
Other general and administrative expenses	**14,076**	**–**	**14,076**	11,083	–	11,083	27.0%
Selling, operating and other expenses	**120,191**	**(7,261)**	**112,930**	103,174	(7,696)	95,478	18.3%
Depreciation and amortisation	**60,958**	**(5,885)**	**55,073**	51,537	(4,204)	47,333	16.4%
Share of depreciation from associate	**3,768**	**–**	**3,768**	3,863	–	3,863	(2.5)%
Total depreciation and amortisation	**64,726**	**(5,885)**	**58,841**	55,400	(4,204)	51,196	14.9%
Net interest expense	**13,708**	**–**	**13,708**	21,669	–	21,669	36.7%
Unrealised foreign exchange losses	**910**	**–**	**910**	328	–	328	177.4%
Taxes	**6,826**	**–**	**6,826**	4,704	–	4,704	45.1%

Personnel expenses: Total personnel expenses were USD 108.0 million (2020: USD 96.9 million), including SDIs of USD 3.7 million (2020: USD 10.4 million). Underlying personnel expenses[1] were USD 104.3 million (2020: USD 86.5 million), up 20.6% y/y, driven by several components including: 1) headcount growth in technology and operations to support business growth and to deliver on our growth initiatives; 2) return of discretionary bonus accrual, which was not present in the prior year; and 3) a higher share-based compensation for LTIP charge compared with 2020, linked with the business's stronger performance.

Selling, operating and other expenses: Total selling, operating and other expenses were USD 120.2 million (2020: USD 103.2 million), including SDIs of USD 7.3 million (2020: USD 7.7 million). Underlying selling, operating and other expenses[1] grew by 18.3% to USD 112.9 million (2020: USD 95.5 million). The higher operating expenses reflect costs relating to the separation of the shared data centre from Emirates NBD and technology enhancements to support the strengthening and development of our products and capabilities, particularly within our direct-to-merchant acquiring business. This mainly relates to improving merchant onboarding experience, which helps to accelerate the signup of SME merchants which is a key strategic focus.

Underlying EBITDA[1]:

Underlying EBITDA[1] increased by 27.5% to USD 143.5 million (2020: USD 112.6 million). Within this, DPO contributed USD 1.7 million. Underlying EBITDA margin[1] (which excludes the Group's share of associate, Transguard Cash) was 38.3% (2020: 36.1%). Underlying EBITDA margin improved by 2.2pp y/y, which reflects the Group's improving revenue trajectory, accompanied by operating leverage inherent in the business, whilst ensuring we continue to invest in future growth. The table below presents a reconciliation of the Group's reported profit to underlying EBITDA[1].

	2021 USD'000	2020 USD'000
Profit for the year	**56,558**	5,598
Depreciation and amortisation	60,958	51,537
Write-off of unamortised debt issuance cost	–	6,721
Net interest expense	13,708	21,669
Unrealised foreign exchange losses	910	328
Taxes	6,826	4,704
Gain on the disposal of an associate	(10,169)	–
Share of depreciation from associate	3,768	3,863
Specially Disclosed Items affecting EBITDA	10,918	18,141
Underlying EBITDA[1]	**143,477**	112,561

Depreciation and amortisation

The Group's total depreciation and amortisation (D&A) charge, including the share of depreciation from associate Transguard Cash, increased by USD 9.3 million to USD 64.7 million (2020: USD 55.4 million). This also includes a SDI of USD 5.9 million (2020: USD 4.2 million) for the amortisation of acquired intangibles. The Group's underlying D&A[1] charge grew by 14.9% to USD 58.8 million (2020: USD 51.2 million). The increase reflects the D&A charge on new assets capitalised during the year as well as the annualised impact of assets capitalised in the prior year, including point-of-sale terminals, alongside other products and capabilities to expand and run our Group operations.

1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.

Net interest expense

The Group's net interest expense decreased by USD 8.0 million to USD 13.7 million (2020: USD 21.7 million). The overall decline in the net interest expense largely reflects a lower interest rate charged on our debt facilities, in-line with our leverage-based pricing grid.

	2021 USD'000	2020 USD'000	Comments
Interest expense on:			
Term loan facility[a]	**8,158**	12,935	Represents interest and other fees. Average balance in 2021: USD 377 million[a]. Average interest rate of 2.1%[a]. Average balance in 2020[b]: USD 354 million, Average interest rate of 3.4%.
Revolving credit facility	**1,000**	1,837	Represents interest and other fees. Average drawdown in 2021: USD 35 million. Average interest rate of 2%. Average drawdown in 2020: USD 55 million. Average interest rate of 3.1%.
Bank overdrafts for working capital	**1,678**	3,780	UAE working capital facility contributes c.59% of the associated costs. Average utilisation in 2021 c.USD 20 million, average interest rate of 2.6 %. Average utilisation in 2020 c.USD 75 million, average interest rate 4.1%. Remaining c.41% of the cost is associated with working capital facilities in Jordan and Egypt.
Debt issuance amortisation	**1,444**	1,642	Amortisation of debt issuance costs associated with term loan and revolving credit facility.
Other interest expense	**1,812**	1,916	Relates to interest charges on lease liabilities, mainly on liabilities recognised on right of use assets.
Interest income	**(384)**	(441)	Relates to interest income on bank deposits
Net interest expense	**13,708**	21,669	

a Syndicated debt facility of USD 375m was (excluding term loan acquired on acquisition of DPO) was refinanced during 2020. The current interest rates associated with the new facility are 3 month EIBOR +1.7% on the AED tranche and 3 month LIBOR + 1.95% on the USD tranche and Islamic tranche. Covenants set at 3.5x net debt: underlying EBITDA.

b Opening balance USD 375m, closing balance USD 375m (gross of debt issuance costs).

Contribution and gain on the disposal of associate, TG Cash

We divested our 50% stake in TG Cash in November 2021, generating total proceeds of USD 74.4 million. The gross value of the asset at the date of disposal amounted to USD 64.2 million, resulting in a gain of USD 10.2 million which is recognised in the consolidated statement of profit or loss. A USD 4.7 million share of profit from associate is also included in the income statement, representing the 10-month contribution prior to the sale of the stake.

Unrealised foreign exchange losses

Unrealised FX losses relate to the translation of the Group's foreign currency denominated assets and liabilities. The charge during the year amounted to USD 0.9 million (2020: USD 0.3 million).

Taxes

The Group's total tax charge during the period was USD 6.8 million (2020: USD 4.7 million) with an underlying effective tax rate[1] of 9.7%, as expected (2020: 11.9%). The reported effective tax rate was 10.8% (2020: 45.7%) in the year. The Group's reported effective tax rate was significantly higher in 2020, reflecting lower reported profit before tax, mainly due to total Group revenue being impacted by COVID-19.

Profit for the year, underlying net income[1], reported and underlying EPS[1]

Profit for the year totalled USD 56.5 million (2020: USD 5.6 million). Underlying net income[1] increased by 82.3% to USD 63.2 million (2020: USD 34.7 million). The table below shows the reconciliation of the profit for the year to underlying net income[1].

	2021 USD'000	2020 USD'000
Profit for the year	**56,558**	**5,598**
Write-off of unamortised debt issuance cost	–	6,721
Gain on the disposal of an associate	(10,169)	-
Specially Disclosed Items affecting EBITDA	10,918	18,141
Specially Disclosed Items affecting net income	5,885	4,204
Underlying net income[1]	**63,192**	**34,664**

Reported earnings per share for the period was 10.4 USD cents (2020: 1.2 USD cents) and underlying earnings per share (EPS)[1] increased by 70.6% to 11.6 USD cents (2020: 6.8 USD cents). The share count increased during the year to reflect the issuance of 11,101,690 shares to the shareholders of DPO following the completion of the acquisition. As a result, the weighted average share count during the year was 552,859,065 (2020: 520,833,333). The number of shares at 31 December 2021 totalled 561,101,690 (2020: 550,000,000).

	2021	2020
Underlying net income[1] (USD'000)	**63,192**	**34,664**
Non-controlling interest (loss) (USD'000)	880	557
Underlying net income – attributable to equity holders (USD'000)	**64,072**	**35,221**
Weighted average number of shares ('000)	552,859	520,833
Underlying earnings per share[1] (USD cents)	**11.6**	**6.8**

Specially Disclosed Items (SDIs)[1]

SDIs are items of income or expenses that have been recognised in a given period which management believes, due to their materiality and being one-off or exceptional in nature, should be disclosed separately to give a more comparable view of underlying financial performance.

SDIs affecting EBITDA during the year were USD 10.9 million (2020: USD 18.1 million) and SDIs affecting net income were USD 5.9 million (2020: USD 4.2 million).

The key SDIs affecting EBITDA in the period were:

1. Share-based compensation: Includes the charge relating to the Management Incentive Award Plan, Initial Public Offering (IPO) Cash Bonus, and certain Long-Term Incentive Plans awarded to Group-wide eligible employees, all of which are specific payments relating to the Group's IPO. These charges will not recur after 2021.

2. M&A costs: This includes costs incurred during the period for due diligence, advisory, and execution in relation to the acquisition of DPO.

The key SDIs affecting net income in the period were:

Amortisation of acquired intangibles: Amortisation of acquired intangibles are treated as SDIs. These charges are based on judgements about their value and economic life and are the result of the application of acquisition accounting. Whilst revenue recognised in the income statement does benefit from the underlying intangibles that have been acquired, the amortisation costs bear no relation to the Group's underlying operational performance. The amortisation of acquired intangibles is not included in the analysis of segment performance used by the Chief Operating Decision Maker. The amortisation charge on the intangible assets recognised in the Group's consolidated statement of financial position is on account of the following acquisitions:

a) USD 4.2 million – from the acquisition of Emerging Market Payments Services in 2016. This will be fully amortised by H1 2023.

b) USD 1.7 million – from the acquisition of DPO Group in 2021, representing a three-month charge following the completion of the acquisition in September 2021. We expect the annual run rate, from 2022, to be c.USD 7 million, amortised over 5–10 year period.

	2021 USD'000	2020 USD'000
Items affecting EBITDA		
Share-based compensation	3,657	10,445
M&A costs	7,262	7,696
Total SDIs affecting EBITDA	**10,918**	**18,141**
Items affecting net income		
Amortisation of acquired intangibles*	5,885	4,204
Total SDIs affecting net income	**5,885**	**4,204**
Total Specially Disclosed Items	**16,803**	**22,345**

* Deferred tax liability is recognised on the acquired intangibles identified as part of the acquisition accounting for the DPO acquisition, and the resultant movement in the deferred liability during the period is included in the income statement under 'taxes', the impact of which is not significant.

1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.

Cash flow

The Group's net cash flow from operating activities was USD 17.4 million (2020: USD 107.5 million), a decrease of USD (72.2) million, largely reflecting the movement in settlement related balances, which is discussed in more detail within the working capital section of this review. The Group's net cash flow from operating activities, before settlement related balances, was USD 86.1 million (2020: USD 88.2 million), (2)% lower than 2020.

The Group's net cash outflow from investing activities was USD (178.9) million (2020: USD (49.0) million), largely reflecting the purchase consideration of DPO, which was partially offset by proceeds from the sale of our stake in TG Cash.

The Group's net cash movement from financing activities was USD (10.7) million (2020: USD 325.2 million), mainly reflecting the purchase of the shares under the Long-Term Incentive Plan (LTIP) for eligible Group employees and lease payments. The prior year saw an inflow of USD 325 million, which included the proceeds from the issuance of new shares (USD 258.7 million, net of share issuance expense) and proceeds drawn down from borrowing facilities as a precautionary measure during the initial phase of the pandemic (USD 79.6 million, net of debt issuance cost), offset by the shares purchased for employees' Long-Term Incentive Plan (USD 10.4 million).

	2021 USD'000	2020 USD'000	Change
Net cash flows from operating activities before settlement related balances	**86,107**	**88,214**	**(2)%**
Changes in settlement related balances (refer page 78 for detail)	(68,702)	19,286	(456)%
Net cash movement from operating activities	**17,405**	**107,500**	**(84)%**
Net cash movement from investing activities	**(178,913)**	**(49,038)**	**265%**
Net cash movement from financing activities	**(10,743)**	**325,229**	**(103)%**

Underlying free cash flow[1]

Underlying free cash flow[1] (underlying FCF) was USD 61.9 million (2020: USD 51.8 million), 19% higher than last year, driven by underlying EBITDA[1] compared with the prior year, which was partially offset by changes in working capital before settlement related balances and higher capital investment.

	2021 USD'000	2020 USD'000	Change
Profit for the year	**56,558**	**5,598**	**910%**
Depreciation and amortisation	60,958	51,537	18%
Write-off of unamortised debt issuance cost	–	6,721	–
Net interest expense	13,708	21,669	(37)%
Unrealised foreign exchange losses	910	328	177%
Taxes	6,826	4,704	45%
Gain on the disposal of an associate	(10,169)	–	
Share of depreciation of associate	3,768	3,863	(2)%
Specially Disclosed Items affecting EBITDA	10,918	18,141	(40)%
Underlying EBITDA[1]	**143,477**	**112,561**	**27%**
Changes in working capital before settlement related balances	(1,074)	19,581	(105)%
Taxes paid	(4,842)	(6,058)	(20)%
Total capital expenditure	(56,272)	(46,470)	21%
Specially Disclosed Items affecting EBITDA	(10,918)	(18,141)	(40)%
Adjustment for share of EBITDA of associate, less dividend	(8,463)	(9,683)	(13)%
Underlying free cash flow[1]	**61,908**	**51,790**	**19%**

Reconciliation of cash flows from operating activities to underlying free cash flow

	2021 USD'000	2020 USD'000	Change
Net cash inflows from operating activities	**17,405**	**107,500**	**(84)%**
Changes in settlement related balances, long-term receivables and other liabilities	91,623	(19,942)	–
Charge for share-based payment	(4,518)	(4,070)	11%
Interest paid	14,064	16,985	(17)%
Others*	(394)	(2,213)	(82)%
Underlying free cash flow before capital expenditure	**118,180**	**98,260**	**20%**
Total capital expenditure	(56,272)	(46,470)	21%
Underlying free cash flow[1]	**61,908**	**51,790**	**19%**

* Others include provision for expected credit losses and foreign exchange gains and losses

Capital expenditure

	2021 USD'000	2020 USD'000	Change
Total capital expenditure	**56,272**	**46,470**	**21%**
Core capital expenditure:	**43,955**	**36,773**	**19%**
of which is maintenance capital expenditure[1]	16,015	11,974	34%
of which is growth capital expenditure[1]	27,940	24,799	13%
Saudi Arabia market entry	**5,006**	**634**	**690%**
Separation of shared services from Emirates NBD	**7,311**	**9,063**	**(19)%**

Maintenance capital expenditure is spending on additions or improvements to the existing operations of the Group. Maintenance capital expenditure was USD 16.0 million (2020: USD 12.0 million) and includes the enhancement and upkeep of our technology infrastructure, including databases and system upgrades.

Growth capital expenditure is spending associated with delivering revenue growth, including but not limited to the onboarding of new customers, expansion of services with existing customers or the development of new product offerings. Growth capital expenditure was USD 27.9 million in the year (2020: USD 24.8 million) and was mainly composed of investment in point-of-sale terminals, to drive volume growth and accelerate SME onboarding.

Capital expenditure to support our entry into the Kingdom of Saudi Arabia amounted to USD 5.0 million (2020: USD 0.6 million). We continue to expect to deploy a total of up to USD 10 million to support our market entry, much lower than our original expectations, with the balance to be invested in 2022.

Capital expenditure for the separation of shared services from Emirates NBD largely reflects the migration of our data centre into an independent location. This totalled USD 7.3 million in the year (2020: USD 9.1 million). We have now invested a total of c.USD 17 million in the separation process.

1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.

Reconciliation of capital expenditure to capital spend in the consolidated cash flows

	2021 USD'000	2020 USD'000	Change
Total capital expenditure	**56,272**	**46,470**	**21%**
Goods/services received in the current period, but yet to be paid	(14,723)	(12,639)	16%
Goods/services received in prior period, and paid in the current period	13,513	16,233	17%
Total consolidated capital expenditure spend (as per consolidated statement of cash flows)	**55,062**	**50,064**	**10%**

Working capital

The Group's working capital requirements are broadly classified into the following two categories:

i) Settlement related working capital

Movements in settlement related working capital balances are linked to the direct-to-merchant business line funding cycle and represent those from both Network and DPO. The settlement related working capital outflow is primarily due to a change in our settlement currency with Visa, which has moved from a USD to an AED settlement. The settlement timeline for AED currency is currently a day longer (but expected to shorten in the future) and therefore contributed to the elevated scheme debtor balance when compared with the prior year.

Scheme debtors and other merchant creditors: Merchant creditor and scheme debtor balances generally reflect TPV processed in the direct-to-merchant business line over the 2–3 days before the period end, as well as a number of other factors that can include the day of the week.

Overall, the merchant creditor balance increased USD 164.1 million y/y and the scheme debtor balance increased USD 198.6 million y/y.

At Network, which represents the majority of the balances: merchants generally receive funds before Network obtains settlement from the card schemes and financial institutions, resulting in larger scheme debtor balances when compared to merchant creditor balances. The majority of merchants receive settlement on T+1 following a consumer transaction. In 2021, the period ended on a Friday, which was the first day of the weekend in the UAE (in 2022, the UAE Government announced a move in the weekend to Saturday and Sunday, which will align our settlement process with other global markets). But in 2021, no payments were remitted to merchants on a Friday and as a result, the merchant creditor balance broadly represented two days of outstanding payments due to merchants. The 2021 period end balance is therefore significantly higher than the 2020 period end balance, which was a Thursday and broadly represented one day of outstanding payments due to merchants.

Network usually receives funds from the payment schemes on T+2/3, and from financial institutions on T+1. The 2021 scheme debtor balance was extended to T+3/4 for two main reasons: i) No settlement is received from the card schemes and financial institutions on a Friday. This largely offsets the concomitant increase in the merchant creditor balance described above, ii) during the year our settlement currency with Visa was changed, moving from a USD to an AED settlement. The settlement timeline for AED currency is currently a day longer.

At DPO, the settlement timeline differs to Network. Payments to merchants are made after DPO has received settlement from banks and mobile network operators and results in larger merchant creditor balances when compared to scheme debtor balances. The DPO scheme debtor balance at the period end was de minimis, whilst the merchant creditor balance was USD 47 million of the total Group merchant creditor balance of USD 329.3 million.

Restricted cash: Restricted cash represents balances specifically due to merchants. The restricted cash balance of USD 86.8 million is split between Network and DPO and has increased y/y mainly due to the addition of DPO into the Group.

At Network, restricted cash represents i) cash held as a form of collateral to manage the risk of merchant chargebacks. This collateral declined y/y due to the release of restricted cash to an airline merchant which is no longer a customer, ii) cash balances collected from card schemes/financial institutions but not settled to merchants, iii) cash against collateral received from merchants.

At DPO, restricted cash largely represents cash balances already received from banks and mobile network operators, but not yet remitted to merchants. This has more than offset the y/y decline in Network's restricted cash balance.

	2021 USD'000	2020 USD'000	Cash inflow/ (outflow) USD'000
Scheme debtors	**364,025**	**165,436**	**(198,589)**
Restricted cash	**86,801**	**52,550**	**(34,251)**
Merchant creditors	**(329,280)**	**(165,142)**	**164,138**
Settlement related working capital balances	**121,546**	**52,844**	**(68,702)**

ii) Working capital before settlement related balances

This represents the amount of capital used by the Group to fund its day-to-day trading operations, outside of the direct acquiring business. The overall cash movement in working capital before settlement related balances totalled USD (1.1) million, which mainly reflects receivables from strategic initiatives launched with Mastercard in the final part of the year. This is partially offset by payables consolidated from DPO, which was not present in the prior year.

	2021 USD'000	2020 USD'000	Change
Trade receivables & chargeback receivables			
(Net of provisions for expected credit loss)	65,675	45,874	(19,801)
Prepayments and other receivables	22,699	22,000	(699)
Trade, other payables and income tax payables	(145,331)	(127,732)	17,599
	(56,957)	**(59,858)**	**(2,901)**
Items excluded[1]:			
Capital expenditure accrual	20,637	19,428	(1,209)
Provisions for expected credit losses	4,499	9,403	4,904
Other movements[2]	13,872	12,004	(1,868)
Working capital before settlement related balances	(17,949)	(19,023)	**(1,074)**

1 These items are excluded as these are either shown separately in the consolidated statement of cash flows or non-cash in nature.
2 Other movements mainly includes movement in advance taxes paid and interest payables.

Debt

The Group's total debt, including current borrowings, amounted to USD 491.3 million (2020: USD 434.5 million).

	2021 USD'000	2020 USD'000	Change
Syndicated term loan			
Principal outstanding	375,000	375,000	–
Unamortised debt issuance cost	(4,690)	(6,134)	24%
Sub total	**370,310**	**368,866**	**–**
Revolving credit facility	35,000	35,000	–
ATM lease liability	191	925	(79)%
Bank overdraft (for working capital)	77,089	29,681	160%
Other term loan – from business combination	8,754	–	–
Total	**491,344**	**434,472**	**13%**
Non-current borrowing	336,739	369,025	(9)%
Current borrowing	154,604	65,447	136%
Total	**491,344**	**434,472**	**13%**

During 2020, we refinanced our syndicated debt facility. The refinancing was conducted to increase liquidity and to support investment in our growth-oriented strategy, as well as for general corporate purposes. When originally refinanced, the facility was for USD 525 million, of which USD 375 million has currently been drawn. As previously disclosed, the undrawn balance was available for a period of one year from the date of refinancing and the Group decided not to extend the availability of the undrawn balance, as we believe we have sufficient liquidity to meet our upcoming requirements. As per the financing agreement, a principal payment of USD 37.5 million is due in 2022 (10% of the balance), with the repayment increasing to 20% between 2023–25, and the remaining balance (30%) to be paid in full in 2026.

Our leverage ratio[1], which represents net debt[1] to underlying EBITDA[1], is calculated as per the methodology provided in the financing facility agreement with the syndicated lending facility banks. Under these agreements net debt excludes: a) the overdraft facilities which are mainly used to facilitate settlement related working capital balances and b) restricted cash balances, which are largely the amounts, withheld from merchants, as a collateral, for a period of time to cover the risk of chargebacks. EBITDA is measured on an underlying basis over the last twelve-month period and financial covenants are set to 3.5x net debt: underlying EBITDA[1].

Leverage ratio[2]

	2021 USD'000	2020 USD'000
Net debt	**127,724**	252
Underlying EBITDA[1]	**143,477**	112,561
Leverage ratio	**0.9**	0.0[2]

The table below provides the reconciliation of net debt as per the consolidated financial information and methodology prescribed in the financing agreement.

Particulars	2021 USD'000	2020 USD'000
Non-current borrowings	**336,739**	369,025
Current borrowings	**154,605**	65,447
Cash balance	**(270,345)**	(398,781)
Net debt as per consolidated financial information	**220,999**	35,691
Less: Working capital facility overdraft	**(77,089)**	(29,681)
Less: Cash balance (share of associate and non-controlling interest of subsidiary)	**(1,833)**	(11,422)
Add: Unamortised debt issuance cost	**4,690**	6,134
Other adjustments*	**(19,043)**	(470)
Net debt as per the financing facility agreement	**127,724**	252

* Other adjustments include restricted cash of Group subsidiaries and adjustment for any temporary end of day excess/short drawdown position of the working capital facility.

The table below reconciles the movement in net debt through the period:

Net debt movement	2021 USD'000	2020 USD'000
Opening balance	**252**	273,754
Proceeds from new borrowing		
Term loan	–	375,000
Revolving credit facility	–	40,000
Repayment of borrowing		
Term loan	–	(288,751)
Revolving credit facility	–	(40,000)
ATM lease liabilities	(734)	(694)
Other bank loans	8,754	–
Cash balances	128,436	(335,281)
Others*	(8,984)	(5,749)
Closing balance	**127,724**	252

* Others includes changes in restricted cash from Group subsidiaries, cash balances relating to non-controlling interest of Mercury, Associate (TG Cash) and the adjustment for any temporary end of day excess/short drawdown position of the working capital facility.

No changes to financial segmentation

Having assessed our geographical footprint, management structure and operational responsibilities, it will not be necessary to change our segmental disclosures. Our reporting segments continue to be aligned to our geographical operations across the Middle East and Africa.

1 This is an Alternative Performance Measure (APM). See note 4 of the consolidated financial information for APMs definition and the reconciliations of reported figures to APMs.
2 For FY 2020, leverage was zero due to the additional funds available from the equity raise relating to the DPO acquisition.

Definitions

Constant currency revenue

Constant currency revenue is current period revenue recalculated by applying the average exchange rate of the prior period to enable comparability with the prior period revenue. Foreign currency revenue is primarily denominated in the Egyptian Pound (EGP). The other non-US backed currencies that have a significant impact on the Group as a result of foreign operations in Nigeria and South Africa are the Nigerian Naira (NGN) and the South African Rand (ZAR), respectively. The table shows the average rate of these currencies per USD for the year of 2021 and 2020.

Currency rate vs USD	2021 Average rate	2020 Average rate
Egyptian Pound (EGP)	**15.8**	15.8
Nigerian Naira (NGN)	**403.8**	359.4
South African Rand (ZAR)	**14.8**	15.6

Key Performance Indicators

To assist in comparing the Group's financial performance from period-to-period, the Group uses certain key performance indicators, which are defined as follows.

Total Processed Volume (TPV)

TPV is defined as the aggregate monetary volume of purchases processed by the Group within its Merchant Solutions business line.

Number of credentials hosted

Number of credentials hosted is defined as the aggregate number of consumers' payment credentials managed and billed by the Group within its Issuer Solutions business line.

Number of transactions

Number of transactions is defined as the aggregate number of transactions processed and billed by the Group within its Issuer Solutions business line.

Our financial outlook

Delivered by our strategic initiatives in action

	2022 outlook	Medium-long-term outlook
Revenue	**c27–29% growth y/y**[3] Value of Russian/Ukrainian spends is c.1% of Group revenue – our revenue guidance is unchanged at this stage	**20%+CAGR** Supported by MEA payments market growth in the low teens[1]
u.EBITDA margin[1]	**Modest expansion y/y** Includes impact of DPO & Saudi entry	**Returning to 45–50% over time**
Capital expenditure	**Up to USD 55–60 million** Includes USD 3–4 million initial investment for realising further growth opportunity – direct-to-merchant expansion in Egypt	**8–10% of revenue** Higher in earlier years

Further growth opportunities

New markets	Win large FI and multi market customers	Enable new payment flows B2B, P2P payments

Would provide incremental revenue/EBITDA uplift but would also require additional capital and margin investment

3 Revenue growth guidance of 27–29% y/y is based on 2021 revenue of USD 345 million, excluding the three-month contribution from DPO. In line with previous guidance.

Rohit Malhotra
Group Chief Financial Officer and Group Chief Strategy Officer
8 March 2022

Introduction from the Chief Risk Officer and Group Company Secretary

> We continue to build a robust and effective risk management culture across our business by further embedding our Enterprise Risk Management Framework across all three lines of defence. Our governance model is agile and supports us in achieving our strategic objectives in a controlled environment.

Jay Razzaq
Chief Risk Officer and Group Company Secretary

Overview

It has been an exciting and busy year for us as we successfully executed many of our key strategic initiatives. We completed the acquisition of DPO Group and continue to monitor its risk profile. We are now focused on embedding the Group's current risk management practices into the DPO business. We have refreshed our risk assessment in preparation for entry into the Saudi Arabia market and performed risk assessments in support of our ESG strategy, including climate-related risks. Our risk appetite and our principal and emerging risks were also refreshed and approved by the Board twice during the year as planned. All activities in support of our second line assurance plan for 2021 were completed and we have developed a comprehensive assurance plan for 2022 which was approved by the Board. We continue to make good progress on the TCFD Disclosures and further details are disclosed on pages 42 to 45.

ERMF integration in DPO business:

- Post completion we have focused on further enhancing our understanding of DPO business risks and its risk profile.
- We have made good progress on our ERMF integration plan within the DPO business which started with discovery and awareness sessions. These sessions covered all risk, legal, business continuity, data governance and information security and compliance streams.
- The risk profile of the DPO business was re-evaluated to assess the impact on the overall risk profile of the Group, with separate Key Risk Indicators (KRIs) developed to monitor risk trends within the DPO business.
- Relevant DPO policies and procedures were either aligned with or substituted by the Group's policies and procedures.
- Risk champions within the DPO business were nominated and trained on our risk management practices.
- The Group aims to align DPO business practices with Group standards over the next two years.

Task Force on Climate-related Financial Disclosures:

- The Group acknowledges the scientific evidence in relation to climate change and takes its responsibilities to reduce its impact and to meet its reporting obligations seriously.
- Climate change-related risk is included under the ERMF as an emerging risk.
- An Environmental, Social and Governance strategy and ESG framework aligned with our corporate strategy were developed and approved by the Board. A central team has responsibility for their implementation with oversight from the Board.
- We have developed a carbon model to accurately capture and forecast emissions over the medium term.
- Climate change risk-related KRIs are being developed based on the KPIs to monitor on a quarterly basis.
- Risk and control self-assessment ('RCSA') standards are being documented for climate change-related risks and will be tested quarterly.

More about TCFD P42

Credit risk:

COVID-19 related lockdowns eased in the first quarter of 2021 with trading conditions returning to pre-pandemic levels in the second half of the year.

More about credit risk P95

The stress scenarios formulated in 2020 to assess the chargeback risk that could arise as a result of adverse trading conditions, focusing on certain delayed delivery merchants and their expected chargeback volumes, showed satisfactory results.

Unrecoverable chargebacks and refunds were well within risk appetite and 99% lower than the losses predicted in the stress scenarios. As a result of our proactive risk mitigating actions and prudent risk management approach our chargeback losses were only 0.001% of Total Processing Volume at the end of 2021.

Regulatory compliance:

Keeping pace with regulatory changes.

The Group is increasingly subject to high levels of oversight and regulatory change from a number of different regulators and therefore continues to monitor emerging regulations to identify potential impacts on the business and to ensure it is well placed to comply with any changes. We have developed a robust framework to ensure compliance with legal and regulatory requirements and we remain committed to adhering to the highest regulatory standards in our markets of operation. We continue to work with regulators to assess the impact of any changes on our business, with identified impacts of upcoming regulatory activity incorporated into our strategic plans.

- Currently, the Group is directly regulated in nine markets (including eight markets of DPO) across MEA and we have applied for licences to operate in a further seven markets (including five markets of DPO) across the region.
- Recently, we have seen several examples of new legislative requirements that have been or are expected to be introduced in the near future in our key markets. These include:

More about our Compliance Risk P93

UAE:

- The Group has submitted its application for a licence from the Central Bank based on the recently enacted Retail Payments Services Regulation which will regulate the Group's direct-to-merchant business in the UAE

Saudi Arabia:

- To support Saudi Arabia market entry strategy, the Group has applied to the Saudi Central Bank (SAMA) for a payment service provider licence

Ghana:

- The Group has received its licence from Bank of Ghana which will enable the Group to provide Issuer Processing and Acquirer Processing services for its client banks, and to support DPO in its merchant aggregation business

Egypt:

- To support the new merchant aggregation business, the Group has applied to the Egypt Central Bank for a licence through a local sponsoring bank

South Africa:

- The Group is closely monitoring the development relating to a new domestic processing and data localisation regulation which will take effect in 2023 requiring payment processors to process and host data in South Africa. The Group has started planning the implementation of these new requirements

The Group has also seen the emergence of new data protection regulations in priority markets such as the UAE and KSA. The requirements emerging from these regulations will be implemented once the subsidiary regulations are enacted. Regulatory change will remain a key area of focus in the year ahead to ensure we continue to identify and assess changes in a timely manner and effectively embed new requirements into our business operations. The Group will ensure we are organisationally aligned to assess and where applicable meet all new regulatory obligations as they emerge.

Cyber security:

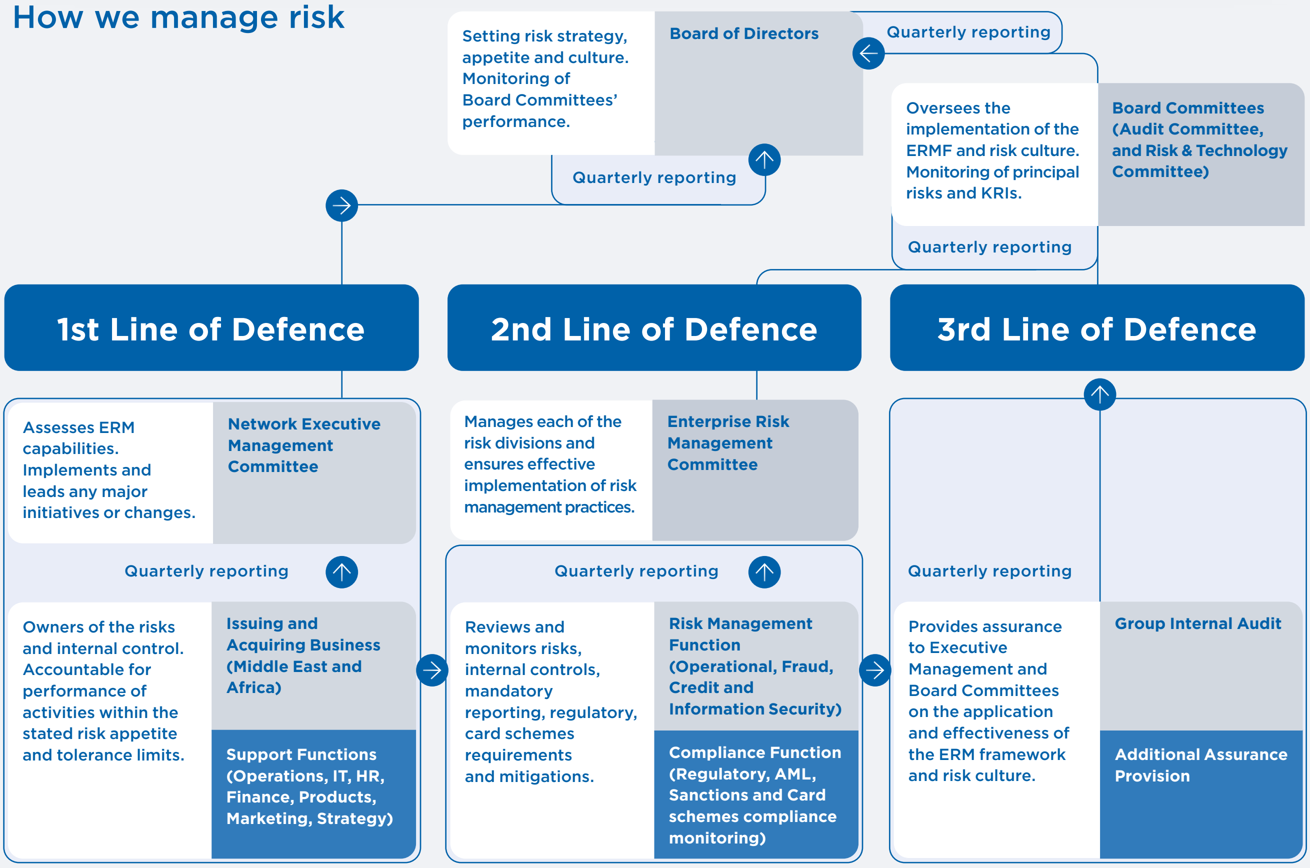
Mitigating emerging cyber risks and continuing to invest in our cyber security programme to provide secure, trusted commerce and card payment solutions across every touch point.

The security of our solutions, systems and the data we are trusted to manage is of utmost importance to us.

- Cyber-attacks are undeniably a global threat for businesses and individuals with the frequency and sophistication of attacks increasing year on year. Governments and regulators across our markets are increasingly recognising cyber security as a systemic risk resulting in the emergence of regulations and standards to combat the emerging cyber threats
- In addition, we expect to continue to invest in resources to maintain and enhance our information security and controls and to ensure we are able to investigate and remediate any security vulnerabilities
- We have implemented an agile cyber security framework which aims to be ahead of prevailing cyber threats in our markets
- Management, organisational and technical controls support the mitigation of cyber security risk in a dynamic payments industry
- For early detection and response to cyber threats, the Group uses a defence in depth approach driven by Cyber Threat Intelligence (CTI). CIT is knowledge, skills and experience-based information concerning the occurrence and assessment of cyber threats and is intended to help mitigate potential attacks and harmful events from occurring in cyberspace
- We continually evaluate threat levels for the most prevalent attack types and their potential outcomes
- We ensure our colleagues remain aware of cyber security issues and know how to report incidents as part of our defence strategy
- We have developed a cyber security dashboard to keep the Risk & Technology Committee and the Board apprised of emerging cyber security threats

More about cyber security P89

How we manage risk



Our approach to risk management

Risk Identification
- Consideration of initial risk information, causes, sources, events and circumstances which could have material impact.
- Assignment of risk ownership and development of documentation.

Inherent Risk Assessment
- Application of inherent risk scoring based on inherent impact and probability.
- Inherent scoring does not consider mitigation controls.
- Prioritisation of risk and control activities.

Existing Controls
- Identification and assessment of controls that mitigate risk event occurring.
- Assessment of design and operating effectiveness.

Residual Risk Assessment
- Application of residual risk scoring based on residual impact and probability.
- Residual scoring considers the existing control environment.

Action Planning
- Risk treatment approach is considered for each risk (treat, tolerate, terminate or transfer).
- Development of risk mitigation plans including target dates and responsible persons.

Risk Monitoring & Reporting
- The Group monitors the risks for any changes in risk trend.
- Reports and escalates as per cycle and criteria.

Oversight
- The ERMC and Executive Management Committee provide ongoing review and challenge to facilitate the approach.
- The Board, Audit Committee, Risk & Technology Committee, and Group Internal Audit provide further review and challenge and set the overall risk appetite.

Business Environment
- Utilisation of our business understanding and internal/external sources.
- Understanding of our business strategy and defined risk appetite.

Our risk management governance model

We have a dynamic, practical and action-oriented risk management governance model defined in the ERMF, which helps us in proactively responding to changes in our business environment, whilst continuing to deliver on our expectations of increased transparency, value protection and creation. This is supported by our use of the three lines of defence model and the functional responsibilities and oversight committees that support it. Following the creation of the Risk & Technology Committee in June 2021, we worked closely with the Committee to report on the progress of our risk management practices, initiatives and key projects.

The Group has implemented all of the core components as part of the ERMF design and continues to use its ERMF to enable management to make sound risk-based decisions in relation to strategic initiatives. The risk profile for the Saudi Arabia market entry initiative was refreshed and with the acquisition of the DPO business completed last September, the Group is implementing its phased ERMF integration plan in the DPO business which is progressing well.

Our approach to risk management

We maintain a robust and sustainable ERMF, which ensures risks are properly identified, assessed against tolerance levels and appropriately managed across the Group. Our ERMF is designed to minimise the potential threats to achieve our objectives. In 2021, we completed the exercise of defining the risk and control self-assessment (RCSA) standards for all business units and commenced testing.

This approach to risk management helps the Group in managing the risk of failure to achieve business objectives and providing reasonable assurances. The risk cannot be eliminated but transferred or accepted when measured against expected benefits or return on investments.

Risk appetite

Risk appetite is the amount of risk we are willing to take in pursuit of our objectives. It defines the level of risk at which appropriate actions are needed to reduce risk to a level that we are willing to accept. As defined in our principal risks disclosure we consider risks from a low, balanced and high perspective. Our risk appetite is not static and may change over time in line with changing capabilities for managing risk and our business environment.

The risk appetite statement is reviewed and approved by the Board annually.

Group risk appetite statement

At Network International, our growth strategy is focused on maintaining our position as the best payments partner in the Middle East and Africa. We accept that these markets are subject to higher levels of geo-political uncertainty and business risk than those in more developed markets, and are also accepting of any concentration risk based upon our entry into these markets and territories, though we act to mitigate this through revenue diversification.

We will aim to balance this against a low appetite for any risks that compromise the confidentiality, integrity or availability of our data, our customers' data or our cyber security defences. We will also aim to balance our environmental, social and governance responsibilities in the decisions we make. Additionally, we look to minimise our exposure to any risk which will adversely impact our stakeholders, operational performance or compliance with relevant regulation and legislation including environmental, social and governance considerations. The Group has a low appetite to incur losses from financial risk.

We will support this appetite with a level of investment that ensures we have suitable levels of policy and controls to effectively manage these risks, facilitate decision making and continue to support our growth strategy.

This means as a business that we have an informed appetite to taking risks which will enable us to drive growth in a sustainable manner providing an adequate and stable return on investment and which limits our exposure to those areas where we have a low risk appetite and effectively control those to which we have a greater appetite for risk. We believe that managing these risks in the right way will support our aim of enabling commerce in the world's most under penetrated payments markets.

Risk culture

The Group is committed to embedding a strong risk culture to support good governance and sound risk management practice.

The Board and the ExCo play a key role in directing and influencing this by ensuring that:

- a risk based approach is used during key decision making. A recent example has been the refresh of the Saudi Arabia market entry risk profile before execution of these strategic initiatives;
- a consistent tone from the top and clear responsibilities for risk identification and challenge; refer to ESG Strategy section on pages 34 to 37;
- employees have risk management accountability and escalate issues on a timely basis;
- our incentive structures described within our Remuneration Report on page 150 promote a risk aware culture to effectively manage risk and remunerate employees accordingly;
- we adopt a culture of 'learning from our mistakes' to foster continuous improvement of processes and controls;
- whistleblowing, an independent confidential whistleblowing service to enable employees to raise their concerns through an independent route;
- risk awareness is embedded within the Group and is grounded in our strong ethical values and culture. Our risk management philosophy is cascaded top down and bottom up and runs through all our management, employees and connected stakeholders.

To improve risk awareness across the Group a comprehensive and mandatory online training programme is in place covering important risk and compliance topics. We have had very high levels of participation from our colleagues across the Group in 2021.

The importance of risk culture is reinforced in the Group's policies and standards and the Code of Conduct, to which all our colleagues attest annually as part of the annual training programme.

The completed priorities for Group Risk in 2021:

Priorities for 2021	Benefits
Governance Risk and Compliance platform implementation.	Centralised tool for managing risks, controls, risk assessments and loss management. The platform enables cross-functional collaboration and alignment.
Completed the implementation of RCSA for all functional units.	RCSA helps the first line function in developing its control testing standards for the identified controls documented in the risk assessments and tests its effectiveness on defined frequencies. RCSA also helps in promoting and embedding a risk awareness and management culture across the Group through effective process governance.
Completed the annual assurance plan for 2021.	Provided assurance on the effectiveness of Group's current control environment by the second line of defence and to ensure this is aligned and meeting the overall Group's business objectives.
Completed separation of Group's cyber security services from Emirates NBD Group.	Achieved self-sufficiency in the area of cyber security and implemented enhanced security solutions in line with the Group requirements.
Further enhanced our acquiring fraud monitoring capabilities with the implementation of new e-commerce risk control tools.	Supports growth in e-commerce business with the required risk controls.

Focus areas for 2022

In 2022 we will focus on further embedding our approach to risk management throughout our business, markets and support functions to build an even richer picture of risk information.

The priorities for Group Risk throughout 2022 will be:

Priorities for 2022	Rationale
Integration of the Group's ERM framework into DPO business.	Implementing and embedding an integration strategy with prioritised focus on control functions in line with our ERM framework. Consolidate the existing risk management practices of DPO and align to the Group framework, taking into account local requirements.
Completion of the annual assurance plan for 2022.	To provide assurance on the effectiveness of Group's current control environment by the second line of defence and to ensure these are aligned and meeting the overall Group's business objectives.
Completion of the compliance monitoring plan for 2022.	Theme-based reviews to capture market abuse regulations, whistleblowing and a further review of DPO AML framework.
Enhancement of the automation of our AML processes.	To ensure effective and timely monitoring of AML risks, a project is in progress to implement an AML monitoring system to support our direct-to-merchant business in Jordan.

Our principal and emerging risks

The Group's principal risks include those risks that could result in events or circumstances that might threaten the Group's business model, future performance, solvency, liquidity and reputation. We continue to see the risk trends remaining stable for our principal risks. However, we recognise that we operate in a dynamic business environment and that our risk profile will continue to evolve over time. We continue to remain focused on new and emerging risks which could adversely affect our accepted risk profile and strategic planning in the longer term. We have revisited these risks which are primarily driven by external factors including cyber, regulation, market stability and climate change.

We have completed a detailed assessment of our principal and emerging risks that we consider are most likely to have an impact on our business in the future. Not all risks facing the business are listed; however, we have highlighted on pages 89 to 96 the principal and emerging risks that we consider may have an impact on the business. These risks are not listed in any particular order of priority.

As a result of this assessment, we have made changes to the principal risks as follows:

- The separate principal risks in ARA 2020 – Technology Resilience, and Operational Resilience – have been combined under the risk category of 'Operational Resiliency' as both focus on business operations resiliency of the Group and providing critical services to our customers. Resilience risk arises from failures or inadequacies in processes, people, systems or external events.
- The separate principal risks in ARA 2020 – Strategy and Business, and Execution – have been combined under the risk category of 'Execution Risk' as both focus on the delivery of our strategy which includes the implementation of strategic initiatives and external threats to the achievement of our strategy. This also includes risks associated with reputation or brand values.
- Minor changes were made to Compliance Risk in order to broaden the scope.
- Introduced a new emerging risk reflecting the increasing geo-political risks following the Russian invasion of Ukraine and the adverse impact on the global economy following the imposition of wide ranging sanctions and the heightened risk of cyber related activity. See page 96.

We are now monitoring the nine principal risks below;

1. **Cyber Security**
2. **Operational Resiliency[1]**
3. **Execution Risk[2]**
4. **People**
5. **Compliance Risk[3]**
6. **Financial**
7. **Third Party**
8. **Fraud and Credit**
9. **Geo-political**

For 2021, the overall risk profile of the Group was managed at acceptable levels with the majority of the Group's principal risks falling within the 'Informed' risk rating. The overall residual risk trend when compared to the risk profile for the prior 12 months has been stable due to continuous investments in the Group's infrastructure, resources, governance model and internal control framework.

The following section contains information about the principal risks, including a summary of the progress made in 2021 and the plans for 2022, their potential impact, our risk appetite and the link to our strategic priorities.

1 Reported as separate principal risks in ARA 2020 (i.e. Technology Resilience, and Operational Resilience). Both these principal risks are now being combined under the risk category of 'Operational Resiliency' as both these risks focus on business operations resiliency of the Group and providing critical services to our customers. Resilience risk arises from failures or inadequacies in processes, people, systems or external events.

2 Reported as separate principal risks in ARA 2020 (i.e. Strategy & Business and Execution). Both these principal risks are now being combined under the risk category of 'Execution Risk' as both these risks focus on strategy which includes the implementation of strategic initiatives and external threats to the achievement of our strategy. This also includes risks associated with reputation or brand values.

3 Minor change to broaden the scope.

Link to strategic priorities

1 Faster signup of merchants and financial institutions	2 Grow the merchant base	3 Access new revenue pools
1 Harness the power of partnerships	2 Add new revenue streams to every transaction	3 Be the e-commerce champion in the region

Please refer to P12

Risk appetite rating defined

Low – We will ensure that we have sufficient controls and mitigations in place to allow for a low level of risk whilst recognising there may be a limited reward potential.

Informed – An approach which we feel could deliver reasonable rewards, economic or otherwise, by managing the risk in an informed way.

High – Willing to consider opportunities with higher levels of risk in exchange for potential greater reward.

Risk trends defined

Decrease in principal risk impact and/or probability at residual level.

No change in principal risk impact and/or probability at residual level.

Increase in principal risk impact and/or probability at residual level.

Cyber Security

Risk of breach of the Group's infrastructure resulting in the compromise of data or service disruption through cyber security breaches.

Strategic priorities

2 2 3

Risk impact	Progress during 2021	Plan for 2022	Risk trend
An external cyber attack, insider threat or third party breach could cause the loss of confidential data or service disruption leading to financial loss and reputational damage.	› Completed the enhancement of our incident response mechanism by implementing next generation security operations centre ('SOC') with additional controls and enabling security monitoring with a 360-degree view of our on premise and cloud infrastructure. › Enhanced our Information Security Awareness programme by rolling out trainings on Data Privacy and Data Governance.	› Enhance our cyber security position by adding additional security solutions to protect us from emerging threats. › We continue to mobilise our cyber security practices in new markets of operation to ensure our controls are standardised across the Group. › Integration of Group's cyber security framework into the DPO cyber security practices.	Potential increase in the number and frequency of cyber activity as a consequence of Russia – Ukraine conflict. **Risk appetite: Low** The Group will not accept risks which may compromise the confidentiality, integrity and availability of its data and its customers' data.

Operational Resiliency (Formerly Technology Resilience and Operational Resilience)

Strategic priorities

1 2 3 1 2 3

Risk of interruption to critical production services and inability to execute operational processes and deliver on contractual obligations due to operational inefficiencies and discontinuity, defects, errors and delays, which could damage customer relations, decrease potential profitability and expose the Group to liability.

Risk impact	Progress during 2021	Plan for 2022	Risk trend
Undesired level of service to customers due to failure or poor performance of technology and/or system operating environment resulting in customer attrition, financial and/or reputational loss. An unexpected disruption to operational performance that may cause damage to customer relations or financial loss to the business.	› Completed the set up of the new data centre in the UAE (Dubai) and migrated all services to the new data centre. › Completed the expansion of our existing data centre facility in Abu Dhabi and segregation from the shared infrastructure with ENBD. › Completed our Group-wide IT disaster recovery and business continuity testing in H1 2021 across all Group locations. › Completed the Robotic Process Automation (RPA) initiative for our manual processes for settlement and reconciliation in the UAE and chargeback processing for both UAE and Africa.	› Improve availability of critical services across the Group by implementing high availability and active hot standby (Disaster Recovery (DR)). › Enhance transaction monitoring capabilities to improve faster recovery of services and improve customer experience. › Continue to expand the scope of automation through RPA in Africa and other functions in Middle East to minimise processing errors. › Enhance digital onboarding functionalities for merchants and build self-onboarding feature capabilities in the UAE. › Provide technological support to critical and strategic projects such as, KSA market entry, Enterprise Resource Planning (ERP) systems for Finance and Human Capital Management, Data Lake for enterprise wide data analytics, Application Plug In (API) programme and an intranet for employees. › Security patching process to be enhanced to mitigate risks of evolving cyber security threat landscape.	Improvements in maintaining high availability of tier 1 systems and service levels. Investments in new data centre in UAE. **Risk appetite: Informed** We are accepting some level of modest disruption and operational failure from time to time, within the relative norms of the markets in which we operate, provided the impact of failures remains within acceptable limits. However we ensure appropriate levels of resilience are in place to minimise the impact to our customers.

Execution Risk (Formerly Strategy and Business, and Execution)

Risk of the Group's ability to maintain its position as the best payments partner in the Middle East and Africa. Our ambitious growth and expansion plans could be compromised if we are not able to deliver key strategic projects within expected deadlines. Our growth plans could create heightened levels of risk with regard to people and organisational capacity as we execute our growth plans to ensure on time delivery without disruption to our day-to-day operations. Failure to do so could expose us to adverse financial and reputational risk and negatively impact our return on investment.

Strategic priorities

1 2 3 1 2 3

Risk impact	Progress during 2021	Plan for 2022	Risk trend
We do not retain our strategic position as the best payments partner in the Middle East and Africa, impacting our ability to maintain market share and to meet growth and profit targets. We fail to deliver critical strategic projects on time and on budget, deferring or stalling growth and increasing operational and capital expenses.	› DPO continues to trade well with USD 7 million contribution to the Group's revenue and moved into positive EBITDA generation. › Completed the acquisition of DPO business. › Initiated our execution plan for Saudi Arabia market entry in line with the approved business case. › Made significant progress on our product set(s) being rolled out to bank customers across 15+ markets in Africa, including pan regional processing customers.	› Deliver revenue growth for the Group by cross-selling DPO products to existing customers and in other markets. › Implement our ERM framework in the DPO business as per our integration plan. › Complete the deployment of infrastructure in Saudi Arabia and secure the required licences and certifications. › Execute on all aspects of our 2022 strategic plan. › Continue to further expand our products to our client banks and to direct-to-merchant channel in new markets such as Egypt and Saudi Arabia.	**Risk appetite: Informed** Revenue growth in line with investor expectations and no dilution of Group's market position in its markets of operation. The Group has limited appetite for late or over budget delivery of critical strategic projects.

People

Inability to attract, develop and retain a skilled workforce and inconsistent organisational culture across the Group.

Strategic priorities

1 2 3 1 2 3

Risk impact	Progress during 2021	Plan for 2022	Risk trend
We are unable to effectively manage our workforce to ensure consistent delivery of the Group's strategy and/or operational performance.	› Conducted regular health and wellness awareness sessions for our colleagues through live webinars on topics relating to parenting during the pandemic, meditation, stress and hypertension and prevention. › Vaccination drives were organised in our UAE, Jordan and Egypt offices. › Conducted independent employee engagement survey to understand our colleagues' sentiments and concerns. › Operated several platforms to enhance leadership interactions with colleagues at all levels e.g. Ask GCEO, NI on AIR, Meet the Leaders, Town Halls, GCEO and Chairman interactions. › Delivered on our diversity and inclusion initiatives for our colleagues on programmes such as the 'Women of the Future' summit; the Beacon Award to celebrate and recognise star women performers.	› Roll out of Human Resource Management System (HRMS). The HRMS will support in: on-boarding of talent; compensation and benefits; performance management; succession planning; and learning and development. › Implement our initiatives highlighted in our cultural dashboard to ensure we embed our values and the elements of the Network Way for our colleagues. › Launch of 'Training Needs Analysis' which will include trainings such as Prevention of Sexual Harassment (POSH), Developing and Leading High Performance Teams, Leadership Skills for Managers and; Career Counselling and Mentorship.	Engaged workforce with low attrition levels. **Risk appetite: Informed** Group annual attrition rate not to exceed defined parameters however we accept a modest number of regretted losses which do not materially impact operational efficiency or impact our customers.

Compliance Risk (Formerly Regulatory Compliance)

Strategic priorities

1 2 3 1

Failure or inability to comply with relevant laws, regulations, scheme rules and mandatory reporting requirements including failure to identify, monitor and respond to changing regulations or scheme rules.

Risk impact	Progress during 2021	Plan for 2022	Risk trend
A breach or noncompliance to legal or regulatory standards leading to penalties, sanctions or reputational damage.	› Completed the assessment of new and emerging regulations during the year with oversight from the Regulatory and Data Privacy Change Management Committee. › The Group applied for a payment services licence in Ghana to support its Issuer Solutions business. › The Group has submitted its application to the Central Bank of UAE on the recently published regulation on 'Retail Payment Services' which aims to regulate payment services in the UAE. Approval is expected to be received in 2022.	› Completion of our compliance monitoring programme for the year. The programme includes new theme-based reviews to capture market abuse regulations, whistleblowing and a further review of the DPO AML framework to align with the Group's practices. › Continue to implement new and changes in regulatory requirements as and when received. Obtain regulatory licences in Saudi Arabia and Egypt. › Further strengthening compliance capabilities in certain markets to meet regulatory requirements (Jordan/Nigeria/Ghana).	Wide ranging and extensive sanctions as a consequence of Russia – Ukraine conflict. **Risk appetite: Low** The Group will not accept practices which could cause breaches of laws, regulations or scheme rules; or a delay and/or failure to adapt its systems, processes and controls to prevent material compliance breaches and/or regulatory censure.

Geo-political

Strategic priorities

1 2 3 1 3

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

Risk impact	Progress during 2021	Plan for 2022	Risk trend
A geo-political event within our markets that impacts our ability to do business or to meet our strategic objectives.	› Completed country risk assessments of markets the Group identified as high risk. › Reviewed evolving regulatory changes in the payments markets where the Group provides its services. › Completed due diligence review for issuing clients across all operating regions.	› Assessment of new regulations, amendments, and local guidelines for new market entries the Group intend to progress with. › Risk assessments will be conducted for regions where the Group does not have a physical presence, and provides services on a cross-border basis, such as Togo, Angola, Rwanda, Tanzania, Sudan etc.	**Risk appetite: High** The Group's growth strategy is focused on markets which are likely to be subject to higher levels of political, legal, economic and social instability than those in more developed markets.

Financial

Strategic priorities

1 2 3 1 2 3

Risk of the Group's inability to have sufficient liquidity to meet its obligations including minimum capital funding requirements across geographies as they fall due. Adverse movements in foreign exchange rates arising from the Group's foreign operations and transactions in currencies other than AED and USD pegged currencies. Adverse interest rate risk primarily on its variable rate long-term borrowing/revolving working capital line of credit and exposure to inaccurate forecast of future business performance due to various forecasting models being used.

Risk impact	Progress during 2021	Plan for 2022	Risk trend
Our liquidity, foreign exchange or interest rate risks are not effectively managed affecting the business's ability to meet its financial obligations, profitability targets or working capital needs.	› Post review of liquidity headroom position, availability period of undrawn USD 150 million of term loan was not extended. Repayment on drawn loan of USD 375 million will start in March 2022. › USD 75 million revolving credit facility is now available until October 2022. › We continued monitoring of our liquidity requirements in view of recovery of business to pre-pandemic level and sufficient liquidity was available to meet our liquidity requirements. › We considered and analysed options for interest rate hedge during the year, based on interest rate forecasts provided by our banking partners and concluded not to proceed with interest rate hedging to benefit from continued low interest rates, based on the interest rate curves at the time of analysis.	› The Group will develop policies to further manage financial risks concerning FX, debt management and derivatives and financial instruments and this is expected to be completed in 2022. › Continue close monitoring of our liquidity position to ensure sufficient funds and liquidity headroom are available to meet our financial obligations. › Repayment of the term loan instalment (USD 37.5 million) and revolving credit facility as contractually due or earlier. › Continue to monitor interest rate curves and appropriate decision will be taken to hedge the interest rates on our variable rate borrowings. › As LIBOR will cease to exist by June 2023, we will prepare for shifting to an alternative risk-free rate 'SOFR' by proactively engaging with banks to minimise the impact of any expected increase in effective rate on our borrowings.	The Group has sufficient liquidity backed up by improved business performance post recovery from the pandemic. **Risk appetite: Informed** The Group will manage its liquidity, FX and interest rate risks in line with agreed policies and thresholds.

Third Party

Strategic priorities

1 2 1 3

Risk of the Group's dependencies on various third parties to provide core systems, technologies, infrastructure, product and service related support which may increase the Group's risk exposure in the event of a material service disruption, delay or cyber-attack with no alternative arrangements. Also, risk of failure of third parties to comply with contractual obligations, applicable laws and international standards.

Risk impact	Progress during 2021	Plan for 2022	Risk trend
A third-party provider does not meet its obligations, which negatively impacts our customer relationships, and causes disruption to business performance.	› Completed the desktop reviews of high-risk vendors through due diligence questionnaires. › Extended the scope of our vendor assurance programme by including medium-risk rated vendors and initiated desktop reviews. We aim to complete these reviews in 2022.	› Conduct questionnaire based ongoing risk assessments for high and medium-risk rated vendors. › Monitor and close the open risks with high-risk vendors identified through reviews. › Address any contractual deficiencies for high-risk vendors identified during vendor review process, where appropriate. › Monitor the performance of high-risk vendors.	**Risk appetite: Low** The Group will not accept risks which may compromise the confidentiality, integrity and availability of its data and its customers' data.

Fraud and Credit

Strategic priorities

1 2 3 1 3

Risk of compromise of card or merchant data or compromise of systems or networks or collusive merchants with the intention of performing unauthorised payment transactions for financial or non-financial gain resulting in losses to the Group or the Group's clients. Risk of financial or non-financial losses arising due to internal or external parties making a negligent and/or intentional fraudulent misrepresentation against the Group or any of its clients. The risk of merchants' inability to meet obligations resulting in chargebacks, refunds, scheme fines, fees and other charges. Risk of clients' inability to settle invoices for services received as part of issuing or acquiring processing. The risk that the Group will be liable for meeting the settlement obligation of sponsored issuing clients where such clients are unable to do so or comply with scheme rules.

Risk impact	Progress during 2021	Plan for 2022	Risk trend
Higher level of losses resulting in material impact on reported results and material damage to reputation.	› E-commerce acquiring fraud monitoring capabilities have been enhanced with the introduction of new fraud prevention tools. › Close monitoring and recovery efforts have resulted in reduced delinquency levels of processing clients' receivables and unrecoverable chargeback and credit losses were at very low levels well within our risk appetite. › Re-assessment of large risk exposures of DPO's credit risk portfolio was completed.	› In view of the Group's plan to expand the direct-to-merchant acquiring portfolio, fraud detection processes and best practices proven in UAE will be implemented in the new markets. › Re-assessment of credit and fraud risk profile of the DPO business and embed the Group Enterprise Risk Management Framework.	**Risk appetite: Informed** Acquiring fraud losses as a percentage of sales to be less than market average of 6.3 bps. Enterprise level fraud losses to be less than 5% of EBITDA. Unrecoverable chargebacks and credit losses to revenue ratio not to exceed more than 5% by portfolio. All sponsored issuing clients' settlements to be cleared within 15 days.

Emerging risks

Emerging risks have the potential to increase in significance and affect the performance of the Group and, as such, are continually monitored through our existing risk management processes by risk owners at all levels of the Group. We also use tools such as horizon scanning, operational risk aggregation and external sources to support our analysis. The outputs of these processes are reported to the Risk & Technology Committee and Board of Directors for their review and assessment.

Our ERM process ensures emerging risks are considered to aid the Risk & Technology Committee's assessment of whether the Group is adequately prepared for the potential opportunities and threats they present. The process enables new risks to be discussed at an early stage, allowing us to analyse them thoroughly and assess potential exposure.

We closely monitor emerging risks and with time they may become principal risks as they mature. Emerging risks may also be superseded by other risks or cease to be relevant as the internal or external environment in which we operate evolves. Additionally, we recognise that some of our principal risks are more volatile or fast changing than others and, therefore, would benefit from the increased management processes that apply to emerging risks. A non-exhaustive list of some current emerging risks of relevance to the Group and those principal risks that are subject to the emerging risk process are set out below.

1. Increasingly sophisticated cyber security threats:

We expect to see an increase in the level of sophistication of cyber related attacks as a result of the shifting geo-political tensions in the MEA. We regularly intercept sophisticated and malicious third-party attempts to identify and exploit system vulnerabilities, or which aim to penetrate or bypass our security measures, in order to gain unauthorised access to our networks and systems or those of our associated third parties. We follow a defence-in-depth model to ensure we are proactively employing multiple methods of defence at different layers to protect our systems against intrusion and attack. However, we cannot always be certain that these measures will be successful and will be sufficient to counter all current and emerging cyber threats.

2. New and emerging regulatory changes in the MEA:

The increase in growth and innovation of payments services and the DPO acquisition expose the Group to a number of additional regulatory regimes focusing on payment services and data governance. The Group's ability to navigate these changing environments will be a long-term driver of competitive advantage. In the short to medium term these initiatives could present increased complexity and cost to our operating model.

3. Climate change:

In an ever-changing world, we recognise that we have a responsibility to meet our environmental and sustainability commitments and obligations. We have made progress over the last year in measuring and reporting our energy consumptions. We will continue to develop systems to report on GHG emissions, and to understand the risks that a changing climate may present to our business. Refer to page 43 for details.

4. Competition risk:

The Group has accelerated the shift from cash to digital payments resulting in an increasingly competitive landscape in the Middle East and Africa region. Our ability to grow our business and deliver an exceptional customer experience may be impeded by new market entrants and established payments service providers operating in certain territories, be it though competitive pricing, enhanced capabilities and solutions, or skilled resources with local market knowledge.

5. Increasing geo-political risks:

The Russia – Ukraine conflict carries significant risks for the world economy that has yet to fully recover from the impact of the global pandemic. A prolonged conflict will, over the short and medium term, pose additional risks to the global economic recovery as the impact of wide ranging sanctions including those affecting international financial and payment systems take effect. There is also a heightened risk in times of political uncertainty on this scale of an increase in the number, frequency and scale of cyber related activity across all sectors.

NON-FINANCIAL INFORMATION STATEMENT

The table and cross-references below aim to help stakeholders better understand the Group's approach to key non-financial matters and identify where they can find all relevant non-financial information in this report.

Reporting requirement	Internal policies and standards	Page
Environmental matters	Corporate Social Responsibility Policy Health and Safety Policy Environmental Management Policy	52 38 41
Climate change	Corporate Social Responsibility Policy Health and Safety Policy	52 38
Colleagues	Code of Conduct Employee Charter Health and Safety Policy Equality, Diversity and Inclusion Policy Learning & Development Employee engagement survey Whistleblower Policy	38 38 38 38 40 40 38
Human rights	Modern Slavery Statement Code of Conduct Whistleblower Policy Group Procurement Policy Vendor Code of Conduct	37 38 38 37 37
Social matters	Corporate Social Responsibility Policy Equality, Diversity and Inclusion Policy	52 38
Anti-corruption and anti-bribery	Code of Conduct Anti-Bribery and Anti-Corruption Policy Sanctions Compliance Policy Anti-Money Laundering/Counter Terrorism Funding ('AML/CTF') Policy Conflicts of Interest Policy Market Abuse Regulation ('MAR') Manual Whistleblower Policy	38 36 36 36 36 36 38
Business model	n/a	8
Principal risks and uncertainties	Enterprise Risk Management Framework	82
Non-financial key performance indicators	n/a	31,35

Statement in respect of S.172(1) Companies Act 2006

Directors' duties

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties, which are set out in the UK Companies Act 2006 ('the Act').

S.172 (1) of that Act is summarised as follows:

A director of a company must act in a way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term,

(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the company.

The Directors' duties are included as part of the Board induction programme given to all newly appointed Directors prior to attending their first Board meeting. The Directors are mindful of their duties and Board papers address stakeholder factors where judged relevant.

How the Directors consider the matters set out in S.172 (1) (a) to (f)

The Strategic Report, Governance Report, Remuneration Report and Directors' Report from pages 2, 100, 140 and 158 respectively disclose in detail: the mechanisms by which management and the Board engage with, receive regular information on, and assess the relationships with shareholders, employees, suppliers, customers, regulators and consumers; the emphasis the Board has placed on developing a healthy culture amongst the Directors, reflecting the values and high standards of business conduct they encourage across the organisation; the importance the Directors place on positively maintaining those values and relationships; and the progress made in achieving high standards of business conduct and compliance with the 2018 UK Corporate Governance Code ('the Code').

By way of example:

- The Board is focused on the consequences of its decision making over the long term and the impact on each of our stakeholder groups. Our strategy, which is key to building our business for long-term growth, is to be the largest, fastest growing, and most innovative digital payments business in the Middle East and Africa, with a strong commitment to conduct, culture, and compliance. In pursuing our strategy, we are capitalising on growth opportunities across our markets and delivering solid financial performance. Pages 8 and 12 in the Strategic Report present our strategic framework, set in the context of our purpose, and the progress we have made during the year. The Board continuously keeps the strategy under review at each Board meeting and sets aside a full day meeting dedicated to a thorough development review. A refreshed strategy was communicated to the market at the Capital Markets Day in September 2021. The Board also sets an annual budget and provides oversight of sound financial and internal controls across the Group. The Board, supported by the work of the Audit Committee and the newly formed Risk & Technology Committee, has embedded a robust risk culture across the Group, under which risks are identified, mitigated and monitored against a pre-determined risk appetite in respect of each principal risk category.

- Our strategy, which is driving the success of the Company, is dependent upon our solid business relationships with our customers, business strategic partners, suppliers, and regulators (please refer to pages 28 to 41 in this report). The Board is mindful of our purpose (described on page 7) and of maintaining and developing those relationships when reviewing the strategy. During the year and throughout the COVID-19 pandemic over the past two years, the Board has increased its focus on maintaining its relationships with, and protecting the interests of, our stakeholders.
- The Board has overseen the progression of our People agenda, has ensured there are good levels of bilateral engagement with the wider workforce and a significant focus on the development and support of our employees as fully described in the 'Helping our people succeed' section of this report on pages 48 to 53. As with our other stakeholder groups, the Board increased its engagement with our wider workforce to protect their interests during the COVID-19 pandemic. The Remuneration Committee is cognisant that the CEO to employee pay ratio is a key lens when considering the appropriateness of executive pay outcomes. The Remuneration Committee also ensures that wider colleague pay and policies, and cultural context are intertwined with its remit and activities.
- We support the communities in which we operate, by creating employment and opportunities for our people, supporting the businesses of our customers and helping them to understand and service their consumers. Our businesses provide community support as described in the ESG Strategy section of this report on page 31 and pages 52 and 53. This year for the first time, we are making disclosures on climate risk identification and management on a comply or explain basis against TCFD requirements on pages 42 to 45.
- The Board, under the leadership of the Chair, has ensured there is a positive culture amongst the Directors, reflecting the values it encourages across the organisation (please refer to the section on the Group's values and culture on page 110 in the Corporate Governance Report).
- The Board has maintained its high standards of corporate governance, which are being integrated within DPO following completion of our acquisition, meeting the high standards rightly expected by our shareholders as a London listed company (as described in the Corporate Governance Report on pages 100). By way of example, having constructed a high calibre independent Board with the appointment of additional independent Non-Executive Directors in 2020 and at the start of 2021, we strengthened our governance by making good use of their breadth of experience and specialist skills, creating a new Risk & Technology Committee with Diane Radley as Chair and a focused Audit Committee with Darren Pope continuing as Chair.
- The Company has a strategic and commercial agreement with Mastercard as described within the Governance Report on page 118. Separately at the time of the IPO, Mastercard acquired shares in the Company (as disclosed in the Directors' Report on page 160). Such investment was made in the market at arm's-length and does not confer any additional rights over and above those enjoyed by other shareholders, although the strategic agreement allows Mastercard to nominate an Observer to the Board; such Observer may attend meetings and receive papers, but not vote. The Company continually strives to improve the transparency of reporting and maintains a comprehensive investor relations programme for the benefit of its shareholders.

In the performance of its role, and ingrained in its decision-making processes, the Board has regard to, and believes it has discharged, its duties reflected in S.172 (1) of the Act.

The Strategic Report has been approved and is signed by order of the Board by:

Nandan Mer
Chief Executive Officer
8 March 2022

> I am pleased to report that we have further enhanced our governance practices during the year, building on the firm foundations we laid in 2020.
>
> **Ron Kalifa OBE**
> Chairman

Dear Shareholder,

Introduction

I am pleased that throughout the year, we have maintained the highest standards of governance, which are being integrated within DPO following completion of our acquisition, meeting the standards rightly expected by our shareholders and other stakeholders. We have risen to the challenges brought about by the COVID-19 situation and have made further progress against our People agenda, enhancing our culture by the development and roll out to all employees of a revised set of values to guide us in everything we do.

The Board

As fully covered in last year's Annual Report, Diane Radley and Monique Shivanandan joined the Board as Independent Non-Executive Directors on 1 January 2021 and Nandan Mer was appointed as Group CEO on 1 February 2021, replacing Simon Haslam who retired. A thorough and tailored induction programme supported our new Directors to ensure they rapidly built a solid knowledge of our business.

Having constructed a high calibre independent Board, we have strengthened our governance by making good use of the breadth of experience and specialist skills of the Independent Non-Executive Directors; creating a new Risk & Technology Committee with Diane as Chair and a focused Audit Committee with Darren continuing as Chair.

Ali Mazanderani stepped down from the Board and the Remuneration Committee on 30 September 2021. I would like to thank Ali for the contribution he made to the Company during his tenure as Independent Director. Monique Shivanandan was appointed as a member of the Remuneration Committee with effect from 15 February 2022.

We conducted a thorough externally facilitated evaluation of the Board at the start of 2022, which built on the useful insights gained from our external evaluation in 2020. Comprehensive disclosure is made within the Governance Report on page 119.

DPO acquisition and integration

During the year, the Board and its Committees focused on the acquisition of DPO and provided oversight of the Group's comprehensive integration plans, setting a range of KPIs against which progress is continued to be monitored. We are taking carefully managed steps to fully integrate our strong governance standards into DPO following completion of the acquisition.

Environmental, social and governance strategy

The Board places great importance on environmental, social and governance ('ESG') matters and we recognise this is a priority for many of our shareholders and other stakeholders, particularly our employees. I am pleased that during the year, the Board reviewed and adopted a new ESG strategy in harmony with our refreshed corporate strategy. Our ESG strategy and execution framework is fully disclosed within the Strategic Report on pages 28 to 41. As a Board, we will ensure that the Group complies with good ESG practices for a company of comparable size and operating in our industry and geography, maintains transparent disclosures and KPIs and ensures that ESG compliant behaviour is ingrained in the organisation.

Engagement with our shareholders and other key stakeholders

Active engagement with our shareholders and key stakeholders is another area of great importance to us.

We have a programme of regular meetings with our major shareholders led by our CEO and our CFO, to discuss strategy and performance. At the end of September, we held our Virtual Capital Markets Day where we presented our refreshed strategy for accelerating growth and our cultural transformation that will enable us to scale up and capture the market opportunity, alongside our roadmap of innovation to continue delivering market leading solutions. I have also met with many of our investors to discuss matters of governance and broader strategic topics.

The Board welcomes feedback from investors and all stakeholders and we will continue with our programme of engagement in 2022 and beyond and look forward to your support at our third Annual General Meeting on 19 May 2022. More details on the engagement with the Company's stakeholders can be found in the Strategic Report on page 46 and our s.172 statement can be found on pages 98 to 99, which provides examples of how the Board has considered stakeholders in its decision making.

Employees and culture

The recruitment, motivation, development and retention of our employees at all levels is critical to the success of our business and the Board monitors progress carefully at every Board meeting. Throughout the COVID-19 pandemic, our overriding focus has rightly been on the health and well-being of our employees. We introduced a range of measures to ensure our employees remained safe and well and, as local market government restrictions were lifted, we supported our employees in their return to the office, introducing guidance and a number of safety protocols, which were enhanced with the learnings of our experiences. More details are summarised on page 49. The Board also oversaw the development and roll out to all employees of a new set of values, which underpin the execution of our revised strategy. Furthermore, management has continued to progress our People agenda, full details of which are given in the 'Helping our people succeed' section from page 48. The Board's oversight of the Group's risk culture has been strengthened by the creation during 2021 of our Risk & Technology Committee.

In recent years our employee engagement scores have increased significantly due to management's ongoing focus on working in partnership with employees to ensure we remain an employer of choice. In 2021, our engagement score was slightly down at 65%, although we performed significantly better in addressing employee concerns and needs as against our peers in the GCC Commercial Banks and Middle East & Africa Financial Companies. Management, with full support of the Board, are taking action to address the concerns raised in the survey.

A full summary of the excellent progress made in the development of our people and our culture is given as part of the Strategic Report on pages 48 to 53.

Ron Kalifa OBE
Chairman
8 March 2022

Group values

Our new values underpin the execution of our revised strategy and support our approach to sustainable and responsible business.

Be open and honest with positive intent

Own every decision

Always do the right thing

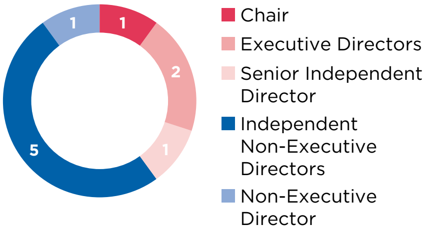
Celebrate wins, sunshine failures

For more details, please see the Strategic Report from page 48.

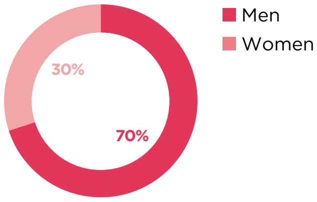
Highlights of progress made during 2021

At Network, we have taken great strides to embed solid governance throughout our organisation. Here are the highlights of the significant progress we have achieved during the year:

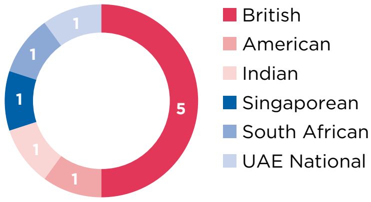
Board composition



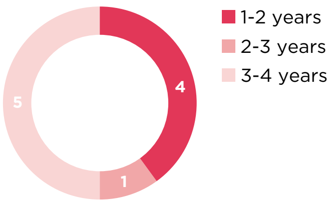
Board gender diversity



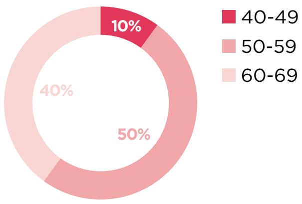
Nationality of the Directors



Board tenure

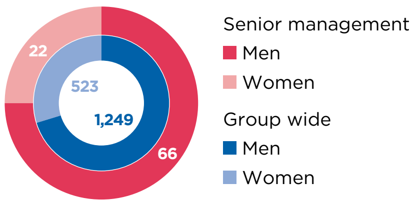


Board member ages



Gender diversity

Executive Committee & direct reports



Skills and experience

	Ron Kalifa OBE Chairman	**Darren Pope** Senior Independent Non-Executive Director	**Anil Dua** Independent Non-Executive Director	**Victoria Hull** Independent Non-Executive Director	**Habib Al Mulla** Independent Non-Executive Director	**Diane Radley** Independent Non-Executive Director	**Monique Shivanandan** Independent Non-Executive Director	**Suryanarayan Subramanian** Non-Executive Director
Listed NED Experience	✓	✓	✓	✓	✓	✓		✓
Financial Services/ Payments Industry Experience	✓	✓				✓	✓	✓
Doing Business/ Market Knowledge in MEA			✓ Africa		✓ ME	✓ South Africa		✓ MEA
Finance/Audit Experience		✓	✓			✓		✓
HR/REMCO Experience	✓	✓		✓				
M&A Activity	✓	✓	✓	✓	✓	✓		✓
Technology & Product	✓						✓	
Fintech Trends	✓						✓	

Please see page 123 for details on how the Board has evolved since the IPO in April 2019.

The Board

We have built a strong and diverse Board with a breadth of skills, experience, and knowledge. Our diversity metrics are shown opposite and on page 102.

Board effectiveness:

- We have developed a comprehensive forward programme of work to ensure we cover the breadth of responsibilities and duties for the Board and each of its Committees.
- With two Independent NEDs joining the Board at the start of 2021 and Nandan starting as CEO on 1 February 2021, we focused on induction to ensure they rapidly developed a solid knowledge of the business.
- Our second Board and Committee evaluation was externally facilitated and our agreed action plan builds upon the positive momentum created in 2020 to support our continuous development.
- The review covering 2021 concluded that the Board was considered highly effective with follow up actions primarily focused on further enhancing Board level relationships, enhancing the strategic debate, increasing exposure to management below the executive leadership and integrating strategic discussions about key emerging themes.

Risk management and assurance:

- We created a separate Risk & Technology Committee, responsible for providing risk management, technology and compliance oversight to the Group's business and advising the Board on the Company's risk appetite, tolerance and strategy.
- We have a clear risk governance structure utilising the three lines of defence model to ensure effective risk management, oversight and assurance.
- We have embedded our Enterprise Risk Management Framework throughout our organisation and there is an ongoing process to identify and evaluate risk, supporting our decision making and the way we manage our business.
- To support the acquisition of DPO, the Group developed a separate risk profile of its business to demonstrate how the DPO risk profile impacted the Group's overall risk profile. In addition to the Board, the Audit Committee and the Risk & Technology Committee provided oversight of the DPO integration plans.
- We continued to monitor the impact of the COVID-19 situation on our people, our customers and our financial position.
- Our Group Internal Audit function, which was strengthened in 2019/20, continues to make strong progress in line with an agreed plan.

Our people and culture:

- We have continued to progress our People agenda. Management has been working in partnership with all employees to develop and embed a new culture throughout the organisation in support of our refreshed strategy.
- We have continued our engagement with our people, supporting them with their health and well-being during a difficult year and, when government restrictions gradually eased, supporting them with a return to the office, providing guidance and safety protocols.
- After two years of significant progress, our employee engagement score in 2021 was slightly down at 65%, and management are taking swift action to address the concerns raised in the survey.
- We have maintained our enhanced workforce engagement mechanisms, which are reviewed through the Remuneration Committee, which reports its findings to the Board.

Understanding the views of our shareholders:

- The Board receives regular updates from the Company's brokers and Investor Relations team on investor perceptions in relation to strategy, performance, governance and remuneration.
- Building upon the improvements made in 2020, based on shareholder feedback, we have continued to enhance financial disclosures.
- The Chairman has also engaged with a number of larger sized shareholders during the year, to discuss matters of corporate governance and broader strategic topics.
- Despite the challenges brought about by the COVID-19 restrictions, our second Annual General Meeting was successfully held by enabling shareholders to fully participate electronically.

Understanding the views of our other stakeholders:

- The Board is highly supportive of its duties to promote the success of the Company, engage with, and support broader stakeholder groups.
- There is much focus on and oversight of key customer relationships, which are fundamental to the success of the business.
- The Board ensures it is kept informed and up to date on key supplier relationships, including the requisite Vendor Code of Conduct.

Board of Directors

Ron Kalifa OBE
Chairman

Committee membership
Chair of Nomination Committee and member of Remuneration Committee

Appointed March 2019

Other current appointments
Chairman of FutureLearn
Non-Executive Director, England & Wales Cricket Board
Non-Executive Director, Court of the Bank of England
Non-Executive Director, Transport For London
Trustee of the Royal Foundation of the Duke and Duchess of Cambridge
Member, Build Back Better Council, United Kingdom

Relevant experience
Mr Kalifa has significant experience in the payments industry. He was Chief Executive Officer of Worldpay for over 10 years, building and leading Worldpay into a premier global payments company. He is also an operating partner to Advent International and its advisers. Mr Kalifa also sits on the boards of the England & Wales Cricket Board and Transport for London, and is a member of the Council of Imperial College, London. Mr Kalifa was awarded an OBE in 2018 for services to Financial Services and Technology, and chaired the Independent Review of UK Fintech published by the UK Government in February 2021. Very recently, Mr Kalifa was appointed as a Trustee of the Royal Foundation of the Duke and Duchess of Cambridge.

Nandan Mer
Group Chief Executive Officer

Committee membership
None

Appointed February 2021

Other current appointments
None

Relevant experience
Mr Mer has more than 31 years' experience in building and growing businesses, and has a strong background in payments, consumer finance and corporate banking, in addition to the Middle East and African markets. Prior to joining Network, Mr Mer had an 11-year career at Mastercard, serving as Strategy Head for International Markets, President for the Japanese business and Head of Global Consumer Credit and Loyalty Solutions. He has also held senior positions at American Express, Citigroup and United Bank for Africa.

Darren Pope
Senior Independent Non-Executive Director

Committee membership
Chair of Audit Committee and member of Nomination Committee and Risk & Technology Committee

Appointed March 2019

Other current appointments
Independent Non-Executive Director, Virgin Money UK plc
Chairman of UK Subsidiary of Silicon Valley Bank

Relevant experience
Mr Pope is a qualified accountant with over 31 years of experience in the financial services industry. Most recently, Mr Pope served as CFO and Board Member of TSB Bank plc. Mr Pope has held a number of other senior positions at Lloyds Banking Group, Egg plc and Prudential plc. He was the senior independent director of Equinity Group plc.

Anil Dua
Independent Non-Executive Director

Committee membership
Member of Audit Committee

Appointed January 2020

Other current appointments
Non-Executive Director, Liquid Telecom
Non-Executive Director, African Export Import Bank
Independent Non-Executive Director, Heirsholdings Oil and Gas Limited

Relevant experience
Mr Dua has extensive experience operating in the pan-African financial services sector. Mr Dua is Founding Partner at Gateway, a private equity fund specialising in dynamic growth markets including Africa, the Middle East and Asia. Prior to this, Mr Dua worked for over 35 years with Standard Chartered Bank in Asia, Africa, Europe and US, where he held various roles including Regional CEO West Africa and Regional Head of Origination and Client Coverage, Africa.

Victoria Hull
Independent
Non-Executive Director

Committee membership
Chair of Remuneration Committee and member of Nomination Committee

Appointed March 2019

Other current appointments
Senior Independent Director, Ultra Electronics plc
Independent Non-Executive Director, Alphawave Group plc
Independent Non-Executive Director, IQE plc

Relevant experience
Ms Hull is a former Executive Director of Invensys plc, a FTSE 100 global industrial and software company, and former Executive Director of Telewest Communications plc. Ms Hull has experience across many diverse sectors, including an extensive Corporate Governance and Remuneration Committee background. 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.

Rohit Malhotra
Group Chief Financial Officer and Group Chief Strategy Officer

Committee membership
None

Appointed June 2020

Other current appointments
None

Relevant experience
Mr Malhotra has more than 21 years of experience in financial activities. Prior to joining Network in 2010, he was previously the Head of Financial Policy and Processes at Emirates NBD. 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 he managed the Financial Planning activities for Nestle's South Asia Region.

Habib Al Mulla
Independent
Non-Executive Director

Committee membership
Member of Nomination Committee

Appointed March 2019

Other current appointments
Partner, Baker McKenzie Habib Al Mulla

Relevant experience
Dr Habib has extensive experience in UAE law. Dr Habib was Chairman of the CIArb (Chartered Institute of Arbitrators) UAE Committee, Chairman of the board of trustees for the Dubai International Arbitration Centre ('DIAC'), and on the Board of Governors of American University in Dubai. Dr Habib was the architect of the legal framework establishing the Dubai International Financial Centre. Dr Habib also served as Chairman of the Legislative Committee of the Dubai Financial Services Authority ('DFSA'). Dr Habib has held numerous government positions, including as a member of the UAE Federal National Council, the federal parliament of the UAE, member of the Legislative Committee, member of the Economic Committee, 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.

Diane Radley
Independent
Non-Executive Director

Committee membership
Chair of Risk & Technology Committee and member of Audit Committee and Remuneration Committee

Appointed January 2021

Other current appointments
Non-Executive Director, Transaction Capital Limited ('JSE')
Non-Executive Director, Murray and Roberts Holdings Limited ('JSE')
Non-Executive Director, Base Resources Limited ('ASX')
Non-Executive Director, Redefine Properties Limited ('JSE')

Relevant experience
Ms Radley has extensive experience of the African market and specialises in finance, audit and risk related matters. Ms Radley was previously Chief Executive Officer at Old Mutual Investment Group from 2011 to 2016 having held the position of Group Finance Director at Old Mutual South Africa from 2008. She has led the Transaction Services Group at PwC South Africa.

Monique Shivanandan
Independent
Non-Executive Director

Committee membership
Member of Audit Committee, Remuneration Committee and Risk & Technology Committee

Appointed January 2021

Other current appointments
Member of digital advisory board, Fannie Mae.
Ms Shivanandan is the Group Chief Information Security Officer ('CISO') for HSBC, leading the cyber security function for the Group

Relevant experience
Ms Shivanandan specialises in technology transformation in financial services with a specific focus on business transformation leveraging technology and Fintech advisory. She was the Group Chief Information Officer at Chubb leading a team of over 5,000 employees globally, delivering change, and service & information security. She has acted as a technology leader and digital transformation advisor, holding senior roles at Aviva, BT Group and Capital One Financial.

Suryanarayan Subramanian
Non-Executive Director

Committee membership
None

Appointed March 2019

Other current appointments
Independent Chair of Audit Committee, Kuwait Food Co (Americana)

Relevant experience
Mr Subramanian was Chief Financial Officer of the Emirates NBD Group in Dubai from September 2010 until January 2020. 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 also worked with the Ministry of Finance and Accounting and Corporate Regulatory Authority in Singapore. Mr Subramanian was also till recently, a Director of Tanfeeth LLC and DenizBank A.G.

Executive Management Team

Nandan Mer
Group Chief Executive Officer

Joined
February 2021

Role
Nandan is the Group Chief Executive Officer of the Group and works closely with the Chairman and Board members to set strategic expansion goals for the organisation and lead the Executive Management Team in the accomplishment of these objectives.

Relevant experience
Nandan has more than 31 years' experience in building and growing businesses, and has a strong background in payments, consumer finance and corporate banking, in addition to the Middle East and African markets. Prior to joining Network, Nandan had an 11-year career at Mastercard, serving as Strategy Head for International Markets, President for the Japanese business and Head of Global Consumer Credit and Loyalty Solutions. He has also held senior positions at American Express, Citigroup and United Bank for Africa.

Rohit Malhotra
Group Chief Financial Officer and Group Chief Strategy Officer

Joined
October 2010

Role
Rohit is the Group Chief Financial Officer and is responsible for overseeing the financial activities of the Group. Having joined the Company in October 2010, Rohit has been actively involved in the growth of the Company for many years, including the acquisition of Emerging Markets Payments Holdings in 2016.

Relevant experience
Previously, Rohit was the Head of Financial Policy and Processes at Emirates NBD, where he led Finance systems implementation across the Group. Prior to that, Rohit 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 he managed the Financial Planning activities for Nestle's South Asia Region.

Hend Al Ali
Group Head of Human Resources and Facilities

Joined
July 2013

Role
Hend 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. Under her stewardship, the Group has won government recognition and awards for human development and Emiratisation.

Relevant experience
Hend has more than 21 years' experience working with and leading 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.

Abdulaziz Al-Dahmash
Managing Director – Kingdom of Saudi Arabia

Joined
January 2022

Role
Abdulaziz is responsible for implementing the strategy for driving business growth in Saudi Arabia.

Relevant experience
Abdulaziz is well-known in the Saudi Payments Industry, having been a member of the Saudi Central Bank (SAMA) and having played a major role in initiatives such as growing the Saudi National Card Payment Network (MADA). He was previously the Head of Digital Banking and Payments at Saudi British Bank (SABB) which he helped build as the largest e-commerce acquirer in Saudi Arabia. He was also a former Board Member of Saudi Financial Lease Contract Registry Company (SIJIL).

Mark Diamond
Group Chief Technology Officer

Joined
March 2020

Role
Mark is the Group Chief Technology Officer. He joined Network in March 2020 as the Chief Technology, Digital and Operations Officer, responsible for defining and delivering the Digital, Technology & Operations strategy across the enterprise.

Relevant experience
Mark was previously based in Saudi Arabia as the CIO of Al Rajhi Bank, the world's largest Islamic Consumer Bank. Prior positions include Director at Deutsche Bank, where he led the global strategy for infrastructure and cloud transformation, and at the Royal Bank of Scotland, where he was CIO for both the Retail Bank and Group Operations. Mark has created, led and executed various Business, Technology and Digital strategies, from customer acquisition and digital user experience through to M&A integration and business transformation at a global scale. An experienced people leader, Mark brings a wealth of international experience to the executive leadership team.

Hany Fekry
Group Managing Director – Processing

Joined
May 2016

Role
Hany is the Managing Director – Processing for the Group. He leads a client-focused business unit serving financial institutions, fintechs and payment partners across all the geographies in which the Company operates. Prior to this, Hany was Network's Regional Managing Director, Processing – Northern and Sub-Saharan Africa.

Relevant experience
Hany joined the Group in 2016 and has more than 20 years of senior-level experience in business development. Hany previously served as the Chief Commercial Officer of Emerging Markets Payments (EMP) Africa, which was acquired by Network in May 2016.

EXECUTIVE MANAGEMENT TEAM CONT.

Eran Feinstein
Chief Executive Officer, DPO Group

Joined
September 2021

Role
Eran co-founded DPO Group, a leading African payment service provider, in Kenya in 2006 to help fill the technology gap in enabling quick and easy online bookings for African airlines. The DPO business now serves retailers and the e-commerce, aviation, travel and hospitality, education, and service sectors.

Previous experience
A former pilot, Eran's areas of expertise span aviation, e-commerce, and online payments, particularly in the travel sector.

DPO Group, which has a merchant network of over 60,000 SME and global enterprises in 21 countries across Africa, was acquired in 2021 by Network. DPO continues its strategy and day-to-day operations under the leadership of Eran, who will help translate synergies to major benefits to consumers and businesses served by both DPO and Network.

Mona Al Ghurair
Group Chief Marketing Officer

Joined
October 2010

Role
Mona is the Group's Chief Marketing Officer. In her role, Mona manages the teams 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 brand.

Previous experience
Mona has more than 20 years of experience in the marketing industry and has worked with Network for more than 15 years, during which time she has also been involved with the product, sales and business development units.

Andrew Key
Group Managing Director – Acquiring

Joined
July 2017

Role
Andrew is the Managing Director – Acquiring for the Group, responsible for the strategic plan, financials, customer proposition and overseeing all execution related to servicing merchants and governments across all of the Group's geographies. He joined the Company in 2017 and was the Managing Director for Africa prior to his current role.

Previous experience
Andrew has 25 years of experience with a significant track record of success in the payments industry. Andrew was previously the President of Elavon Europe, a subsidiary of US Bancorp (USB), and responsible for the 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, Andrew held key positions in organisations such as Mastercard, Lloyds Banking Group and Barclaycard.

Jamal Al Nassai
Group Chief Operations Officer

Joined
March 2008

Role
Jamal is Group Chief Operations Officer, responsible for leading operations across all the markets served by the Group. Jamal's 15 years of experience with Network in business, technology, delivery management, governance and operations helps enhance the Group's operational expertise and capabilities while driving cost efficiencies and overall profitability.

Previous experience
Prior to his current role at Network, Jamal was SVP – Group Head of Delivery Management, having previously worked as SVP – Group Head of Governance where he oversaw strategic and project governance across all streams of Group Operations – including PMO, Audit and Risk, Vendor Management, Quality and Controls, and Inventory and Assets Management. His previous positions with the Company include VP – Head Of Enterprise Delivery Management, VP – Head of Customer Experience, and Associate Vice President for Projects.

Jay Razzaq
Chief Risk Officer and Group Company Secretary

Joined
April 2017

Role
Jay is the Group Risk Officer and Group Company Secretary and has overall responsibility for the Risk, Compliance and Legal functions. Her responsibilities include the management and oversight of all risk-related disciplines across the Group, including enterprise risk management, regulatory and compliance, data governance and information security, and the legal and secretariat teams.

Previous experience
Jay joined the Group in 2017 after working at Elavon, a subsidiary of US Bancorp, where she served as Head of Legal – International Markets. Jay has over 20 years' experience working across a number of major financial institutions including Citigroup and Royal Bank of Scotland Plc. She has advised 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. Jay is a qualified Solicitor in England and Wales.

Compliance with the UK Corporate Governance Code

The Board recognises that good corporate governance plays a key role towards delivering the sustainable success of the Company, thereby enhancing shareholders' value and contributing to wider society.

Examples of sound governance contributing to our success are included in this report and throughout the Strategic Report on pages 2 to 99.

The Board is committed to the principles of corporate governance contained in the UK Corporate Governance Code 2018 ('the Code'), which is publicly available at **www.frc.org.uk**.

This report sets out how the Company applied the principles of the Code and its compliance with the provisions of the Code during the year. Throughout 2021, we have maintained our high standards of governance, and aligned those standards within DPO upon completion of the acquisition on 29 September 2021.

The Company complied with the Code throughout the year 2021, and up to the date of this report, except as follows:

- Although there are comprehensive and effective employee engagement mechanisms in place, which are regularly and effectively reviewed by the Remuneration Committee on behalf of the Board, the Board's approach is not as anticipated by provision 5 of the Code. Full details of the Board's approach is disclosed in the workforce engagement section on page 111.
- For the period 1 October to the end of the year, the Company did not comply with provision 32 regarding the composition of the Remuneration Committee as only two members of that Committee were Independent Non-Executive Directors, being one short of the Code requirement for a minimum of three such Directors. As permitted by the Code, the Chairman of the Company, Ron Kalifa, was a member of the Remuneration Committee throughout the year, but as Chairman, he could not be counted towards the minimum membership of three. On 15 February 2022, Monique Shivanandan, Independent Non-Executive Director, joined the Remuneration Committee and therefore, from that date and up to the date of this report, the composition of the Remuneration Committee is fully compliant with provision 32 of the Code.

Further explanations of our progress and intentions are given in the relevant parts of this report.

Role and responsibilities of the Board of Directors

The Board is responsible for providing strategic leadership to promote the long-term sustainable success of the Company. The Board has established and regularly reviews at its meetings the Company's purpose, values and strategy and this year reviewed and refreshed the Company's ESG strategy (see pages 28 to 41); additionally, the Board held a corporate strategy meeting during the year, following which the Company held a virtual Capital Markets Day on 29 September 2021, where the refreshed strategy for accelerating growth and cultural transformation was presented.

The Board also ensures that the necessary resources are in place for the Company to meet its objectives and measures performance against those objectives at its regular Board meetings. It has set and has been overseeing a framework of prudent and effective controls, which enables risks to be identified, assessed and managed; more information about the Enterprise Risk Management Framework is included in the Principal Risks and Uncertainties section of the Strategic Report. The Board ensures that there is effective engagement with shareholders and other key stakeholders, including the workforce, and receives regular reports at its meetings so it understands the views of those parties. The Board regularly assesses and monitors the culture of the organisation so it can satisfy itself that the Company's values and culture are aligned with its long-term sustainable future. Further information in these vital areas is given throughout this report and the Strategic Report.

The Group's governance structure

The Board
Board responsibilities and activity reported on pages 111 to 115

Audit Committee	Risk & Technology Committee	Nomination Committee	Remuneration Committee
Committee report on page 124	Committee report on page 132	Committee report on page 136	Committee report on page 140

Executive Management Team
See pages 106 to 108

Enterprise Risk Management Committee
See page 122

The Group's purpose, business model and strategy

The Board is responsible for establishing the Group's purpose, business model and strategy, which are described on pages 8 and 12 within the Strategic Report of this Annual Report and Accounts.

The Group's values and culture

The Board has endorsed and continuously applies a Code of Conduct that is available on the Company's website at **https://investors.networkinternational.ae/investors/corporate-governance/**. The Code of Conduct requires everyone at every level across the organisation, including the Directors, to act ethically and in compliance with all applicable laws and regulations. Furthermore, this Code requires all Directors and employees to act in the best interests of the Company and shareholders, and to act professionally, exhibiting high levels of integrity and commitment. Under the leadership of the Chairman, the Board ensures that all decisions taken by it and the behaviours of each Board member, both in formal meetings and regular engagement with employees and other stakeholders across the business, are aligned and are consistent with the values set out in the Code of Conduct. The Code expects high standards of integrity along with professional and personal behaviour within and outside working hours in a manner that protects the Group's reputation and its interests.

Significant progress with our People agenda has been achieved during 2021, as described in the Helping our people succeed section of the Strategic Report on pages 48 to 53. During the year, new values in support of the revised strategy were developed and rolled-out to all employees. The CEO, with the support of his executive colleagues, has taken the necessary steps to ensure these new values and our positive culture are embedded across the organisation, including through regular training programmes, internal communications and reminders at team meetings.

In response to the 2021 employee engagement survey, management will increase the focus on the investment in our employees and the roll-out of the Group's Learning & Development programme in 2022.

The Board assesses and monitors culture in a variety of ways including: feedback from employee focus groups and surveys; reports from the HR, Risk, Compliance and Internal Audit functions, including reports of all matters raised under the Group's Whistleblowing Helpline and the way in which management has addressed all issues raised; reports from the external auditors; and face to face meetings. A culture dashboard was developed during the year to ensure the Board receives a consistent range of metrics aligned against each element of the Network Way to enable it to monitor and assess the Group's culture. The Board is greatly encouraged by the investment in our people as described on pages 48 to 53.

The Company has a positive risk culture supported by an Enterprise Risk Management Framework, which is more fully described in the Principal Risks and Uncertainties section of the Strategic Report on pages 82 to 96. The ERMF is reinforced by and complements other relevant policies and formal regulatory and compliance training programmes including in relation to securities dealing (in line with the Market Abuse Regulations), the avoidance of conflicts of interest, anti-fraud, anti-money laundering, anti-bribery and corruption, competition, data protection and information security, business continuity, disaster recovery, and health and safety.

Participation in these mandatory training programmes and compliance with their requirements is regularly reviewed by the Group's Executive Management Team (Executive Committee) and the Board to ensure that a positive culture is maintained across the organisation. The Board believes that the culture is aligned with, and will continue to evolve alongside, the Group's purpose, values and strategy.

Whistleblowing

The Group encourages its employees at every level to communicate any concerns they have through a variety of channels, including employee forums, team meetings, line management or HR. In addition, the Group has in place a whistleblowing or 'speak up' policy, which allows employees to raise matters in confidence should they not wish to raise them through any of the above channels. This includes a dedicated hotline established for this purpose, which is operated confidentially by an experienced third-party service provider. Concerns raised through the hotline are sent simultaneously to the Senior Independent Director and Chair of the Audit Committee for information and the Chief Risk Officer for action. All matters raised through the helpline are investigated thoroughly and, regardless of the outcome, formally reported to the Audit Committee. The Chair of the Audit Committee presents his report to the Board on the proceedings at each Audit Committee meeting, and if any significant matters have been raised through the helpline, the same are brought to the Board's knowledge. To support the Board's work in assessing culture as described above, and at the direction of the Audit Committee, Group Internal Audit conducted a review in 2021 of the process for handling high risk issues identified from whistleblowing cases. Due to enhancements made to the whistleblowing process and the steps taken to increase awareness amongst employees, there was a modest increase to the number of cases reported in 2021 over 2020 and the Board is satisfied that this does not indicate a deterioration of culture or behaviours around the organisation.

Workforce engagement

The Board acknowledges that the Company does not meet the qualifying criteria to report on some of the legislation introduced under The Companies (Miscellaneous Reporting) Regulations 2018. Specifically, reporting on employee engagement does not apply directly to the Company as it employs fewer than 250 employees in the UK. However, the Board believes it is important to be progressive and embrace the spirit of this regulation, as it regards the wider workforce as key stakeholders and therefore it is imperative to engage on matters that concern them.

To this aim, there are solid and effective levels of bilateral engagement that continue between Executive Directors, senior management, and the wider workforce, as described in this Corporate Governance Report and within the 'Helping our people succeed' section of the Strategic Report on pages 48 to 53. For example, employees' concerns and suggestions can be raised through a host of communication channels across the Group such as direct and indirect engagement with the CEO via 'Ask the GCEO' virtual interaction sessions and Town Halls. Additionally, this year we continued with our remote engagement initiatives to ensure we maintained our two-way communication with employees and fully supported their return to the office as government restrictions were eased (please see pages 48 to 53).

Established in 2020, the Board maintains a formalised approach to reviewing all our workforce engagement mechanisms through the Remuneration Committee, which reports its findings to the Board. In addition, the views of our people and initiatives taken by management, as it drives implementation of the Company's Employee Charter, are summarised within the CEO report, and presented to each Board meeting. Furthermore, all whistleblowing issues and the way in which they are being resolved are reported to the Audit Committee.

The Board believes that the Group's employee engagement mechanisms are highly effective and appropriate as they encourage dialogue between the executive and employees and provide opportunities for employees to raise issues via many avenues and the Board has visibility of the activity and progress.

Shareholder engagement

The Board has continued with its engagement with our investors, which it considers vital to create a mutual understanding of views. Regular meetings have been held with our major shareholders led by our Chief Executive Officer and Chief Financial Officer; and the Chairman has met with shareholders on matters of governance and broader strategic topics. Additionally, in 2021, the Company held a Virtual Capital Markets Day where executive management presented the Group's refreshed strategy for accelerating growth and cultural transformation that will enable the Group to scale up and capture the market opportunity. More information on our shareholder engagement is disclosed within the Strategic Report on page 47 and in the Chairman's Governance letter on page 101. Regular feedback of these meetings is given to the Board.

In addition, our brokers and our Investor Relations team provide regular reports to the Board of investor perceptions of the Company in relation to strategy, performance, governance and remuneration. These reports also include commentary on market expectations, share price performance, market trends and feedback from investors and sell side analysts.

The Board, through the investor relations team, maintains contact with each of our major shareholders to enquire whether they would find it helpful to deepen their ongoing engagement by meeting with the Chairman.

The AGM provides an opportunity for shareholders to vote on a range of issues either by proxy and/or in person, when they can ask questions of the Board members including the Chairs of the Board Committees.

In view of the continuing COVID-19 situation, the Board conducted the AGM held on 20 May 2021 as a hybrid meeting, thereby enabling shareholders to participate fully by electronic means. At the 2021 AGM, Resolution 17 in respect of the grant of authority to the Directors to allot shares was passed with the requisite majority, receiving 75.32% of votes in favour and 24.68% of votes against. This authority is in accordance with the institutional guidelines issued by the UK Investment Association and in line with the prevailing voting guidelines of leading corporate governance agencies applicable to UK listed companies. Whilst it remains standard market practice for many UK FTSE listed companies to retain this type of authority, we understand, following dialogue, that some institutional investors, typically based outside the UK, have specific policies against supporting this type of resolution. The Company has a comprehensive programme of engagement with its major shareholders and would endeavour to discuss any potential allotment of shares in advance of it taking place. We will maintain dialogue with shareholders for which this authority continues to present concerns and will keep best practice in this area under review.

The Company uses its website and email as its primary means of communication with shareholders. The Annual Report, announcements of results and other matters and general information can all be found on the Group's website **https://investors.networkinternational.ae/investors/**. Enquiries from shareholders can be addressed to the Group's investor relations function through the contact provided on the Group's website.

Other key stakeholder engagement

The Board also recognises the importance of continuous engagement with the Group's other key stakeholders and ensures that formal programmes are in place to ensure that management fully understand the requirements and views of the stakeholders including customers, suppliers, and regulators. Regular feedback from stakeholders, backed by KPIs, is given to the Board and its Committees by the CEO (for example, a comprehensive section on customers is included in all CEO reports to the Board) and other senior management. More information on key stakeholders and engagement is available in the Strategic Report at page 46.

Matters reserved for the Board

The Board has a schedule of matters reserved for its approval, which can be found on the Company's corporate website at **https://investors.networkinternational.ae/investors/corporate-governance/** and has a formal structure of delegated authority, whereby specified aspects of management and control of the Group have been delegated to the Board Committees and the Chief Executive Officer. The Executive Management Team and the regional operating divisions support the Chief Executive Officer in his day-to-day management of the Group's affairs. The Board has approved the terms of reference for the Audit, Risk & Technology, Nomination and Remuneration Committees and the role and responsibility documents for the Chairman, Chief Executive Officer and the Senior Independent Director, all of which can be found on the Company's corporate website. The powers of the Directors are set out in the Company's Articles of Association, which are also available on the Company's corporate website.

❯ Visit investors.networkinternational.ae investors/corporate-governance/

In line with its schedule of matters reserved, the Board is specifically responsible for:

- **Strategy, including:**
  - Responsibility for the overall management and oversight of the Group;
  - The approval of the Group's strategic aims and its business plan, and the review of the Group's performance in the light of these;
  - Setting the Company's values and standards; and
  - Approval of the extension of the Group's activities into new business outside the Group's existing business or geographic areas, or the cessation of any material part of the Group's business.
- **Capital and structure, including:**
  - Changes to the Group's capital structure, including the issue and buy-back of any securities;
  - Material changes to the Group's corporate structure, the Group's management or control structure; and
  - Changes to the Company's listing or status as a plc and recommendations to alter the Articles of Association, registered office or name of the Company.
- **Board, Committee and other appointments:**
  - Changes to the structure, size and composition of the Board, including the specific roles of Chairman, CEO and Senior Independent Director, following recommendations from the Nomination Committee, and determining the division of responsibilities of those roles, which should be set out in writing;
  - The terms of engagement and remuneration of the Non-Executive Directors;
  - Proposals for the re-election of Directors by shareholders at the AGM;
  - Proposals for the appointment, re-appointment or removal of the external auditors;
  - Establishing the Board's Committees, including the chair and composition of those Committees;
  - Succession planning for all Board and senior management roles;
  - The appointment and removal of the Chief Executive Officer and the Company Secretary;
  - Appointments to the boards of principal operating subsidiaries; and
  - Delegated authority to Directors and senior management.
- **Remuneration:**
  - Determining the Group's Remuneration Policy, including the approval of share plans and pension plans; and
  - The approval of any large-scale redundancy programmes.
- **Financial and reporting:**
  - Approval of the Annual Report and Accounts, and the preliminary and half year results announcements;
  - Approval of the annual budget, capital and revenue expenditure over the limits delegated to management, estimates and forecasts made public;
  - Approval of the dividend policy, declarations of interim dividends and recommendations of final dividends; and
  - Approval of and changes to accounting and tax policies.
- **Engagement and communication with shareholders and other stakeholders:**
  - Ensuring effective engagement with the Group's shareholders and other stakeholders, including the workforce, in order to understand their views;
  - Convening of all general meetings of shareholders and approval of resolutions proposed to those meetings; and
  - Approval of all circulars, prospectuses, listing particulars and market announcements concerning matters decided by the Board.
- **Contracts:**
  - Approval of any transaction that would be required by the UK Listing Rules to be announced to the market;
  - Approval, amendment or termination of any commitment or arrangement (or series of such matters) with a value of greater than USD 20 million;
  - Any proposed acquisition or disposal of shares in a listed company; and
  - Any binding commitment to enter into a material strategic alliance, joint venture, partnership or profit-sharing arrangement.
- **Capital expenditure and financing:**
  - The approval of investments and capital projects, borrowings, indemnities and guarantees for an amount in excess of USD 20 million;
  - The creation of any mortgage, charge or pledge etc. over all or part of the Company, its assets and uncalled capital; and
  - The issue by any member of the Group of any debt instruments in excess of USD 20 million.
- **Corporate governance:**
  - Approval and oversight of the Group's corporate governance arrangements.
- **Internal control:**
  - Approval of the Group's risk appetite and appropriate policies on and systems of risk management and internal control;
  - Approval of the risk management and internal control framework; and
  - Monitoring and, at least annually, reviewing the effectiveness of the system of risk management and internal control.
- **Policies:**
  - Approval and oversight of material policies and procedures of the Group.

Board activity during the year

At its meetings during 2021, the Board discharged its responsibilities, and in particular it carried out:

Strategic

- Annual strategic review and approval of the refreshed strategy
- Review and approval of the Environmental, Social and Governance Strategy
- Feedback from the annual strategic review and discussion
- Regular updates on the acquisition of DPO including amendments to the initial Sale and Purchase Agreement; reviews of the M&A pipeline
- Review and approval of the Capital Markets Day presentations
- Review of Group's Technology Strategy and prioritisation of strategic technology projects
- The adoption of a new dividend policy
- Approval of capital projects requiring Board approval under the Delegation of Authority
- Opportunities under the strategic partnership with Mastercard – commercial agreement signed in 2019
- Regular development and strategy support presentations

Operational

- CEO reports at each Board meeting
- DPO integration planning and progress reporting
- Reorganisation of the leadership team
- Assessment of the Group's culture

Business and financial performance

- Ongoing review of the business, customer, people and financial risks of the COVID-19 situation
- CFO reports at each Board meeting
- Financial forecasts
- Annual budget

Reporting

- Review and approval of the 2020 Annual Report and Accounts and the 2021 H1 results, and all statements and confirmations therein
- Review and approval of Regulatory News Service announcements, including trading updates, issued to the market

Board activity during the year

At each Board meeting, the Chief Executive Officer presents a comprehensive update on the strategy and business performance across the Group and the Chief Financial Officer presents a detailed analysis of the financial performance, both at Group and operating segment levels. This year, both the CEO and the CFO have continued to apprise the Board on the impact of the COVID-19 pandemic on the Group's business, customers, people and finances, and the steps taken to minimise the pandemic's impact. In view of the critical importance to the Group's business, the Board reviews progress reports on new markets, new avenues with existing customers, progress with new key customers, and acquisition opportunities. This is in addition to the regular in-depth review of the Group's Technology Strategy, Technology platforms and cyber security conducted by the Audit Committee and the Risk & Technology Committee.

The Board continuously reviews the Group's strategy at each of its meetings and, in addition, holds one dedicated strategy meeting each year. Executives below Board level attend relevant parts of Board and Committee meetings in order to make presentations and answer questions on their area of responsibility. This gives the Board access to a broader group of executives and senior managers and helps the Directors make assessments when considering the Group's succession plans.

Internal control and risk

- Enterprise Risk Management Framework
- Review of emerging and principal risks
- Risk appetite
- Annual review of internal control
- Annual review of viability

Shareholder and stakeholder oversight

- Reports from Investor Relations and brokers
- Ongoing oversight of progress with the Group's People agenda
- Ongoing oversight of the corporate culture; the development and roll-out of a new set of values; and the review of the 2021 employee engagement survey results and management actions to address employee concerns
- Engagement with the Company's other stakeholders including Mastercard and customers

Directorate

- Appointment of Nandan Mer as new Group CEO upon the retirement of Simon Haslam
- Resignation of Ali Mazanderani, Independent Non-Executive Director

Governance

- Creation of a Risk & Technology Committee and the former Audit and Risk Committee being redefined as the Audit Committee
- Composition of the Board's Committees
- Approval of matters recommended by the Board's Committees
- All proposed resolutions within the Notice of the 2021 Annual General Meeting and subsequent review of the voting results of that meeting
- Policy and insurance approvals
- Board effectiveness review conducted in the early part of 2022
- Meetings between the Chairman and the Independent NEDs
- Governance enhancements in compliance with the 2018 UK Corporate Governance Code

I believe we have a strong and diverse Board, which enables us to meet our responsibilities and duties effectively.

Ron Kalifa OBE
Chairman

Effectiveness of risk management and internal control systems

Each year, the Board, through the work of the Audit Committee and the Risk & Technology Committee, conducts a review of the effectiveness of the Group's system of risk management and internal control in line with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Board approved the Enterprise Risk Management Framework in early 2020 and continued monitoring its implementation throughout the year. There is an ongoing process for the identification and evaluation of risk management and internal control processes. The work conducted by management is complemented, supported and challenged by the controls assurance work carried out independently by the Group Internal Audit function. Regular reports on control issues are presented to the Audit Committee by the Chief Internal Auditor. The Board, through the work carried out by the Audit Committee in reviewing the effectiveness of the system of risk management and internal control, can confirm that whilst the internal audits identified a number of issues for management to address, Group Internal Audit ('GIA') did not identify any failings or weaknesses that would be classed as significant. GIA's regular reporting to the Audit Committee included details of open and past due audit issues and the Audit Committee satisfied itself that management had a strong record of closing internal audit issues on time during 2021 and that necessary actions have been or are being taken to remedy any weaknesses identified. Further details of the ERMF can be found on page 85.

Assessment of the Group's emerging and principal risks

The Board, through the work of the Risk & Technology Committee, carried out a robust assessment of the Group's emerging and principal risks during the year. Disclosure of these risks, the procedures to identify them, the Board's risk appetite, and an explanation of how they are being managed and mitigated are included in the Risk & Technology Committee report on pages 132 to 135 and the Principal Risks and Uncertainties section on pages 82 to 96.

Board composition

As at 31 December 2021, the Board comprised the Non-Executive Chairman (independent on appointment), two Executive Directors, six Independent Non-Executive Directors and one non-independent Non-Executive Director. As at the date of this report, the ratio of Independent Non-Executive Directors to other Directors (excluding the Chairman) is 6:3 which continues to be in compliance with the requirements of the Code. The biographical details of each of the current Directors can be found on pages 104 to 106 and on the Group's investor website at **https://investors.networkinternational.ae/who-we-are/leadership/board-of-directors/**.

The Chairman

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. Ron Kalifa has been the Chairman throughout the year. He was independent on appointment in March 2019.

The roles and responsibilities of the Chairman and Chief Executive Officer are separate and distinct and have been clearly set out in writing and approved by the Board. These documents can be found on the Group's investor website at **https://investors.networkinternational.ae/investors/corporate-governance/**.

The Senior Independent Director

Darren Pope has been the Senior Independent Director throughout the year. The Senior Independent Director is available to shareholders should they have concerns that cannot be resolved through the normal channels involving the Chief Executive Officer or the Chairman. The Board-approved Role and Responsibilities of the Senior Independent Director are set out in writing and can be found on the Group's investor website at **https://investors.networkinternational.ae/investors/corporate-governance/**.

CEO succession

Following a thorough process and global leadership search conducted by the Nomination Committee, and upon its recommendation, the Board appointed Nandan Mer as Group CEO with effect from 1 February 2021, succeeding Simon Haslam who retired after 40 years in the financial services industry.

Board and Committee membership, appointments and diversity

With the advice of the Nomination Committee, the Board appointed Diane Radley and Monique Shivanandan as Independent Non-Executive Directors with effect from 1 January 2021 and Nandan Mer as Group CEO on 1 February 2021.

The current compositions of the Board's Committees and the changes made during the year are shown in the relevant Committee sections on pages 124 to 157. In view of his long standing experience with the business and the market, and his financial expertise, Mr Subramanian was invited to attend the meetings of the Audit Committee and the Remuneration Committee. He is not a member of those Committees, does not receive any additional fee for his attendance, has no voting rights and is not counted towards the quorum. Please see below regarding his independence and confirmation that there is no conflict of interest in respect of his attendance at these meetings.

The search, selection and appointment process for Non-Executive Directors is shown in the section on the Nomination Committee on page 136.

When considering the appointment of new Independent Non-Executive Directors, the Nomination Committee and the Board have regard to the Board Appointments Policy, which provides for diversity across a range of attributes, including skills, knowledge and experience, gender and ethnicity, to meet the needs of the business. The diversity of the Board members is shown graphically on page 102.

The Board Appointments Policy can be found on the Group's investor website at **https://investors.networkinternational.ae/investors/corporate-governance/**.

Directors’ conflicts of interest

The UK Companies Act has codified the Directors’ duty to avoid a conflict situation in which they have, or can have, an interest that conflicts, or possibly may conflict, with the interests of the Company. The Board has established a process to identify and authorise conflicts. Directors have to notify the Group Company Secretary as soon as they become aware of actual or potential conflict situations. A Director will not be in breach of that duty if the relevant matter has been authorised in accordance with the Articles of Association. Such a decision to authorise a conflict of interest can only be made by Directors who do not have any interest in the matter being considered.

The Nomination Committee also reviews the interests of candidates prior to making recommendations to the Board for the appointment of new Directors. The Nomination Committee and the Board applied the above principles and process throughout the period to the date of this report and confirm these have operated effectively.

Time commitment and external appointments

The Board recognises the benefit to the Company of those Directors holding directorships in other companies where no conflict of interest arises. The Board requires that the Non-Executive Directors should have sufficient time to meet their Board responsibilities and acknowledges that such time commitment may vary from time to time, depending upon the demands of the business and other external events. In addition to attendance at scheduled meetings, the Directors are often required to attend ad-hoc meetings, often at short notice. The chart on page 119 discloses the attendance record of each Director in respect of the meetings of the Board and each Committee of which they are a member.

The Directors are required to first seek and obtain the approval of the Board before accepting any other significant appointment. The Board will only grant approval if it is satisfied that the proposed appointment would not give rise to a conflict of interest and the Director in question has given assurance that they expect to be able to devote sufficient time to meet their Board responsibilities.

Confirmation of Director independence

At its meeting on 7 March 2022, as part of a thorough review of corporate governance against the Code, the Board considered the independence of the Non-Executive Directors. In doing so, it considered the criteria set out in provision 10 of the Code amongst other matters and determined that six of our Non-Executive Directors, namely Victoria Hull, Habib Al Mulla, Darren Pope, Anil Dua, Diane Radley and Monique Shivanandan, were independent.

In reaching the above determination of independence, the Board considered the following (which was fully disclosed in paragraph 6.9 on page 201 of the Additional Information Section of the Prospectus published prior to the IPO):

- Habib Al Mulla is related to the Vice Chairman of ENBD, by virtue of being married to the Vice Chairman of ENBD’s sister; and
- Habib Al Mulla is the Executive Chairman of Baker McKenzie Habib Al Mulla, 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 responsibility for the relevant engagement. Habib Al Mulla has himself never had a business relationship with the Vice Chairman of ENBD nor with ENBD.

Habib Al Mulla had confirmed to the Board that he was not acting for or with ENBD and shall at all times act independently without influence from the Vice Chairman of ENBD or ENBD.

On the basis of the above, the Board had concluded that Habib Al Mulla is independent, as defined in the UK Corporate Governance Code.

Confirmation of the Chairman’s independence on appointment

As disclosed in paragraph 6.8 on page 201 of the Additional Information Section of the Prospectus published prior to the IPO, Ron Kalifa was an Executive Director of Worldpay until May 2019. In March 2019, Fidelity National Information Services, which is one of the Group’s competitors, announced a merger with Worldpay (which completed in July 2019). Notwithstanding this situation, the Board determined at the time that Ron Kalifa was independent on appointment as Chairman of the Company.

The other Non-Executive Directors

Of the Directors who held office during the year:

- Ali Mazanderani was an Independent Non-Executive Director during the year until his resignation from the Board on 30 September 2021.
- Suryanarayan Subramanian, who was nominated for appointment to the Board in March 2019 pursuant to the relationship agreement between the Company and ENBD (which subsequently terminated on 13 November 2019), continued as a Director. He has informed the Board that, with effect from 1 January 2020, he no longer holds the position of the Group Chief Financial Officer of ENBD. ENBD has also informed by its letter dated 16 July 2020 that Suryanarayan Subramanian does not represent ENBD’s interest on the Company’s Board. Accordingly, the Board acknowledges that in accordance with provision 10 of the Code, Suryanarayan Subramanian cannot presently be regarded as independent, but is satisfied that since 1 January 2020, there is no ongoing conflict of interest.

Re-appointment of Directors

In accordance with the Code and the Company's Articles of Association, every Director shall be subject to annual re-election by shareholders at each Annual General Meeting. The Notice convening the Annual General Meeting to be held on 19 May 2022 sets out, in respect of each Director standing for re-election, the specific reasons why their contribution is, and continues to be, important to the Company's long-term success.

Board development and induction

Throughout the year under review, the Board reviewed a series of development and strategy support presentations at each of its meetings. This series, together with ongoing business reviews, was designed to ensure that the new Directors gained a high level of knowledge about the Group so that all Directors could contribute to the Board's ongoing review and development of strategy.

At Board meetings and, where appropriate, Committee meetings, the Directors receive updates and presentations on business developments. In addition to gaining a better understanding of those businesses, these programmes also increase the exposure of senior talent to the Board and also the Board's presence across the Group.

There is a thorough induction programme for newly appointed Directors and this can be tailored to meet individual needs. Overall, the aim of the induction programme is to introduce new Directors to:

- The nature of the Company, its purpose, values and strategy, its businesses, the markets in which it operates, its challenges and risks;
- The legal and regulatory environment in which the Company operates;
- The Company's relationships with its main stakeholders and how these are managed; and
- The organisation's culture; and to build a link with the Company's people.

Inductions will typically include meetings with members of the Executive Management Team, and other senior management, both at Group and the operating divisions, where they receive thorough briefings aligned with the aims set out above. Individual induction requirements will be monitored by the Chairman, with the support of the Group Company Secretary, to ensure that newly appointed Directors gain sufficient knowledge about the Group to enable them to contribute to the Board's deliberations as swiftly as possible. The induction process has evolved as the experience of inducting each new Director is built upon.

The induction programmes for Diane Radley and Monique Shivanandan were conducted in line with the above and included extensive engagement meetings with many members of the management team in the areas of HR, Product, Technology, Operations, Audit, Risk, Strategy and Finance. These induction meetings were well received, not just by the Directors, but also by the members of the management team who gained first-hand exposure to new members of the Board. Nandan's induction, in addition to meetings with members of the management team and their immediate reportees, included meetings with key customers of the Group across geographies and principal regulators in countries in which the Group's operations are regulated or are expected to be regulated.

Operation of the Board and its Committees

The Board and its Committees each have a forward programme of work so they can operate effectively, ensure comprehensive coverage of their responsibilities, and allow executive management to plan and resource their support work.

Prior to scheduled meetings, the Chairman (or Committee Chairman), with the support of the Group Company Secretary, liaises with the ExCo to fine tune and finalise the agenda. The Chairman, CEO and Group Company Secretary review the papers for the meeting and these are then circulated to the Directors one week prior to the meeting. The Directors have access to a fully encrypted electronic portal system, which allows them to receive and review papers quickly and securely on a tablet or PC. Due to the impact of the COVID-19 pandemic, most of the scheduled Board meetings during the year were held through video conference.

At scheduled Board meetings, the Chairman meets with the Independent Non-Executive Directors in the absence of the CEO and the CFO.

The Group Company Secretary, who was appointed by the Board, acts as secretary to the Board and its Committees, and works with the Chairman and the Executive Management Team as described above to ensure there is a smooth flow of information and attends each meeting. The Group Company Secretary is also responsible for advising and supporting the Chairman, the Board and its Committees on corporate governance matters. All Directors have access to the advice and services of the Group Company Secretary, and through her, have access to independent professional advice in respect of their duties, at the Company's expense.
Jay Razzaq has held the position of Group Company Secretary from 27 February 2019. Her biographical details can be found on page 108.

Board Observer

Under the Cornerstone Agreement signed by the Company with Mastercard at the time of the IPO, Mastercard is entitled to appoint an Observer to the Company's Board for so long as Mastercard does not dispose of the shares acquired by it. The Observer may attend all Board meetings and receive all Board papers, but may not vote at Board meetings. As per the terms of the Cornerstone Agreement, the Observer is excluded for matters where a conflict arises or where the matter is considered to be commercially or legally sensitive. The first Observer is Mr Raghu Malhotra.

Governance

Board meetings and attendance

The Board and its Committees have regular scheduled meetings throughout the year and supplementary meetings are held as and when necessary. The table below shows the number of scheduled Board and Committee meetings attended by each Director out of the number convened during the year 2021. Non-attendance at one Board meeting by Suryanarayan Subramanian and one Nomination Committee meeting by Victoria Hull was due to unavoidable travel where virtual attendance was not possible. Non-attendance at one Board meeting and one Nomination Committee meeting by Dr. Habib Al Mulla was due to unavoidable business commitment at one instance and a prior family commitment for the other. In each case of absence, the concerned Director gave their inputs to the Chairman/Committee Chair on the matters being taken up at the meetings.

Each of the Directors has given a firm commitment to being able to give sufficient time to enable them to fulfil their duties, including attendance at meetings, in 2022. In early 2022, the Nomination Committee conducted a review of the time commitments of each of the Non-Executive Directors – see page 138 for further details.

Individual Director attendance at scheduled meetings during the year 2021

Name	Board	Audit Committee	Risk & Technology Committee	Nomination Committee	Remuneration Committee
No. of meetings held	**8**	**8**	**3**	**3**	**6**
Ron Kalifa	8/8	–	–	3/3	6/6
Nandan Mer	8/8	–	–	–	–
Darren Pope	8/8	8/8	3/3	3/3	–
Victoria Hull	8/8	–	–	2/3	6/6
Diane Radley	8/8	8/8	3/3	–	6/6
Monique Shivanandan	8/8	8/8	3/3	–	–
Habib Al Mulla	7/8	–	–	2/3	–
Suryanarayan Subramanian	7/8	–	–	–	–
Anil Dua	8/8	8/8	–	–	–
Rohit Malhotra	8/8	–	–	–	–

Attendance at scheduled meetings during the year 2021 by former Directors who retired/resigned during the year

Name	Board	Audit Committee	Risk & Technology Committee	Nomination Committee	Remuneration Committee
Simon Haslam	1/1*	–	–	–	–
Ali Mazanderani	6/7*	–	–	–	4/4*

* Not a member for the entire year.

Board effectiveness evaluation

The Board recognises the benefit of a thorough evaluation process to reflect on the Board's strengths and the challenges it faces, and to identify opportunities to continuously improve effectiveness. The second annual evaluation of the Board, which was conducted at the start of 2022, was facilitated by Egon Zehnder, building on the outcomes and actions from the review they facilitated in the latter part of 2020.

Our Board evaluation process in 2022:

1. The Board agreed that its second Board effectiveness review should again be externally facilitated by Egon Zehnder to provide consistency and continuity.
2. The Chairman discussed and agreed the scope of the evaluation with Egon Zehnder. Separately, the Senior Independent Director led the evaluation of the Chairman.
3. Egon Zehnder issued questionnaires to all Board members and conducted individual private interviews with most of them and reviewed the qualitative and quantitative data collected from the questionnaires and during the meetings.
4. Egon Zehnder prepared a report of their findings from the review, identifying strengths, challenges, and opportunities to improve and embed higher performance.
5. Egon Zehnder's report was first shared with the Chairman and the Senior Independent Director and then presented to, and discussed, by the Board, which agreed an action plan to enhance Board effectiveness for the year ahead.
6. The action plan will be continually monitored by the Chairman with the support of the Company Secretary.
7. The Board evaluation to be conducted in 2023 will be carried out internally but will reflect on the actions from the 2022 review.

Process and context

A thorough evaluation of the Board and its Committees was conducted by Egon Zehnder and the table above explains the process undertaken at the start of 2022.

Egon Zehnder was appointed in view of their specific knowledge of the Board and to build upon the outcomes and actions from the review they facilitated in the latter part of 2020. Egon Zehnder also conducted the search resulting in the appointments in January 2021 of Diane Radley and Monique Shivanandan as Independent Non-Executive Directors and in February 2021 of Nandan Mer, Group CEO. The Nomination Committee report in the 2020 Annual Report and Accounts provides full details of the thorough processes conducted in respect of these Board appointments.

The Board determined the timing of the second effectiveness review to allow for the Board to adapt and develop following the changes made to its composition at the start of 2021 and the creation of the Risk & Technology Committee (separating risk from the Audit Committee) in June 2021.

Egon Zehnder issued questionnaires to all Board members and conducted individual private interviews with most of them and the Chief Risk Officer and Group Company Secretary.

The comprehensive report prepared by Egon Zehnder was debated by the Board, which then agreed to an action plan for improvement, in March 2022.

Summary of outputs

The Board effectiveness review concluded that the Board was functioning well and had matured over the past year. The new skills and experiences added to the Board at the start of 2021 complemented the existing good mix, providing valuable insights and increasing the constructive challenge more broadly. The Board members are highly engaged, and the Committees are well constituted and continue to do the heavy lifting in their specialist areas, as required of them. The agendas cover the right areas leading to proactive discussions with increasing time spent on forward looking issues. There is a strong focus on risk and a very good understanding of risk oversight. Although in-person meetings have not fully resumed, the Board has coped well with dynamic and engaging interactions, with trust and a collegiate atmosphere being evident. The transition to the new CEO was effective and has contributed to a positive shift in the engagement between the Board and the Executive Leadership Team. There continues to be a high degree of confidence in the Chairman, who has fostered trust and collaboration between the Board members and is effective at soliciting the views of everyone around the Board room table, despite most meetings being conducted virtually during the year.

It was recognised that there was opportunity and potential to develop the Board's effectiveness, particularly as the geographic restrictions that had been in place throughout a large part of the year had now been lifted allowing for in person meetings. Egon Zehnder's report set out a number of key themes that emerged from their review and set out some clear recommendations for consideration.

The recommendations from the emerging themes focused mainly on increasing the face-to-face engagement with management, allowing the Board to gain more information and insights about strategic topics and develop a stronger connection and gain a deeper understanding of the business. In turn, increased engagement with management would allow the Board to gain an improved view of the executive talent bench-strength to support more discussions on leadership development and succession.

The following table presents a high-level summary of the outputs from the 2021 Board effectiveness evaluation and the proposed actions by the Board.

Outputs from the 2022 Board evaluation	Board agreed actions
Continued preparation for top bench succession.	Additional Nomination Committee meetings built into the corporate calendar.
Increase exposure to management, particularly below Executive team level to deepen the understanding of the business and better inform talent management discussions.	Increased interactions with top talent, both in Board meetings and less formal settings.
Enhance the strategic debate by allocating time for input by the broader management team and NEDs with specific expertise.	Board's forward programme to reflect this recommendation.
Integrate strategic discussions about key emerging themes and leadership development and succession into the Board programme.	Board's forward programme to reflect this recommendation.
Improve the distribution lead times of papers issued prior to meetings to allow the Board ample time for preparation.	All papers to be issued at least five days prior to meetings.
Integrate more in-person events (both formal and informal) into the corporate calendar to further enhance Board level relationships.	A programme of events spread throughout the year to be developed.

Status update on the actions from the 2020 evaluation

Outputs from the 2020 Board evaluation	Board agreed actions	Status
Conclude the search for two additional Independent Non-Executive Directors with the attributes identified by the Nomination Committee.	Action completed with the appointment of Diane Radley and Monique Shivanandan with effect from 1 January 2021.	Achieved
Further enhance the induction process (currently challenging due to COVID-19 restrictions).	Induction process to be benchmarked against the FTSE 250 and improvements made as required.	Achieved
Continued preparation for top bench succession.	Additional Nomination Committee meetings built into the corporate calendar.	Deferred due to COVID-19 restrictions and rolled over into 2022.
Allocate agenda time on: – People, organisational capability, and culture. – Competitive landscape.	Board's forward programme to reflect this recommendation.	Achieved
Enhance the strategic debate by allocating time for input by the broader management team and NEDs with specific expertise.	Board's forward programme to reflect this recommendation.	Achieved
Wider management population to undertake training on FTSE governance requirements and standards – to be reinforced by NEDs with expertise in that area.	Training programme developed and being rolled out in the first half of the year.	Deferred due to COVID-19 restrictions and rolled over into 2022.
Produce clearer and more concise Board materials with more inclusive terminology.	Review of Board materials underway, to be benchmarked against FTSE standards.	Achieved, with continuous enhancement under way.
Foster stronger relationships to support their Board roles.	Directors to arrange virtual sessions among themselves and members of the Executive Management Team, given the lack of opportunity for physical meetings and Board dinners due to the COVID-19 restrictions.	Achieved to a significant extent with a greater level of interaction planned as COVID-19 restrictions are lifted.

The Group's performance management system applies to management at all levels. The individual performance of the Chief Executive Officer is reviewed separately by the Chairman (and of the CFO by the CEO) and by the Remuneration Committee. Further details of the Executive Directors' performance measures and objectives and their achievement against them are disclosed in the Remuneration Report on pages 140 to 157.

Management Committees

Executive Committee

In addition to the members of the Board, the day-to-day management of the Group's operations is conducted by its Executive Management Team called the Executive Committee which is made up of the key business heads of each function (please refer to pages 106 to 108 for details).

The ExCo is chaired by the Group CEO, and convenes throughout the year based on a series of planned meetings. These include a weekly Monday morning management meeting which focuses on opportunities, risks and challenges; a monthly management meeting to review business performance; and a quarterly three-day management meeting that goes beyond business performance, and includes specific agenda items such as full day talent management reviews, presentation of business cases and staff engagement sessions.

Some of the topics discussed and agreed at the Executive Committee meetings, many of which then subsequently came to the Board for approval in 2021, included:

- Group's new purpose, values and 2025 Ambition;
- Group's IT strategy;
- the refreshed management structure;
- integration of DPO business with that of the Group
- way forward on Group's ESG strategy;
- business developments in different geographies in which the Group operates;
- Group's approach to risk management;
- results of the employee engagement survey; and
- review of the Group's talent pool.

Enterprise Risk Management Committee

Operating an appropriate and effective risk management and internal control system is essential to achieving the Group's strategic objectives and maintaining service delivery targets. The ERMC has general oversight and sets the 'tone from the top' in respect of risk management. It has a mandate to manage and oversee all aspects of operational risk, financial risk, credit risk, fraud risk, compliance, business continuity, and information security governance.

During 2021, the ERMC reviewed regular reports in respect of the above areas of its mandate, including: ongoing monitoring and deep dive reviews of the Group's principal risks and new and emerging risks, performance of KRIs against those risks, risk acceptance reports and risk disclosures in the Annual Report and half year results announcement; and ongoing monitoring of technology resilience, cyber security, IT disaster recovery, fraud reports, Credit Risk Management Committee reports, regulatory compliance, assurance plans, and the Enterprise Risk Management Dashboard.

The members of the ERMC are as follows: Chief Risk Officer and Group Company Secretary (Chairperson), Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Technology Officer, Group Chief Internal Auditor, Group Chief Operations Officer, Regional President – UAE, Regional President – Northern and Sub-Saharan Africa, Regional President – Levant, Regional President – Southern Africa, Head of Enterprise Risk Management, Group Chief Information Security Officer, Head of Regulatory Compliance, Assistant Manager Operational Risk Management & Reporting, Group Head of Accounting, VP – Group Technology Risk, and Chief of Staff, Egypt.

The Board's perspective on Risk & Control is covered in the Principal Risks section within the Strategic Report on page 82 and within the Risk & Technology Committee report on page 132.

The evolution of our Board

Since our IPO in April 2019, we have carefully managed the construct of our Board to reflect the transition from private equity ownership to that of a UK-listed constituent of the FTSE 250. At Network International, we have been able to attract both Executive and Non-Executive Directors of the highest calibre in line with our exacting requirements. Our Board has a breadth of skills, experience, and knowledge, is diverse by a range of measures, and has a strong cohort of Independent Non-Executive Directors – fully aligned with the requirements of the Code and investor expectations.

Date	Directorate change	Number of Directors	Ratio of Independent Directors to other Directors (excluding the Chairman)[1]
Pre-IPO: February/ March 2019	**Appointment of the first Directors** Ron Kalifa, Independent Chairman Simon Haslam, Group Chief Executive Officer Darren Pope, Senior Independent 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	9	3:5
22 January 2020	**Appointment of two additional Independent Non-Executive Directors** Anil Dua, Independent Non-Executive Director Ali Mazanderani, Independent Non-Executive Director	11	5:5
30 April 2020	**Three Non-Executive Directors (nominees of the former major shareholders) step down at the conclusion of the 2020 AGM** Suryanarayan Subramanian, Non-Executive Director, invited to remain on the Board. **Resigning Directors:** Shayne Nelson, Non-Executive Director Aaron Goldman, Non-Executive Director Daniel Zilberman, Non-Executive Director All other serving Directors are elected/re-elected by shareholders at the AGM	8	5:2
2 June 2020	**Appointment of our serving CFO to the Board as an Executive Director** Rohit Malhotra, Group Chief Financial Officer	9	5:3
1 January 2021	**Appointment of two additional Independent Non-Executive Directors** Diane Radley, Independent Non-Executive Director Monique Shivanandan, Independent Non-Executive Director	11	7:3
1 February 2021	**Succession of the Group Chief Executive Officer** Nandan Mer appointed as Group Chief Executive Officer Simon Haslam retires, remaining with the Company throughout his six-month notice period to ensure a smooth transition	11	7:3
20 May 2021	Each Director is elected/re-elected by shareholders at the AGM	11	7:3
30 September 2021	Ali Mazanderani, Independent Non-Executive Director, resigns from the Board	10	6:3

1 The Code requires that at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent.

The current Directors and their biographies are detailed on pages 104 to 106.

Audit Committee report

Darren Pope
Committee Chair

Other members

Anil Dua
Diane Radley
Monique Shivanandan

Prior to 17 June 2021, upon the formation of the Risk & Technology Committee, this Committee was responsible for risk oversight as well as audit. For clarity of reporting, all matters relating to risk and technology that were considered by either Committee during the year are included in the Risk & Technology Committee report on pages 132 to 135. Currently, all three members of the Risk & Technology Committee are members of the Audit Committee, and this supported a smooth transition of responsibilities and continues to provide knowledge exchange between the two Committees. The terms of reference of the Audit Committee were appropriately amended and they and the terms of reference of the Risk & Technology Committee are available on the Group's website at: **https://investors.networkinternational.ae/investors/corporate-governance/**.

Number of meetings held in the year

Eight, of which five were Audit and Risk Committee meetings and three were Audit Committee meetings, the latter taking place after the formation of a separate Risk & Technology Committee on 17 June 2021.

Attendance

Darren Pope (Chair)	8/8
Anil Dua	8/8
Diane Radley	8/8
Monique Shivanandan	8/8

Meetings also regularly attended by:

- Nandan Mer, Chief Executive Officer since 1 February 2021
- Rohit Malhotra, Chief Financial Officer
- Suryanarayan Subramanian, Non-Executive Director
- Jay Razzaq, Chief Risk Officer and Group Company Secretary
- Ian Cox, Group Chief Internal Auditor
- KPMG LLP

Read Directors' biographies on pages 104 to 106

The Board has satisfied itself that a majority of the members of the Committee have recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates, as required by the Code.

Dear Shareholder

I am pleased to present the Audit Committee report for the year ended 31 December 2021. This report describes the work of the Committee relating to audit matters during the year and reports on how we have applied the principles and provisions of section 4 of the 2018 UK Corporate Governance Code ('the Code') other than relating to Code provision 28 (assessment of principal and emerging risks), which is included in the separate Risk & Technology Committee report on pages 132 to 135. Recognising both the increasing geographic footprint of the business and the fast changing technology and regulatory landscape, it was agreed during the year to separate the Risk Committee from the Audit Committee. This will ensure the newly formed Risk & Technology Committee has, under Diane's leadership, a full focus on these important risk issues. I will continue to serve on this new committee.

Management and the Committee have continued to develop and apply high standards to ensure that the Group meets the investor and stakeholder expectations of a UK listed company.

DPO finance and Internal Audit integration

The Committee has oversight of the DPO finance, financial control and Internal Audit integration programmes. Each workstream has key deliverables with timelines and the Committee receives regular updates on progress. As per the External Audit Strategy approved by the Committee, the acquired DPO business is not considered a significant component and is not included in scope for the Group audit. This conclusion is based on the relative size of the DPO business in the context of the Group as a whole, including that DPO is only consolidated for the final quarter of the year. Given that DPO is new to the Group in the year, the Committee

> **The Committee has continued its focus on the quality and transparency of our external reporting and the effectiveness of the external and internal audit processes. We are also overseeing the DPO Finance and Internal Audit integration programmes and monitoring progress against agreed timescales.**

Darren Pope
Committee Chair

requested that KPMG perform certain risk assessment procedures including obtaining an understanding of the key revenue processes and obtaining direct bank confirmations for material cash balances.

Disclosures and year end reporting

Building on the significant progress made last year, the Committee continued to focus on refining its disclosures to enhance the transparency of the Group's external reporting. Our Board maintains a continuous engagement with shareholders and, as an Audit Committee, we listen carefully in respect of improving the presentation of the Group's results. The most material change this year has been to make a number of additional disclosures based on the business verticals in addition to the continuous and consistent geographical reporting, as we believe it will be easier for investors and analysts to model growth for the purpose of their analysis.

During the year, the FRC's Corporate Reporting Review team carried out a review of the Company's Annual Report and Accounts for the year ended 31 December 2020 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The Committee was pleased to note that, in their report, the FRC did not raise any queries that required substantive correspondence and only recommended improvements to certain disclosures which could benefit users of the Annual Report and Accounts. Appropriate changes have been made to reflect these recommendations in this 2021 Annual Report.

The Committee received a comprehensive update on acquisition accounting and reviewed management's approach in respect of the DPO acquisition in the financial statements.

The Committee has maintained its focus on going concern to ensure that the stress testing applied to the business was made under severe, but plausible scenarios and that any management actions deployed are achievable, proportionate, and properly costed.

I continue to be pleased with the increase in whistleblowing usage. We closely monitor these cases and believe the increase is symptomatic of increased awareness rather than increasing concern as to our control environment.

External auditor

In 2020, in view of the understandable market uncertainty with regard to the Wirecard failure, the Committee asked KPMG to increase its revenue coverage for 2020 to 97% from 91% in 2019 and to obtain bank confirmations for all cash balances. The Committee decided to continue with same scoping for the 2021 audit and hence KPMG's audit scope includes full scope audits performed at components that cover 95% of the Group's revenues.

Internal Audit

Group Internal Audit ('GIA') has become a valued partner and strong third line of defence within the organisation as a result of the ongoing significant upskilling of the function, including in the areas of technology and data, since 2019. There is strong closure of internal audit issues by management and overdue audit actions remain low, illustrating the continuous high level of focus on control throughout the organisation. While GIA's reviews have identified positive trends, they also highlight areas to improve, and so we will continue to be focused on monitoring and improving our control environment where applicable.

Assurance

We have continued to develop our overall assurance approach this year with a highly integrated plan agreed with the Risk & Technology Committee across Group Risk and GIA. This plan ensures strong coverage by both principal risks and operating geographies which, combined with assurance activities being performed by third-party providers, gives considerable assurance to the Committee.

Looking ahead

While we will continue to monitor the quality of the Group's financial reporting and financial controls, particular attention in 2022 will be given to emerging audit and corporate governance reform and its impact on our structures and processes, the continued financial integration of our DPO acquisition and the fast developing need to factor climate impacts into our financial disclosures and assurance activity. We will also be undertaking our first external quality review of our Internal Audit function, providing us with valuable benchmark insight into the rapid development of this function over the last two years.

Darren Pope
Chair, Audit Committee
8 March 2022

Compliance with the Code

Throughout the year, there was full compliance with section 4 of the Code.

Composition of the Committee

The Audit Committee is comprised solely of Independent Non-Executive Directors. On 1 January 2021, Ali Mazanderani and Victoria Hull stepped down from the Committee upon the appointment of Diane Radley and Monique Shivanandan. No changes were made to the membership of the Committee during the year.

Role of the Committee

The Board has delegated to the Committee authority to:

- Establish and oversee the Company's relationship with its external auditor, including monitoring their independence, with oversight and approval of non-audit work, and approving the terms of their engagement and remuneration;
- Review and approve the annual external audit plan;
- Assess the effectiveness of the external audit process;
- Approve the Internal Audit plan, review Internal Audit reports (ensuring management actions are performed without delay), monitor and review the effectiveness of the GIA function;
- Monitor the integrity of the financial statements including a review of the significant accounting judgements and estimates contained in them;
- Review the content of the Annual Report and Accounts and assess whether it is fair, balanced and understandable;
- Review the adequacy and effectiveness of the Group's internal financial controls and the Group's internal control systems, including the Group's procedures for detecting fraud; and
- Oversee the Group tax policy and strategy, and the Group's tax function.

The Committee adopted new terms of reference on 17 June 2021 to reflect the transfer of its former responsibilities relating to risk management, technology and compliance to the Risk & Technology Committee. No other substantive changes were made during the year. The Committee has a forward work programme and additionally compares its prior year activities against its responsibilities within the terms of reference to ensure full compliance. To enable it to carry out its duties effectively, the Committee relies on information and support from management across the business as well as a professional relationship with the external auditor. The full terms of reference of the Committee can be found on the Group's investor website at **https://investors.networkinternational.ae/investors/corporate-governance/**.

Summary of principal activities of the Committee during the year

During the year, the Committee reviewed the following:

Financial

- The integrity of the 2020 full year results, the 2021 half year results and in 2022, 2021 full year results (including a review of significant accounting judgements and estimates set out in comprehensive reports prepared by the Group CFO) and the processes underpinning their preparation, verification and management sign-offs;
- Information in support of statements in the 2020 (in 2022, in the 2021) Annual Report in respect of going concern, longer-term viability, internal control, the report being fair, balanced and understandable and disclosure of information to the auditor;
- The DPO Finance integration plan;
- Proposal on DPO acquisition accounting and management's approach for the financial statements;
- The 'expected credit losses' back testing methodology and process;
- The Group's transfer pricing model; and
- An annual review of tax compliance across the Group.

The Committee reviewed the above, challenged management as appropriate and concluded that the appropriate financial reporting processes are in place and controls are operating effectively.

External audit

- The half year review and annual audit plans and scope, including the external auditor's response to emerging risks in the context of Network's business;
- The half year review and full year audit reports;
- The external audit strategy for FY 2021;
- Reports on auditor independence – non-audit services and fees;
- The appointment of Simon Richardson as Lead Audit Partner; and
- The effectiveness of the external audit process.

The Committee reviewed the external audit process, its effectiveness as well as future plans and satisfied itself with the performance of external auditors and their independence.

Internal Audit

- The Group Internal Audit Charter, to ensure continued alignment and compliance with the guidance published by the Chartered Institute of Internal Auditors;
- The Group Internal Audit plan for 2022 and approved its implementation;
- The reports from GIA reviews and management's responses and improvement action plans;
- DPO Internal Audit integration; and
- GIA's self-assessment and satisfied itself with the performance of the GIA function.

The Committee concluded that the strengthening of the GIA function since 2019 had resulted in the planned improvement in its effectiveness.

Governance

- Separate meetings were held in the absence of management with the Chief Internal Auditor and the external auditor;
- An update on the pipeline of corporate governance reforms, including the White Paper on Restoring Trust in Audit and Corporate Governance, the Financial Reporting Council's Guidance on Corporate Reporting, a number of ESG initiatives and reporting against TCFD requirements;
- Updates on matters raised under the whistleblower arrangements, including a review of the process for handling high risk issues identified from whistleblowing incidents;
- Policy reviews and approvals; and
- The adoption of new terms of reference and a review of the Committee's work conducted measured against its terms of reference.

Key audit matters considered by the Committee during the year:

Key matter considered	Committee review and conclusion
Whistleblowing	The Committee received updates from management on any whistleblowing cases identified and reviewed the operation and appropriateness of reporting procedures. The Committee was satisfied that the whistleblower cases were being appropriately addressed.
Taxation	The Committee received reports from management around the tax position of the Group and updates on emerging tax risks.
DPO integration	The Committee received inputs from management on the plans for integration of the DPO Finance and Internal Audit functions.
Acquisition accounting	The Committee reviewed the Group's proposal for DPO acquisition accounting and proposed approach for the 2021 year end financials.

Significant issues considered by the Audit Committee in relation to the financial statements

The key areas of judgement considered, conclusions and actions taken by the Committee during the year, which ensure that appropriate rigour has been applied to the 2021 Annual Report and Accounts, are detailed as follows:

Key issue/ area of focus	Brief description	Committee review and conclusion
Accounting, tax and financial reporting	To review and challenge the appropriateness of the contents of the Group's Annual Report and Accounts, preliminary results announcement, interim results announcement, and other trading announcements and investor presentations.	The Committee reviewed the process for the production of the reports under the remit of the Chief Financial Officer, and the level of involvement of cross-functional subject matter experts, including monitoring the procedures in place to ensure that all contributors attested to the completeness, accuracy and appropriateness of the disclosures provided. The Committee concluded that the process followed was adequate and in line with industry best practices.
Impact of applicable new accounting standards and interpretations	To review the impact of new accounting standards on the consolidated financial statements.	The Committee reviewed the update presented by the Chief Financial Officer on the amendments and interpretations applicable for the first time in 2021. The Committee noted the updates and concluded that these changes do not have any significant impact on the Group's consolidated financial statements.
Accounting policies and practices and estimates	To review and challenge the appropriateness of the Group's accounting estimates and judgements.	The Committee reviewed the detailed update provided by the Chief Financial Officer on accounting estimates and judgements used in the preparation of the consolidated financial statements and related disclosures made. In 2021, management assessed and concluded that the following items, that were considered as critical accounting estimates and judgements in 2020 are no longer significant for the preparation of consolidated financial statements and accordingly have been classified as non-critical accounting estimates and judgements. › Specially Disclosed Items (SDIs) › Impairment review of goodwill and non-financial assets With the exception of the changes elaborated above, all other accounting estimates and judgements used in the consolidated financial statements for the year ended 31 December 2021 are similar to what were applied and disclosed in the 2020 ARA. The Committee discussed the update provided and concluded that the accounting estimates and judgements are appropriate and that sufficient disclosures have been made in the consolidated financial statements for these items.
	To review and challenge the impairment analysis on intangible assets including goodwill carried out by management.	As part of the yearly reporting process, management has conducted and presented to the Committee a detailed assessment on potential impairment of non-financial assets and goodwill carried in the books as at 31 December 2021. Goodwill impairment assessment was carried out based on discounted cash flow methodology to estimate the value in use. The Committee reviewed and challenged management's assessment and agreed with management's conclusion that there is no impairment in the carrying value of the goodwill and non-financial assets as at 31 December 2021.

AUDIT COMMITTEE REPORT CONT.

Key issue/ area of focus	Brief description	Committee review and conclusion
	To review and challenge the appropriateness of the acquisition accounting in relation to the acquisition of DPO including purchase price allocation exercise.	Following the completion of acquisition of DPO, management performed a detailed assessment on the acquisition accounting treatment including purchase price allocation (PPA) exercise to identify acquired intangible assets and liabilities assumed, in consultation with the external advisors. Based on this exercise, management has recognised acquired intangibles and liabilities assumed, and goodwill in the consolidated financial statements. The Committee reviewed and challenged management's assessment and concluded that the acquisition accounting in relation to the acquisition of DPO is appropriate.
	To review and challenge the appropriateness of the accounting treatment of Group's investment in its subsidiary, Mercury, since the Share Purchase Agreement, for sale of the stake, was signed between the end of the reporting period (i.e. 31 December 2021) and sale transaction was completed before the issuance of this Annual Report and Accounts	A Group subsidiary entered into an agreement to sell its 70% holding in Mercury for a consideration of c.USD 3 million (before completion adjustments). The agreement to sell the asset was signed in December 2021 and subsequently, the sale transaction was completed in January 2022. Management assessed the accounting treatment of Mercury in the consolidated financial statements and concluded to classify Mercury as held for sale in the consolidated financial statements, with gain or loss on disposal to be recognised in the 2022 ARA.
	Going concern assessment.	Management has carried out a detailed assessment to validate Group's going concern assumption. In making this assessment, a forecast period of at least 12 months has been considered. The assessment was done under base case assumptions, and further stress tested under severe but plausible downside scenarios. These forecasts also included a projection of the leverage ratio for each of the periods to check any potential breaches of financial covenants under the financing agreements. The Committee reviewed the going concern assessment carried out by management and challenged management on assumptions, stress scenarios considered and various mitigants incorporated in downside scenarios. After discussion and deliberations, the Committee approved that the consolidated financial statements for the year ending 31 December 2021 should be prepared on a going concern basis.
	Review of viability assessment including the scenarios and sensitivities considered by management.	As per provision 31 of the 2018 UK Corporate Governance Code, the Directors are required to satisfy themselves that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the longer period (longer than 12 months), i.e. the business is viable. The Committee reviewed the viability assessment carried out by management and challenged them on the assumptions, stress scenarios considered and various mitigants incorporated in downside scenarios. After discussions and deliberations, the Committee concluded that: i. Various possible mitigants which have been considered by management, wherever required in various sensitivities as modelled, to offset the impact of adverse assumptions, are achievable in the time period modelled and the cost to achieve is reasonable. ii. The mitigants do not fundamentally impact on the operational integrity of the business or its ability to grow again in the future. iii. The Group is viable and will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2024. Please refer to further details in the viability statement section on page 164 of the ARA.
	To review and challenge the appropriateness of the revenue recognition of the Group during the year.	The Group's revenue recognition policies are in line with IFRS requirements. Management follows a consistent process of revenue recognition, with robust controls in place, to ensure that the revenue recognised by the Group is not materially misstated. Furthermore, the Group's revenue recognition does not involve any critical estimation or judgement, and therefore, risk of misstatement of revenue through management action is not considered significant. The Committee noted the above and concluded that the revenue is appropriately recognised during the year.
	FRC publications related to thematic reviews of reporting and disclosures in the Annual Report and Accounts ('ARA').	Management has reviewed the recent pronouncements made by the FRC related to key topics on reporting and disclosures in the ARA of listed companies and its impact on the Group financial statements. Management has provided an update to the Committee on the outcome of the review and proposed actions related to changes required in the financial statements. The Committee reviewed the update and concluded that proposed actions are appropriate.

Group Internal Audit

The Committee oversees the activity of the GIA. GIA provides the third line of defence assurance work to the Group and is responsible, amongst other things, for evaluating the effectiveness of the Group's risk management, control and governance processes. A risk-based Internal Audit plan is prepared by GIA on an annual basis. The Internal Audit plan, which is reviewed and approved by the Audit Committee, considers key risks and emerging strategic risks maintained in the risk registers. In addition, as part of the annual planning cycle, GIA consults with senior management across the business, considers the results of previous audits and monitors industry trends. This activity ensures that GIA focuses on the most significant risk areas and related key controls.

In approving this plan, the Committee concluded that the GIA function was sufficiently resourced and skilled to deliver the plan (welcoming the recent upskilling of the function having hired technology and data skill sets) and the overall scope of the plan was appropriate given the key and emerging risks.

Regular updates were received throughout the year from the Chief Internal Auditor covering the delivery of the Internal Audit plan, details of issued reports, and data on management's closure of audit report actions. These included inputs on the overall control framework which showed an improving risk trend, and high levels of management risk awareness meant the overdue audit actions remained low.

GIA works closely with the other assurance providers across the three lines of defence (e.g. Group Risk) to enhance coverage and minimise duplication. The Coordinated Assurance Plan for 2022 was reviewed and approved by the Risk & Technology Committee.

The Chief Internal Auditor reports to the Audit Committee Chair, and it is the role of the Audit Committee (as stated in its terms of reference) to assess the effectiveness of the Chief Internal Auditor and the GIA function. A formal internal self-assessment of GIA against the Chartered Institute of Internal Auditors ('IIA') standards and general industry best practice was conducted during the second half of 2021. The Committee reviewed a comprehensive report of the findings of the assessment and concluded that GIA continues to make strong progress in line with an agreed plan and that it is broadly conforming to all Standards and aligning to best practice and has actions in place to address any remaining gaps. The Audit Committee terms of reference require an independent External Quality Assurance (EQA) review of GIA by April 2023. The EQA will likely be carried out in 2022 by a vendor and with a scope approved by the Audit Committee. The Chief Internal Auditor attends all meetings of the Audit Committee and meets separately with that Committee in the absence of management at least twice a year. The Chief Internal Auditor also has a secondary reporting line to the Chief Executive Officer and has a standing invite to, and attends, the Group's Executive Committee meetings.

Whistleblowing

Whistleblowing relates to concerns which fall within the wider public interest, such as a breach of our policies and procedures; breaches of law and regulation; and behaviour that harms or is likely to harm the reputation or financial well-being of the Group. The Group has in place a whistleblowing or 'speak up' policy, which allows employees to raise matters in confidence should they not wish to raise them through their line management, HR or employee forums. This includes a dedicated hotline established for this purpose, which is operated confidentially by an experienced third-party service provider. A significant majority of the Group's employees feel it is safe to raise concerns through the whistleblowing channels. The Group takes all whistleblowing cases seriously. Concerns raised through the hotline are sent simultaneously to the Whistleblowers Champion, the Chair of the Audit Committee, for information, and the Chief Risk Officer for action. The Committee regularly receives reports on whistleblowing policy and processes and monitors all reported and substantiated cases. All matters raised through the hotline are investigated thoroughly and, regardless of the outcome, formally reported to the Audit Committee, and all significant matters are reported by the Chair of the Audit Committee to the Board as part of his report on the proceedings at each Audit Committee meeting.

All whistleblower complaints are automatically forwarded to the Chair of the Audit Committee, the designated Whistleblowers Champion. The Committee also received assurance from GIA in 2021, with GIA concluding that the key components of an appropriate whistleblowing framework are in place, and the data points such as positive employee survey, increased number of cases, and a wider geographic spread (of whistleblowing cases) indicate that the framework is effective. Furthermore, GIA's review of completed investigations concluded that the investigations were adequate and that there is no evidence of retribution against any whistleblower.

External auditor

During the year the Committee undertook a review facilitated by Group Internal Audit of the external auditor's effectiveness which concluded very strong support for KPMG's 2020 year end audit, which is consistent compared to the prior year's result. The review identified a small number of areas where improvements should be made and these were discussed between the Chair of the Audit Committee, the Chief Internal Auditor and KPMG who agreed a remediation action plan.

On receiving notice from KPMG that Michael Harper, the lead audit partner in respect of the audit of the Company's financial statements, was moving to another role within KPMG, and would be stepping down as the lead audit partner for the Group, the Committee assessed a number of potential partners and concluded that Simon Richardson, the current senior partner on the audit, was the best candidate based on his subject matter expertise, demonstrated independent thinking and familiarity with the business. The Committee however requested Michael Harper to remain available to step-in should Simon Richardson be absent for any period of time.

As reported last year, KPMG's 2019 audit was also subject to an FRC Audit Quality Review ('AQR'). The findings were presented to the Audit and Risk Committee at its February 2021 meeting and the Committee considered the overall outcome of the review to be positive, with a small number of findings identified. The Chair of the Audit Committee also met with the FRC independently to discuss the report and was encouraged by the feedback received. All actions that are relevant were implemented with regard to the 2020 audit.

Non-audit services

A policy is in place which requires all non-audit work proposed to be carried out by the external auditor to be pre-authorised by the Chief Financial Officer and/or the Committee (depending on the amount involved) to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity. This policy is compliant with the revised FRC Ethical Standard 2019, and the auditor can only be engaged to provide specific non-audit services as described within this new standard. The adoption of the Revised FRC Ethical Standard 2019 did not have a significant impact on the Group, as the Group already applied KPMG's FTSE 350 non-audit services policy which incorporated similar restrictions in addition to those provided by the previous FRC Ethical Standard 2016.

The total fees payable to the Group's auditor in respect of 2021 amounted to USD 1.6 million, out of which the fee for non-audit services, which was in respect of the half year review and certification is USD 0.2 million. KPMG did not provide any other services to the Group in 2021. Comparative figures for the prior year are included in note 21.1 to the financial statements on page 209.

Independence

Both the Board and the external auditors, KPMG, have safeguards in place to protect the objectivity of the external auditors. During the year, the Committee adopted a policy that prohibits the employment by the Group of any current employee of KPMG and restricts the employment by the Group of former employees of KPMG or any immediate family member of an employee of KPMG, such employment being subject to the prior approval jointly of the Chief Financial Officer and the Chair of the Audit Committee with a justification for such hiring. KPMG have confirmed their independence as auditor of the Company in a letter addressed to the Directors.

Financial Reporting Council review of the 2020 Annual Financial Statements

The Financial Reporting Council ('FRC') had carried out a review of the Group's 2020 Annual Financial Statements, the results of which were communicated by their letter dated 15 October 2021. While no questions or queries were raised by FRC from the review, certain observations were made, which have been considered by the Committee and appropriate enhancements have been made to the disclosures in the 2021 Annual Report and Accounts.

It may be noted that the FRC review provides no assurance that the Annual Report and Accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements, and the letter was issued by FRC on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on this letter by the Company or any third party, including but not limited to investors and shareholders.

Board statements and confirmations following review and recommendation from the Audit Committee

Internal control and risk management in relation to the financial reporting process

The Group has a thorough assurance process in place in respect of the preparation, verification and approval of financial reports. This process includes:

- The involvement of highly experienced and professional employees, supported by professional advisors where appropriate;
- Formal sign-offs from the Group CEO, Group CFO and Chief Risk Officer;
- Comprehensive review by key internal Group functions;
- A transparent process to ensure full disclosure of information to the external auditor;
- Engagement of a professional and experienced firm of external auditors;
- Review and challenge by executive management; and

- Oversight by the Audit Committee, involving (among other duties):
  - A detailed review of key financial reporting judgements which have been discussed by management, including the level and clarity of the disclosures around Alternative Performance Measures ('APMs'), Specially Disclosed Items ('SDIs') and segment reporting;
  - Review and, where appropriate, challenge on matters including:
    - The consistency of, and any changes to, significant accounting policies and practices during the year;
    - Significant adjustments resulting from the external audit;
    - Unadjusted differences;
    - The going concern assumption;
    - The viability statement;
    - The Company's statement on risk management and internal control systems; and
    - GIA review of the Annual Report and Accounts verification process and control.

Review of the effectiveness of the risk management and internal control systems

Detailed information in respect of the risk management systems is included in the Risk report on page 82.

During the year, the Board, through the work of the Committee and supported by the Risk & Technology Committee, has conducted a review of the effectiveness of the Group's system of risk management and internal control in line with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. There is an ongoing process for the identification and evaluation of risk management and internal control processes.

Group Internal Audit, Risk and Finance have independently assessed the overall risk and control framework to be materially effective for the existing business, which has matured significantly during 2021 with continued planned improvements during 2022. The work conducted by management is complemented, supported and challenged by the controls assurance work carried out by the Group Internal Audit function. Regular reports on control issues are presented to the Audit Committee by the Chief Internal Auditor. The Committee, in reviewing the effectiveness of the system of risk management and internal control, can confirm that whilst the internal audits identified a number of issues for management to address, GIA did not identify any failings or weaknesses that would be classed as significant. GIA's regular reporting to the Audit Committee included details of open and past due audit issues and the Audit Committee satisfied itself that management had a strong record of closing internal audit issues on time during 2021 and that necessary actions have been or are being taken to remedy any weaknesses identified.

Fair, balanced and understandable

The Directors confirm that they consider the Annual Report and Accounts, taken as a whole:

- Is fair, balanced and understandable; and
- Provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

In making this confirmation, the Directors took into account their knowledge of the business, which is kept up to date with regular reports, updates and business reviews circulated prior to and discussed at each Board meeting, and supplemented by a variety of written reports, verbal updates and presentations given at Board and Committee meetings as well as a regular flow of information about the business between meetings.

The Directors then took into account the thorough preparation and verification process conducted by management in respect of the Annual Report and Accounts, as described above, and:

i. a formal review by the Audit Committee;
ii. a formal audit by KPMG, external auditors; and
iii. a final review by the Board of Directors.

After careful review and consideration of all relevant information, including the KPMG review and principal risks, the Directors were satisfied that, taken as a whole, the 2021 Annual Report and Accounts is fair, balanced and understandable and have affirmed that view to the Board.

Going concern

The Board's statement in respect of adopting the going concern basis of accounting is given on page 167 and in note 2 (d) to the consolidated financial statements on page 184. The Committee reviewed and challenged the going concern assessment undertaken by management, including assessments of the Group's liquidity and funding position, and confirmed to the Board that it is appropriate for the Group's financial statements to be prepared on a going concern basis.

Viability

The Board's statement in respect of the Group's longer-term viability is given on page 164.

The Committee reviewed and challenged the viability assessment (including the three-year time horizon selected) undertaken by management in the 2021 Annual Report and Accounts. The Committee considered the process to support the viability statement in conjunction with an assessment of principal risks (carried out in tandem with the Risk & Technology Committee), strategy and business model disclosures, taking into account the assessment carried out by management of stress testing results and risk appetite. The Committee recommended the Viability Statement (as set out on pages 164 to 166) to the Board for approval.

Risk & Technology Committee report

Diane Radley
Committee Chair

Other members

Darren Pope

Monique Shivanandan

The Committee, constituted on 17 June 2021, took over the responsibility for the oversight of risk previously undertaken by the Audit Committee (previously Audit and Risk Committee) and assumed responsibility for the oversight of technology as delegated by the Board. For clarity of reporting, all matters relating to risk and technology that were considered by either Committee during the year are included in this Committee's report. Currently, all three members of the Committee are members of the Audit Committee, which supported a smooth transition of responsibilities and continues to provide knowledge exchange between the two Committees.

The terms of reference of the Risk & Technology Committee are available on the Group's website at: **https://investors.networkinternational.ae/investors/corporate-governance/**

Number of meetings held in the year

Three (in addition, five meetings of the Audit and Risk Committee were held prior to the formation of this Committee on 17 June 2021).

Attendance

Diane Radley (Chair)	3/3
Darren Pope	3/3
Monique Shivanandan	3/3

Meetings also regularly attended by:

- Nandan Mer, Chief Executive Officer
- Rohit Malhotra, Chief Financial Officer
- Jay Razzaq, Chief Risk Officer and Group Company Secretary
- Mark Diamond, Chief Technology Officer
- Ian Cox, Group Internal Auditor
- KPMG LLP

Read Directors' biographies on pages 104 to 106

Dear Shareholder

I am pleased to present the first Risk & Technology Committee report, which describes our work since June and also includes the work in respect of risk carried out in the first half of 2021 by the Audit Committee (previously the Audit and Risk Committee) and the technology oversight by the Board. The Committee is responsible for providing risk management, technology and compliance oversight to the Group's business and for advising the Board on the Company's risk appetite, tolerance and strategy. It also supports Board decision making by advising it on current and future risk exposures which have the potential to impact on the delivery of the Group's strategy. In this report, we include how we have applied the principles and provisions of section 4 of the 2018 UK Corporate Governance Code ('the Code') relating to risk.

Before taking on the role of Chair of the Committee, I had the benefit of experiencing the robust approach undertaken by the Audit and Risk Committee and I would like to thank my colleague Darren Pope for setting high standards and for supporting an orderly transition.

In addition to continuing the important work in respect of the Group's risk management, including the continued implementation of the Group's Enterprise Risk Management Framework, we have increased our support for the Board in evaluating, monitoring and directing the use of technology in support of our strategic objectives, specifically focusing on how the technology strategy and related budget allocations support the overall business strategy over 3–5 year periods, and monitor their implementation.

> **The Committee supports the Board in evaluating, monitoring and directing the use of technology in support of our strategic objectives as well as providing oversight of the management of risk across the organisation.**

Diane Radley
Committee Chair

We now regularly review two newly introduced management dashboards setting out KPIs in respect of key strategic technology projects and risk trends on cyber security; as well as taking on a more focused approach to our important cyber security arrangements across our technology estate. Our ERMF was audited in 2021 by our Group Internal Audit team and was assessed to be robust.

The Committee has oversight of the DPO integration programmes in relation to risk and technology. Each workstream has key deliverables with timelines and the Committee receives regular updates on progress.

We have continued to develop our overall assurance approach this year with a highly integrated plan agreed with the Audit Committee across Group Risk and Group Internal Audit. This plan ensures comprehensive coverage by both principal risks and operating geographies which, combined with assurance activities undertaken by third-party providers, gives considerable assurance to the Committee.

During 2021, management enhanced the strong risk culture across the Group and, in advance of the acquisition of DPO, developed a comprehensive risk integration plan, which is being executed in accordance with pre-agreed milestones.

The Principal Risks and Uncertainties section of the Annual Report from page 82, which was reviewed and approved by the Committee, sets out our approach to risk management, the plan for and the progress we have made with the integration of our ERMF within DPO and our principal and emerging risks and how they are being mitigated in line with our Board approved risk appetite.

We have defined our risk and control self-assessment (RCSA) standards for all business units and are conducting control testing by the 1st line of defence as per defined frequencies. The completed RCSAs are also being challenged appropriately and assessed for quality by the 2nd line of defence.

With the acquisition of the DPO Group, our regulatory footprint has grown, as a result of which, we have a higher number of licensed entities than we had earlier. I am also pleased to mention that we have recently been granted an enhanced payment service provider licence for our Ghana operations and have completed our submissions for grant of licences in other territories where required.

Our overall risk profile remained stable for all our principal risks with no material breach to our risk appetite. We observe the heightened geo-political risks following the Russian invasion of Ukraine, see page 96, and we are monitoring developments closely to assess any impact to the Group's risk profile. We also refreshed our risk profile for our Saudi Arabia market entry and supported management in making sound business decisions.

Looking ahead, we will continue to:

- Ensure appropriate assurance and monitoring of key risks
- Increase focus on individual risk items in deep dives to support Board decision making
- Advise the Board on current and future risk exposures
- Work closely with the Audit Committee
- Monitor the key technology projects in support of strategy delivery

Diane Radley
Chair, Risk & Technology Committee
8 March 2022

Compliance with the Code

Throughout the year, there was full compliance with section 4 of the UK Corporate Governance Code relating to risk. The Committee conducted a thorough and robust review and assessment of the Group's emerging and principal risks and a detailed description of those risks, the procedures in place to identify emerging risks and an explanation of how these are being managed or mitigated are given within the Principal Risks and Uncertainties section of the Strategic Report on pages 82 to 96.

Composition of the Committee

The Risk & Technology Committee is comprised solely of Independent Non-Executive Directors with each of the current members being appointed upon the formation of the Committee on 17 June 2021.

Role of the Committee

The Board has delegated to the Committee authority to:

- Review the Group's risk profile, its principal risks and uncertainties and advise the Board in respect of risk appetite, management's mitigation plans and the potential impacts on the Group; and to oversee the Group's Risk function;
- Exercise ongoing oversight in respect of the Technology function, the technology estate, all related policies and procedures, including disaster recovery, the ongoing oversight of technology acquisitions and to ensure that an Information and Technology Governance Framework is in place together with a technology strategy supporting the strategic intent of the Group;
- Oversee the Group's Compliance function, including review and implementation of the Group's policies on the prevention of bribery and corruption, and money laundering.

Governance

A separate meeting was held in the absence of management with the Chief Risk Officer and Group Company Secretary.

The Committee has a forward programme of work to ensure it covers its areas of responsibility. At the end of 2021, the Committee conducted a review of its work (and the risk and technology work carried out by the Audit and Risk Committee in the first half of the year) against its terms of reference and concluded that it had fully discharged its responsibilities. To enable it to carry out its duties effectively, the Committee relies on information and support from the Chief Risk Officer and Group Company Secretary as well as other management across the Group.

The Chief Risk Officer and Group Company Secretary reports to the Chief Executive Officer as well as having a clear reporting line into the Chairman of the Board and the respective Chairs of the Audit Committee and the Risk & Technology Committee.

Risk appetite and approach to risk management

The Board's risk appetite, the Group's approach to risk management within its risk framework and new, emerging and principal risks were robustly reviewed in 2021 and are more fully described in the Principal Risks and Uncertainties section on pages 82 to 96.

Risk management and internal control systems

The Group operates the 'three lines of defence' model which clearly identifies accountabilities and responsibilities as follows:

- Business line management has primary responsibility for the management of risk;
- Risk function assists management in developing their approach to fulfil their responsibilities; and
- The Internal Audit function checks that the risk management process and risk management framework are effective and efficient.

Summary of principal activities of the Committee during the year

During the year, the Committee reviewed the following:

Enterprise Risk Management Framework

- Group's risk appetite and approach to risk management within its risk framework and new, emerging and principal risks. These are described in the Principal Risks and Uncertainties section on pages 82 to 96.
- Continued oversight on the implementation of the Group's ERMF, including an assessment of the risk culture around the Group.
- The Group's existing key risk indicators leading to their classification for tier 1 and tier 2.

Risk (including compliance)

- Group risk policies, approved consequent amendments and exercised oversight over compliance with Group policies, including in relation to anti-bribery and anti-corruption, the prevention of money laundering, information security and user access management.
- Risk and Compliance monitoring reports.
- Group Risk and Compliance assurance and monitoring plans for 2022 and approved the plan for implementation.
- ERMF integration plan within DPO business and approved the plan for implementation.
- Procedures for detecting internal fraud and the effectiveness of anti-bribery and anti-corruption controls.
- Group's cyber security position, including maturity level against the NIST framework, investments in cyber security, monitoring external trends (ransomware and DDoS) and their possible impact on the Group.
- Assurance activities to assess whether the Group's security controls and processes were working as intended and were geared up to protect against the emerging threats and trends.
- Reports on the outcomes of assurance reviews conducted which were focused on testing the effectiveness of AML/KYC and sanctions compliance and monitoring key regulatory changes impacting the Group's markets of operation.
- Effectiveness of the Group's business continuity framework.

Technology

- Group's technology risk management strategy.
- Exercised oversight on key strategic technology projects including separation of the Group's UAE Data centre from the shared Emirates NBD data centre and technology build to support KSA market entry.
- Oversight of technology resilience across all geographies.
- Deep dive review of cyber security.
- Regular monitoring of the Technology Resilience dashboard.
- Assessment of the Group's strategic technology projects with the aim of prioritising future enhancements to architecture which supports Group strategy.

For more details, please refer to the Principal Risks and Uncertainties section on pages 82 to 96.

Nomination Committee report

Ron Kalifa OBE
Committee Chair

Other members

Victoria Hull	
Darren Pope	
Habib Al Mulla	

Number of meetings held in the year
Three

Attendance

Ron Kalifa (Chair)	3/3
Victoria Hull	2/3*
Darren Pope	3/3
Habib Al Mulla	2/3*

* see page 119.

Meetings also regularly attended by:
Jay Razzaq, Chief Risk Officer and Group Company Secretary

Read Directors' biographies on pages 104 to 106

Dear Shareholder
Having built a significantly stronger, more balanced and diverse Board by the early part of 2021, we capitalised on the breadth and depth of skills, experience and knowledge to further develop and support our strategic objectives. We have also strengthened our governance, spreading the Committee workload amongst the Non-Executive Directors and making good use of their specialist skills, by creating a Risk & Technology Committee with Diane as Chair and a focused Audit Committee with Darren as Chair.

We also reviewed the composition of the other Board Committees and appointed Monique Shivanandan as a member of the Remuneration Committee with effect from 15 February 2022, replacing Ali Mazanderani who resigned in September 2021.

The Committee regularly reviews the skills and experience of our Board members mapped against the needs of our business and the output of the most recent exercise is shown on page 102.

The Committee reviewed the implementation of the Company's policy on equality, diversity and inclusion that lies within the Group's Employee Charter launched in 2019. Once again, we were pleased with the clear linkage with the Company's strategy and values and the significant progress made against the objectives.

> **We have also strengthened our governance, spreading the Committee workload amongst the Non-Executive Directors and making good use of their specialist skills.**

Ron Kalifa OBE
Committee Chair

Remote working has again set back the Board's engagement with the talent pipeline as such engagement has been restricted to those who present to, or attend, Board and Committee meetings. This was recognised in the Board effectiveness review conducted in early 2022 and will be addressed as a priority in the current year when the Committee will also focus on Executive Management succession planning and diversity within the Network Executive Committee.

Ron Kalifa OBE
Chairman and Chair of the Nomination Committee
8 March 2022

Composition of the Committee

Ron Kalifa (Board Chairman and Chair of the Committee) and Independent Non-Executive Directors Victoria Hull, Darren Pope and Habib Al Mulla were members of the Committee throughout the year.

Role of the Committee

The Board has delegated to the Committee authority to:

- Review the size and structure of the Board, to consider succession planning for Directors and the Executive Management Team and to lead the process for the appointment of new Directors;
- Ensure there is clarity in respect of the role description and capabilities required for such appointments;
- Conduct a review of the skills, experience, knowledge and diversity of the Directors and lead on the annual evaluation of the effectiveness of the Board, its Committees and individual Directors (the evaluation of the Chairman to be led by the Senior Independent Director);
- In the light of the above, consider the re-election of each Director in advance of each AGM;
- Review the membership and Chairmanships of each of the Board's Committees;
- Approve and actively monitor the Company-wide policy on diversity and inclusion, including gender, ethnicity, social background, cognitive and personal strengths, sector experience and professional background, and review against the strategic priorities and the main trends and factors affecting the long-term success of the Company;
- Review and monitor the pipeline of talent below Board level;
- Review as and when required the Directors' potential conflicts of interest; and
- Make recommendations to the Board on all the above matters as appropriate.

Principal activities of the Committee during the period

In the period from 1 January 2021 to the date of this report, the Committee carried out the following:

- Finalised the thorough CEO selection and appointment process leading to the appointment of Nandan Mer as Group CEO on 1 February 2021;
- Conducted a review of the time commitment of each of the Non-Executive Directors (NEDs) and separately, considered the independence, effectiveness, and time commitment of the Directors before reviewing the proposed election or re-election of the Directors at the 2021 and 2022 AGMs;
- Considered proposed changes to external appointments held by the Directors to ensure there were no potential conflicts of interest and that any proposed additional external appointment did not impact on the time commitment the Director was able to give to the Company;
- Conducted a review of the skills, experience and knowledge of the Non-Executive Directors and mapped them against the strategy of the Group;

- Reviewed the composition of the Board's Committees and recommended to the Board the appointment of Monique Shivanandan to the Remuneration Committee with effect from 15 February 2022, following the resignation of Ali Mazanderani in September 2021;
- Reviewed the implementation of the Company's policy on equality, diversity and inclusion that lies within the Group's Employee Charter launched in 2019, noting the clear linkage with the Company's strategy and values and the significant progress made against the objectives (as reported, along with diversity statistics[1], within the ESG Strategy section of the Strategic Report on pages 38,39, 48 and 49 and within the Corporate Governance section on page 102); and
- The leadership and oversight of the second annual Board evaluation, which was conducted at the start of 2022 by Egon Zehnder, building on the outcomes and actions from the review they conducted in the latter part of 2019. The process, outcomes and action plans are disclosed on pages 119 to 121 of the Governance Report.

In 2022, the Committee will also:

- Review succession planning and the pipeline of talent for the Executive Management Team, taking account of the challenges and opportunities facing the Company, the gender balance of the senior population[1] and future leadership requirements;
- Review a programme of ongoing engagement meetings between the Chairman, Independent NEDs and high potential talent across the Group.

Commitment of Non-Executive Directors

The Board seeks to attract and retain high-calibre Non-Executive Directors with a breadth of skills, experience and knowledge that will enable them to contribute fully to the long-term sustainable success of the Company. The Board also recognises the benefit to the Company of those Directors holding directorships in other companies where no conflict of interest arises. The Board requires that the Non-Executive Directors should have sufficient time to meet their Board responsibilities and acknowledges that such time commitment may vary from time to time, depending upon the demands of the business and other external events. In addition to attendance at scheduled meetings, the Directors are often required to attend ad-hoc meetings, often at short notice. The chart on page 119 discloses the attendance record of each Director in respect of the meetings of the Board and each committee of which they are a member.

At Network, the Board takes its responsibilities seriously and has in place, through the work of the Nomination Committee, the following to monitor the commitment of each Director:

- A thorough Board appointments policy and process as described within this Committee's report on page 139. This includes an assessment, prior to any appointment being made, of the time availability of the candidate (noting the commitments in respect of their other roles, including their listed company NED mandates) compared against the expected time commitment of the role at the Company as stipulated in the letter of appointment.
- Application of the relevant principles and provisions of the Code in respect of time commitment and contribution and acknowledgement that some investors have published policies that seek to restrict the number of mandates undertaken by individual NEDs. Such investor policies set mandate limits rather than time commitment and contribution, so the Board has to recognise the range of requirements and balance those with the needs of the Company set in the context of the Code.
- It is a condition within the NEDs' letters of appointment that existing NEDs are required to obtain prior Board approval before accepting any additional appointments. Such approval will only be given by the Board if it is satisfied that the proposed additional appointment, taking into account their existing mandates, will not impact on the time commitment given to the Company. The reasons for permitting significant appointments will be explained in the Annual Report.
- The attendance and contribution of individual Directors is continuously monitored by the Company Secretary and Chairman respectively.
- The annual Board evaluation considers whether each Director prepares for all meetings and continues to contribute effectively. In addition, in respect of each Director the Board conducts an assessment of their aggregate time commitments for all their mandates, including listed companies, private companies, trusts and any other appointment that requires a time commitment on their part, and considers whether each individual has sufficient time availability for their role with the Network.

1 The Company's approach to diversity and inclusion, and statistics in respect of our gender diversity, are disclosed in the ESG Strategy section on pages 38, 39, 48 and 49.

- At its meeting in March each year, the Board considers in respect of each Director standing for re-election at the Annual General Meeting (AGM), the specific reason why their contribution is, and continues to be, important to the Company's long-term success. As part of this process, the Board takes into account all outputs from the Board evaluation, including those summarised above. Each of the Non-Executive Directors standing for election or re-election has to first give assurance to the Board that they remain committed to their role and will ensure that they devote sufficient time to it, including attendance at Board and Committee meetings. Such assurance is disclosed in the Notice of AGM.

Board Appointments Policy

Appointments to the Board are made on merit against objective criteria, including consideration of the strategic priorities and main trends affecting the long-term success of the Company. The Board Appointments Policy reflects the above and the benefits of diversity including gender diversity and also reflects the UK listing, its UAE base and international activity of the Group. Appointments to date have been in line with that policy.

The Board endorses the aims of the Hampton-Alexander Review entitled 'FTSE Women Leaders – Improving gender balance in FTSE Leadership' and has significantly improved the gender diversity of the Board with recent appointments. The Board will aim to achieve the Hampton-Alexander diversity target prior to the Annual General Meeting in 2023. A copy of the Company's Board Appointments Policy can be found on the Group's investor website at **https://investors.networkinternational.ae/investors/corporate-governance/**

Board Appointments Process

The Board Appointment Process is led by the Committee and is rigorous and thorough. In line with the policy, the process involves a review of the skills, experience and knowledge of the existing individual Directors and of the Board collectively and the conduct of a gap analysis by mapping the results against the strategic priorities and main trends affecting the long-term success of the Company. The Committee reviews the experiential requirements of additional Directors and then considers and agrees the attributes that would be desirable to ensure best fit with the culture of the Board and the organisation. The output from that process is then used to provide a comprehensive brief to an external search and selection firm, which is engaged to produce a diverse shortlist of suitable candidates. Candidates are interviewed by the Chairman and separately with each of the other members of the Committee, and also meet the senior executives of the Company. The Committee then considers the outputs from the process and agrees a proposal to the Board.

Directors' Remuneration Report

Strong financial performance as well as the significant progress we have made against our strategic goals is reflected in the bonus outcomes.

Victoria Hull
Chair of the Remuneration Committee

Other members

Ron Kalifa
Diane Radley
Monique Shivanandan (from 15 February 2022)

Number of meetings held in the year

6 (excluding 1 unscheduled meeting)

Attendance

	Meetings attended	Meetings invited[1]
Victoria Hull (Chair)	6	6
Ron Kalifa	6	6
Ali Mazanderani[2]	4	4
Diane Radley	6	6

Report structure

This report consists of two sections:

Section 1: Remuneration Overview pages 143 to 147
Chair Statement, Summary of Directors' Remuneration Policy including intended implementation in 2022 and remuneration in context.

Section 2: Annual Report on Remuneration pages 148 to 157
Remuneration received by the Executive and Non-Executive Directors in the financial year ending 31 December 2021.

1 The FY21 meetings listed for each Remuneration Committee member reflect the number of meetings they were eligible to attend as members of the Remuneration Committee during the year. As and when required, Suryanarayan Subramanian has been asked to attend by invitation to provide advice and expertise.
2 Member up to 30 September 2021.

Dear Shareholder

I am pleased to present to you the Directors' Remuneration Report (DRR) for the year ended 31 December 2021. This DRR is presented in two sections: 1) Remuneration Overview; and 2) Annual Report on Remuneration.

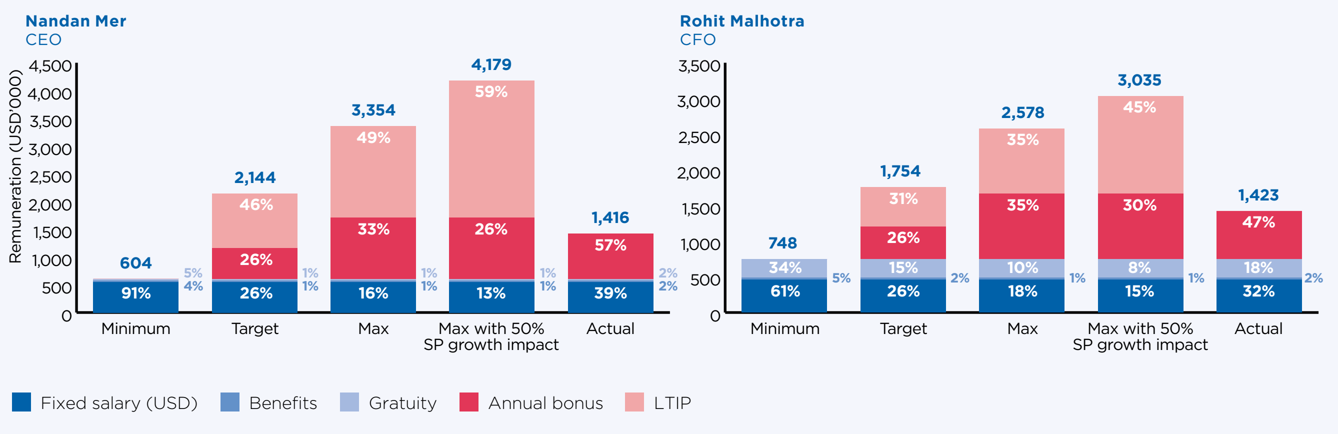
We have seen strong recovery in all markets this year, returning revenues to pre-pandemic levels and executing our strategy to create solid foundations from which to deliver our medium to long-term target of 20%+ CAGR Revenue growth. Our revenues have increased by 24% compared with the prior year, and underlying EBITDA improved by 27%. In September we successfully completed the acquisition of DPO Group, which continues to trade strongly. In partnership with Mastercard, we will be launching the latest state of the art authentication solutions for merchants and financial institutions, using 3-D Secure 2.0. We have also developed a comprehensive ESG framework that is aligned to our new strategy, with a strong commitment to responsible and sustainable behaviour.

This strong financial performance as well as the significant progress we have made against our strategic goals is reflected in the bonus outcomes.

At the same time, we are mindful of the shareholder experience over the past year. We are taking a prudent approach to remuneration for FY22, and have set stretching targets to ensure that management are only rewarded for continued strong performance, with our long-term incentive plan directly linked to shareholder returns. This is reflected in the zero anticipated vesting of the LTIP award made in FY19. To further reinforce alignment, our Executive Directors have taken further steps to increase their shareholding by electing to take half of their FY21 bonus in shares.

Illustration and application of the current Directors' Remuneration Policy for 2021

The charts below illustrate FY21 outcomes alongside the potential split between the different elements of the Directors' remuneration under four different performance scenarios: Minimum, Target, Maximum and Maximum with 50% share price growth.



* To aid comparability we have used Nandan Mer's full year annualised remuneration elements for his actual remuneration.

Retirement of Simon Haslam

As announced on 5 January 2021 and disclosed in the previous report, Simon Haslam retired as Group Chief Executive Officer and stepped down from the Board on 31 January 2021. Simon was placed on garden leave throughout his notice period, until he ceased to be employed by the Company on 4 July 2021. Simon did not receive any incentive payments in respect of 2021. Details of all payments made can be found on page 152, which were in accordance with the approved Directors' Remuneration Policy, with no other payments made for loss of office.

Appointment of Nandan Mer

Following an extensive global leadership search, Nandan Mer was appointed to the Board as Group Chief Executive Officer ('CEO') with effect from 1 February 2021. Nandan's remuneration was set in line with the approved Remuneration Policy and the outgoing CEO's arrangements, with an annual fixed salary of USD 550,000. Nandan did not receive a sign-on or buyout award on appointment. In line with the approved policy, he was granted a one-off LTIP award of 300% of fixed salary in his first year of employment to ensure that he is rewarded for driving value from the current share price over the next three years from the date of his appointment.

FY21 Directors' pay arrangements

Fixed pay and Board fees

As noted above, the fixed salary for the CEO was set at USD 550,000 p.a. at the time of his appointment in February 2021.

The Remuneration Committee reviewed the CFO's fixed salary and determined that, in light of the ongoing economic uncertainty due to the global pandemic, the CFO's fixed salary would remain at USD 457,000 p.a. during 2021.

Annual Deferred Bonus Plan ('ADBP')

The maximum opportunity under the ADBP is 200% of fixed salary. The performance assessment under the ADBP for 2021 was based on a balanced scorecard of revenue (45%), EBITDA (30%) and strategic metrics (25%).

The above-target achievement against our revenue and EBITDA growth KPIs combined with the strong achievements against strategic objectives have resulted in an annual bonus payout of 74% of maximum (148% of fixed salary for the Executive Directors). Full details of our performance against targets can be found on page 149.

Under the approved Policy, any amount earned under the ADBP over 100% of annual fixed salary is deferred into shares for three years.

In order to increase shareholder alignment, the Executive Directors have elected to receive 50% of their total FY21 annual bonus in shares and the remainder in cash, which the Committee has agreed to. As such, the portion above 100% of fixed salary will continue to be deferred into shares for three years as agreed, and an additional 26% of fixed salary will be paid in shares instead of cash, held for at least 18 months.

FY21 LTIP

The 2021 LTIP awards were granted in the form of conditional awards to the CEO, CFO and other members of the leadership team on 26 April 2021 and consisted of two elements: i) an award of up to 300% of fixed salary for the CEO and up to 200% of fixed salary for the CFO conditional on the achievement of stretching EPS (50%), revenue (25%) and relative TSR (25%) performance metrics, and ii) a ROCE underpin over the three-year performance period which could reduce levels of vesting by 10% if not met. Details of the targets for these awards can be found on page 150.

FY19 LTIP

It is currently anticipated that no amounts will vest under the FY19 LTIP awards. Final vesting will be reviewed and determined by the Committee following the end of the vesting period on 17 May 2022. Further details can be found on 150.

FY22 Directors' pay arrangements

Fixed pay

The annual pay review process for 2022 will be carried out after the Audited 2021 Financial Statements are ratified by the Board. The process will take into account market pay-benchmarks as well as corporate and individual performance.

Annual Deferred Bonus Plan (ADBP)

The maximum opportunity under the ADBP will remain at 200% of fixed salary. In line with the Policy, any payment in excess of 100% of fixed salary will be deferred into shares. As was the case this year, consideration will be given regarding increasing the portion of the bonus awarded in shares. The performance assessment under the ADBP will continue to be based on a balanced scorecard of revenue, EBITDA and strategic measures reflecting our FY22 strategy. The strategic measures under the ADBP have been aligned to reflect our ESG strategy, which is detailed on page 28, to reflect the importance of this area and support long-term sustainability.

FY22 LTIP

The 2022 LTIP award to be granted to the Executive Directors will consist of an award of 200% of fixed salary for the CEO and CFO, conditional on the achievement of adjusted EPS (50%), revenue (25%) and relative TSR (25%) performance metrics, consistent with the 2021 LTIP award. No kicker element will apply for the 2022 LTIP award. The Committee will also apply an underpin to the award vesting such that it is satisfied that the Company's Return on Capital Employed ('ROCE') is at an appropriate level to ensure the effective deployment of capital and the quality of its earnings growth.

At the time of preparing the Company's Annual Report and Accounts, the performance targets for the 2022 LTIP award are not finalised; they will be announced by release of a regulatory news service ('RNS') announcement.

Continuous improvement/ wider workforce

Network International conducts independent employee engagement surveys periodically to understand employee sentiment and concerns, which helps our leaders to identify key improvement areas. In 2021, 83% of Network's employees participated in the survey which resulted in a satisfaction score of 65% which is at par with the pre-COVID-19 score in 2019. Further insights on the engagement survey can be found on page 40.

We also operate several platforms to enhance leadership interaction with employees at all levels. This includes 'ask the GCEO' online participation sessions, video messages from the Chairman and the CEO, 'Meet the Leaders' Town Hall sessions, and 'NI on air' – a monthly channel to share our employees' thoughts and ideas with those of our leaders on our Company's strategic plans as well as industry trends.

As part of this we engage with employees on Director remuneration, and in my capacity as Remuneration Committee Chair, have addressed employees and answered questions around how executive remuneration aligns with and reflects wider Company pay practice and policy.

Shareholder engagement

Investor feedback is valued and is carefully considered by the Remuneration Committee. We are committed to having open and constructive dialogue with shareholders on an ongoing basis around Executive remuneration and look forward to your support at the next AGM in 2022.

I would once again like to express my gratitude for your support and engagement throughout the year and would remain at your disposal should you have any questions.

I would also thank my fellow Remuneration Committee members, and those who supported the Committee for their commitment and guidance.

Victoria Hull
Chair of the Remuneration Committee
8 March 2022

Section 1: Remuneration Overview

Our Directors' Remuneration Policy (DRP) was approved by 96.6% of shareholders at our AGM on 30 April 2020 and is intended to be in place for three years from the date of approval. The DRP is summarised in the table below along with our intended operation in 2022.

DRP element and link to strategy	Operation (Policy)	Performance measures, assessment and proposed operation in 2022
Fixed Salary To provide competitive fixed remuneration that will attract and retain key Executive Directors and reflect their experience and position in the Company.	Executive Directors' fixed salaries are reviewed annually, and any changes normally take effect from 1 April, in line with the wider workforce. Fixed salaries may also be reviewed where there is a change in position or responsibility. Fixed salaries are comprised of a fixed basic salary and a fixed allowance, as per local market practice. When determining an appropriate fixed salary, the Remuneration Committee considers: › remuneration practices within the Company; › the general performance of the Company; › salaries within the ranges paid by the companies in the comparator group for remuneration benchmarking; › any change in scope, role and responsibilities; and › the economic environment. In general, fixed salary increases will be in line with the approach for the wider workforce, unless there is a material change in role, experience or prevailing market conditions.	Annual pay review process for 2022 will be carried out after the Audited 2021 Financial Statements are ratified by the Board.
Retirement Benefit To provide a competitive Company contribution, in line with local practice, that enables effective retirement planning.	A retirement benefit may be provided in line with local market practice. This may be by way of a contribution to a pension scheme or cash allowance in lieu of pension benefits. Capped at 15% of fixed salary. This is in line with the minimum pension contributions requirement of the UAE Federal law applicable to UAE nationals and citizens of the Gulf Cooperation Council countries, subject to change from time to time.	The Executive Directors do not currently receive a pension or cash in lieu, but are eligible for an end of service gratuity, in line with local market practice.
End of Service Gratuity To provide an end of service gratuity payment upon termination, as required under the UAE Labour Law for non-UAE nationals.	End of service contributions are accrued by the Company. The amount of the end of service gratuity accrual is not prepaid annually. The end of service gratuity will be paid as a lump sum cash payment following termination, typically based on length of service and final base salary. In certain circumstances, the payment may be calculated by reference to fixed salary. Limited to two years' base salary by the UAE Labour Law.	The Executive Directors are eligible for end of service gratuity.
Annual Bonus To incentivise the achievement of annual objectives which support the Company's short-term performance goals and protect longer-term interests of the Company.	Performance measures and targets are chosen annually, to support the Company strategy as required. Performance measures are a range of interdependent financial measures (at least 50%) such as Revenue and EBITDA, and non-financial objectives. Any portion of an Executive Director's annual bonus amount over 100% of annual fixed salary is deferred into shares with a three-year holding period (to which no further performance conditions are attached). Maximum bonus of 200% of annual fixed salary.	Maximum opportunity of 200% of salary with anything payable in excess of 100% of salary deferred into shares. Further consideration will be given to increasing the portion of the bonus awarded in shares. The performance assessment under the ADBP will continue to be based on a balanced scorecard of revenue, EBITDA and strategic measures. The strategic measures under the ADBP have been aligned to reflect our ESG strategy, to reflect the importance of this area and support long-term sustainability. Targets are commercially sensitive and will be disclosed retrospectively.

DRP element and link to strategy	Operation (Policy)	Performance measures, assessment and proposed operation in 2022
LTIP To support the long-term strategic objectives of the Company.	Annual grant of share awards (structured as conditional share awards or nil-cost options) subject to stretching performance conditions measured over three years, and a two-year post-vesting holding period. Performance measures and targets chosen annually, to support the Company strategy as required. Dividend equivalents may accrue on shares vesting and will typically be paid in shares at the time of vesting, to the extent that shares vest. Award of up to 200% of fixed salary. A clawback period of two years from vesting applies to LTIP awards. Ability to award a kicker opportunity of up to 50% of the LTIP award maximum, subject to additional performance condition(s). Ability to award up to 300% of fixed salary in special circumstances such as recruitment of an Executive Director. The kicker element and the exceptional maximum LTIP award of 300% will not be both awarded to the same Executive Director in a single award.	It is proposed that the 2022 LTIP is granted at 200% of salary for the CEO and CFO respectively (without the kicker element). The measures and weightings proposed are in line with 2021: › Adjusted EPS (50%) › Revenue (25%) › Relative TSR (25%) › ROCE underpin
Pre-IPO Incentives IPO Cash bonus/MIP Awards To enable Executive Directors to meet their shareholding requirements earlier, and to improve the alignment of Executive Directors' interests and those of shareholders.	IPO Cash Bonus and MIP payments awarded at IPO were due to be paid in cash over the period to October 2021. Ability to accelerate the vesting of a portion of the IPO Cash Bonus/MIP awards (of a minimum amount equal to 200% of fixed salary) provided the cash is used to invest in shares of the Company. The shares will be subject to a holding period and will be released on the same terms as the portion of the IPO Cash Bonus and MIP awards for which vesting will be accelerated. Clawback provisions will continue to apply. Discretion to accelerate the vesting of IPO Cash Bonus/MIP awards of a minimum equal to 200% of fixed salary to enable cash to be used to invest in shares.	n/a
Shareholding Guidelines To align the interests of Executive Directors with the interests of shareholders.	Executive Directors have five years from joining the Company to build up a minimum shareholding requirement of fixed salary. Post-cessation, Executive Directors will have to retain their full shareholding requirement for 12 months and retain half of their shareholding requirement for a further 12 months. Shares relating to awards to be granted after the date of the 2020 AGM will be included for the purposes of the post-cessation shareholding requirement. Shares relating to awards granted before this date, as well as any shares purchased by the Executive Directors (and for the avoidance of doubt, the pre-IPO cash payments converted into shares), will not be included. The Remuneration Committee will ensure that there is the necessary contractual agreement between the Company and the Executive Directors and/or enforcement mechanism in place to enforce the post-cessation shareholding requirement.	The Executive Directors have a shareholder guideline of 300% of fixed salary.
All-Employee Share Plans To encourage employees to become shareholders in the Company and thereby align their interests with those of shareholders.	There are no all-employee share plans currently in place, but this will remain under review.	n/a

Alignment with the 2018 UK Corporate Governance Code

The approved Remuneration Policy takes into account Provision 40 of the 2018 UK Corporate Governance Code, and the following table summarises the Committee's views in respect of the approach to remuneration:

Factor	How our Policy aligns
Clarity	› The proposed Policy sets out clearly the basis for any payments and the terms of the incentive arrangements operated. › The performance conditions used for the annual bonus and LTIP awards are based on a number of the Company's KPIs ensuring direct alignment between the successful implementation of the strategy and the reward provided to the Executive Directors.
Simplicity	The Company's share plans are in line with standard UK market practice and designed to be easy to understand, and to be simple and transparent to all stakeholders.
Risk	The Policy includes: › setting defined limits on the maximum awards which can be earned under the annual bonus and the LTIP; › requiring the deferral of a substantial proportion of the incentives in shares for a material period of time; › aligning the performance conditions with the strategy of the Company; › ensuring a focus on sustainable performance through the performance period of the LTIP awards; › ensuring there is sufficient flexibility to adjust payments through malus and clawback; and › an overriding discretion to depart from formulaic outcomes under the Company's share plans. These elements mitigate against the risk of target-based incentives by: › limiting the maximum value that can be earned; › deferring a significant proportion of the value earned in shares for the long term which helps ensure that the performance earning the award was sustainable and thereby discouraging short-term behaviours; › aligning any reward to the agreed strategy of the Company; › focusing on the sustainability of the performance over the longer term under the LTIP; › reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate; and › reducing the awards or cancelling them, if it appears that the criteria on which the award was based do not reflect the underlying performance of the Company.
Predictability	The Policy sets out clearly the potential rewards available to the Executive Directors depending on the performance achieved. In addition, all the checks and balances set out above under Risk are disclosed as part of the Policy.
Proportionality	The Company's incentive plans clearly reward the successful implementation of the strategy and, through deferral and measurement of performance over a number of years, ensure that the Executive Directors have a strong drive to ensure that the performance is sustainable over the long term. Poor performance cannot be rewarded due to the Committee's overriding discretion to depart from the formulaic outcomes under the incentive plans if they do not reflect underlying business performance.
Alignment to culture	› A key element of our culture is to ensure long-term sustainable performance. This is reflected directly in the type of performance conditions used in the Company's incentive plans, which assess sustainable performance using a variety of non-financial and financial measures, as appropriate. › The focus on share ownership (and the partnership ethos encapsulated in share ownership) and long-term sustainable performance is also a key part of the Company's culture.

Section 1: Remuneration Overview cont.

Employee engagement

Share ownership across our employees

To encourage employee share ownership across the Company, shortly after the listing in April 2019, all employees in our various geographies received a one-time award of shares equal to the greater of one month's fixed salary or 250 shares. The Company believes that extending share ownership throughout the workforce will encourage loyalty and engagement, whilst allowing employees to participate in the Company's success. It also aligns the employees' interests with those of shareholders.

Subsequently, the Company has continued to award cohorts of employees with shares equal to one month's fixed salary under the FY20 and FY21 LTIP programme respectively. As with the Executive Directors, the rest of the leadership team and our eligible employees will also be receiving a portion of their FY21 bonus in shares.

Direct engagement with employees

Whilst the requirement to report on employee engagement does not apply directly to the Company as it employs fewer than 250 employees in the UK, the Remuneration Committee believes it is important that the Company is progressive and embraces the spirit of this regulation.

To this effect, the Committee evaluated the effectiveness of Network International's existing processes and employee engagement channels across five key criteria:

- Ensuring workforce views are taken into account by Directors in decision making
- Effectiveness of processes to ensure employees are able to raise matters of concern and receive feedback on steps taken to address those concerns
- Adequacy of disclosures around employee engagement in external reporting
- Ensuring key stakeholder views, including those of employees, are properly considered by the Board in discussions and decision making and whether those processes are clearly reported to shareholders through the Annual Report
- The method through which the Board engages with employees

Key actions that reflect how the Company engages with employees are described in the 'ESG Strategy' section of the Strategic Report. This includes a combination of town hall meetings, mechanisms to allow employees to engage with the CEO directly through email and in person, Q&A sessions with members of the Board and members of the Leadership team, the annual employee engagement survey and the independent whistleblower reporting process.

Additionally, the Remuneration Committee Chair addresses employees and answers questions around how executive remuneration aligns with and reflects wider Company pay practice and policy. Any feedback, as well as wider workforce remuneration policies, are taken into consideration when the Committee makes decisions around senior leadership incentive outcomes and salary increases, which will typically be in line with the approach taken for the wider workforce.

Remuneration engagement

The Remuneration Committee takes into account total budgeted fixed salary expenditures and remuneration allocation principles to ensure fairness and alignment of the fixed salary increases across the full employee population, including those relating to the Executive Directors and the Executive Management Team. The Remuneration Committee has oversight of the remuneration arrangements for all employees across the Group, and is satisfied that the core elements of executive pay align with the wider workforce, but differ based on scope, responsibility, seniority level and location. In summary:

- Competitive benefits and pension are provided in line with local market and legislation;
- Employees participate in either an annual bonus plan or a sales incentive scheme. The Executive Management Team participates in the incentive plans for Executive Directors: the ADBP and the LTIP; and
- All employees employed at the time of IPO were awarded a one-time award of shares post-IPO (granted under the LTIP).

Indicative gender pay gap

Equality and fairness are the cornerstones of all our people practices and policies at Network. We are committed to creating and nurturing an inclusive workplace through programmes and engagement initiatives supporting our philosophy as described in detail in the FY20 Annual Report and further built upon in FY21 as detailed on page 40.

Understanding the gender pay gap aids in promoting a positive change in terms of career and pay progression. In the context of our UAE based employees, the mean gender pay gap (total remuneration) to 31 December 2020 is 20%, whilst the median gender pay gap is 29%. The male population equates to 74% of the overall population whilst the female population is 26%. Rather than a case of unequal pay for equal work, our pay gap is primarily due to the uneven distribution between men and women across the business, which is mainly related to the markets in which we operate.

We are taking various measures to enhance our overall female population, particularly for senior roles. These measures include improvements in the competitiveness of reward, as well as examining our policies around career management, recruitment and retention. The impact of these initiatives can be clearly seen in the 2021 update of the Hampton-Alexander Review report.

Remuneration alignment to financial and strategic performance

Performance measures		Annual Deferred Bonus Plan ('ADBP')	Long Term Incentive Plan ('LTIP')
Financial	Revenue	●	●
	EBITDA	●	
	Adjusted Earnings Per Share (EPS)		●
	Relative TSR		●
	Absolute TSR		
	ROCE (underpin)		●
Strategic	Net Promoter Score (NPS)	●	
	Revenue growth from new customers/ capabilities/geographies versus 2020	●	
	Employee Engagement	●	
	Risk, Governance & Internal Audit	●	

2021 Performance overview

● **Revenue**	● **EBITDA**	● **Net Promoter Score**	● **Revenue growth from new customers/ capabilities/geographies v/s 2020**	● **Employee Engagement**	● **Risk, Governance & Internal Audit**
USD 352.2 million (23.7% growth v/s FY20)	USD 143.5 million (27.5% growth v/s FY20)	27 points	New customers, capabilities & initiatives contribution: USD 34 million	Employee engagement score: 65%	Further embedding our Enterprise Risk Management Framework across all three lines of defence

Section 2: Annual Report on Remuneration

Executive Directors' remuneration

Fig 1: Single total figure table

The table below sets out the single total figure of remuneration for the Executive Directors in FY21 and FY20. The Remuneration Committee is satisfied that the total remuneration for the Executive Directors is appropriate in the context of business performance, motivation, and retention. No discretion was exercised to determine the total remuneration as a result.

Executive Director	Year	Fixed salary USD'000	Benefits[1] USD'000	Annual bonus[2] USD'000	LTIP vested[3] USD'000	End of service gratuity[4] USD'000	Sub-total (fixed pay) USD'000	Sub-total (variable pay) USD'000	Total USD'000
Nandan Mer	FY21 (from 01/02/2021)	504	23	812	0	29	556	812	1,368
Simon Haslam	FY21 (to 31/01/2021)	46	2	–	0	10	57	–	57
	FY20	547	7	–	–	31	585	–	585
Rohit Malhotra	FY21	457	34	675	0	257	749	675	1,424
	FY20 (from 02/06/2020)	269	6	–	–	12	288	–	288

1 Relates to private medical insurance. This benefit is non-pensionable.
2 Simon Haslam and Rohit Malhotra waived their ADBP bonus payment for FY20.
3 The first LTIP awards, which were made in FY19 are due to vest in May 2022. The expected vesting is zero, for further details see page 150.
4 Relates to the provision accrued during the year. The FY21 gratuity for Rohit Malhotra reflects a catch up based on alignment with his employment contract.

- Simon Haslam and Rohit Malhotra received Pre-IPO incentives in 2019 amounting to USD 8,150,000 and USD 5,783,000 respectively, with no further performance conditions and phased vesting to 2021.
- No other items of remuneration received in FY20 or FY21 other than as disclosed in the table.
- None of the FY21 nor FY20 remuneration payouts are linked to share price growth, and as such no estimate of the amount of single figure remuneration linked to share price growth is reported.
- For the year FY21 bonus, the Executive Directors elected to receive a part of the cash element of their bonus in ordinary shares, for further details see page 149.
- After stepping down from the Board on 31 January 2021, Simon Haslam received fixed salary and benefits during his notice period to 4 July 2021, relating to private medical insurance. In line with Simon's employment contract, he received relocation expenses of AED 167,375 following the Termination Date, in addition to a one-way airfare for Simon and his spouse within 30 days of the cancellation of his residency and visa. He also received an end of service gratuity of AED 514,552.02. This is calculated based on his length of service until the termination date. He received USD 6,750 + VAT in respect of legal fees in connection with the termination of his employment.

Fixed salary

Nandan Mer's fixed salary was set at USD 550,000 p.a. on appointment, aligned with his predecessor. The Remuneration Committee determined that no changes would be made to Executive Director salaries at the 2021 salary review, taking into account the broader business and economic context.

Benefits (audited)

The benefits offering and operations are in line with local market practice. The benefits for the Executive Directors and the Executive Management Team are aligned to those offered to the employees located in the UAE. Core benefits include: private medical insurance for self, spouse and up to three children, health screening, life insurance and relocation allowances (where applicable). Executive Directors are also eligible for the reimbursement of UK income tax liability incurred in respect of the conduct of their Executive Director duties necessarily performed in the UK.

End of service gratuity (audited)

As required under the UAE Labour Law for non-UAE nationals, the Executive Directors will be eligible to receive an end of service gratuity payment upon termination. The annual contribution accrued by the Company is based on 21 days' fixed salary for each of the first five years of service, and 30 days' fixed salary for each additional year of service. The amounts accrued in respect of this are set out in the single total figure table. There were no additional pension contributions paid to the Executive Directors in FY21.

2021 annual bonus (audited)

The Remuneration Committee reviewed the structure of the annual bonus arrangements and determined that its structure remained appropriate and aligned with FTSE 250 market practice and our sector. To support the Company's revenue-driven growth strategy, performance was intended to once again focus on revenue (45%) and EBITDA (30%). The remaining 25% of the annual bonus was to be reviewed against a scorecard of individual measurable objectives identified as critical to the business strategy development in FY21.

Achievement against targets, as detailed below, resulted in an annual bonus payout of 74% of maximum (148% of fixed salary for the Executive Directors). Under the approved Policy, any amount earned under the ADBP over 100% of annual fixed salary is deferred into shares for three years. In order to increase shareholder alignment, the Executive Directors have elected to receive 50% of their total FY21 annual bonus in shares and the remainder in cash, which the Committee has agreed to. As such, the portion above 100% of fixed salary will continue to be deferred into shares for three years as agreed, and an additional 26% of fixed salary will be paid in shares instead of cash, held for at least 18 months.

Simon Haslam did not receive any bonus payment in respect of FY21.

Figure 2: 2021 annual bonus metrics

	Financial (75%)					
Performance measures (Excluding DPO)	Revenue (USDm)			EBITDA (USDm)		
Weighting	45%			30%		
	Threshold	Target	Stretch	Threshold	Target	Stretch
Targets	325	335	350	136	143	153
Payout levels (as a % of max)	25%	50%	100%	25%	50%	100%
Outcome (2021 Actuals)		344.7			143.5[1]	
Performance achieved		82%			53%	
Bonus achieved (% of max.)		37%			16%	
Bonus earned (USD'000)		747			317	

1 EBITDA includes Transguard.

	Strategic (25%)											
Performance measures (Excluding DPO)	Net Promoter Score (NPS)			Revenue growth from new customers/capabilities/ geographies versus 2020			Employee Engagement			Risk, Governance & Internal Audit		
Weighting		5%			10%			5%			5%	
Targets	Acceptable	Above Expected	Strong	Acceptable	Above Expected	Strong	Acceptable	Above Expected	Strong	Acceptable	Above Expected	Strong
Payout levels (as a % of max)	20–60%	60–80%	80–100%	20–60%	60–80%	80–100%	20–60%	60–80%	80–100%	20–60%	60–80%	80–100%
Outcome (2021 Actuals)	See next section											
Performance achieved		100%			60%			100%			100%	
Bonus achieved (% of max.)		5%			6%			5%			5%	
Bonus earned (USD'000)		101			121			101			101	

Section 2: Annual Report on Remuneration cont.

Executive Directors' remuneration cont.

Figure 3: 2021 performance measures

Strategic measures	Performance summary	Outcome
Net Promoter Score (NPS) 5%	› Net Promoter Score (2021): 27 pts (v/s 2020 NPS: 23 pts)	Above expected
Revenue growth from new customers/capabilities/ geographies versus 2020 10%	› Despite the continued global impact of COVID-19 on businesses in 2021, Network has reported a 10% increase in revenue from new customers, capabilities and initiatives › New customer contribution: USD 14 million › New capabilities contribution: USD 18 million › New initiatives contribution: USD 2 million	Above expected
Employee Engagement 5%	› 83% of Network's employee base took the survey in 2021 with a resultant satisfaction score of 65% which is on par with the pre-COVID levels	Above expected
Risk, Governance & Internal Audit 5%	› No material data security breaches › 97% of all audit issues have been addressed within the stipulated timeframe/original due dates versus the target of 70% › <10% cases account for past-due & re-targets as a percentage of total audit issues falling due during 2021. Implying that Network has a closure rate of 90% approx	Above expected

Long Term Incentive Plan ('LTIP')

2019 LTIP award

The FY19 LTIP was subject to EPS, Revenue and relative TSR performance measures. It is currently anticipated that FY19 LTIP will lapse without value, as the performance conditions are not expected to be met. Final vesting will be reviewed and determined by the Committee following the end of the vesting period on 17 May 2022, and this will be disclosed in next year's report.

Performance measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)	Performance period	Actual performance to end of performance period[1]	Actual/ expected vesting	Actual/ expected proportion of maximum achieved
Adjusted EPS (CAGR)	50%	12% compound growth p.a.	16.5% compound growth p.a.	1 January 2019 – 31 December 2021	(15.8%)	0%	0%
Revenue (CAGR)	25%	12% compound growth p.a.	14% compound growth p.a.	1 January 2019 – 31 December 2021	1.4%	0%	0%
Relative TSR against the FTSE 250	25%	Median	Upper quartile	10 April 2019 – 17 May 2022	TBC	0%	0%

1 Adjusted EPS and Revenue CAGR exclude DPO.

For the FY19 LTIP awards to vest, the Company share price must be greater than £4.35 (the IPO offer price).

Figure 4: 2021 awards granted

LTIP awards were granted on 26 April 2021 as conditional share awards. For the FY21 LTIP, the Remuneration Committee granted an award of 300% of fixed salary for the CEO and 200% for the CFO.

Noting that this was the first LTIP award for the new CEO, the enhanced award is intended to improve alignment with shareholders by creating an opportunity to acquire shares based on the achievement of stretching performance targets.

The share price at which the number of shares were granted was determined to be £4.30 i.e. the higher of the average share price calculated over a period of up to 30 trading days, or five trading days prior to the date of grant. The conditional share awards vest three years after the award grant date, to the extent that the Remuneration Committee is satisfied that the performance conditions to 31 December 2023 have been met. Malus provisions apply to the end of the vesting period, and clawback provisions apply for two years following vesting. Any dividend accrual during the performance period and expiry of the holding period may be awarded in the form of additional shares.

Executive Director	Award type	Basis of award %	Shares awarded	Face value of award[1] (USD)	Percentage of award vesting at threshold performance	End of performance period
Nandan Mer	LTIP – conditional shares	300% of fixed salary (No kicker)	278,120	1,639,110	25%	31/12/2023
Rohit Malhotra	LTIP – conditional shares	200% of fixed salary (No kicker)	154,215	908,871	25%	31/12/2023

1 The face value of the award is based on the closing share price on the date prior to the award (£4.25). The conversion USD exchange rate used is 1.3867 which is based on an average of over five trading days prior to the date of grant.

Figure 5: 2021 award performance conditions

The performance conditions for the FY21 LTIP award are: i) Adjusted Earnings per Share (EPS); ii) Revenue; and iii) Relative Total Shareholder Return (TSR).

The Remuneration Committee views EPS and Revenue as measures which are key to support the delivery of the future strategy of the Company. TSR is measured against the FTSE 250 index, reflecting the Company's positioning on the London Stock Exchange. 25% of the award will vest for threshold performance increasing on a straight-line vesting between threshold and maximum (100%). Targets outlined in the table below were set taking into account market consensus, current budget estimates and market practice around metric calibration for UK listed companies.

Metrics	Weighting	Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)
Adjusted EPS[1]	50%	22.6	24.4	27.0
Revenue[1]	25%	467.9	505.8	531.1
Relative TSR vs FTSE 250[1]	25%	Median	–	Upper Quartile
ROCE	Underpin which will reduce levels of vesting by up to 10% if not met		15% ROCE in 2023	

1 Straight-line vesting between points.

2022 LTIP awards

For the FY22 LTIP, the Remuneration Committee proposes to grant the Executive Directors an award of 200% of fixed salary for the CEO and the CFO.

Details of the performance targets attached to the 2022 LTIP will be announced prior to the 2022 AGM by release of an RNS announcement.

Pre-IPO incentive

Figure 6: IPO cash bonus and MIP awards

Network awarded selected members of the Group's management, including the Executive Directors, cash bonus awards subject to and conditional upon listing. Details of these awards for the CEO were disclosed in the single figure total table in the 2019 DRR. The CFO's award terms and vesting schedules are identical to those awarded to the former CEO. The full value of these awards in 2019 amounted to USD 8.15 million and USD 5.78 million for the former CEO and CFO respectively, with no further performance conditions and phased vesting to October 2021. These values include USD 3.06 million vesting in 2021 for the former CEO, and USD 2.35 million for the CFO.

- The CEO opted to accelerate USD 1.09 million (200% of fixed salary) of the 2021 vesting amount into shares.
- The CFO opted to accelerate USD 0.91 million (200% of fixed salary) of the 2021 vesting amount into shares.

2021 IPO Cash Bonus awards to shares conversion

No new awards will be made under the pre-IPO incentive plans. As per shareholder approval at last year's AGM, vesting of the portion of the remaining cash payments equivalent to 200% of the Executive Directors' fixed salary was accelerated on the condition that the cash was used by the Executive Directors to purchase shares in the Company at a price of £4.10, which is equal to the share price at which equity was raised through an accelerated book building process.

Details of the number of shares acquired by each Executive Director are set out below:

Executive Director	IPO cash award (2021 Tranche) to share conversion (USD)	IPO cash award (2021 Tranche) to share conversion (Shares)
Simon Haslam	1,093,805	200,295
Rohit Malhotra	914,908	167,536

Section 2: Annual Report on Remuneration cont.

Executive Directors' remuneration cont.

Figure 7: Executive Directors' shareholding and share interest

The Remuneration Policy requires Executive Directors to hold shares equivalent in value to 300% of their fixed salary within a five-year period from their appointment date.

				Unvested				
	Shareholding			With performance conditions	With performance conditions	With performance conditions	Without performance conditions	Without performance conditions[2]
Executive Directors	Shareholding requirement (% of fixed salary)[1]	Shareholding requirement % met (of fixed salary)[2,3]	Shares beneficially owned	LTIP-2019	LTIP-2020	LTIP-2021	ADBP – shares	IPO cash bonus conversion to shares)[3]
Nandan Mer	300%	58%	80,885	n/a	n/a	278,120	n/a	n/a
Rohit Malhotra	300%	170%	20,000	95,803	240,554	154,215	9,226	167,536

1 For the purposes of the shareholding requirement, only the net number of unvested share awards not subject to performance conditions is included, in line with institutional investor guidelines.
2 The shareholding requirement calculation is based on annualised fixed salary.
3 The closing share price of £2.922 as at 31 December 2021 has been used for the purpose of calculating the current shareholding as a percentage of salary.

Simon Haslam retirement and payments for loss of office

Simon Haslam retired as Group Chief Executive Officer and stepped down from his role and the Board of Directors on 31 January 2021. Simon was placed on paid garden leave from 1 February 2021 and remained employed by the Company until 4 July 2021, at which point he ceased to be employed by the Company.

Simon received payments in respect of his usual fixed salary and benefits totalling USD 351,883 during this period.

The Committee determined that Simon was considered a good leaver, and will be entitled to receive 15,683 deferred shares paid under the Annual Deferred Bonus Plan for FY19 at the end of the deferral period on 1 May 2023. He was not eligible for an annual bonus in respect of FY21.

Simon was also treated as a good leaver for the purpose of awards made to him under the Company's Long Term Incentive Plan. The LTIP awards made in FY19 may vest, subject to the achievement of the performance conditions, on the original vesting date and will be scaled back pro rata for the proportion of the vesting period he was an employee. As such up to 103,402 shares (representing the prorated number of shares) may vest, subject to performance in respect of the FY19 LTIP. Final vesting will be determined after the end of the performance period on 17 May 2022. It is currently anticipated that no awards will vest under the FY19 LTIP.

In line with Simon Haslam's employment contract, he received relocation expenses of USD 45,575 on termination, in addition to a one-way airfare for Simon and his spouse within 30 days of the cancellation of his residency and visa. In line with Simon's employment contract and local legislation, he also received an end-of-service gratuity of USD 140,110. This is calculated based on his length of service until the termination date. Simon also received USD 6,750 + VAT in respect of legal fees in connection with the termination of his employment.

There were no other payments for loss of office in FY21.

Payment to past Directors

Under the IPO Cash Bonus awards to shares conversion in FY20, Simon Haslam purchased 200,295 shares using an accelerated portion of his IPO cash award. As a good leaver, these shares vested in October 2021 in line with the scheme rules. No other payments were paid to past Directors.

Figure 8: Performance and Executive Directors' remuneration

The graph below illustrates the Company's Total Shareholder Return ('TSR') performance against the FTSE 250 between the Company's IPO in April 2019 and the end of FY21. The FTSE 250 was selected as the appropriate comparator as the Company is a constituent of the index. The graph shows the performance of a hypothetical £100 investment over that period. The remuneration data for the Executive Directors is set out in the table below the TSR chart.

Data sourced from DataStream from Refinitiv.

Historic total remuneration of the CEO

Executive Director	Year	Total single figure remuneration (fixed pay) (USD'000)	Total single figure remuneration (variable pay) (USD'000)	Total single figure remuneration (USD'000)	Annual bonus payment (% of maximum)	LTIP vesting (% of maximum)
Nandan Mer	FY21 (from 01/02/2021)	556	812	1,368	73.8%	n/a
Simon Haslam	FY21 (to 31/01/2021)	57	–	57	0.0%	n/a
	FY20	585	–	585	0.0%	n/a
	FY19 From 27/02/2019 (appointment date)	494	8,682	9,176	115.0%	n/a

Percentage change in remuneration of Directors and employees

The table below shows the percentage change in the remuneration of Directors and the average UAE colleague for FY21.

	Salary or fees[1] (% change from FY20 to FY21)	Benefits[2] (% change from FY20 to FY21)	Bonus (% change from FY20 to FY21)
Executive Directors			
Nandan Mer	n/a	n/a	n/a
Simon Haslam	n/a	n/a	n/a
Rohit Malhotra	0.0%	249.8%	675%
Non-Executive Directors			
Ron Kalifa	20.0%	-100%	n/a
Darren Pope	20.2%	n/a	n/a
Victoria Hull	20.0%	n/a	n/a
Ali Mazanderani[4]	-8.6%	n/a	n/a
Anil Dua	28.8%	n/a	n/a
Habib Al Mulla	13.3%	n/a	n/a
Suryanarayan Subramanian	21.0%	n/a	n/a
Monique Shivanandan	n/a	n/a	n/a
Diane Radley	n/a	n/a	n/a
Comparator group			
Average UAE Colleague[3]	6.0%	20.9%	-10.2%

1 The percentage changes have been calculated using the salary or fees, benefits and short-term incentives as set out in the single total figure table for FY20 and FY21.
2 For Directors these reflect the actual amounts earned whilst they were on the Board for each year, and include the 25% fee reduction in FY20 where applicable. Gratuity has been excluded.
3 The CEO and CFO end of service gratuities have been excluded as they are not actually paid/received during the year. Average UAE Colleague data is based on methodology "C" in UAE. Gratuity is not included.
4 Ali Haeri Mazanderani stepped down from his position as Independent Non-Executive Director on 30 September 2021.

Section 2: Annual Report on Remuneration cont.

Executive Directors' remuneration cont.

Indicative CEO pay ratio

Similar to the gender pay gap, the Company is exempt from the CEO pay ratio legislation as there are fewer than 250 employees in the UK. However, a CEO pay ratio is considered when determining senior remuneration, and is being disclosed voluntarily to provide information about the appropriateness of pay outcome, to consider wider workforce remuneration and to ensure transparency. The CEO's total pay, as per the FY21 single total figure remuneration, is compared to the total pay of the UAE-based employees as they represent the majority of our workforce and they share the same legal, tax and currency context for pay and benefits as the CEO. The calculation is based on methodology C of the regulations.

The table below discloses the CEO's total pay as compared to that of the UAE-based workforce at the 25th percentile, median and 75th percentile, and we will build on it each year accompanied by a narrative to explain any changes.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021 (excl. Pre-IPO incentives)	C	13:1	8:1	5:1
2020 (excl. Pre-IPO incentives)	C	13:1	8:1	5:1
2019 (excl. Pre-IPO incentives)	C	29:1	17:1	11:1

		Employees' total FTE remuneration (excl. CEO) (USD'000)		
	Year	25th percentile	Median	75th percentile
Total FTE remuneration for 2021 pay ratio	2020	45	72	111
Total FTE remuneration for 2020 pay ratio	2019	46	76	118
Total FTE remuneration for 2019 pay ratio	2018	41	69	104

Relative importance of the spend on pay

The table below indicates how the earnings of Executive Directors compare with other financial disbursements.

	FY21[1] (USD'000)	FY20 (USD'000)
Distributions to shareholders by way of dividend[2]	**0**	0
Total tax contributions[3]	**4,490**	6,058
Overall spend on pay including Executive Directors[4]	**107,944**	96,933

1 Calculated on the same basis as the single total figure of remuneration on page 148.
2 Dividends to shareholders include interim and final dividends paid in each financial year.
3 As set out in the consolidated statement of cash flow (see page 182 of the financial statements for further information).
4 Employee costs includes wages and salaries, social security, pension and share-based costs at actual exchange rates (see note 20 of the financial statements for further information).

For every USD 1 spent on Executive Directors' remuneration by the Company in FY21, USD 0 was made in dividend payments, USD 1.6 was paid in tax and USD 39 was spent on employee costs.

Fees retained for external Non-Executive Directorships

Executive Directors may hold positions in other companies as Non-Executive Directors (NEDs) and retain the fees. Neither Executive Director held a NED position with another company in FY21.

Non-Executive Directors' remuneration

Figure 9: 2021 Non-Executive Directors' single total figure table

The table below sets out the single total figure of remuneration for each Non-Executive Director in FY21 and FY20.

Non-Executive Director	Year	Fees[1] (GBP'000)	Benefits[2] (GBP'000)	Annual bonus (GBP'000)	LTIP vested (GBP'000)	End of service gratuity (GBP'000)	Sub-Total (fixed pay) (GBP'000)	Sub-Total (variable pay) (GBP'000)	Total[3] (GBP'000)
Ron Kalifa	**FY21**	**450**	**n/a**	**n/a**	**n/a**	**n/a**	**450**	**0**	**450**
(Chairman)	**FY20**	375	12	n/a	n/a	n/a	387	0	387
Darren Pope	**FY21**	**155**	**n/a**	**n/a**	**n/a**	**n/a**	**155**	**0**	**155**
(Senior Independent Director)	**FY20**	129	n/a	n/a	n/a	n/a	129	0	129
Victoria Hull	**FY21**	**120**	**n/a**	**n/a**	**n/a**	**n/a**	**120**	**0**	**120**
	FY20	100	n/a	n/a	n/a	n/a	100	0	100
Habib Al Mulla	**FY21**	**85**	**n/a**	**n/a**	**n/a**	**n/a**	**85**	**0**	**85**
	FY20	75	n/a	n/a	n/a	n/a	75	0	75
Ali Haeri Mazanderani[4]	**FY21**	**64**	**n/a**	**n/a**	**n/a**	**n/a**	**64**	**0**	**64**
	From 22/01/2020 to 31/12/2020	70	n/a	n/a	n/a	n/a	70	0	70
Anil Dua	**FY21**	**85**	**n/a**	**n/a**	**n/a**	**n/a**	**85**	**0**	**85**
	From 22/01/2020 to 31/12/2020	66	n/a	n/a	n/a	n/a	66	0	66
Suryanarayan Subramanian	**FY21**	**75**	**n/a**	**n/a**	**n/a**	**n/a**	**75**	**0**	**75**
	FY20	62	n/a	n/a	n/a	n/a	62	0	62
Monique Shivanandan	**FY21**	**90**	**n/a**	**n/a**	**n/a**	**n/a**	**90**	**0**	**90**
Diane Radley	**FY21**	**100**	**n/a**	**n/a**	**n/a**	**n/a**	**100**	**0**	**100**

1 2020 fees are based on actual amounts earned in the year and include the temporary 25% reduction in fees.
2 Relates to a payment for the purposes of obtaining private health insurance.
3 No other item of remuneration received in FY21 other than as disclosed in the table.
4 Ali Haeri Mazanderani stepped down from his position as Independent Non-Executive Director on 30 September 2021.

Figure 10: 2021 Non-Executive Directors' shareholding

The NEDs do not participate in any of the Company's incentive arrangements. There is no shareholding requirement policy in place for NEDs.

The table below indicates the shareholding of the NEDs as at 31 December 2021, including those held by connected persons.

Non-Executive Director	Number of shares held at 31 December 2021	Number of shares held at 31 December 2020
Ron Kalifa	599,156	599,156
Darren Pope	8,824	8,824
Victoria Hull	66,319	66,319
Habib Al Mulla	0	0
Suryanarayan Subramanian	0	0
Ali Haeri Mazanderani[1]	44,290	44,290
Anil Dua	0	0
Monique Shivanandan	0	0
Diane Radley	15,000	0

1 Ali Haeri Mazanderani stepped down from his position as Independent Non-Executive Director on 30 September 2021.

Executive Directors' remuneration cont.

Figure 11: Directors' agreements for service

Non-Executive Directors ('NEDs')

The appointments of each of the NEDs are for an initial term of three years from the date of appointment until the conclusion of the Company's AGM occurring approximately three years from that date, unless terminated by either party on three months' notice, in the case of the Independent NEDs, and one month's notice in the case of the Non-Independent NEDs. The appointment of each Independent Non-Executive Director is also subject to annual re-election at the general meeting of the Company.

Non-Executive Director	Title	Date of appointment	Notice period	Unexpired term[2]
Ron Kalifa	Independent Board Chair	13-Mar-19	3 Months	4 Months
Darren Pope	Senior Independent Non-Executive Director	13-Mar-19	3 Months	4 Months
Victoria Hull	Independent Non-Executive Director	13-Mar-19	3 Months	4 Months
Habib Al Mulla	Independent Non-Executive Director	29-Mar-19	3 Months	4 Months
Suryanarayan Subramanian	Non-Executive Director	13-Mar-19	1 Month	4 Months
Ali Haeri Mazanderani[1]	Independent Non-Executive Director	22-Jan-20	3 Months	1 year 4 Months
Anil Dua	Independent Non-Executive Director	22-Jan-20	3 Months	1 year 4 Months
Monique Shivanandan	Independent Non-Executive Director	1-Jan-21	3 Months	2 years 4 Months
Diane Radley	Independent Non-Executive Director	1-Jan-21	3 Months	2 years 4 Months

1 Ali Haeri Mazanderani stepped down from his position as Independent Non-Executive Director on 30 September 2021.
2 From January 2022.

Executive Directors

The Remuneration Committee's policy for setting notice periods for Executive Directors is that a six-month period will apply unless the Remuneration Committee determines that 12 months would be more appropriate in the circumstances. The Remuneration Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to either six or 12 months following the first year of employment.

The Company can immediately terminate employment by making a payment in lieu of notice period, or in exceptional circumstances (e.g. misconduct). Post-termination restrictions can be applied for up to 12 months following the cessation of employment.

Executive Director	Title	Date of appointment	Notice period	Unexpired term[1]
Nandan Mer	Group Chief Executive Officer	01-Feb-21	6 Months	2 Years 1 Month
Rohit Malhotra	Group Chief Financial Officer & Group Chief Strategy Officer	02-Jun-20	6 Months	1 Year 5 Months

1 From January 2022.

Report on the Remuneration Committee

Remuneration Committee remit

The Remuneration Committee's terms of reference can be found on our website at investors.networkinternational.ae/investors/corporate-governance. In summary, the Remuneration Committee makes recommendations to the Board regarding the Company's policy relating to Executive remuneration and its cost, giving full consideration to the matters set out in the Corporate Governance Code. It determines on the Board's behalf, the entire individual remuneration packages for each Executive Director, the Chair of the Board and the Executive Management Team. The Remuneration Committee meets at least five times each year and otherwise as the Chair of the Remuneration Committee requires.

Figure 12: Remuneration Committee composition and meetings

The table below indicates the number of scheduled meetings held during 2021 and Remuneration Committee member attendance.

Member	Member since	FY21 meetings	Number of meetings attended[1]	% of meeting attendance
Victoria Hull	13 March 2019	6	6	100%
Ron Kalifa	13 March 2019	6	6	100%
Ali Haeri Mazanderani[2]	22 January 2020	4	4	100%
Diane Radley	1 January 2021	6	6	100%

1 The FY21 meetings listed for each Remuneration Committee member reflect the number of meetings they were eligible to attend as members of the Remuneration Committee during the year. As and when required, Suryanarayan Subramanian has been asked to attend by invitation to provide advice and expertise.
2 Ali Haeri Mazanderani stepped down from his position as Independent Non-Executive Director on 30 September 2021.

Figure 13: Remuneration Committee activity

The following table is a summary of the Remuneration Committee's activity during FY21. The Remuneration Committee typically meets a minimum five times a year. During FY21, the Remuneration Committee met six times at scheduled meetings, and once for an unscheduled meeting.

The agenda items discussed at the meetings are summarised below.

January 2021	› Termination package for outgoing CEO, Simon Haslam › Remuneration package for incoming CEO, Nandan Mer › Remuneration package for incoming MD – Middle East Business
February 2021	› 2020 Performance & recognition for significant performance › Approval of 2021 Annual Bonus & Targets › Approval of exit terms for Strategy & Product Heads › Updates to terms of reference for the Remuneration Committee › Update on DRR progress and review draft DRR
March 2021	› Approach to 2021 Pay treatment for NLT Members › Approach to 2021 LTIP targets and measures › DRR Finalisation › Shareholder engagement process for 2021
April 2021	› 2021 LTIP grant approval
June 2021	› Board approach to employee engagement › CFO & NLT Compensation Benchmarking updates & ratification
October 2021	› Voice of Employee in the Board Room – Outcome & Action items › LTIP 2022 – approach and construct
December 2021	› Update on remuneration structure for sub-ED level employees

Figure 14: Statement of voting

The table below sets out last year's Remuneration Report voting outcome, from our AGM held on 20 May 2021; as well as the voting outcome of our Remuneration Policy which was approved by shareholders at the AGM on 30 April 2020.

	Votes "For"	Votes "For" %	Votes "Against"	Votes "Against" %	Votes Total	% of Issued Share Capital Voted	Votes "Withheld"
Remuneration Policy (Binding)	426,988,793	96.59%	15,089,568	3.41%	442,078,361	88.42%	10,890,205
Remuneration Report (Advisory)	478,739,260	98.36%	7,968,902	1.64%	486,708,162	88.49%	2,412,141

Remuneration Committee advisors and other attendees

The Remuneration Committee is authorised to obtain external advice from independent consultants where it considers it appropriate in carrying out its responsibilities. PwC was appointed as Remuneration Committee advisors following a tender process. During FY21 PwC advised the Remuneration Committee on all aspects of remuneration for Executive Directors and members of the Executive Management Team. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Fees of £144,215 were paid to PwC during the year in respect of remuneration advice received, accrued on a time and expenses basis. PwC provides other services to the Company, in relation to accounting, tax advice, reporting, internal audit and risk management. The Remuneration Committee is satisfied that no conflicts of interest in regard to advice provided to the Remuneration Committee exist. It is also satisfied that members of the PwC team do not have connections with the Company which might impair their independence. Allen & Overy LLP also provided advice on legal matters, such as the contractual terms of the incentive plan rules, and compliance with legal and regulatory requirements in the operation and reporting of incentive arrangements.

The Remuneration Committee also seeks internal support from the CEO, Chief Risk Officer and Group Company Secretary, Group Head of Human Resources and Facilities, and Principal Reward Consultant as necessary and appropriate. All may attend the Remuneration Committee meetings by invitation, although none of them are present for any discussions on their own remuneration.

Victoria Hull
Chair of the Remuneration Committee
8 March 2022

This DRR has been prepared in accordance with the relevant provisions of The Companies Act 2006, The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, The Companies (Miscellaneous Reporting) Regulations 2018, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Listing Rules. Where required, data has been audited by KPMG and this is indicated appropriately.

Directors' Report – Other Statutory Disclosures

The Directors present their report for the financial year ended 31 December 2021.

Information included in the Strategic Report

As permitted by legislation, the following matters which would otherwise be required to be included in the Directors' Report have instead been included in the Strategic Report on pages 2 to 99 and Governance Report on page 140 onwards:

Subject matter	Page reference
Likely future developments in the business	12–19
Research and development	64–65
Key performance indicators	54
Employee engagement, development, inclusion and diversity	40, 48–51
Relationships with suppliers, customers and others	46
Principal risks and uncertainties	82
Energy consumption, greenhouse gas and carbon emissions	41
Disclosures required under TCFD recommendations	42
Directors' remuneration	140

Corporate governance statement

The information that fulfils the requirements of the corporate governance statement for the purposes of the FCA's Disclosure Guidance and Transparency Rules can be found in the Corporate Governance Report on pages 100 to 123 and the Strategic Report on pages 2 to 99 (which are incorporated into this Directors' Report by reference) and in this Directors' Report.

Cautionary statement

This Annual Report has been prepared for and only for the members of the Company, as a body, and no other persons. The Company, its Directors, employees, agents or advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

Disclosure of information under LR 9.8.4R

The information that fulfils the reporting requirements relating to the following matters can be found on the pages identified:

Subject matter	Page reference
Arrangements under which the employee benefit trust has waived or agreed to waive dividends/future dividends	159

Share capital

The structure of the issued share capital of the Company as at 31 December 2021 and information about the issue of shares during 2021 are set out in note 18 (on page 207) to the financial statements. The Company has one class of share: ordinary shares of £0.10 each.

Issue and buy-back of shares

1. Issue of shares

The Directors were granted authority on 20 May 2021 to allot shares in the Company: (i) up to one third of the Company's issued share capital; and (ii) up to a further one third of the Company's issued share capital in connection with a rights issue.

The Directors were also granted authority on 20 May 2021 to disapply pre-emption rights. This authority disapplies pre-emption rights over 10% of the Company's issued share capital.

These authorities apply until the AGM to be held in 2022 or, if earlier, at the close of business on the date falling 15 months after the resolutions conferring them were passed on 20 May 2021. The Board currently intends to seek to renew these powers in line with relevant institutional guidelines at the 2022 AGM.

Pursuant to the authorities given by the shareholders at the AGM held on 20 May 2021, a further 11,101,690 ordinary shares of 10p each in the capital of the Company (representing approximately 2.02% of the then current issued ordinary shares of the capital of the Company) were issued on 28 September 2021 by way of a non-pre-emptive placing. These shares were issued towards the stock component of the purchase consideration for acquisition of the DPO Group as announced on 29 September 2021, at a price of 410p per share, which equates to a premium of 400p per share.

2. Buy-back of shares

The Company was granted authority on 20 May 2021 to purchase in the market up to 10% of its issued ordinary shares, subject to certain conditions laid out in the authorising resolution. This authority applies until the AGM to be held in 2022 or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it was passed on 20 May 2021. The Board currently intends to seek to renew this authority at the 2022 AGM.

The Directors did not exercise the authority to make market purchases of shares in the financial period under review.

Shareholder rights

The rights attaching to the ordinary shares are governed by the Company's Articles of Association and prevailing legislation. There are no specific restrictions on the size of a shareholding. Subject to applicable law and the Articles of Association, holders of ordinary shares are entitled to:

- receive all shareholder documents, including notice of any general meeting;
- attend, speak and exercise voting rights at general meetings, either in person or by proxy; and
- participate in any distribution of income or capital.

Restrictions on voting

There are no specific restrictions on the shareholders' ability to exercise their voting rights, save and except in situations where the Company is legally entitled to impose such restrictions (usually where amounts remain unpaid on the shares after request, or the shareholder is otherwise in default of an obligation to the Company). Currently all issued shares are fully paid.

Shares held by the Company's employee benefit trust

The Company has established an employee benefit trust to hold shares for satisfying the awards made under its employee share plans. The Deed of Trust requires the trustees to abstain from voting on the shares held in trust at any general meeting of the Company.

Restrictions on the transfer of ordinary shares

Ron Kalifa, Chairman, has an interest in 564,156 ordinary shares in the Company that were acquired pursuant to the terms of the consultancy agreement entered into on 13 March 2019 between WP/GA and RMK Consulting Services Ltd., a company wholly owned by Mr Kalifa. The 564,156 shares held by RMK Consulting Services Ltd may not be transferred to any party during the period of three years following 10 April 2019 being the date when the shares were admitted to trading on the London Stock Exchange.

Out of the shares issued on 28 September 2021 towards the stock component of the consideration of the purchase consideration for acquisition of the DPO Group, 1,302,907 ordinary shares are subject to a lock up for 12 months from the date of their issuance and 1,302,907 ordinary shares are subject to a lock up for 18 months, and may not be transferred to any party during this period.

The transfer of ordinary shares is governed by the general provisions of the Company's Articles of Association and prevailing legislation. There are no restrictions on the transfer of the ordinary shares other than: (i) as set out in the consultancy agreement described in the preceding page; (ii) as set out above, (iii) as set out in the Articles of Association; and (iv) certain restrictions which may from time to time be imposed by laws and regulations (for example insider trading laws and regulations, which prohibit the transfer of shares by Directors, officers and employees at certain times and otherwise require such individuals to obtain approval to deal in the ordinary shares in the Company in accordance with the Company's share dealing rules).

Notifiable interests in voting rights

At 31 December 2021, and updated as at 6 March 2022, the Company had been notified of the following interests in voting rights over the issued share capital of the Company:

	As at 31 December 2021		As of 6 March 2022		
Shareholder	Number of voting rights	% interest in voting rights	Number of voting rights	% interest in voting rights	Nature of Interest
The Capital Group Companies, Inc	93,826,208	16.72	101,071,166	18.01	Indirect
Mastercard UK Holdco Limited	49,950,000	8.90	49,950,000	8.90	Indirect
Emirates NBD Bank PJSC	28,634,626	5.10	28,634,626	5.10	Direct
BlackRock, Inc.	27,573,604	4.91	27,573,604	4.91	Direct
Wellington Management Group LLP	26,689,192	4.76	26,689,192	4.76	Indirect
Harding Loevner LP	25,572,878	4.56	25,572,878	4.56	Direct

Information provided to the Company under the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information service and on the Company's website.

As at 6 March 2022, no Directors and/or their connected persons had an interest in 3% or more of the voting rights of the Company.

Dividends

The Directors do not recommend the payment of a dividend in respect of the financial year ended 31 December 2021.

Directors' appointments

The names of the current Directors, the date on which each was appointed and the unexpired term of Service Contract for each Director are disclosed in the Remuneration Report on page 156.

The changes in the year and up to the date of signing the financial statements are as follows:

- the appointment of Diane Radley and Monique Shivanandan as Independent Non-Executive Directors effective 1 January 2021;
- the resignation of Simon Mark Haslam, Chief Executive Officer, effective 1 February 2021;
- the appointment of Nandan Mer, Chief Executive Officer, effective 1 February 2021; and
- the resignation of Ali Mazanderani, Independent Non-Executive Director, effective 1 October 2021.

The appointment and replacement of Directors is governed by the Company's Articles, the UK Corporate Governance Code, the UK Companies Act 2006 and related legislation. Directors may be appointed by the Board, on the recommendation of the Nomination Committee, or by the Company by ordinary resolution.

All Directors are subject to election or re-election by shareholders at each Annual General Meeting.

Further information on the appointments to the Board is set out in the Corporate Governance Report on page 100.

Directors' conflicts of interest

Directors are under a duty to declare any conflict or potential conflict of interest that may arise from time to time. The Board considers and may authorise any conflict or potential conflict as appropriate. Directors with a conflict do not participate in the discussion or vote on the matter in question. More details on how the Directors' conflicts of interest are addressed are in the Governance Report on page 117.

Powers of the Directors

Subject to the Company's Articles of Association, the prevailing legislation and any directions by special resolution, the business and affairs of the Company are managed by the Directors. Details of the current authorities to issue and buy back shares are set out on page 159.

Qualifying third-party indemnity and Directors' and Officers' Liability Insurance

In accordance with its Articles of Association, the Company has granted a qualifying third-party indemnity, to the extent permitted by law, to each Director and the Group Company Secretary. The Company also maintains Directors' and Officers' Liability Insurance.

Significant agreements (change of control)

The common terms agreement dated 25 March 2020 for a term facility entered into by one of the subsidiaries of the Company and various lenders, to which the Company is also a guarantor along with other Group companies, provides for the ability to individual lenders to cease funding further utilisation requests, and to seek repayment of all sums funded by them together with interest and other amounts payable, on 10 business days' notice in the event of any person or group of persons acting in concert acquiring (directly or indirectly) equity share capital having the right to cast more than 30% of the votes capable of being cast in general meetings of the Company.

The revolving credit facility agreement dated 31 October 2019 entered into by one of the subsidiaries of the Company and various lenders, to which the Company is also a guarantor along with other Group companies, provides for the ability to individual lenders to cease funding further utilisation requests, and to seek repayment of all sums funded by them together with interest and other amounts payable, on 10 business days' notice in the event of any person or group of persons acting in concert (other than ENBD and WP/GA) acquiring (directly or indirectly) equity share capital having the right to cast more than 30% of the votes capable of being cast in general meetings of the said subsidiary.

In addition there are a number of agreements that take effect, alter, or terminate upon a change of control of the Company. None are considered to be significant in terms of the Group as a whole.

Compensation for loss of office

Information in respect of Directors' remuneration, including any contractual arrangements on termination of employment, is disclosed in the Remuneration Report on page 152.

Financial instruments

In relation to the use of financial instruments by the Company, information in respect of:

a) the financial risk management objectives and policies of the Company, and

b) the exposure of the Company to credit risk, liquidity risk, market risk and operational risk, is disclosed in the financial statements on pages 221 to 227.

Suppliers' payment policy

Terms of payment are agreed with individual suppliers prior to supply. The Group aims to pay its suppliers promptly, in accordance with terms agreed for payment, provided the goods or services have been provided in accordance with the agreed terms and conditions.

Future developments

An indication of likely future developments in the business of the Company are included in the Strategic Report on pages 12 to 19.

Branches outside the UK

The Company does not have any branches outside the UK. The Company has a number of subsidiary companies that are operating in different countries in which they have been incorporated.

Donations

In line with the Company's policy, no political donations were made and no political expenditure was incurred during the year.

Details of the Group's charitable activities are included in the Strategic Report on page 52.

DIRECTORS' REPORT – OTHER STATUTORY DISCLOSURES CONT.

Amendment of Articles of Association

The Company's Articles of Association may be amended by special resolution of shareholders. The Company's Articles of Association adopted by shareholders with effect from 10 April 2019, being the date of the IPO and the admission of shares traded on the London Stock Exchange, are available on the Company's website.

Going Concern and Viability Statements

The statements required to be included in the Annual Report following UK Corporate Governance Code provisions 30 and 31 can be found on pages 164 to 167 respectively and are incorporated into this Directors' Report by reference.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, each person who is a Director of the Company as at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- the Director has taken all the steps that he or she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition the Group financial statements were also prepared in accordance with International Financing Reporting Standards as issued by the International Accounting Standards Board ('IFRSs as issued by the IASB').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards; and in accordance with International Financing Reporting Standards as issued by the International Accounting Standards Board ('IFRSs as issued by the IASB').
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors' Report has been approved and is signed by order of the Board by:

Nandan Mer
Chief Executive Officer
8 March 2022

Registered Office:
Suite 1,
3rd Floor,
11–12 St James's Square,
London, SW1Y 4LB
United Kingdom

Registered number:
11849292

Viability statement

Viability statement
In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the Group's prospects over a period longer than the 12 months required by the Going Concern statement.

Viability timeframe:
The Directors have assessed the Group's viability over a period of three years from 31 December 2021. This period was selected as an appropriate timeframe based on the following rationale:

- This time horizon is captured by our business planning cycle and a period during which principal risks (particularly those of an operational nature over which we have more control) typically develop;
- The three-year period is also in line with the long-term management incentive plan;
- The continuously innovating nature of the industry makes it difficult to predict with sufficient confidence how competition, customer demand, delivery mechanisms and other risks will evolve beyond a three-year timeframe; and
- The continuing changing macroeconomic and political environment, globally and regionally, presents greater uncertainty into a forecasting period longer than three years.

Whilst the Directors have no reason to believe the Group will not be viable over a longer period than three years, we believe that a three-year period presents shareholders with a reasonable degree of confidence, while providing a longer-term perspective.

Assessment of prospects:
The Group gets a significant portion of its recurring revenues through long-term contracts with its diversified portfolio of clients and aims to deliver revenue growth of 20%+ over the medium–long term, as supported by underlying market growth, core business growth and strategic initiatives.

The key factors supporting the Group's prospects are:

- Long-term, loyal, blue-chip clients – 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. The Group's clients, on the Merchant Solutions side, include more than 154,000 merchants, and on the Issuer Solutions side, more than 200 leading financial institutions in its region of operations.
- Proprietary technology – The Group has developed its own independent, integrated, reliable and highly secure next generation technology platforms, Network One and Network Lite, which serve both our Issuer Solutions and Merchant Solutions business lines. 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. Following the acquisition of DPO, the largest e-commerce payment platform in Africa, we are able to leverage, best in class cloud based proprietary technology to serve our merchant customers in the markets we operate in.
- Leadership position – We are the leading payments solution provider in Middle East and Africa (MEA) region, operating in structurally attractive, underpenetrated markets, with an accelerating digital payment adoption rate. 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.

- Group's liquidity – The Group has a strong liquidity position which is effectively managed by the cash generated in the business, term loans, revolving credit facility (RCF) and overdraft facilities. These credit lines are availed to support our growth-oriented strategy, as well as to meet our operational working capital requirements and for general corporate purposes. As per the financing facility agreement for term loans and RCF, the Group is required to maintain a leverage ratio below the threshold of 3.5x of underlying EBITDA. The leverage ratio as at 31 December 2021 was 0.9x which is well below the threshold.
- 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 extensive industry experience in the financial services, payments and technology sectors and a track record of execution at leading organisations regionally and internationally.

Assessment process and key assumptions

The Group's prospects are assessed primarily through its strategic and financial planning process. This includes preparation of a detailed Group budget based on zero based budgeting. This process is led by the Group's Chief Executive Officer and Chief Financial Officer, in conjunction with divisional and functional management teams. The Board participates in the annual process to review, challenge and approve the annual operating budget.

The output of the annual budget process is a set of objectives, and a clear explanation of the key assumptions and risks to be considered when agreeing the plan culminating in a detailed set of financial forecasts.

The Group also has a long-term strategy in place which helps drive the business forward. The strategy is reviewed and updated on a periodic basis. Detailed financial forecasts, for all business lines including DPO, are prepared for a time horizon of 3–5 years, with the first year of the financial forecast forming the Group's operating budget in line with overall Group strategy. The Board also participates in the strategy refresh process to review, challenge and approve the overall strategy for the Group.

The business plan for subsequent years is firmed up based on the detailed budget in line with overall strategic plan. The operating budget is further updated through a rolling forecast process. Progress against financial budgets and key objectives is reviewed in detail on a monthly basis by the Group's management team and the Board. Mitigating actions are taken whether identified through actual trading performance or through the rolling forecast process.

The latest budget (for 2022) was reviewed and approved by the Board in December 2021. This budget is based on the Group's current position and its prospects over the forthcoming year, and in line with the Group's stated strategy.

The Group's long-term prospects are guided by the following strategic priorities:

- Capitalise on structural market growth and regional adoption of digital payments
- Expand customer base
- Expand regional leadership position
- Leverage technology investment

The Group's financial forecasts are based on the following key assumptions:

- Organic revenue growth at low teens in the near term, accelerating to 20%+ growth over medium to long term, supported by underlying market growth and strategic initiatives;
- EBITDA margin gradually returning to pre-pandemic levels, as we deliver on new customer wins and accelerate our separation of shared services from Emirates NBD;
- Stable Capex spends on core business;
- No dividend payment to the shareholders;
- No change in capital structure of the Group (except required for the further growth acquisition);
- Incremental Revenue and EBITDA uplift will come from growth opportunities, such as new markets, winning large financial institutions and multi market customers, whilst enabling new payment flows.

Assessment of viability

Although the output of the Group's strategic and financial planning reflects the management's best estimate of the future prospects of the business, the Group has also assessed the impact of severe yet possible scenarios. These scenarios are designed to explore the Group's resilience to the principal risks as set out in the ARA and combinations of correlated risks. The key scenarios tested have been summarised below:

1. Slowdown in card spends due to sluggish market, impacting both Merchant Solutions and Issuer Solutions revenues. We have considered the following downside scenarios to test the Group's viability:
   - Growth in the business plan is achieved up to 50% of projected growth.
   - No growth in the business plan vs 2021 performance, with cost increasing at 5%.
   - Decline in the performance by 5% y-o-y vs 2021 performance, with cost remaining same as in 2021.
2. Data breaches: The Group assessed its exposure of being held liable by its clients for any data breaches caused by operational or cyber security reasons. We have considered losses on accounts of claims lodged by third parties up to 7.5% of revenues, partly offset by the reimbursement up USD 25 million under insurance policies taken by the Group.
3. Loss of business/major clients: Under this sensitivity, we tested the Group's viability by considering the loss of various top clients including Emirates NBD to assess if it remains viable after losing its top clients.
4. Technological interruption: To test the Group's viability against the risk of technological interruptions, we have considered an incremental capital expenditure up to 10% over the yearly budgets, with 20% recurring operational expenditure to mitigate the impact of these technological interruptions.
5. Merchant attrition rate is doubled: We have considered an additional 100% spike in attrition rate on merchant base.

Stress testing metrics	Slowdown in card spends due to slow market activity	Data breaches/ cyber attack	Loss of business/ major clients	Technological interruption	Merchant attrition rate is doubled
Principal risks					
Cyber Security	–	✓	–	✓	–
Operational Resilience	–	✓	–	✓	–
Execution Risk	✓	✓	✓	✓	✓
People	–	–	✓	–	–
Compliance Risk	–	✓	✓	✓	–
Geo-political	✓	–	✓	–	✓
Financial	✓	–	✓	–	✓
Fraud & Credit	✓	✓	–	–	✓
Third Party	–	✓	–	✓	–

The results of the stress testing demonstrate that, due to the Group's cash generation ability and the availability of sufficient liquidity backed by lines of credit, Network would be able to withstand the impact. The Group leverage ratio, after considering the above stress case scenario (individually and collectively), remains below the threshold of 3.5x underlying EBITDA, as specified in the financing agreements. The mitigants considered as part of this stress testing include: a) initiatives to be taken to reduce operating expenses by reducing personnel cost, variable compensation and other discretionary spends of the business, and b) rationalisation of capital expenditure.

While performing the above stress testing, some risks are outside the Group's control and the potential implications are difficult to predict (i.e. catastrophic risks due to any unforeseen geo-political scenarios or otherwise), and have not been considered in the scenario testing.

Viability Statement

Based on the results of their analysis, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2024.

Going Concern Statement

The Directors have adopted the going concern basis in preparing these consolidated financial statements after assessing the principal risks and having considered the impact of COVID-19 on the Group financial performance including under a base case and severe but plausible downside scenarios.

In making this assessment, the Directors have considered the cash flow and covenant forecasts prepared for a period of at least 12 months from the date of approval of these financial statements, estimating key performance indicators including revenues, underlying EBITDA, underlying and reported net income, capital expenditure and liquidity position of the Group including impact of the continued recovery from the COVID-19 pandemic. The base forecast has been done based on the budget for 2022 approved by the Board and includes performance of DPO, being part of the Group since its acquisition in September 2021. The forecast has been done based on assumptions related to key variables including but not limited to Transaction Processing Volumes (TPV), number of cards hosted and transactions processed, which are the key drivers of the Group revenue and cash flow.

Both business lines of Merchant Solutions and Issuer Solutions have been impacted differently by the COVID-19 crisis. However, the Group results have shown continued recovery with all KPIs either trending in line or higher than pre-pandemic levels. In Merchant Solutions, the Group's revenues are generated through fees dependent upon the value of transactions processed (TPV), as well as through value-added services, and on an overall basis are very closely correlated to the underlying value of transactions processed, and hence, significantly impacted by the COVID-19 pandemic. Historically, Merchant Solutions revenues have been primarily generated in the UAE and Jordan, although going forward, the acquisition of DPO expands our direct-to-merchant services across Africa, while, Issuer Solutions revenues are broadly balanced across Middle East and Africa. Under Issuer Solutions, the Group's customers are typically financial institutions, where we have multi-year contracts in place and a number of them have contractual minimums. Therefore, our revenues for this business line are somewhat correlated to underlying transaction volumes but have a greater resilience due to the card hosting and contractually fixed minimum revenue elements.

In terms of the Group's liquidity position, we continue to have sufficient liquidity headroom to meet financial obligations in the forecast period. The Group's leverage ratio also remains below the maximum threshold prescribed under the financing facility agreement in the base case scenario as well as under severe but plausible downside scenarios as described below. Please refer to note 15 and note 29 of the consolidated financial statements, for details of the Group's drawn and available facilities. The Group has a strong liquidity position which is effectively managed by the cash generated in the business, term loans, revolving credit facility (RCF) and overdraft facilities. As per the financing facility agreement for term loans and RCF, the Group is required to maintain a leverage ratio below the threshold of 3.5x net debt to underlying EBITDA. The leverage ratio as at 31 December 2021 was 0.9x which is below the threshold.

The base forecast has been further stress tested by using three severe but plausible downside scenarios, to assess the Group's resilience against plausible adverse economic effects. In these stress scenarios, the Directors considered: a) 50% lower revenue growth than the base forecast, b) no revenue growth as compared to the actual 2021 performance, and c) a decline in revenue by 5% as compared to the actual 2021 performance. In all these scenarios, the costs are not expected to decrease in the same proportion as the decreases in revenues as a significant proportion of Group's cost base is fixed in nature. However, with forecast operating cash flow generation and available and committed financing facilities as explained above, leverage ratio remains below the threshold in downside scenario, and the Group is able to operate within its available and committed financing facilities.

Having considered the above factors, the Directors have a reasonable expectation that the Group has adequate resources to remain in operation for at least 12 months from the approval of these consolidated financial statements and therefore continue to adopt the going concern basis in preparing the consolidated financial statements.

Independent Auditor's Report to the Members of Network International Holdings Plc

1. Our opinion is unmodified

We have audited the financial statements of Network International Holdings plc ("the Company") for the year ended 31 December 2021 which comprise the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, Parent Company statement of financial position, Parent Company statement of changes in equity, and the related notes, including the accounting policies in note 3 to the Group financial statements, and note 4 to the Parent Company financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Additional opinion in relation to IFRSs as issued by the IASB

As explained in note 2(a) to the Group financial statements, the Group, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors on 28 March 2019. The period of total uninterrupted engagement is for the three financial years ended 31 December 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Materiality: Group financial statements as a whole	USD 2.9m (2020: USD 3.0m) 3.9% (2020: 4.7% of normalised profit before tax)	
Coverage	88.3% (2020: 93.4% of Group profit before tax)	
Key audit matters		**vs 2020**
Recurring risks	Revenue recognition on acquiring revenue	
	Recoverability of parent's investment in subsidiary undertaking	
Event driven	Valuation of DPO acquired intangible assets	

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Revenue recognition – acquiring revenue – 61% of Merchant Solutions revenue of USD 160.5m (2020: 64% of Merchant Solutions revenue of USD 109.4m)

Refer to page 128 of Audit Committee Report and page 207 (financial disclosures)

The risk

Data capture: Acquiring revenue is recognised based on the value and nature of transactions processed and the rates agreed with merchants and other parties. The value of transactions is extracted from operational IT systems through which payments are processed. These operational IT systems are highly complex in nature.

Processing error (IT systems): There is a risk that these systems may not be configured correctly from the outset such that revenues are calculated incorrectly, that data does not correctly flow through the operational IT systems, and that unauthorised changes may be made to any of these systems, which may result in the misstatement of revenue.

Processing error (finance processes): The output from the operational IT systems is used to calculate and record revenue balances. Accurate revenue recognition requires core finance processes accurately reporting on and reconciling the transactions as reported by the operational IT systems.

Our response

Our procedures included:

Control design: Testing IT controls relating to access to programs and data, program change and development and computer operations in order to address the risk of unauthorised changes being made to the operation of IT application controls.

Control operation: Testing the design, implementation and operating effectiveness of IT application controls, including controls around customer set up and changes to master data that are designed to ensure the appropriate rates are assigned to each merchant in the system based on signed contract terms.

Control re-performance: Testing the operating effectiveness of the manual controls over the reconciliation of transactions as reported by the operational IT systems.

Reperformance: On a sample basis vouching items recorded back to source data including:

- Agreeing key system inputs from which the revenue amounts are derived to the source documents to assess the data integrity of these inputs.
- Recalculating the revenue to be recognised, disaggregated by merchant and scheme, based upon the key system inputs.
- Examining cash receipts from schemes and third-party confirmations.

Assessing whether the Group's disclosures in respect of revenue recognition provide sufficient detail for users to understand the nature of transactions.

Our results

Our testing did not identify weaknesses in the design and operation of controls that would have required us to expand the extent of our planned detailed testing (2020: no weaknesses identified). We found the revenue recognised in respect of acquiring revenue to be acceptable (2020: acceptable).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK INTERNATIONAL HOLDINGS PLC CONT.

Valuation of DPO acquired intangible assets (USD 63.4m)

Refer to page 128 of Audit Committee Report and page 185 (financial disclosures)

Revenue recognition – acquiring revenue – 61% of Merchant Solutions revenue of USD 160.5m (2020: 64% of Merchant Solutions revenue of USD 109.4m)

Refer to page 128 of Audit Committee Report and page 207 (financial disclosures)

The risk	Our response
Forecast based valuation: On 28 September 2021 Network International Holdings plc acquired the entire share capital of 3G Direct Pay Holdings Limited ("DPO") for consideration of $283.4m. We identified the valuation of DPO intangibles as a risk because of the inherent complexity, estimation uncertainty, and judgements involved in determining and applying assumptions to assess the fair value of the identified intangibles, and because of the size of the acquisition. Auditor judgement is required to assess whether the Group's overall estimate, taking into account key inputs such as revenue growth rates and royalty rates assumptions, fall within an acceptable range. As part of our risk assessment, we determined that the valuation of intangible assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	Our procedures included: **Our valuation expertise:** Assessing, with the assistance of our own valuation specialists, the appropriateness of the valuation methodology applied; Benchmarking assumptions: Comparing the Group's assumptions to externally derived data in relation to key inputs such as revenue growth rates and royalty rates; **Historical comparison:** We challenged the reasonableness of the revenue growth rates and customer attrition rates assumptions by assessing the historical accuracy of the acquired entity's ability to forecast accurately and by comparing to the acquired entity's previous performances. **Assessing transparency:** Assessing whether the Group's disclosures about the sensitivity relating to key assumptions on the valuation of acquired intangibles are adequate. We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** We found the resulting valuation of DPO intangible assets to be acceptable. We found the Group's disclosures to be acceptable in their description of the forecast uncertainty regarding valuation of DPO intangible assets.

Recoverability of parent company's investment in subsidiaries (USD 1,840m; 2020: 1,553m)

Refer to page 128 of Audit Committee Report and page 234 (financial disclosures)

The risk	Our response
Low risk, high value The carrying amount of the parent company's investments in subsidiaries represents 100% of the company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	Our procedures included: **Tests of details:** Comparing the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. **Comparing valuations:** For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a suitable multiple of the subsidiaries' profit. **Comparing valuations:** Comparing the carrying value of the investments to the market capitalisation of the Group. We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** We found the Company's conclusion that there is no impairment of its investments in subsidiaries to be acceptable. (2020: acceptable).

We continue to perform procedures over Alternative Performance Measures and Going Concern. However, following updates to the presentation of the alternative performance measures in the 2020 Annual Report and Accounts, and the continuing recovery of the Group's performance in 2021 from COVID-19, we have not assessed these as one of the most significant risks in our current year audit and, therefore, they are not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

Materiality

Materiality for the Group financial statements as a whole was set at USD 2.9m (2020: USD 3.0m), determined with reference to a benchmark of Group profit before tax, normalised to exclude this year's share-based compensation, and M&A costs, as disclosed in note 4.1, of USD 74,303m (2020: normalised Group profit before tax of 64.3m), of which it represents 3.9% (2020: 4.7% of 2020 normalised Group profit before tax).

Materiality for the parent Company financial statements as a whole was set at USD 1.5m (2020: USD 1.5m), determined with reference to a benchmark of parent Company total assets (2020: total assets), of which it represents 0.1% (2020: 0.1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to USD 2.18m (2020: USD 2.25m) for the Group and USD 1.13m (2020: USD 1.13m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding USD 0.15m (2020: USD 0.15m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Scope

Of the Group's 43 (2020: 16) reporting components, we subjected 6 (2020: 7) to full scope audits for Group purposes. The components within the scope of our work accounted for the following percentages of the Group's results:

	Group revenue	Group profit before tax	Group total assets
Full scope audits for Group purposes 2021	95.3%	88.3%	93.6%
Full scope audits for Group purposes 2020	97.6%	93.4%	96.6%

The remaining 4.7% (2020: 2.4%) of total Group revenue, 7.5% (2020: 6.6%) of total Group profit before tax and 7.4% (2020: 3.4%) of total Group assets is represented by 37 (2020: 9) reporting components, none of which individually represented more than 3% (2020: 4%) of any of the total Group revenue, Group profit before tax or total Group assets. For these components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materiality, which ranged from USD 0.75m to USD 2.50m (2020: USD 0.75m to USD 2.55m), having regard to the mix of size and risk profile of the Group across the components. The work on 5 (2020: 6) of the Group's 6 (2020: 7) components was performed by component auditors and the audit of the parent company was performed by the Group audit team. For those items excluded from normalised Group profit before tax, the component teams performed procedures on items relating to their components. The Group team performed procedures on the remaining excluded items.

The Group audit team visited 1 (2020: nil) component location in UAE. Video and telephone conference meetings were also held with these component auditors and all the others that were not physically visited. At these visits and meetings, the Group audit team discussed the audit strategy, the ongoing audit efforts and focus areas, and the findings reported to the Group audit team were discussed in more detail. Any further work required by the Group audit team was then performed by the component auditor.

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK INTERNATIONAL HOLDINGS PLC CONT.

4. The impact of climate change on our audit

In planning our audit, we have considered the potential impacts of climate change on the Group's business and its financial statements.

As noted in the ESG statement, the Group have identified climate change as an emerging risk and are at the early stages of setting their strategy and execution framework to monitor and address this.

As part of our audit we have performed a risk assessment, which included enquiries of risk and ESG finance personnel, to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. Taking into account the nature of the Group's business, the extent of the headroom in goodwill impairment testing (see note 8), and the relatively short lives of most of the Group's assets, we assessed that there was no significant impact on the financial statements or our audit approach this year from climate change, and there was no impact on our key audit matters.

We have read the Group's disclosure of climate related information in the front half of the annual report as set out on pages 42 to 45 and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least 12 months from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The impact of COVID-19 restrictions affecting the Group's performance
- Reduced consumer confidence leading to slowdown in card spends

We also considered less predictable but realistic second order impacts, such as the risks of technical and operational interruptions which could impact the Group's ability to execute its strategy in the near to medium term.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 (d) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 (d) to be acceptable; and
- the related statement under the Listing Rules set out on page 184 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Considering remuneration incentive schemes and performance targets for directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that processing revenue of Issuer Solutions is recorded in the incorrect period and the risk that Group and component management may be in a position to make inappropriate accounting entries.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user, and those posted to unusual accounts.
- Assessing the operating effectiveness of relevant controls within the processing revenue stream of Issuer Solutions revenue for in-scope components and assessing, for a sample of transactions around the period end, whether revenue has been recorded in the correct period by vouching to source data.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of noncompliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK INTERNATIONAL HOLDINGS PLC CONT.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: payment service provider licensing regulations, data localization regulations, and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:
- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:
- the Directors' confirmation within Viability Statement on page 164 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 164 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK INTERNATIONAL HOLDINGS PLC CONT.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 162, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities.**

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Richardson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

9 March 2022

Consolidated Statement of Financial Position
As at 31 December

	Notes	2021 USD'000	2020 USD'000
Assets			
Non-current assets			
Goodwill	8	**496,695**	262,609
Intangible assets	8	**243,081**	188,523
Property and equipment	7	**59,584**	50,285
Investment in associate	9	**-**	59,808
Investment securities		**246**	246
Long-term receivables		**3,735**	2,617
Deferred tax assets	24.4	**7,633**	–
Total non-current assets		**810,974**	564,088
Current assets			
Scheme debtors	10	**364,025**	165,436
Receivables and prepayments	11	**88,374**	67,874
Restricted cash	10, 12	**86,801**	52,550
Cash and cash equivalents	12	**270,345**	398,781
Assets held for sale	16	**4,347**	–
Total current assets		**813,892**	684,641
Total assets		**1,624,866**	1,248,729
Liabilities			
Non-current liabilities			
Borrowings	15	**336,739**	369,025
Other long-term liabilities	17	**25,815**	21,584
Deferred tax liabilities	24.4	**18,914**	1,837
Total non-current liabilities		**381,468**	392,446
Current liabilities			
Merchant creditors	10	**329,280**	165,142
Trade and other payables	14	**136,505**	127,732
Income tax payable		**8,826**	–
Borrowings	15	**154,605**	65,447
Liabilities held for sale	16	**1,769**	–
Total current liabilities		**630,985**	358,321
Shareholders' equity			
Share capital	18	**73,077**	71,557
Share premium	18	**252,279**	252,279
Share merger reserve	18	**52,971**	–
Foreign exchange reserve	18	**(19,693)**	(19,438)
Reorganisation and other reserves	18	**(1,547,389)**	(1,547,592)
Retained earnings		**1,802,501**	1,741,609
Equity attributable to equity holders		**613,746**	498,415
Non-controlling interest		**(1,333)**	(453)
Total shareholders' equity		**612,413**	497,962
Total liabilities and shareholders' equity		**1,624,866**	1,248,729

Notes 1 to 32 form part of these consolidated financial statements.

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 8 March 2022 and signed on its behalf by:

Nandan Mer
Director and Chief Executive Officer

Financial Statements

Consolidated Statement of Profit or Loss
For the year ended 31 December

	Notes	2021 USD'000	2020 USD'000
Revenue	19	**352,245**	284,844
Personnel expenses	20	**(107,957)**	(96,933)
Selling, operating and other expenses	21	**(120,191)**	(103,174)
Depreciation and amortisation	7, 8	**(60,958)**	(51,537)
Share of profit of associate	9	**4,694**	5,820
Profit before interest, tax and gain on sale of associate		**67,833**	39,020
Gain on sale of associate	9	**10,169**	–
Net interest expense	22	**(13,708)**	(21,669)
Unrealised foreign exchange losses		**(910)**	(328)
Write-off of unamortised debt issuance cost	4	**-**	(6,721)
Profit before tax		**63,384**	10,302
Taxes	24	**(6,826)**	(4,704)
Profit for the year		**56,558**	5,598
Attributable to:			
Equity holders of the Group		**57,438**	6,155
Non-controlling interest		**(880)**	(557)
Profit for the year		**56,558**	5,598
Earnings per share (basic and diluted) in USD cents	23	**10.4**	1.2

Notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December

	2021 USD'000	2020 USD'000
Profit for the year	**56,558**	5,598
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation difference on foreign operations	**(255)**	677
Items that will never be reclassified to profit or loss		
Re-measurement of defined benefit liability	**203**	(1,365)
Net change in other comprehensive income	**(52)**	(688)
Total comprehensive income for the year	**56,506**	4,910
Attributable to:		
Equity holders of the Group	**57,386**	5,467
Non-controlling interest	**(880)**	(557)
Total comprehensive income for the year	**56,506**	4,910

Notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December

	Share capital	Share premium	Share merger reserve	Foreign exchange reserve	Reorganisation reserve	Other reserves	Retained earnings	Equity attributable to equity holders	Non-controlling interest	Total shareholders' equity
					USD'000					
As at 1 January 2021	71,557	252,279	-	(19,438)	(1,552,365)	4,773	1,741,609	498,415	(453)	497,962
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	57,438	57,438	(880)	56,558
Other comprehensive income for the year:										
Foreign currency translation differences	-	-	-	(255)	-	-	-	(255)	-	(255)
Re-measurement of defined benefit liability	-	-	-	-	-	203	-	203	-	203
Total other comprehensive income for the year	-	-	-	(255)	-	203	-	(52)	-	(52)
Total comprehensive income for the year	-	-	-	(255)	-	203	57,438	57,386	(880)	56,506
Issuance of new shares	1,520	-	53,100	-	-	-	-	54,620	-	54,620
Share issuance cost	-	-	(129)	-	-	-	-	(129)	-	(129)
Purchase of treasury shares	-	-	-	-	-	-	(5,563)	(5,563)	-	(5,563)
Share-based payment	-	-	-	-	-	-	9,017	9,017	-	9,017
As at 31 December 2021	73,077	252,279	52,971	(19,693)	(1,552,365)	4,976	1,802,501	613,746	(1,333)	612,413

Notes 1 to 32 form part of these consolidated financial statements.

	Share capital	Share premium	Foreign exchange reserve	Reorganisation reserve	Other reserves	Retained earnings	Equity attributable to equity holders	Non-controlling interest	Total shareholders' equity
					USD'000				
As at 1 January 2020	65,100	–	(20,115)	(1,552,365)	5,851	1,742,096	240,567	(1,861)	238,706
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	6,155	6,155	(557)	5,598
Other comprehensive income for the year:									
Foreign currency translation differences	–	–	677	–	–	–	677	–	677
Re-measurement of defined benefit liability	–	–	–	–	(1,365)	–	(1,365)	–	(1,365)
Total other comprehensive income for the year			677	–	(1,365)	–	(688)	–	(688)
Total comprehensive income for the year	–	–	677	–	(1,365)	6,155	5,467	(557)	4,910
Issuance of new shares	6,457	258,280	–	–	–	–	264,737	–	264,737
Share issuance cost	–	(6,001)	–	–	–	–	(6,001)	–	(6,001)
Increase in statutory reserve	–	–	–	–	287	(287)	–	–	–
Purchase of treasury shares	–	–	–	–	–	(10,425)	(10,425)	–	(10,425)
Share-based payment	–	–	–	–	–	4,070	4,070	–	4,070
Increase in shareholding of subsidiary with non-controlling interest	–	–	–	–	–	–	–	1,965	1,965
As at 31 December 2020	71,557	252,279	(19,438)	(1,552,365)	4,773	1,741,609	498,415	(453)	497,962

Notes 1 to 32 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December

	Notes	2021 USD'000	2020 USD'000
Operating activities			
Profit for the year from operations		**56,558**	5,598
Adjustments for:			
Depreciation and amortisation	7, 8	**60,958**	51,537
Write-off of unamortised debt issue cost	4	**–**	6,721
Provision for expected credit losses	11	**393**	2,183
Net interest expense	22	**13,708**	21,669
Taxes	24	**6,826**	4,704
Foreign exchange losses and others		**910**	358
Gain on sale of associate	9	**(10,169)**	–
Share of profits from associate	9	**(4,694)**	(5,820)
Charge for share-based payment	27	**4,518**	4,070
Changes in long-term receivables and other liabilities		**(22,921)**	656
Interest paid		**(14,064)**	(16,985)
Taxes paid		**(4,842)**	(6,058)
Changes in working capital before settlement related balances[1]	11	**(1,074)**	19,581
Net cash flows before settlement related balances		**86,107**	88,214
Changes in settlement related balances[2]		**(68,702)**	19,286
Net cash flows from operating activities		**17,405**	107,500
Investing activities			
Purchase of intangible assets and property and equipment	4.7	**(55,062)**	(50,064)
Sale of intangible assets and property and equipment		**92**	585
Proceeds from sale of associate		**74,440**	–
Interest received		**550**	441
Acquisition of subsidiary, net of cash acquired		**(198,933)**	–
Net cash flows from investing activities		**(178,913)**	(49,038)

1 Changes in working capital before settlement related balances reflects movements in receivables and prepayments and trade, other payables and income tax payable adjusted for non-cash items.
2 Changes in settlement related balances reflects movement in scheme debtors, merchant creditors and restricted cash.

Notes 1 to 32 form part of these consolidated financial statements.

	Notes	2021 USD'000	2020 USD'000
Financing activities			
Proceeds from new borrowings		**-**	415,000
Repayment of borrowings		**-**	(328,751)
Purchase of treasury shares		**(5,563)**	(10,425)
Payment of debt issuance cost		**-**	(6,676)
Payment of lease liabilities		**(5,051)**	(4,620)
Issuance of subsidiary's capital to non-controlling interest		**-**	1,965
Proceeds from issuance of new shares		**-**	264,737
Payment of share issuance expenses		**(129)**	(6,001)
Net cash flows from financing activities		**(10,743)**	325,229
Net (decrease)/increase in cash and cash equivalents		**(172,251)**	383,691
Cash as part of held for sale		**(2,619)**	–
Effect of movements in exchange rates on cash held		**(974)**	(169)
Cash and cash equivalents at the beginning of the year		**369,100**	(14,422)
Cash and cash equivalents at the end of the year (refer (i) below)		**193,256**	369,100
Note (i): Cash and cash equivalents – as per consolidated statement of financial position	12	**270,345**	398,781
Bank overdraft	15	**(77,089)**	(29,681)
		193,256	369,100

Notes 1 to 32 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Legal status and activities

Network International Holdings Plc ('the Company') listed its shares on the London Stock Exchange on 12 April 2019. The principal activities of the Group are enabling payments acceptance at merchants, acquirer processing, switching financial transactions, hosting cards and processing payment transactions and providing end to end management services and digital payment services.

The registered address of the Company's office is Suite 1, 3rd floor, 11–12 St James's Square, London SW1Y 4LB, situated in England and Wales. The registration number of the Company is 11849292.

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates.

2. Basis of preparation

(a) Statement of compliance

These Group financial statements have been prepared in accordance with UK-adopted international accounting standards. These Group financial statements were also prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). Included within these consolidated financial statements are Alternative Performance Measures (APM) which are disclosed in note 4.

(b) Basis of measurement

The consolidated financial statements have 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

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's functional currency is GBP.

The presentation currency of the Group is United States Dollar ('USD') as this is a more globally recognised currency and moreover two of the Group's largest entities' functional currencies (United Arab Emirates dirhams (AED) for Network International LLC and Jordanian Dinar (JOD) for Network International Services Limited Jordan) are pegged with USD. All financial information presented in USD has been rounded to the nearest thousands, except when otherwise indicated.

(d) Going concern

The Directors have adopted the going concern basis in preparing these consolidated financial statements after assessing the principal risks and having considered the impact of COVID-19 on the Group financial performance including under a base case and severe but plausible downside scenarios.

In making this assessment, the Directors have considered cash flow and covenant forecasts prepared for a period of at least 12 months from the date of approval of these financial statements, estimating key performance indicators including revenues, underlying EBITDA, underlying and reported net income, capital expenditure and liquidity position of the Group including the impact of the continued recovery from the COVID-19 pandemic. The base forecast has been done based on the budget for 2022 approved by the Board and includes performance of DPO, being part of the Group since its acquisition in September 2021. The forecast has been done based on assumptions related to key variables including but not limited to Transaction Processing Volumes (TPV), number of cards hosted and transactions processed, which are the key drivers of the Group revenue and cash flow.

Both business lines, Merchant Solutions and Issuer Solutions, have been impacted differently by the COVID-19 crisis. However, the Group results have shown continued recovery with all KPIs either trending in line or higher than pre-pandemic levels. In Merchant Solutions, Group's revenues are generated through fees dependent upon the value of transactions processed (TPV), as well as through value added services, and on an overall basis are very closely correlated to the underlying value of transactions processed, and hence, significantly impacted by the COVID-19 pandemic. Historically, Merchant Solutions revenues have been primarily generated in the UAE and Jordan, although going forward, the acquisition of DPO expands our direct-to-merchant services across Africa, while, Issuer Solutions revenues are broadly balanced across Middle East and Africa. Under Issuer Solutions, Group's customers are typically financial institutions, where we have multi-year contracts in place and a number of them have contractual minimums. Therefore, our revenues for this business line are somewhat correlated to underlying transaction volumes but have a greater resilience due to the card hosting and contractually fixed minimum revenue elements.

In terms of the Group's liquidity position, we continue to have sufficient liquidity headroom to meet financial obligations in the forecast period. The Group's leverage ratio also remains below the maximum threshold prescribed under the financing facility agreement in the base case scenario as well as under severe but plausible downside scenarios as described below. Please refer to note 15 and note 29 of the consolidated financial statements for details of the Group's drawn and available facilities. The Group has strong liquidity position which is effectively managed by the cash generated in the business, term loans, revolving credit facility (RCF) and overdraft facilities. As per the financing facility agreement for term loans and RCF, the Group is required to maintain a leverage ratio below the threshold of 3.5x net debt to underlying EBITDA. The leverage ratio as at 31 December 2021 was 0.9x which is below the threshold.

The base forecast, has been further stress tested by using three severe but plausible downside scenarios, to assess the Group's resilience against plausible adverse economic effects. In these stress scenarios, the Directors considered; a) 50% lower revenue growth than the base forecast, b) no revenue growth as compared to the actual 2021 performance; and c) a decline in revenue by 5% as compared to the actual 2021 performance. In all these scenarios, the costs are not expected to decrease in the same proportion as the decreases in revenues as a significant proportion of Group's cost base is fixed in nature. This also impacts the headroom available in the Group's leverage ratio. However, with forecast operating cash flow generation and available and committed financing facilities as explained above, leverage ratio remains below the threshold in the downside scenario, and the Group is able to operate within its available and committed financing facilities.

Having considered the above factors, the Directors have a reasonable expectation that the Group has adequate resources to remain in operation for at least 12 months from the approval of these consolidated financial statements and therefore continue to adopt the going concern basis in preparing these consolidated financial statements.

(e) New standards and interpretations

New standards and interpretations that are effective.

The following amendments and interpretations apply for the first time in 2021, but do not have any significant impact on the consolidated financial statements.

- Amendments to IFRS 7, 9 and 16, and IAS 39: addressing issues affecting financial reporting in the period leading up to IBOR reform
- Amendments to IFRS 4 – insurance contracts

(f) Accounting judgements and estimates

The preparation of consolidated financial statements requires Directors to make judgements and estimates that affect the application of accounting 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 about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical accounting judgements

During the year, the Directors believe that there is no significant accounting judgement made by the Directors in the process of applying the Group's accounting policies, that have the significant effect on the amounts recognised in the consolidated financial statements.

Critical accounting 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 end of the reporting period that could 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:

Business combination:

As part of the acquisition accounting for the acquisition of DPO in 2021, we have performed an assessment on the identification, fair value, and expected useful economic lives of acquired intangible assets such as brands, customer relationships and developed technology assets at the date of acquisition. The fair value attributed to intangible assets arising on acquisition is recognised in accordance with IAS 38 Intangible assets and is based on a number of estimates.

2. Basis of preparation continued

The acquired identifiable assets and liabilities have been recognised at their fair values at acquisition date and in accordance with the Group's accounting policies. Below are the details for the valuation methodologies used for the intangible assets.

a) Acquired customers' (merchants) relationships have been valued using the MPEEM method, valued at USD 43.0 million, using a discount rate of 22.9% and an attrition rate of 5.3%. MPEEM method is used to estimate the fair value of the merchant relationships by calculating the present value of future earnings over its useful economic life.
b) Acquired Brand (Pay Fast) has been valued using the 'Relief from Royalty method', valued at USD 16.9 million, using a discount rate of 23.9% and a royalty rate of 10%. Under 'Relief from Royalty method', net revenue that is expected over the useful economic life of asset is multiplied by the royalty rate. The estimated after-tax royalty stream is then discounted to present value to arrive at the fair value of the assets.
c) Acquired developed technology has been valued using the Depreciated Replacement Cost ('DRC') method (cost approach), valued at USD 3.5 million. DRC method assumes that the value of the asset is equal to the replacement cost of the assets i.e., the cost to recreate the functionality and utility of the assets.

Management considers merchant attrition and royalty rates as critical estimates as a reasonably possible change to these assumptions in aggregation, or in isolation, will have an impact on the consolidated financial statements. Below are the various sensitivities of attrition rates, royalty rates, and discount rates and their impact on the related intangible assets.

Merchant relationships

Sensitivity (USD million)		Attrition rates		
		4.3%	5.3%	6.3%
Discount rates	21.9%	47.0	44.0	42.0
	22.9%	45.0	43.0	40.0
	23.9%	43.0	41.0	39.0

Brands

Sensitivity (USD million)		Royalty rate		
		5%	7.5%	10%
Discount rates	22.9%	8.8	13.2	17.6
	23.9%	8.4	12.6	16.9
	24.9%	8.1	12.1	16.2

For more details, refer to note 6 of these consolidated financial statements.

Non-critical judgements and estimates

During the year, the Group has consistently applied the following non-critical accounting judgements and estimates, to all periods presented, except for Specially Disclosed Items (SDI) which is moved from critical to non-critical accounting judgement as most SDI items were reclassified from SDIs to underlying performance in 2020. A brief description of these accounting judgements and estimates is included in the respective notes of the consolidated financial statements.

i. Specially Disclosed Items (SDI) (refer to note 4)
ii. Held for sale classification (refer to note 16)
iii. Employee benefits (refer to note 17)
iv. Revenue recognition (refer to note 19)
v. Impairment of loans and receivables (refer to note 11)
vi. Taxes (refer to note 24)
vii. Intangible assets and property and equipment, estimation of useful life (refer to notes 7 & 8)

3. Accounting policies

Except as described in note 2 (e), the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The accounting policies below describe the basis of consolidation and foreign currencies accounting policies that relate to the consolidated financial statements as a whole. The other specific accounting policies are described in the note to which they relate.

(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.

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 consolidated financial statements 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 consolidated financial statements. 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 consolidated financial statements.

iv. Loss of control

On the loss of control, the Group derecognises 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 consolidated statement of profit or loss. 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.

(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 the consolidated statement of profit or loss, except for investment securities designated at fair value through other comprehensive income, where the exchange translation is recognised in the consolidated statement of 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.

3. Accounting policies continued

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ('foreign exchange reserve') 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 the consolidated statement of 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 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 the consolidated statement of profit or loss.

4. Alternative Performance Measures

The Group uses Alternative Performance Measures (APMs) to enhance the comparability of information between reporting periods by adjusting for uncontrollable or one-off items, to aid the user of the financial statements in understanding the activities taking place across the Group. In addition, these alternative measures are used by the Group as key measures of assessing the Group's underlying performance on day-to-day basis, developing budgets and measuring performance against those budgets and in determining management remuneration.

4.1 Specially Disclosed Items

Specially Disclosed Items (SDIs) are items of income or expenses that have been recognised in a given period which management believes, due to their materiality and being one-off/exceptional in nature, 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 2021 and 2020.

	2021 USD'000	2020 USD'000
Items affecting EBITDA		
Share-based compensation[1]	**3,657**	10,445
M&A costs[2]	**7,261**	7,696
Total SDIs affecting EBITDA	**10,918**	18,141
Items affecting Net Income		
Amortisation of acquired intangibles[3,4]	**5,885**	4,204
Total SDIs affecting net income	**5,885**	4,204
Total Specially Disclosed Items[5]	**16,803**	22,345

1 Includes the charge related to the Management Incentive Award Plan, IPO Cash Bonus, and Long-Term Incentive Plan awarded to Group-wide eligible employees, all of which are specific payments relating to the Group's Initial Public Offering (IPO). These charges will not recur after 2021.
2 This includes costs incurred, during the period, for due diligence, advisory, and execution in relation to the acquisition of DPO.
3 Amortisation charge on the intangible assets (acquired under business combination) recognised in the Group's consolidated statement of financial position as part of the Group's acquisition of Emerging Market Payments Services ('EMP') in 2016 and DPO in 2021. These charges are based on judgements about values and economic lives and are the result of the application of acquisition accounting rather than core operations. Whilst revenue recognised in the income statement does benefit from the underlying intangibles that have been acquired, the amortisation costs bear no relation to the Group's underlying operational performance. The amortisation of acquired intangibles is not included in the analysis of segment performance used by the Chief Operating Decision Maker.
4 Deferred tax liability is recognised on the acquired intangibles identified as part of the acquisition accounting for DPO acquisition, and resultant movement in the deferred liability during the period is included in the income statement under 'taxes', the impact of which is not significant (USD 0.4 million, (2020: nil)).
5 Other than the tax impact explained in note 4 above, SDIs does not have any tax impact.

4.2 Underlying EBITDA

Underlying EBITDA is defined as earnings for the year, before interest, taxes, depreciation and amortisation, write-off of unamortised debt issuance cost, unrealised foreign exchange losses, gain on disposal and share of depreciation of associate, and Specially Disclosed Items affecting EBITDA. The table below presents a reconciliation of the Group's reported profit for the year to underlying EBITDA for each of the years ended 31 December 2021 and 2020.

	2021 USD'000	2020 USD'000
Profit for the year	**56,558**	5,598
Depreciation and amortisation	**60,958**	51,537
Write-off of unamortised debt issuance cost	**–**	6,721
Net interest expense	**13,708**	21,669
Unrealised foreign exchange losses	**910**	328
Taxes	**6,826**	4,704
Gain on disposal of associate	**(10,169)**	–
Share of depreciation from associate	**3,768**	3,863
Specially Disclosed Items affecting EBITDA	**10,918**	18,141
Underlying EBITDA	**143,477**	112,561

4.3 Depreciation and amortisation to underlying depreciation and amortisation

Underlying depreciation and amortisation excludes amortisation on acquired intangibles and includes share of depreciation from associate. The table below presents a computation of the Group's depreciation and amortisation to underlying depreciation and amortisation.

	2021 USD'000	2020 USD'000
Depreciation and amortisation	**60,958**	51,537
Amortisation on acquired intangibles	**(5,885)**	(4,204)
Share of depreciation from associate	**3,768**	3,863
Underlying depreciation and amortisation	**58,841**	51,196

4.4 Underlying EBITDA margin excluding share of associate

Underlying EBITDA margin excluding share of associate represents the Group's underlying EBITDA margin which is considered by the Group to give a more comparable view of period-to-period EBITDA margins.

The table below presents a computation of the Group's underlying EBITDA margin, which is defined as underlying EBITDA before share of associate divided by revenue.

	2021 USD'000	2020 USD'000
Revenue	**352,245**	284,844
Underlying EBITDA	**143,477**	112,561
Share of EBITDA of associate	**(8,462)**	(9,683)
Underlying EBITDA before share of associate	**135,015**	102,878
Underlying EBITDA margin excluding share of associate	**38.3%**	36.1%

4. Alternative Performance Measures continued

4.5 Underlying net income

Underlying net income represents the Group's profit for the year, adjusted for write-off of unamortised debt issuance cost, gain on disposal of associate, 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 for the year to underlying net income for each of the years ended 31 December 2021 and 2020.

	2021 USD'000	2020 USD'000
Profit from the year	**56,558**	5,598
Write-off of unamortised debt issuance cost	**–**	6,721
Gain on disposal of associate	**(10,169)**	–
Specially Disclosed Items affecting EBITDA (refer to note 4.1)	**10,918**	18,141
Specially Disclosed Items affecting net income (refer to note 4.1)	**5,885**	4,204
Underlying net income	**63,192**	34,664

4.6 Underlying earnings per share (EPS)

The Group's underlying EPS is defined as the underlying net income attributable to the shareholders divided by the weighted average number of ordinary shares during the relevant financial year.

	2021	2020*
Underlying net income (USD'000)	**63,192**	34,664
Non-controlling interest (loss) (USD'000)	**880**	557
Underlying net income – attributable to equity holders (USD'000)	**64,072**	35,221
Weighted average number of shares ('000)	**552,859**	520,833
Underlying EPS (USD cents)	**11.6**	6.8

* For a like-to-like comparison, underlying EPS for 2020 has been recalculated by dividing underlying net income, attributable to equity holders by the weighted average numbers of ordinary shares.

4.7 Capital expenditure

The table below provides the split of total capital expenditure into the growth and maintenance capital expenditure for 2021 and 2020 (collectively are referred to as core capital expenditure), Saudi Arabia market entry and Separation of shared services from Emirates NBD.

	2021 USD'000	2020 USD'000
Total capital expenditure	**56,272**	46,470
Core capital expenditure	**43,955**	36,773
of which is maintenance capital expenditure	**16,015**	11,974
of which is growth capital expenditure	**27,940**	24,799
Saudi Arabia market entry	**5,006**	634
Separation of shared services from Emirates NBD	**7,311**	9,063

Reconciliation of capital expenditure to the cash spend in the consolidated statement of cash flows

	2021 USD'000	2020 USD'000
Total capital expenditure	**56,272**	46,470
Goods and services received in the current period, but yet to be paid	**(14,723)**	(12,639)
Goods and services received in the previous period, and paid in the current period	**13,513**	16,233
Total consolidated capital expenditure spend (as per consolidated statement of cash flows)	**55,062**	50,064

4.8 Underlying free cash flow

Underlying free cash flow is calculated as underlying EBITDA adjusted for changes in working capital before settlement related balances, taxes paid, total capital expenditure, SDI affecting EBITDA and adjustment for share of EBITDA of associate, less dividend. 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.

	2021 USD'000	2020 USD'000
Underlying EBITDA	**143,477**	112,561
Changes in working capital before settlement related balances	**(1,074)**	19,581
Taxes paid	**(4,842)**	(6,058)
Total capital expenditure	**(56,272)**	(46,470)
Specially Disclosed Items affecting EBITDA	**(10,918)**	(18,141)
Adjustment for share of EBITDA of associate, less dividend	**(8,463)**	(9,683)
Underlying free cash flow	**61,908**	51,790

4.9 Reconciliation of cash flows from operating activities to underlying free cash flow

	2021 USD'000	2020 USD'000
Net cash inflows from operating activities	**17,405**	107,500
Changes in settlement related balances, long-term receivables and other liabilities	**91,623**	(19,942)
Charge for share-based payment	**(4,518)**	(4,070)
Interest paid	**14,064**	16,985
Others[1]	**(394)**	(2,213)
Underlying free cash flow before capital expenditure	**118,180**	98,260
Total capital expenditure	**(56,272)**	(46,470)
Underlying free cash flow	**61,908**	51,790

1 Others include provision for expected credit losses and foreign exchange losses.

4.10 Underlying effective tax rate

The Group's underlying effective tax rate is defined as taxes as a percentage of the Group's underlying net income before tax. The underlying effective tax rate for the Group for 2021 and 2020 was 9.7% and 11.9%, respectively.

	2021 USD'000	2020 USD'000
Underlying net income before tax	**70,018**	39,368
Taxes	**6,826**	4,704
Underlying effective tax rate	**9.7%**	11.9%

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 (Network Executive Committee) and the Board of Directors to allocate resources and assess performance. For each identified operating segment, the Group has disclosed information that is assessed internally to review and steer performance.

The Group manages 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 revenue and contribution for each operating segment. Contribution is defined as segment revenue less operating costs (personnel cost and selling, operating and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT.

5. Segment reporting continued

31 December 2021

Statement of profit or loss	Middle East	Africa	Non-attributable	Total
		USD'000		
Revenue	**247,683**	**100,239**	**4,323[1]**	**352,245**
Contribution	**171,552**	**68,287**	**4,323**	**244,162**
Contribution margin (%)	**69.3%**	**68.1%**	**–**	**69.3%**
Central functions costs	–	–	(110,056)	(110,056)
Specially Disclosed Items affecting EBITDA	–	–	(10,919)	(10,919)
Depreciation and amortisation	–	–	(60,958)	(60,958)
Share of profit of associate	–	–	4,694	4,694
Gain on sale of an associate	–	–	10,169	10,169
Net interest expense	–	–	(13,708)	(13,708)
Taxes	–	–	(6,826)	(6,826)
Profit for the year	**171,552**	**68,287**	**(183,281)**	**56,558**

1 USD 4.3 million (2020: USD 6.6 million) relates to the revenue derived from solutions developed as part of the Mastercard strategic partnership.

Statement of financial position	Middle East	Africa	Non-attributable	Total
		USD'000		
Current assets	**404,627**	**22,250**	**387,015**	**813,892**
Non-current assets	**32,985**	**4,266**	**773,723[1]**	**810,974**
Total assets	**437,612**	**26,516**	**1,160,738**	**1,624,866**
Current liabilities	**310,182**	**63,688**	**257,115**	**630,985**
Non-current liabilities	**12,952**	**–**	**368,516**	**381,468**
Total liabilities	**323,134**	**63,688**	**625,631**	**1,012,453**

1 This includes goodwill amounting to USD 496.7 million.

31 December 2020

Statement of profit or loss	Middle East	Africa	Non-attributable	Total
		USD'000		
Revenue	198,224	80,020	6,600[1]	284,844
Contribution	129,934	54,314	6,600	190,848
Contribution margin (%)	65.5%	67.9%	–	67.0%
Central functions costs	–	–	(95,019)	(95,019)
Specially Disclosed Items affecting EBITDA	–	–	(18,141)	(18,141)
Depreciation and amortisation	–	–	(51,537)	(51,537)
Share of profit of associate	–	–	5,820	5,820
Net interest expense	–	–	(21,669)	(21,669)
Taxes	–	–	(4,704)	(4,704)
Profit for the year	129,934	54,314	(178,650)	5,598

Statement of financial position	Middle East	Africa	Non-attributable	Total
		USD'000		
Current assets	187,697	23,613	473,331	684,641
Non-current assets	33,387	3,142	527,559	564,088
Total assets	221,084	26,755	1,000,890	1,248,729
Current liabilities	193,454	5,632	159,235	358,321
Non-current liabilities	12,996	–	379,450	392,446
Total liabilities	206,450	5,632	538,685	750,767

1 USD 4.3 million (2020: USD 6.6 million) relates to the revenue derived from solutions developed as part of the Mastercard strategic partnership.

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 Acquiring, Acquirer Processing and Issuer Solutions services to various financial and non-financial institutional clients.

Africa

Under the Africa region, the Group's key sub-markets 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 provide services to several of Egypt's leading financial institutions, for both their Merchant Acquiring and Issuer Solution needs. North Africa contributed 41% of the total Africa revenue in 2021 (2020: 47%) and USD 41.0 million out of total revenues (2020: USD 37.5 million).

(ii) Sub-Saharan Africa

One of the most significant markets in sub-Saharan Africa is Nigeria where the Group has an established presence serving several of Nigeria's leading financial institutions, mainly providing Issuer Processing services. Sub-Saharan Africa contributed 35% of the total Africa revenue in 2021 (2020: 36%) and USD 35.5 million out of total revenues (2020: USD 28.6 million).

(iii) Southern Africa

The significant market in Southern Africa is South Africa, where the Group provides retail processing services. South Africa contributed 24% of the total Africa revenue in 2021 (2020: 17%) and USD 23.7 million out of total revenues (2020: USD 13.9 million).

Major customer

The Group's major customer is Emirates NBD PJSC and its subsidiaries whose revenue accounts for approximately 18.7% (2020: 21.4%) of the total Group revenue.

All of the revenue of Emirates NBD PJSC comes from Issuer Solutions and is included under the Middle East segment.

Please refer to note 19 for the split of revenues by business lines (i.e. Merchant and Issuer Solutions).

6. Business combination and disposals

6.1 Mercury Payments Services LLC (Mercury)

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 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.

In December 2021, the Group signed a Share Purchase Agreement to divest its interest in Mercury for a consideration of c.USD 3 million, before the impact of completion adjustments. The sale was subsequently completed on 14 January 2022. Accordingly, the Group has classified Mercury as 'Held for sale' in the consolidated financial statements. Refer detail in note 16.

6.2 Network International Investment Holding 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. The Group had recognised goodwill amounting to USD 260.1 million (refer to note 8 for details).

6.3 3G Direct Holdings Limited – Direct Pay Online (DPO)

On 28 July 2020, the Group entered into an agreement to acquire (the 'Transaction') 100% stake in 3G Direct Pay Holdings Limited ('DPO'), the leading, high-growth online commerce platform in Africa. The agreement was amended by the deed of amendment and restatement dated 7 April 2021, and the deed of amendment dated 28 September 2021.

The acquisition was subsequently completed on 28 September 2021. The total consideration for the transaction amounted to USD 291.5 million, of which USD 228.8 million was paid in cash and the balance was paid in the form of 11.1 million shares at an agreed share price of GBP 4.1 per share (amounted to USD 62.7 million). The fair value of shares transferred at the date of acquisition (i.e., 28 September 2021), was GBP 3.59 per share, resulting in a fair value of consideration as USD 283.4 million (cash – USD 228.8 million and fair value of shares – USD 54.6 million).

The acquisition of DPO was made to further consolidate Group's presence in Africa, strengthen our position across the entire payments value chain and accelerate our growth. This acquisition will widen Group's capabilities across online, mobile and alternative payments; bring an extensive and diverse range of direct merchant relationships to our business; and provide a wider range of solutions for the Group's existing customers.

6. Business combination and disposals continued

The details of the consideration, fair value of the net assets at the date of acquisition and residual goodwill are follows:

	2021 USD'000
Cash paid	228,769
Share capital issued	54,620
Fair value of consideration transferred (A)	**283,389**
Recognised amounts of identifiable net assets	
Property and equipment	1,944
Acquired intangible assets	63,400
Intangible assets	321
Deferred tax assets	5,239
Trade and other receivables	11,492
Restricted cash	45,487
Cash and cash equivalents	29,836
Total assets (B)	**157,719**
Borrowings – non-current	5,677
Other long-term liabilities	849
Merchant creditors	45,867
Deferred tax liability	15,528
Trade and other payables	35,648
Borrowings – current	4,844
Total liabilities (C)	**108,413**
Fair value of assets acquired (B-C=D)	**49,306**
Goodwill on acquisition (A–D)	**234,083**

Goodwill capitalised represents the expected future benefits of improving the breadth of the Group's service offering and anticipated operational synergies, providing the Group with access to future merchants in African markets where online payments are expected to grow.

Since the acquisition date, DPO revenue of USD 7.5 million and net profit of USD 0.5 million has been recorded in the consolidated statement of profit or loss for the period ended 31 December 2021. If the acquisition had occurred at the beginning of the year, the consolidated revenue and net profit for the Group would have been USD 371.6 million and USD 42.6 million, respectively.

The Group has incurred USD 14.8 million related to acquisition costs which is recorded in the consolidated statement of profit or loss (included in legal and professional fees under selling, operating and other expenses during 2021 and 2020; refer note 21).

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 the 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 and fixtures	3 – 10
Office equipment	3 – 8
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.

The useful life of these property and equipment depends on management's estimate of the period over which economic benefit will be derived from the asset. Directors assess the useful lives for these assets when they are acquired, based on their prior experience with similar assets and after considering the impact of other relevant factors such as any expected changes in technology. In the Directors' view if any of these estimates related to useful life of property and equipment are reasonably changed during the year ending 31 December 2022, this would not be expected to result in material adjustment to the carrying values of intangible assets. Hence estimates related to useful life of the property and equipment are not considered critical for the purpose of the consolidated financial statements.

Capital work in progress (CWIP)

Capital work in progress for property and equipment and intangible assets represent spends related to the assets that are under development and are classified as such until the completion of the development work and are ready for use. Once put to use, these assets are amortised in line with the applicable Group accounting policy.

	Land and building	Right of use asset	Leasehold improvement, furniture and fixtures	Computer and office equipment	Capital work In progress (CWIP)	Total
			USD'000			
2021						
Cost						
Balance as at 1 January 2021	5,801	17,690	6,024	150,509	5,749	185,773
Additions	–	–	145	4,608	18,025	22,778
Right of use asset additions during the year	–	4,933	–	–	–	4,933
Disposals	–	–	(99)	(777)	–	(876)
Transfers from CWIP	–	–	253	14,653	(14,906)	–
Transfers to intangible assets	–	–	–	(3,376)	–	(3,376)
Reclassified as held for sale	–	–	–	(15)	–	(15)
On assets acquired in business combination	–	872	624	445	–	1,941
Effects of change in foreign exchange	(65)	(47)	(37)	(92)	–	(241)
As at 31 December 2021	5,736	23,448	6,910	165,955	8,868	210,917
Accumulated depreciation and impairment						
Balance at 1 January 2021	851	7,260	4,622	119,487	3,268	135,488
Charge for the year	143	–	735	14,698	–	15,576
Disposals	–	–	(98)	(686)	–	(784)
Reclassified as held for sale	–	–	–	(15)	–	(15)
Transfers to intangible assets	–	–	–	(1,738)	–	(1,738)
Depreciation on right of use asset	–	3,050	–	–	–	3,050
Effects of change in foreign exchange	(47)	11	(14)	(194)	–	(244)
Balance as at 31 December 2021	947	10,321	5,245	131,552	3,268	151,333
Carrying value	4,789	13,127	1,665	34,403	5,600	59,584

7. Property and equipment continued

2020

Cost						
Balance as at 1 January 2020	5,729	17,410	5,846	142,795	6,167	177,947
Additions	–	–	347	2,307	8,002	10,656
Right of use asset additions during the year	–	1,227	–	–	–	1,227
Disposals	(72)	–	(206)	(2,319)	–	(2,597)
Transfers from CWIP	–	–	7	7,853	(7,860)	–
Transfers from intangibles	–	–	–	324	–	324
Transfers to intangibles	–	–	–	–	(528)	(528)
Derecognition of right of use assets	–	(984)	–	–	–	(984)
Effects of change in foreign exchange	144	37	30	(451)	(32)	(272)
As at 31 December 2020	5,801	17,690	6,024	150,509	5,749	185,773
Accumulated depreciation and impairment						
Balance at 1 January 2020	741	4,949	4,155	107,434	3,268	120,547
Charge for the year	157	–	668	14,648	–	15,473
Disposals	(72)	–	(201)	(2,239)	–	(2,512)
Depreciation on right of use asset	–	2,400	–	–	–	2,400
Effects of change in foreign exchange	25	(89)	–	(356)	–	(420)
Balance as at 31 December 2020	851	7,260	4,622	119,487	3,268	135,488
Carrying value	4,950	10,430	1,402	31,022	2,481	50,285

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
Customer relationship	10 years
Brands	10 years – indefinite
Developed technology	5 years

Other intangible assets

Except for goodwill and acquired intangible assets, all other 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 or technology platform	4 – 10 years

Computer software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment loss (if any). The useful life of these intangible assets depends on management's estimate of the period over which economic benefit will be derived from the asset. Directors assess the useful lives for these assets when they are acquired, based on their prior experience with similar assets and after considering the impact of other relevant factors such as any expected changes in technology. In the Directors' view, if any of these estimates related to useful life of intangible assets are reasonably changed during the year ending 31 December 2022, this would not be expected to result in material adjustment to the carrying values of intangible assets. Hence estimates related to useful life of the intangible assets are not considered critical for the purpose of the consolidated financial statements. 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 and 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, staff salaries, 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.

Capital work in progress (CWIP)

Please refer to note 7 for CWIP Group accounting policy.

2021	Goodwill	Computer software	Customer contracts	Technology development and brands	CWIP	Total
			USD'000			
Cost						
Balance as at 1 January 2021	262,609	268,645	32,397	2,780	56,444	622,875
Additions	–	5,820	–	–	27,674	33,494
On assets acquired in business combination	234,083	1,837	43,000	18,884	–	297,804
Disposal/Utilisation	–	(59)	–	–	–	(59)
Transfers from CWIP	–	24,392	–	–	(24,392)	–
Transfers from property and equipment	–	3,376	–	–	–	3,376
Reclassified as held for sale	–	(1,074)	–	–	–	(1,074)
Effects of change in foreign exchange	3	(1,252)	–	–	–	(1,249)
As at 31 December 2021	496,695	301,685	75,397	21,664	59,726	955,167
Amortisation and impairment						
Balance at 1 January 2021	–	109,601	23,290	–	38,852	171,743
Charge for the year	–	34,751	5,379	2,202	–	42,332
Disposal/Utilisation	–	(59)	–	–	–	(59)
Reclassified as held for sale	–	(266)	–	–	–	(266)
Transfers from property and equipment	–	1,738	–	–	–	1,738
Effects of change in foreign exchange	–	(97)	–	–	–	(97)
Balance as at 31 December 2021	–	145,668	28,669	2,202	38,852	215,392
Carrying value	496,695	156,017	46,728	19,462	20,874	739,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONT.

8. Intangible assets and goodwill continued

2020	Goodwill	Computer software	Customer contracts	Technology development and brands	CWIP	Total
			USD'000			
Cost						
Balance as at 1 January 2020	262,561	233,284	32,397	2,780	56,998	588,020
Additions	–	1,887	–	–	33,927	35,814
Disposal/Utilisation	–	(718)	–	–	(357)	(1,075)
Transfers from CWIP	–	34,428	–	–	(34,428)	–
Transfers from property and equipment	–	–	–	–	528	528
Transfers to property and equipment	–	(30)	–	–	(294)	(324)
Effects of change in foreign exchange	48	(206)	–	–	70	(88)
As at 31 December 2020	262,609	268,645	32,397	2,780	56,444	622,875
Amortisation and impairment						
Balance at 1 January 2020	–	81,022	19,086	–	38,852	138,960
Charge for the year	–	29,460	4,204	–	–	33,664
Disposal/Utilisation	–	(576)	–	–	–	(576)
Effects of change in foreign exchange	–	(305)	–	–	–	(305)
Balance as at 31 December 2020	–	109,601	23,290	–	38,852	171,743
Carrying value	262,609	159,044	9,107	2,780	17,592	451,132

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 Cash Generating Units (CGUs). Goodwill arising out of business combination is allocated to CGUs or group of CGUs 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 exceeds 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 assets, 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 had been recognised.

Goodwill is not deductible for tax purposes.

DPO has been considered as a separate CGU as it has separate cash flows which are monitored independently. The DPO business has delivered strong performance in 2021, with revenues and EBITDA higher than forecast.

During the year, impairment testing of goodwill was done based on CGUs. For this purpose, management considered three CGUs, namely Jordan, Africa and DPO. During the year, the impairment testing resulted in Nil impairment for all three CGUs (2020: Nil).

The goodwill relates to the cash generating units of Jordan and Africa arising mainly from the acquisition of Network International Investment Holding Limited in 2016. The goodwill relating to the cash generating units of DPO arises from the acquisition of DPO made in 2021.

Following are the details of the recoverable (value in use) and carrying amount of the CGUs.

Below is the goodwill allocated to different CGUs and carrying value of intangible assets having indefinite life.

	Recoverable amount		Carrying amount		Recoverable amount excess over carrying amount	
	2021	2020	**2021**	2020	**2021**	2020
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Africa	**1,152,014**	549,149	**384,378**	387,949	**767,636**	161,200
Jordan	**266,657**	209,050	**50,344**	53,363	**216,313**	155,687

The calculation of the value in use was based on the following key assumptions:

a) Management has estimated the revenue growth, underlying EBITDA and level of working capital needed to support the business. The estimates are based on past experience and expectations of future changes in the market including the impact of recovery from the COVID-19 pandemic.
b) Cash flows are projected based on past experience, actual operating results, future business plan for five years based on revenue growth rate. The forecast period is based on the Group's long-term perspective with respect to the operation of each CGU.
c) In determining the recoverable amounts for the CGUs the terminal growth rate of 3% has been considered.
d) Discount rate (pre-tax) used for Jordan is 12.5% (2020: 12.1%) and Africa and DPO is 13.8% (2020: 14.8%).
e) Since the acquisition of DPO was made in the last quarter of 2021, at which time, all assets acquired and liabilities assumed were recorded at the fair value, the impairment exercise performed by the Group resulted in Nil impairment. The impairment exercise performed by the Group was based on the same business plan that was considered for the acquisition of DPO, adjusted for the updated view of 2022.

Discount rates used reflect the time value of money and are based on the Group's weighted average cost of capital, adjusted for specific risks relating to the country in which the CGU operates. Inputs into the discount rate calculation include a country risk-free rate, country risk premium, market risk premium and company specific premium.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonable possible changes in these assumptions would not be expected to cause the recoverable amount to decline below the carrying amount. Therefore, the Group considers the application of these accounting estimates as non-critical in the preparation of these consolidated financial statements.

Below are the details of goodwill allocated to different CGUs and the carrying value of intangible assets having indefinite life.

	Goodwill		Indefinite life intangible assets	
	2021	2020	**2021**	2020
	USD'000	USD'000	**USD'000**	USD'000
Africa	**231,965**	231,962	**–**	–
Jordan	**30,647**	30,647	**2,780**	2,780
DPO	**234,083**	–	**–**	–
	496,695	262,609	**2,780**	2,780

Sensitivity analysis

The Directors have done the sensitivity analysis by changing the underlying assumptions used in the impairment exercise to determine the recoverable amount of the three CGUs. The Directors noted that changing the discount rate (to 10% and 15%) and terminal growth rate (to 2.5% and 3.5%), individually and together, would not cause the carrying amount of the CGU to be higher than the recoverable amount.

9. Investment in associate

The Group's interest in equity-accounted investee comprises its interest in associate. Interest in an associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements 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.

On 9 November 2021, the Company sold its investment in associate, Transguard Cash LLC for a consideration of USD 74.4 million and accordingly, a gain of USD 10.2 million has been recorded in the financial statements.

	Transguard Cash LLC	
Name and nature of investment	Associate	
Ownership	50%	
Place of incorporation	United Arab Emirates	
	2021 USD'000	2020 USD'000
As at 1 January	**59,808**	54,432
Share of profits[1]	**4,694**	5,820
Dividends received	**–**	–
Fair value reserve (remeasurement of defined benefit liability)	**(247)**	(444)
Disposal of investment	**(64,255)**	–
As at 31 December	**–**	59,808
Details of net profit (100%) are below:		
Total revenue	**78,378**	91,556
Total expenses	**(68,990)**	(79,915)
Net profit (100%)	**9,388**	11,641

1 Share of profit for the year only reflects 10 months of share of profit from associate (i.e., until the date of disposal).

Since the investment is derecognised before 31 December 2021, therefore, only the comparative net assets are detailed below.

Net assets (100%)	2020 USD'000
Cash and cash equivalents	24,043
Other current assets	22,057
Non-current assets	49,814
Current liabilities	17,409
Non-current liabilities	4,515
Net assets	73,990

10. Scheme debtors, merchant creditors and restricted cash

Scheme debtors and merchant creditors represent intermediary balances that arise as part of the daily settlement process related to Network's direct acquiring business and processing of transactions on behalf of Network's issuer processing and acquirer processing clients in accordance with contractual arrangements.

	2021 USD'000	2020 USD'000
Scheme debtors	**364,025**	165,436
Restricted cash	**86,801**	52,550
Merchant creditors	**(329,280)**	(165,142)
Settlement related working capital balances	**121,546**	52,844

Scheme debtors

Scheme debtors consist primarily of the Group's receivables from the issuer banks, card schemes for transactions processed for merchants; and settlement related receivables from issuer processing clients for amounts settled to card schemes on their behalf.

Merchant creditors

Merchant creditors consist primarily of the Group's liability to merchants for transactions that have been processed but not yet settled including any deferred settlements or amounts withheld to cover chargeback risks. This also includes balances received from card schemes to be settled to acquirer processing clients.

The Group has limited ability to influence the working capital related to scheme debtors and merchant creditors, (which is referred to as settlement related balances), on a day-to-day basis, as these are principally driven by the volume and mix 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.

Scheme debtors and merchant creditors balances are reflective of a snapshot in time at a period end. The balances and their relative movements can be determined by: i) the day of the week on which period end falls. For example, if the period end falls on a weekend, when banks are closed in the US but open in the UAE, this causes an extra day delay (T+2/3) in receipt of funds through the scheme settlement processes; ii) proportion of merchants who are not settled on a daily basis; iii) TPV in the last few days prior to the period end; iv) currency mix of TPV and receipt of such funds through the scheme settlement processes.

Restricted cash

Restricted cash largely includes amounts payable for deferred settlements of transactions to merchants and other third parties that have been withheld in accordance with their contractual rights or otherwise remained unpaid not in the ordinary course of business and are eventually payable on demand or as mutually agreed.

11. Receivables and prepayments

Receivables and prepayments are initially recognised at fair value in the period to which they relate. They are held at amortised cost, less provision (if any). Provisions are presented net with the related receivable on the consolidated statement of financial position.

	2021 **USD'000**	2020 USD'000
Trade receivables	**67,121**	49,820
Chargeback receivables	**2,430**	2,048
Prepaid expenses	**8,728**	7,669
Advance taxes	**6,358**	5,717
Security deposits	**2,288**	1,562
Other receivables	**5,325**	7,052
	92,250	73,868
Less: Provision for impairment	**(3,876)**	(5,994)
	88,374	67,874

The movements in the provision for impairment are as follows:

	2021 **USD'000**	2020 USD'000
As at 1 January	**5,994**	5,047
Charge during the year	**393**	2,183
Acquired through business combination	**205**	–
Amounts written off	**(2,592)**	(1,236)
Amounts reversed	**(124)**	–
As at 31 December	**3,876**	5,994

11. Receivables and prepayments continued

Below is the split of changes in working capital before settlement related balances:

	2021 USD'000	2020 USD'000	2021 vs 2020
Trade receivables & chargeback receivables			
(Net of provisions for expected credit losses)	**65,675**	45,874	**(19,801)**
Prepayments and other receivables	**22,699**	22,000	**(699)**
Trade and other payables & income tax payable	**(145,331)**	(127,732)	**17,599**
	(56,957)	(59,858)	**(2,901)**
Items excluded[1]			
Capital expenditure accrual (refer note 14)	**20,637**	19,428	**(1,209)**
MIP liability	**4,499**	9,403	**4,904**
Other movements	**13,872**	12,004	**(1,868)**
Working capital before settlement related balances	**(17,949)**	(19,023)	**(1,074)**

1 These items are excluded as these are either shown separately in the statement of cash flows or non-cash in nature.

The Group follows the Simplified approach under IFRS 9 provisioning model for estimating the impairment of financial assets and according to it the Group measures the loss allowance at an amount equal to full lifetime expected credit losses.

The Group applies a provision matrix which uses historical loss experience for each trade receivables segment and adjusts the historical loss rates for current conditions, and reasonable and supportable forecasts of future economic conditions. The Group has considered receivables outstanding for more than 180 days as in default under IFRS 9. The expected credit loss recognised during the year amounted to USD 0.4 million (2020: USD 2.2 million).

The Directors have assessed the sensitivity of the various estimates used in computing the provision including considering changing probability of default (PD) and macroeconomic factors used in the model and concluded that a reasonable possible change in assumptions would not have a material impact, and hence, management considers the application of the above accounting estimates as non-critical.

12. Cash and cash equivalents and restricted cash

12.1 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.

	2021 USD'000	2020 USD'000
Cash and cash equivalents	**270,345**	398,781

12.2 Restricted cash

Restricted cash largely includes amounts payable for deferred settlements of transactions to merchants and other third parties that have been withheld in accordance with their contractual rights or otherwise remained unpaid not in ordinary course of business and are eventually payable on demand or as mutually agreed.

13. 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, parent, subsidiaries, and key management personnel or their close family members. The terms and conditions of these transactions have been mutually agreed between the Group and the related parties. Key management personnel consists of the Network Leadership Team. The management believes that the terms and conditions of these transactions are comparable with those that could be obtained from third parties.

Transguard Cash LLC

Transactions for the year (refer to note 9) – there are no receivable/payable balances as at 31 December 2021 and 2020.

	2021 USD'000	2020 USD'000
Executive Directors' remuneration		
Directors' remuneration during the year	**1,007**	816
Terminal and other benefits	**1,842**	56
Share-based payments	**2,084**	3,093
Non-Executive Directors' remuneration		
Directors' remuneration during the year	**1,651**	1,293
Terminal and other benefits	**–**	16
Other key management personnel remuneration		
Salaries and allowances	**3,610**	3,578
Terminal and other benefits	**4,182**	1,045
Share-based payments	**3,763**	3,936

14. Trade and other payables

	2021 USD'000	2020 USD'000
Accrued expenses	**58,024**	44,194
Staff benefits		
Current portion of share-based payment liability	**–**	9,403
Provision for bonus and sales incentives	**8,987**	2,236
Terminal and other benefits	**2,966**	3,590
Unpaid capital expenditure	**20,637**	19,428
Unclaimed balances	**5,207**	6,325
Tax and other related liabilities	**13,360**	14,327
Interest payable	**101**	3,683
Deferred income (refer note below)	**9,976**	5,356
Other liabilities	**17,247**	19,190
	136,505	127,732

Deferred income relates to the Group contractual liabilities for the project related revenues (refer note 19 and note 2(f)).

15. Borrowings

The Group's total borrowings amounted to USD 491.4 million (2020: USD 434.5 million).

During 2020, we refinanced our syndicated debt facility. The refinancing was conducted to increase liquidity and to support investment in our growth-oriented strategy, as well as for general corporate purposes. When originally refinanced, the facility was for USD 525 million, of which USD 375 million has currently been drawn. As previously disclosed, the undrawn balance was available for a period of one year from the date of refinancing and the Group decided not to extend the availability of the undrawn balance, as we believe we have sufficient liquidity to meet our upcoming requirements. As per the financing agreement, a principal payment of USD 37.5 million is due in 2022 (10% of the balance), with the repayment increasing to 20% between 2023–25, and the remaining balance (30%) to be paid in full in 2026. The table below provides a breakdown of the borrowings:

	2021 USD'000	2020 USD'000
Term loan		
Principal outstanding	**375,000**	375,000
Unamortised debt issue cost	**(4,690)**	(6,134)
Net amount included in borrowings	**370,310**	368,866
Other term loan	**8,754**	–
Revolving credit facility	**35,000**	35,000
ATM lease liability	**191**	925
Bank overdraft	**77,089**	29,681
Total	**491,344**	434,472

	2021 USD'000	2020 USD'000
Split into:		
a) Term loan		
› Non-current portion (a)	**332,810**	368,866
› Current portion (b)	**37,500**	–
Sub total	**370,310**	368,866
b) Other term loan – from business combination		
› Non-current portion (a)	**3,929**	–
› Current portion (b)	**4,825**	–
Sub total	**8,754**	–
c) Revolving credit facility		
› Current portion (b)	**35,000**	35,000
Sub total	**35,000**	35,000
d) ATM lease liability		
› Non-current portion (a)	**–**	159
› Current portion (b)	**191**	766
Sub total	**191**	925
e) Bank overdraft		
› Current portion (b)	**77,089**	29,681
Sub total	**77,089**	29,681
Total	**491,344**	434,472
As per consolidated statement of financial position		
Non-current borrowings (a)	**336,739**	369,025
Current borrowings (b)	**154,605**	65,447
Total	**491,344**	434,472

16. Held for sale

The key criteria for held for sale classification is the commitment from the appropriate level of management to sell the asset, and an active programme to locate a buyer and complete the plan within 12 months from the date of classification except for the extension period allowed under IFRS 5.

Assets and liabilities held for sale comprises assets and liabilities if it is highly probable that these 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 remeasured in accordance with the Group's other accounting policies.

In December 2021, the Group entered an agreement to sell its 70% shareholding in Mercury, for a consideration of c.USD 3 million, before impact of completion adjustments. The sale was subsequently completed in January 2022. Accordingly, the Group has classified Mercury as 'Held for sale' in the consolidated financial statements.

Management considers the classification of Mercury being 'Held for sale' as a non-critical accounting judgement based on the significance of Mercury results in the preparation of these consolidated financial statements.

Below is the assets and liabilities position of the Group's discontinued operations.

Assets and liabilities held for sale

As at the reporting date, discontinued operation resulted in USD 4.3 million and USD 1.8 million in assets and liabilities held for sale, respectively (2020: Nil) in relation to Mercury.

	2021 **USD'000**
Assets	
Intangible assets	**808**
Scheme debtors	**369**
Cash and cash equivalents	**2,619**
Trade and other receivables	**551**
Total	**4,347**
Liabilities	
Merchant creditors	**1667**
Trade and other payables	**102**
Total	**1,769**

17. Other long-term liabilities

	Notes	**2021** **USD'000**	2020 USD'000
Staff benefits	17.1	**12,952**	12,836
Lease liabilities for right of use assets	25.2	**12,863**	8,748
		25,815	21,584

17.1 Staff benefits

The Group's employee end of service benefits includes gratuity benefit scheme, defined contribution plans and UAE pension fund (on behalf of its UAE national employees), in line with laws of the local jurisdiction where the Group operates in (i.e., mainly UAE, Jordan and Africa).

Pensions are provided by way of a contribution to a personal pension scheme or cash allowance in lieu of pension benefits. End of service gratuity is provided to non-UAE nationals as a lump sum cash payment following the end of service, based on the length of service. The charge and the liability recognised for gratuity schemes are calculated through actuarial valuation carried out by the external qualified actuary valuer, using Projected Unit Credit (PUC) actuarial method. Under UAE law, there is no requirement to invest these contributions to any assets for the purpose of settling these obligations, and accordingly there are no associated plan assets.

The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability considering any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

17. Other long-term liabilities continued

Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit or loss. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in the consolidated statement of other comprehensive income.

The Group's employee benefits obligation as at 31 December 2021, included in 'employee end of service benefits' above amounted to USD 12.9 million (2020: USD 12.8 million). The details of the assumptions used and the sensitivity analysis are disclosed above in note 2 (f) 'Accounting judgements and estimates'.

The Group's net obligation in respect of defined benefit plans is calculated as the present value of the defined benefit obligation at the end of the reporting period. The present value of the net defined benefit pension obligation is dependent on a number of factors that are determined on an actuarial basis, using a number of assumptions. These assumptions include salary increments, discount rates, and retirement age and mortality rates. Management considers the application of these accounting estimates as non-critical in the preparation of these consolidated financial statements.

The following are the principal actuarial assumptions at the reporting date:

	31 December 2021	31 December 2020
Discount rate p.a.	**2.25%**	1.75%
Pre-retirement non-death/disability termination rate p.a.	**14.0% until end-2020 going down by 0.5% each year to an ultimate rate of 12.5% p.a. from 2024 onward**	14.5% until end-2020 going down by 0.5% each year to an ultimate rate of 12.5% p.a. from 2024 onward
Salary escalation rate p.a.	**3.50%**	3.50%
Involuntary termination rate p.a.	**Nil**	Nil
Retirement age	**60**	60

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as follows:

2021	**(+) 0.5 percentage**	(-) 0.5 percentage
Discount rate p.a.	**2.75%**	1.75%
+/(-) in defined benefit obligation (in USD'000)	**(409)**	436
Salary escalation rate p.a.	**4.00%**	3.00%
+/(-) in defined benefit obligation (in USD'000)	**442**	(419)
Voluntary exit rate	**Withdrawal rate 9.5% until end-2021 going down by 0.5% each year to an ultimate rate of 7.5% p.a. from 2024 onward**	Withdrawal rate 19.5% until end-2021 going down by 0.5% each year to an ultimate rate of 17.5% p.a. from 2024 onward
+/(-) in defined benefit obligation (in USD'000)	**653**	(450)

2020	**(+) 0.5 percentage**	(-) 0.5 percentage
Discount rate p.a.	2.25%	1.25%
+/(-) in defined benefit obligation (in USD'000)	(402)	429
Salary escalation rate p.a.	4.00%	3.00%
+/(-) in defined benefit obligation (in USD'000)	432	(410)
Voluntary exit rate	Withdrawal rate 9.5% until end-2020 going down by 0.5% each year to an ultimate rate of 7.5% p.a. from 2024 onward	Withdrawal rate 19.5% until end-2020 going down by 0.5% each year to an ultimate rate of 17.5% p.a. from 2024 onward
+/(-) in defined benefit obligation (in USD'000)	831	(552)

18. Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

	2021 USD'000	2020 USD'000
Issued and fully paid up		
561,101,690 shares of GBP 0.10 each (2020: 550,000,000 shares of GBP 0.10 each)	**73,077**	71,557

On 31 July 2020, the Company issued additional share capital equivalent to 50 million shares. The shares were issued at a price of USD 5.3 per share (GBP 4.1 per share; par value: GBP 0.10 each). Accordingly, the Company's share capital increased by USD 6.5 million, and the Company recognised share premium of USD 258.3 million, out of which an amount of USD 6.0 million was set off in relation to the costs that are directly attributable to the issuance of additional share capital.

On 28 September 2021, the Company issued additional shares equivalent to 11.1 million shares as part of the purchase consideration for the acquisition of DPO. Accordingly, the Company's share capital increased by USD 1.5 million and the Company recognised a share merger reserve of USD 53.0 million. Reserves comprise the following:

Foreign exchange reserves amounted to USD (19.7) million (2020: USD (19.4) million), include the cumulative net change due to changes in value of subsidiaries' functional currency to USD from the date of previous reporting period to date of current reporting period.

Reorganisation and other reserves includes a) reorganisation reserve, b) statutory reserve, and c) fair value reserve.

a) Reorganisation reserve amounted to USD (1.5) billion (2020: USD (1.5) billion), that relates to the reserve created as part of restructuring undertaken by the Group in 2019.
b) Statutory reserve amounted to USD 7.5 million (2020: USD 7.5 million). Statutory reserves are the reserves representing a proportion of profits that are required to be maintained in subsidiary companies based on the local regulatory laws of the respective countries in which the Group operates.
c) Fair value reserve amounted to USD (2.5) million (2020: USD (2.7) million).

19. Revenue

Merchant Solutions

Under Merchant Solutions, 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. The Group generates both transactional and non-transactional revenue (refer below for detail) under Merchant Solutions.

Issuer Solutions

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 generates both transactional and non-transactional revenue (refer below for detail) under Issuer Solutions.

For both Merchant and Issuer Solutions, the Group's sources of revenue can be broadly categorised into transaction-based revenue and non-transaction-based revenue.

- Transaction-based revenue 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) fees for the 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. The transactional-based revenue is recognised at a point in time in line with the Group accounting policy.

19. Revenue continued

- Interchange fees are the fees that are paid to the card issuing banks which are 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.

- Non-transaction-based revenue: which includes but is 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 revenue.

  The non-transactional-based revenue is recognised at a point in time or over time depending upon the type of service being provided, contractual terms and timing when the performing obligation is met by the Group, in line with the Group accounting policy.

The Group recognises the revenue over time mainly in the following cases:

- Services provided by the Group where the customer simultaneously receives and consumes the benefits as and when the Group performs its obligation; and

- Project related revenue, where the Group provides services to develop or enhance the tangible/intangible assets which is short term in nature. Management applied judgement in measuring the progress of the project through internal process to recognise revenue based on the completion of the project. The project related revenue (where the Group applies its judgement in measuring the completion status of the project) is only 4.0% (2020: 2.0%) of the total Group revenue and hence the Directors do not consider this as a critical accounting judgement that has a most significant effect in preparing these consolidated financial statements.

	2021 **USD'000**	2020 USD'000
Merchant Solutions	**160,449**	109,415
Issuer Solutions	**182,428**	165,011
Other revenue	**9,368**	10,418
	352,245	284,844

20. Personnel expenses

The Group's personnel expenses include salaries, allowances, bonuses and terminal and other benefits recognised during the year, when the associated services are rendered by the employees. The details of personnel expenses are as follows:

	2021 **USD'000**	2020 USD'000
Salaries and allowances	**80,966**	71,965
Bonus and sales incentives	**11,557**	3,787
Share-based compensation[1]	**7,550**	10,870
Terminal and other benefits	**7,884**	10,311
	107,957	96,933

Detail of total number of employees by department is as follows:

Departments	**2021[2]**	2020
Operations	**585**	404
Information Technology	**576**	422
Sales	**231**	168
Products	**53**	41
Other Support functions (including Finance, HR and Risk)	**336**	274
	1,781	1,309

1 Share-based compensation includes charge for management incentive award plan (MIP) and IPO Cash Bonus, amounting to USD 3.0 million (2020: USD 6.8 million) and LTIP plan charge amounting to USD 4.6 million (2020: USD 4.1 million). Refer to note 27 for details.
2 Increase in 2021 headcount is mainly attributed to the acquisition of DPO.

21. Selling, operating and other expenses

Selling, operating and other expenses consist primarily of technology and communication related expenses, third-party costs, legal and professional charges, provision for expected credit loss and other general and administrative expenses. The details of selling, operating and other expenses are as follows:

	2021 USD'000	2020 USD'000
Technology and communication cost	**55,266**	44,288
Third-party cost	**23,523**	23,518
Legal and professional fees	**26,933**	22,102
Provision for expected credit losses	**393**	2,183
Other general and administrative expenses	**14,076**	11,083
	120,191	103,174

21.1 Auditor remuneration

The details of Group's auditor remuneration are as follows:

	2021 USD'000	2020 USD'000
Total fees to the Group's auditor for the audit of the Group's Annual Report and Accounts	**1,331**	786
Total fees to the Group's auditor for other services:		
Review of half yearly financial information	**159**	159
Other non-audit services	**66**	46
	1,556	991

22. Net interest expense

Interest expense comprises interest expense on borrowings and lease liabilities. All borrowing costs are recognised in the consolidated statement of profit or loss using the effective interest method. Interest income comprises interest 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 interest expense is as follows:

	2021 USD'000	2020 USD'000
Interest on term loan facility	**8,158**	12,935
Interest on revolving credit facility	**1,000**	1,837
Interest on bank overdrafts	**1,678**	3,780
Amortisation of debt issuance cost	**1,444**	1,642
Other interest expense	**1,812**	1,916
Interest income	**(384)**	(441)
	13,708	21,669

23. Earnings per share (EPS)

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 57.4 million (2020: USD 6.2 million).

During the year, the Company issued 11.1 million new ordinary shares (2020: 50.0 million new ordinary shares) and earnings per share is computed on the weighted average number of 552.9 million shares (2020: 520.8 million shares).

There is no change in the basic and diluted EPS. The diluted earnings per share has been calculated after considering potential dilutive options for Group scheme for employees' share-based payments.

The profit attributable to the equity holders for the year ended 31 December 2021 is based on the weighted average number of 552,859,065 shares (2020: 520,833,333 shares).

	2021 USD cents	2020 USD cents
Earnings per share (basic and diluted)	**10.4**	1.2

24. Taxes

Taxes comprise current and deferred tax. Current tax and deferred tax are recognised in the consolidated statement of profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge involves estimation and judgement in respect of certain matters particularly on recognising deferred tax assets and uncertain tax position. Judgement and estimation involved in deferred tax mainly relates to the carried forward tax losses which is based on management assessment that it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity against which these tax losses can be set off in the future. Judgement and estimation involved in current tax accruals relates to uncertain tax position until a conclusion is reached with the relevant tax authority or through a legal process.

In the Directors' view, both the recognition of deferred taxes and corporate tax accruals are not considered critical judgements or estimates for these consolidated financial statements, and they do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

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 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.

24.1 Taxes

The tax expense recognised in the consolidated statement of profit or loss is as follows:

	2021 USD'000	2020 USD'000
Deferred tax (benefit)/expense	**(557)**	17
Current tax expense	**6,248**	4,327
Adjustment for prior periods	**1,135**	360
Tax expenses	**6,826**	4,704

24.2 Reconciliation of effective tax

	2021 USD'000	2020 USD'000
Profit before tax	**63,384**	10,302
Tax using the Company's domestic tax rate[1]	**-**	–
Effect of tax rates in foreign jurisdictions	**3,632**	6,649
Tax effect of:		
Non-deductible expenses	**2,211**	638
Tax-exempt income	**(18)**	–
Other allowable deduction	**(1,623)**	(608)
Tax incentives/rebates	**(162)**	(2,266)
Carry forward losses	**(577)**	(84)
Deferred tax (benefit)/expense	**(558)**	17
Adjustment for prior periods	**1,135**	360
Other adjustments	**2,786**	(2)
Income tax expense	**6,826**	4,704

1 As the Group's largest operations are in UAE, the tax rate applied in this tax reconciliation is that of UAE (i.e., Nil), rather than the rate applying in the UK where the Company is incorporated.

24.3 Deferred tax liability (net of assets)

	2021 USD'000	2020 USD'000
Balance as at 1 January	**1,837**	1,788
Deferred tax expense/(benefit)	**(557)**	17
From business combination (refer note below)	**10,289**	–
Effects of change in foreign exchange	**(288)**	32
Balance as at 31 December (refer to note 24.4)	**11,281**	1,837

Deferred tax asset is recognised from business combination on account of carried forward losses from DPO subsidiaries.

24.4 Reconciliation of deferred tax

	Balance at 1 Jan	From business combination	Recognised in P&L	Recognised in OCI	Balance at 31 Dec
2021					
Deferred tax asset					
Provisions and other items	**(1,262)**	**(5,239)**	**(1,132)**	**-**	**(7,633)**
Deferred tax liability					
Property and equipment and intangibles	**585**	**15,391**	**199**	**-**	**16,175**
Foreign exchange differences	**2,514**	**137**	**376**	**(288)**	**2,739**
	3,099	**15,528**	**575**	**(288)**	**18,914**
Balance as at 31 December	**1,837**	**10,289**	**(557)**	**(288)**	**11,281**
2020					
Deferred tax asset					
Provisions and other items	(1,294)	–	32	–	(1,262)
Deferred tax liability					
Property and equipment and intangibles	600	–	(15)	–	585
Foreign exchange differences	2,482	–	–	32	2,514
	3,082	–	(15)	32	3,099
Balance as at 31 December	1,788	–	17	32	1,837

25. Leases

Overview

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 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.

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.

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 charge 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 consolidated statement of 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 to take exemption for certain lease contract that have either a lease term of 12 months or are of low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. 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.

25.1 Right of use assets

	2021 USD'000	2020 USD'000
Balance as at 1 January	**10,430**	12,461
Additions during the year	**4,933**	1,227
From business combination	**872**	–
Depreciation charge for the year	**(3,050)**	(2,400)
Derecognition of right of use assets	**–**	(984)
Effect of change in foreign exchange	**(58)**	126
Balance as at 31 December	**13,127**	10,430

25.2 Lease liabilities

	2021 USD'000	2020 USD'000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**5,438**	3,871
One to five years	**16,237**	10,510
More than five years	**2,119**	3,184
Total undiscounted lease liabilities at 31 December	**23,794**	17,565
Current	**3,282**	3,682
Non-current	**12,863**	8,748
Discounted lease liabilities included in the statement of financial position at 31 December	**16,145**	12,430

25.3 Amounts recognised in the consolidated statement of profit or loss

	2021 USD'000	2020 USD'000
Interest expense on lease liabilities	**1,701**	1,843
Depreciation of right of use assets	**3,050**	2,400

The expense relating to leases of low-value assets and short-term lease assets that are not a part of the above right of use assets and lease liabilities (as the Group has availed exemption of short-term lease and low-value assets under IFRS 16) amounted to USD 0.1 million and (2020: USD 0.1 million).

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.

The Group leases out its point-of-sales (POS) terminals. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The rental income recognised by the Group as at 31 December 2021 was USD 11.1 million (2020: USD 6.4 million).

26. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Equity			
	Lease liability for right of use asset USD'000	ATM lease liability USD'000	Term loan & revolving credit facility USD'000	Retained earnings USD'000	Share capital & reserves USD'000	Non-controlling interest USD'000	Total USD'000
2021							
Opening balance	**12,430**	**925**	**403,866**	**(23,246)**	**323,836**	**1,965**	**719,776**
Payment of lease liabilities	**(4,324)**	**(727)**	**–**	**–**	**–**	**–**	**(5,051)**
Purchase of equity issuance cost	**–**	**–**	**–**	**–**	**(129)**	**–**	**(129)**
Purchase of treasury shares	**–**	**–**	**–**	**(5,563)**	**–**	**–**	**(5,563)**
Total changes from financing cash flows	**8,106**	**198**	**403,866**	**(28,809)**	**323,707**	**1,965**	**709,033**
The effect of changes in foreign exchange rates	**237**	**–**	**–**	**–**	**–**	**–**	**237**
Other changes							
Recognition of lease liabilities under IFRS 16	**4,933**	**–**	**–**	**–**	**–**	**–**	**4,933**
From business combination	**1,168**	**–**	**–**	**–**	**54,620**	**–**	**55,788**
Amortisation of debt issuance cost	**–**	**–**	**1,444**	**–**	**–**	**–**	**1,444**
Interest expense	**1,701**	**31**	**–**	**–**	**–**	**–**	**1,732**
Interest paid	**–**	**(38)**	**–**	**–**	**–**	**–**	**(38)**
Other changes	**7,802**	**(7)**	**1,444**		**54,620**		**63,859**
Closing balance	**16,145**	**191**	**405,310**	**(28,809)**	**378,327**	**1,965**	**773,129**
Current portion	**3,282**	**191**	**72,500**	**–**	**–**	**–**	**75,973**
Non-current portion	**12,863**	**–**	**332,810**	**–**	**–**	**–**	**345,673**
2020							
Opening balance	14,455	1,619	315,930	(12,821)	65,100	–	384,283
Acquisition of loan	–	–	415,000	–	–	–	415,000
Repayment of loan	–	–	(328,751)	–	–	–	(328,751)
Payment of debt issuance cost	–	–	(6,676)	–	–	–	(6,676)
Issuance of new shares	–	–	–	–	258,736	–	258,736
Payment of lease liabilities	(3,934)	(686)	–	–	–	–	(4,620)
Purchase of treasury shares	–	–	–	(10,425)	–	–	(10,425)
Issuance of subsidiary's capital to non-controlling interest	–	–	–	–	–	1,965	1,965
Total changes from financing cash flows	10,521	933	395,503	(23,246)	323,836	1,965	709,512
The effect of changes in foreign exchange rates	(177)	–	–	–	–	–	(177)
Other changes							
Recognition of lease liabilities under IFRS 16	1,227	–	–	–	–	–	1,227
Derecognition of lease liability	(984)	–	–	–	–	–	(984)
Amortisation of debt issuance cost		–	1,642	–	–	–	1,642
Write-off of unamortised debt issuance cost	–	–	6,721	–	–	–	6,721
Interest expense	1,843	73	–	–	–	–	1,916
Interest paid	–	(81)	–	–	–	–	(81)
Other changes	2,086	(8)	8,363	–	–	–	10,441
Closing balance	12,430	925	403,866	(23,246)	323,836	1,965	719,776
Current portion	3,682	766	35,000	–	–	–	39,448
Non-current portion	8,748	159	368,866	–	–	–	377,773

27. Share-based compensation

The Group currently operates the following share-based compensation plans:

- Management Incentive Award Plan (MIP) and IPO Cash Bonus
- Long Term Incentive Plan (LTIP)

MIP and IPO Cash Bonus are cash-settled share-based payment plans, whereas LTIP is an equity-settled share-based payment.

Key features and accounting policy with respect to Group incentive plans are as below:

Cash-settled share-based payment

The accounting treatment of cash-settled share-based payment plans are dependent upon fulfilment of any of the following conditions that determine whether the Group has received the services that entitle the employees to receive cash (or any other assets) 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 employee 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 statement of profit or loss.

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 remeasured 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.

Equity-settled share-based payment

Equity-settled share-based payment transactions, in which the Group receives services as consideration for equity instruments of the parent entity (including shares or share options).

For equity-settled share-based payment transactions, the Group measures the services received, and the corresponding increase in equity, directly, at the fair value of the services received. If the fair value cannot be estimated reliably, the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Group measures the fair value of the equity instruments granted, because it is typically not possible to estimate reliably the fair value of employee services received. The fair value of the equity instruments granted is measured at grant date.

For services measured by reference to the fair value of the equity instruments granted, all non-vesting conditions are taken into account in the estimate of the fair value of the equity instruments.

However, vesting conditions that are not market conditions are not taken into account when estimating the fair value of the shares or options at the relevant measurement date. Instead, vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognised for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition (other than a market condition).

The fair value of equity instruments granted should be based on market prices, if available, and take into account the terms and conditions upon which those equity instruments were granted. In the absence of market prices, fair value is estimated, using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties.

27. Share-based compensation continued

The Group has calculated the fair value of the equity instruments granted by applying well-established principles of financial analysis, adapted as appropriate to meet the requirements of valuing individual incentive plans. For the valuation of the plan with only non-market conditions, the Black-Scholes model has been used whereas, for the valuation of the incentive plan with market conditions, the Monte-Carlo model has been used to compute the fair value of the equity instruments.

After vesting date and a corresponding increase in equity, no subsequent adjustment to total equity shall be made. The Group will not subsequently reverse the amount recognised for services received from an employee if the vested equity instruments are later forfeited or, in the case of share options, the options are not exercised. However, a transfer within equity is allowed, i.e. a transfer from one component of equity to another.

Below are the key features of Group incentive plans:

Management Incentive Award Plan and IPO Cash Bonus

Network International LLC, a subsidiary of the Group, operates the following incentive plans.

Network International LLC Management Incentive Award Plan (MIP Plan)

MIP Plan is a pre-existing phantom share incentive cash settled plan. The MIP awards were made to 33 members of the Group's management, including the Chief Executive Officer. Each award entitled participants to receive a cash payment that is calculated by reference to the offering price of the Group at Admission at the time of listing on the London Stock Exchange (LSE) as determined by the Remuneration Committee acting in good faith. The MIP plan acts as a retention tool for the plan 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 in employment within the Group.

Network International LLC IPO Cash Bonus

Network International LLC has awarded eight members of the Group's management (Grantees), including 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 to LSE as determined by the Remuneration Committee acting in good faith. The Cash Bonus Awards are subject to time vesting. 50% 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 Awards will subsequently vest on the date which is 30 months after listing.

The aggregate amount that has been allocated to the eligible employees for MIP plan and IPO Cash Bonus amounted to USD 33.2 million which will be paid to the employees in tranches. During 2021, the outstanding cash incentive payable to eligible employees was converted into equity shares, and accordingly, the liability of USD 4.5 million has been derecognised and equity has been credited.

Long Term Incentive Plan (LTIP)

The Group has established a long-term equity-settled share-based incentive plan (Network International Holdings Long Term Incentive Plan 'LTIP Plan') which is awarded to the eligible employees and subject to the conditions specified under the LTIP Plan rules through various grants.

Key features of the Grants are as follows:

- Under the Grant, the plan is rolled out to select eligible employees of the Group.
- The award under this grant will normally vest on the third anniversary of the Date of Grant, unless an event occurs before then which causes the award to vest under the rules of the LTIP Plan. Some grants vest earlier than the three-year period.
- Multiple performance conditions apply to the award (including market and non-market), and the award may only vest to the extent that the performance conditions have been satisfied.

Under Grant 2, the plan is rolled out to all the employees of the Group, as an incentive in recognition of the efforts to support the listing of the Group. The award is subject only to the participant's continued employment with the Group.

Below are the details of the various grants:

Grant	Date of grant	Grant date share price	Vesting condition	Tenure
1	17-May-19	GBP 5.3	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
2	24-Oct-19	GBP 5.25	a) Service condition only – Continued employment	1.5 years
3	13-Mar-20	GBP 4.33	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
4	19-Aug-20	GBP 4.08	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
5	15-Mar-21	GBP 4.38	a) Service condition only – Continued employment	1–2 years
6	26-Apr-21	GBP 4.25	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
7	28-Sep-21	GBP 3.59	a) Continued employment b) No Supplemental Claims outstanding under DPO Share Purchase agreement	1–2 years

Detail of the valuation assumptions:

Description	Grant 1 17 May 2019	Grant 2 24 October 2019	Grant 3 13 March 2020	Grant 4 19 August 2020
Valuation model	Black-Scholes and Monte-Carlo model	Black-Scholes	Black-Scholes and Monte-Carlo model	
Risk free interest rate	0.69% p.a.	0.51% p.a.	0.69% p.a.	0.006% p.a.
TSR Comparator Group	Constituents of the FTSE 250 at the time of grant	n/a	Constituents of the FTSE 250 at the time of grant	
Dividend equivalent	0% (assumed participants entitled to dividends or dividend equivalents)	3% assumed dividend yield	0% (assumed participants entitled to dividends or dividend equivalents)	

Description	Grant 5 15 March 2021	Grant 6 26 April 2021	Grant 7 28 September 2021
Valuation model	Black-Scholes and Monte-Carlo model		Black-Scholes
Risk free interest rate	0.69% p.a.	0.127% p.a.	0.51% p.a.
TSR Comparator Group	n/a	Constituents of the FTSE 250 at the time of grant	n/a
Dividend equivalent	0% (assumed participants entitled to dividends or dividend equivalents)		

Below is the breakdown of all share-based compensation plans mentioned above under current and non-current liabilities.

	Cumulative P&L USD'000		P&L charge USD'000	
Particular	31 December 2021	31 December 2020	31 December 2021	31 December 2020
LTIP	**9,993**	5,475	**4,518**	4,070

28. 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 (FVTOCI), or through profit or loss (FVTPL); and
- 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 dates that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVTOCI 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 dates 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 Group 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 Group 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.

Recognition and measurement

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 (FVTOCI) are carried at fair value. After initial measurement, the Group presents fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses in respect of equity investment securities designated as FVTOCI to the consolidated statement of profit or loss 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.

Derecognition 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 expire.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated 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 the ECL model in accordance with IFRS 9 as disclosed in note 11.

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 inputs 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.

28. Financial instruments continued

Accounting classifications and fair values

As at 31 December 2021 USD'000	Carrying value Financial assets	Financial liabilities	Total carrying value	Fair value Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Investment securities	246	–	246	246	–	246	–
Financial assets at amortised cost							
Scheme debtors	364,025	–	364,025	364,025	–	364,025	–
Receivables and prepayments	88,374	–	88,374	88,374	–	88,374	–
Restricted cash	86,801	–	86,801	86,801	86,801	–	–
Cash and cash equivalents	270,345	–	270,345	270,345	270,345	–	–
Long-term receivables	3,735	–	3,735	3,735	–	3,735	–
	813,280	–	813,280	813,280	357,146	456,134	–
Financial liabilities at amortised cost							
Merchant creditors	–	329,280	329,280	329,280	–	329,280	–
Trade and other payables	–	136,505	136,505	136,505	–	136,505	–
Borrowings – Current	–	154,605	154,605	154,605	–	154,605	–
Other long-term liabilities	–	25,815	25,815	25,815	–	25,815	–
Borrowings – Non-current	–	336,739	336,739	336,739	–	336,739	–
	–	982,944	982,944	982,944	–	982,944	–

As at 31 December 2020 USD'000	Carrying value Financial assets	Financial liabilities	Total carrying value	Fair value Total fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Investment securities	246	–	246	246	–	246	–
Financial assets at amortised cost							
Scheme debtors	165,436	–	165,436	165,436	–	165,436	–
Receivables and prepayments	67,874	–	67,874	67,874	–	67,874	–
Restricted cash	52,550	–	52,550	52,550	52,550	–	–
Cash and cash equivalents	398,781	–	398,781	398,781	398,781	–	–
Long-term receivables	2,617	–	2,617	2,617	–	2,617	–
	687,258	–	687,258	687,258	451,331	235,927	–
Financial liabilities at amortised cost							
Merchant creditors	–	165,142	165,142	165,142	–	165,142	–
Trade and other payables	–	127,732	127,732	127,732	–	127,732	–
Borrowings – Current	–	65,447	65,447	65,447	–	65,447	–
Other long-term liabilities	–	21,584	21,584	21,584	–	21,584	–
Borrowings – Non-current	–	369,025	369,025	369,025	–	369,025	–
	–	748,930	748,930	748,930	–	748,930	–

29. 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 consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Group's Enterprise Risk Management Framework.

The Group is committed to embedding a strong risk culture to support good governance and sound risk management practice. The Board and management play a key role in directing and influencing this by ensuring:

- that a risk based approach is used during key decision making;
- consistent tone from the top and clear responsibilities for risk identification and challenge;
- employees have risk management accountability and escalate issues on a timely basis;
- our incentive structures promote a risk aware culture to effectively manage risk and remunerate employees accordingly; and
- we adopt a culture of 'learning from our mistakes' to foster continuous improvement of processes and controls.

The importance of risk culture is reinforced in the Group's policies and standards and the Code of Conduct, to which all employees receive annual training as part of the attestation process.

Our risk governance model operates on the three lines of defence concept which ensures effective risk management, risk oversight and assurance. The First Line of Defence comprises all employees engaged in revenue generating and customer facing areas of the Group including support functions. Employees are responsible for identifying the risks within their respective activities and for the effective management of those risks through the development of appropriate policies, standards and controls. Employees are accountable for performing their activities within stated risk appetites and risk tolerance limits established by the Second Line of Defence and for escalating and reporting risk events to the Second Line. The Second Line of Defence is responsible for translating the risk appetite and strategy approved by the Board into actionable risk limits, policies and programmes under which the First Line activities are to be performed. The Second Line is also responsible for monitoring the performance of the First Line against these limits, policies and programmes. The Third Line of Defence comprises the Group Internal Audit function ('GIA'). They provide independent assurance to the Board and management over the effectiveness of governance, risk management and control.

There are a number of priority areas that are vital to establishing a robust and sustainable risk assessment system at the Group, key to which is the process that we have in place. Further detail on the seven step risk management reporting process is outlined below:

1. Risk Identification
2. Inherent Risk Assessment
3. Existing Controls
4. Residual Risk Assessment
5. Action Planning
6. Risk Monitoring and Reporting
7. Oversight

Credit risk
Credit risk is a risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations, and arises principally from the Group's scheme debtors, receivables and cash and cash equivalents held with banks.

The Group's principal exposure to credit risk for its Merchant Solutions business is the risk of chargebacks by card issuers and penalties from payment schemes where the merchant is unable to settle the sum due. The Group seeks 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.

29. Risk management continued

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.

The Group's 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 creditworthiness 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:

	2021 USD'000	2020 USD'000
Middle East	**676,799**	615,849
Africa	**117,802**	55,527
	794,601	671,376

The maximum exposure to credit risk (net of provisions) by type of counterparty is as follows:

	2021 USD'000	2020 USD'000
Schemes	**364,025**	165,436
Banks	**424,401**	495,370
Others	**6,175**	10,570
	794,601	671,376

	2021 USD'000	2020 USD'000
Not credit impaired (0–180 days)	**796,160**	672,532
Credit impaired (181 days and above)	**2,317**	4,838
Less: Loss allowances	**(3,876)**	(5,994)
	794,601	671,376

Financial instruments measured for expected credit losses (refer to note 11)

	2021 USD'000	2020 USD'000
Not credit impaired (0–180 days)	**67,234**	49,958
Credit impaired (181 days and above)	**2,317**	4,838
Less: Loss allowances	**(3,876)**	(5,994)
	65,675	48,802

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	2021 USD'000	Rating	Agency
Emirates NBD PJSC	**241,840**	P-2	Moody's
Standard Chartered Bank	**23,994**	P-1	Moody's
Citibank N.A.	**13,886**	P-1	Moody's

Name of the bank	2020 USD'000	Rating	Agency
Emirates NBD PJSC	158,412	P-2	Moody's
Standard Chartered Bank	13,428	P-1	Moody's
Citibank N.A.	260,272	P-1	Moody's

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations 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 makes 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 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 facilities (RCF) and overdraft facilities. Following are the details for Group's key overdraft and RCF financing facilities.

	2021 USD'000
Overdraft financing	
Limit (USD millions)	**163**
Interest rate	**2.4% + 1M Eibor**
Tenure/renewal date	**June 2022**
Revolving credit facility (RCF)	
Limit (USD millions)	**75**
Interest rate	**1.6% + 3M Libor**
Tenure/renewal date	**October 2022 (12 months extension option available)**

The Group is exposed to the impact of IBOR reform in respect of debt held based upon LIBOR. In response to IBOR reform, the Group has done a preliminary assessment on the impact of IBOR reform and alternative benchmark rates which will be used in its debt agreements post transition. The Group will work with its lenders to ensure a smooth transition to the alternative benchmark interest rates.

29. Risk management continued

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 payments and exclude the impact of netting agreements.

			Contractual cash flows				
As at 31 December 2021 **USD'000**	**Carrying amount**	**Total**	**2 months or less**	**2–12 months**	**1–2 years**	**2–5 years**	**More than 5 years**
Merchant creditors	329,280	329,280	329,280	–	–	–	–
Trade and other payables	136,505	138,229	3,467	134,762	–	–	–
Borrowings – Current	154,605	164,823	112,800	52,023	–	–	–
Other long-term liabilities	25,815	30,505	–	–	20,454	10,051	–
Borrowings – Non-current	336,739	371,651	–	–	177,645	194,005	–
Total	**982,944**	**1,034,488**	**445,547**	**186,785**	**198,099**	**204,056**	**–**

			Contractual cash flows				
As at 31 December 2020 **USD'000**	Carrying amount	Total	2 months or less	2–12 months	1–2 years	2–5 years	More than 5 years
Merchant creditors	165,142	165,142	165,142	–	–	–	–
Trade and other payables	127,732	145,936	39,455	106,481	–	–	–
Borrowings – Current	65,447	67,086	31,089	35,997	–	–	–
Other long-term liabilities	21,584	26,530	–	–	16,701	6,645	3,184
Borrowings – Non-current	369,025	412,709	–	–	50,244	348,763	13,702
Total	**748,930**	**817,403**	**235,686**	**142,478**	**66,945**	**355,408**	**16,886**

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 securities classified as investment in fair value through profit or loss is exposed to equity price risk. With the change of 100 basis points in the price, keeping other factors constant, the price of the securities would increase/(decrease) by USD 2,460 only.

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 of 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:

	2021 **USD'000**	2020 USD'000
Fixed rate instruments		
Financial assets	**47**	50
Financial liabilities	**8,372**	7,242
Variable rate instruments		
Financial assets	**129**	129
Financial liabilities	**407,971**	427,230

Interest rate sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) the Group's profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

31 December 2021

(USD'000)	-0.5%	+0.5%
Interest rate	2,679	(1,705)
	2,669	**(1,705)**

31 December 2020

(USD'000)	-0.5%	+0.5%
Interest rate	3,494	(1,432)
	3,494	**(1,432)**

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 revenue (92.7% of 2021 revenue and 95.4% of 2020 revenue) is either incurred in US dollars or currencies pegged to the US 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 consolidated statement of profit or loss 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 the income statement.

As at 31 December 2021	USD (USD'000)	AED (USD'000)	EGP (USD'000)	JOD (USD'000)	ZAR (USD'000)	Others (USD'000)	Total (USD'000)
Total financial assets							
Scheme debtors	4,195	357,966	-	1,864	-	-	364,025
Receivables and prepayments	12,585	55,576	5,934	10,740	2,614	925	88,374
Restricted cash	48,003	-	293	888	23,821	13,796	86,801
Cash and cash equivalents	84,897	138,115	7,074	11,212	7,209	21,838	270,345
Long-term receivables	2	3,063	-	661	-	9	3,735
Investment securities	246	-	-	-	-	-	246
	149,928	554,720	13,301	25,365	33,644	36,568	813,526
Total financial liabilities							
Merchant creditors	24,499	262,911	-	2,054	24,904	14,912	329,280
Trade and other payables	9,733	97,059	7,036	11,689	5,084	5,904	136,505
Borrowings – current	63,929	76,420	1,250	8,006	15	4,985	154,605
Other liabilities	-	11,969	11,996	578	782	490	25,815
Borrowings – non current	260,357	72,453	-	-	2,002	1,927	336,739
	358,518	520,812	20,282	22,327	32,787	28,218	982,944
Net position	(208,590)	33,908	(6,981)	3,038	857	8,350	(169,418)

29. Risk management continued

As at 31 December 2021	USD (USD'000)	AED (USD'000)	EGP (USD'000)	JOD (USD'000)	Others (USD'000)	Total (USD'000)
Total financial assets						
Scheme debtors	7,215	150,513	1,681	4,858	1,169	165,436
Receivables and prepayments	15,916	35,175	5,916	10,021	846	67,874
Restricted cash	44,207	–	323	–	8,020	52,550
Cash and cash equivalents	273,931	105,519	6,949	4,539	7,843	398,781
Long-term receivables	–	2,496	10	111	–	2,617
Investment securities	246	–	–	–	–	246
	341,515	293,703	14,879	19,529	17,878	687,504
Total financial liabilities						
Merchant creditors	46,293	107,173	1,701	1,948	8,027	165,142
Trade and other payables	14,150	93,568	8,180	10,495	1,339	127,732
Borrowings – current	38,016	21,115	–	6,316	–	65,447
Other liabilities	–	14,004	7,045	–	535	21,584
Borrowings – non current	284,668	84,357	–	–	–	369,025
	383,127	320,217	16,926	18,759	9,901	748,930
Net position	(41,612)	(26,514)	(2,047)	770	7,977	(61,426)

Sensitivity analysis

As USD is pegged with AED and JOD, the table below calculates the effect of a reasonably possible movement of the USD currency rate against the various currencies, with all other variables held constant, on the profit or loss (due to the fair value of currency sensitive monetary assets and liabilities).

Assumed change from year end exchange rates	EGP 1%	ZAR 1%	Others 1%
2021 – USD'000 +/(-)	**(70)**	**9**	**84**
2020 – USD'000 +/(-)	(20)	–	80

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 Policy which is aligned to the Enterprise Risk Management Framework to identify, assess, manage and monitor its operational risks across all business processes.

Operational risk management practices are embedded in the organisation risk culture through the application of the following operational risk management processes. These processes are guided (as deemed appropriate) by the seven step risk management reporting process outlined above in the risk management section.

- Risk Assessment (RA)
- Risk and Control Self-Assessment (RCSA)
- Key Risk Indicators (KRIs)
- Incident and Loss Management (ILM)

Capital management

The Board of Directors monitors the Group's performance in relation to its long-term business plan and its long-term profitability objectives.

There were no changes in the Group's approach to capital management during the year. The Group has complied with all externally imposed capital requirements.

The Group's key objectives on capital management are as below:

- to comply with all the regulatory requirements in markets we operate in;
- to maintain a strong capital base with optimum capital structure so as to maintain investor, creditor and market confidence;
- to provide adequate funds to meet requirements of future growth; and
- to optimise returns for shareholders.

The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital (the Group defines this as shareholders' equity).

30. Group entities

Company name	Registered address	2021
Direct subsidiaries of Network International Holdings Plc (the ultimate parent entity)		
Network International Holding 1 Limited	Unit GV-00-03-01-BC-10-0, Level 1, Gate Village Building 3, Dubai International Financial Centre, P O Box 9275, Dubai, United Arab Emirates	100%
Network International Holding 2 Limited	Unit GV-00-03-01-BC-10-0, Level 1, Gate Village Building 3, Dubai International Financial Centre, P O Box 9275, Dubai, United Arab Emirates	100%
3G Direct Pay Holdings Limited	Ulysses House, Foley Street, Dublin 1 Dublin, Ireland	100%
Indirect subsidiaries of the ultimate parent entity		
3G Direct Pay Limited	Ulysses House, Foley Street, Dublin 1 Dublin, Ireland	100%
Direct Pay Ltd	Avenue 5 Building, Rose Avenue, Hurlingham Nairobi, Kenya	100%
Direct Pay Limited	Kigali City Tower, 14th Floor, P.O. Box 6428 Kigali, Rwanda	100%
Direct Pay Limited	European Business Centre Lilongwe, Malawi	100%
Direct Pay (Private) Limited	27 Ridgeway South Highlands Harare, Zimbabwe	100%
Virtual Card Services Botswana Proprietary Limited	Plot 17295, Molekangwetsi Crescent, Gaborone West Phase 1, Gaborone, Botswana	100%
Virtual Card Services Namibia Proprietary Limited	Unit 5, Sinclair Park, Sinclair Street Windhoek, Namibia	100%
3G Direct Pay South Africa Proprietary Limited	Great Westerford Building, 240 Main Road, Rondebosch, Cape Town, South Africa	100%
PayGate Proprietary Limited	Great Westerford Building, 240 Main Road, Rondebosch, Cape Town, South Africa	100%
Setcom Proprietary Limited	Great Westerford Building, 240 Main Road, Rondebosch, Cape Town, South Africa	100%
PayFast (PayFast Proprietary Limited)	Brookside Office Park, 11 Imam Haron Road, Claremont, Cape Town, South Africa	100%
PayFast Holdings (PayFast Holdings Proprietary Limited)	Great Westerford Building, 240 Main Road, Rondebosch, Cape Town, South Africa	100%
Direct Pay Limited	19 Church street, Port Louis, Republic of Mauritius	100%
One Payment Limited	9th Floor, St. Nicholas House Catholic Mission Street Lagos Island, Lagos, Nigeria	98.83%
Direct Pay Limited	No 31, Asafoanye O. Broni Crescent, Ringway Estates Accra, Ghana	70%
Direct Pay Online Cote D'Ivoire	Cocody II Plateaux Angre 7è Tranche Immeuble Saphir Abidjan, Cote D'Ivoire	100%
Direct Pay Online Senegal	Regus Almadies First Floor SIA Building Route Ngor Village, Dakar, Senegal	100%
Direct Pay Online Limited	39 Hamasger Street, Nitsba Tower, 9th Floor, Tel-Aviv Jaffo, 6721409, Office number 912, Israel	100%

30. Group entities continued

Direct Pay Online Limited	Ouaga 2000, Section 481, Lot 19, 01 BP3585 Ouagadougou, Burkina Faso	100%
Direct Pay Online Limited	27 Rue Khra, Lomé, Togo	100%
Network International LLC[1]	Level: 101–201 – Emirates NBD – AL Barsha (2), PO Box 4487, Dubai UAE	49%
Network International Investment Pte. Ltd[2]	112, Robison Road, #05-01, Singapore 068902	100%
Mercury Payments Services LLC	Level: 101–201 – Emirates NBD – AL Barsha (2), PO Box 4487, Dubai UAE	70%
Diners Club (UAE) LLC	Level: 101–201 – Emirates NBD – AL Barsha (2), PO Box 4487, Dubai UAE	100%
Network International Investment Holding Limited[3]	Les Cascades, Edith Cavell Street, Port-Louis, Mauritius	100%
Network International Services (Mauritius) Limited[3]	Les Cascades, Edith Cavell Street, Port-Louis, Mauritius	100%
Network International Payments Services Nigeria Limited	11th Floor, Heritage Place, 21 Lugard Avenue, Ikoyi, Lagos, Nigeria	100%
Network International Payment Services Proprietary Limited	Black River Park, North Park Block B, 2nd Floor, Office 1 & 2, 2 Fir Street, Observatory, 7925, South Africa	100%
Network International Services Limited Jordan	Abdul Raheem Al-Wakeed St Building No. 43 Shmeisani Amman, Jordan	100%
Network International Payment Services (S.A.E.)	Building 13C01, Southern Business Park C, Cairo Festival City, Cairo, Egypt. 92, Tahrir Street, Dokki, Giza	99.9%
Network International Egypt Company (S.A.E.)	Building 13C01, Southern Business Park C, Cairo Festival City, Cairo, Egypt. 92, Tahrir Street, Dokki, Giza	98%
Egyptian Smart Cards Company	Building 13C01, Southern Business Park C, Cairo Festival City, Cairo, Egypt. 92, Tahrir Street, Dokki, Giza	99.9%
Diners Club Services Egypt (S.A.E.)	55 Kods Sharif Street, Mohandessin, Giza, Egypt	98%
Network International Arabia Limited	Building Number: 3074, Prince Mohammed Bin Abdulaziz Road, Level 29, Tower B, Olaya Towers, P.O Box: 15870, Postal Code: 11454, Riyadh, Saudi Arabia	100%
NI Payment Services (Ghana) Ltd.	GL-144-8556, Number 7, Airport road, Airport Liberation Rd ACCRA La Dade-Kotopon Greater ACCRA P.O. BX CT 6217, Cantonments-ACCRA Ghana	70%
NDiMO – Network Payments Solutions S.A.E	Cairo Festival City, Building13C01, Southern Business Park C, Cairo, Egypt	100%
One Payment Tanzania Limited	7th Floor, Amani Place, Ohio Street, Ilala District Dar es Salaam, Tanzania	98%
Direct Pay (U) Limited	5th Floor Rwenzori Towers, P.O. Box 37468 Kampala, Uganda	100%
Pay Now Zambia Ltd	11th floor, Zimco house, Cairo road Lusaka, Zambia	98.66%
Direct Pay Democratic Republic of Congo	26, Avenue Ebeya, Immeuble Botour 9è" étage no 9/A à Kinshasa/Gombe	100%

Indirect subsidiaries of the ultimate parent entity
1 51% shareholding of Network International LLC is owned by Leaf Holding Limited, (a company registered under Dubai International Financial Centre, Dubai) which is a local sponsor as per the requirements of the UAE laws.
2 On 5 July 2021, the striking off process for NIIPL was completed.
3 On 31 December 2021, the Group completed the amalgamation of its subsidiaries, registered in Mauritius, namely; Network International Services (Mauritius) Limited (the amalgamated company), and Network International Investment Holding Limited (the amalgamating company). The purpose of this amalgamation is to bring efficiency in the operation and administration of the subsidiaries companies. The amalgamation does not have any significant impact on the financial statements of the Group.

31. Contingencies and commitments

	2021 USD'000	2020 USD'000
Performance and other guarantees	**14,917**	13,358
Commitments	**12,746**	6,384
	27,663	19,742

Performance and other guarantees includes guarantees given by the banks on Group's behalf to the clients for the performance and other obligations as per relevant contracts.

Commitments includes capital expenditure commitments against what the Group has committed with different vendors to procure the assets but has not yet acquired them.

32. Subsequent events

Except for the below, there were no subsequent events identified up to the date of the issuance of these consolidated financial statements.

In December 2021, the Group divested its interest in Mercury for a consideration of c.USD 3 million, before impact of completion adjustments. The sale was subsequently completed on 14 January 2022. Management considers the completion of Mercury as non-adjusting items. Accordingly, the Group has classified Mercury as 'Held for sale' in the consolidated financial statements.

Network International Holdings Plc
Statement of Financial Position
As at 31 December

	Notes	2021 USD'000	2020 USD'000
Assets			
Non-current assets			
Investment in subsidiaries	6	**1,843,214**	1,553,158
Total non-current assets		**1,843,214**	1,553,158
Current assets			
Due from a related party	7	**1,000**	–
Other receivables		**424**	303
Cash and cash equivalents		**1,656**	259,913
Total current assets		**3,080**	260,216
Total assets		**1,846,294**	1,813,374
Liabilities and shareholders' equity			
Liabilities			
Current liabilities			
Due to a related party	8	**24,134**	26,433
Other payables		**1,868**	7,228
Total current liabilities		**26,002**	33,661
Total liabilities		**26,002**	33,661
Shareholders' equity			
Share capital	9	**73,077**	71,557
Share premium		**252,279**	252,279
Share merger reserve		**52,971**	–
Retained earnings		**1,441,965**	1,455,877
Total shareholders' equity		**1,820,292**	1,779,713
Total liabilities and shareholders' equity		**1,846,294**	1,813,374

The net loss after tax for the Company was USD 17.4 million (2020: USD 18.4 million) for the year ended at 31 December 2021.

Notes 1 to 10 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 8 March 2022 and signed on its behalf by:

Nandan Mer
Director and Chief Executive Officer

Network International Holdings Plc
Statement of Changes in Equity
For the year ended 31 December

	Share capital USD'000	Share premium USD'000	Share merger reserve USD'000	Retained earnings USD'000	Total shareholders' equity USD'000
As at 1 January 2021	**71,557**	**252,279**	**–**	**1,455,877**	**1,779,713**
Total comprehensive loss for the year	**–**	**–**	**–**	**(17,366)**	**(17,366)**
Purchase of treasury shares	**–**	**–**	**–**	**(5,563)**	**(5,563)**
Share-based payment	**–**			**9,017**	**9,017**
Issuance of new shares	**1,520**	**–**	**53,100**	**–**	**54,620**
Share issuance cost	**–**	**–**	**(129)**	**–**	**(129)**
As at 31 December 2021	**73,077**	**252,279**	**52,971**	**1,441,965**	**1,820,292**

	Share capital USD'000	Share premium USD'000	Retained earnings USD'000	Total shareholders' equity USD'000
As at 1 January 2020	65,100	–	1,480,677	1,545,777
Total comprehensive loss for the year	–	–	(18,445)	(18,445)
Purchase of treasury shares	–		(10,425)	(10,425)
Share-based payment	–	–	4,070	4,070
Issuance of new shares	6,457	258,280	–	264,737
Share issuance cost	–	(6,001)	–	(6,001)
As at 31 December 2020	71,557	252,279	1,455,877	1,779,713

Notes 1 to 10 form part of these financial statements.

Notes to the financial statements

1. Basis of preparation
Network International Holdings Plc (the 'Company') was incorporated on 27 February 2019. The Company was incorporated as part of a reorganisation to facilitate the listing of Network International Group (Network International Holdings Plc and its subsidiaries 'the Group') on the London Stock Exchange. The Company's accounts are prepared based on FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, and presentation of a cash flow statement, standards not yet effective and related party transactions. Where relevant, equivalent disclosures have been given in the consolidated financial statements of Network International Holdings Plc, which the Company is consolidated in. We expect to continue to take advantage of this disclosure exemption for the foreseeable future. The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value.

The Company listed its shares on the London Stock Exchange on 12 April 2019.

2. Functional and presentation currency
The Company's functional currency is British Pound ('GBP'). The Company's financial statements have been presented in United States Dollar ('USD') to align with the Group presentation currency. All financial information presented in USD has been rounded to the nearest thousands, except when otherwise indicated.

3. Going concern
Notwithstanding net current liabilities of USD 22.9 million (2020: net current assets of USD 226.6 million) and a loss for the year of USD 17.4 million (2020: USD 18.4 million) the Directors have prepared the financial statements on a going concern basis for the following reasons.

The Company acts as the ultimate holding company of Network International Group (the 'Group'). The Group has made a profit of USD 56.6 million (2020: USD 5.6 million) with cash inflow from operating activities of USD 17.4 million (2020: USD 107.5 million) for the year and has a net asset position of USD 612.4 million as at 31 December 2021 (2020: 498.0 million). Furthermore, the Group meets its day-to-day working capital and financing requirements through its cash generated from operations and its banking facilities.

The Directors have adopted the going concern basis after having considered the going concern assessment performed for the Group, as further described in note 2 to the consolidated financial statements.

The Directors have, based on the assessments of the Group's and the Company's future business plan and other due considerations, a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on going concern basis.

4. Significant accounting policies
a. Investment in subsidiaries
Investment in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. Management has considered whether there are any impairment indicators. Based on management assessment, including sufficient liquidity and positive net current assets position of the Group, management concludes that there are no such impairment indicators.

b. Dividends
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

c. Financial instruments

Non-derivative financial instruments comprise other receivables and other payables, due to a related party.

i. Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company 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 & loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As of 31 December 2021, the Company's financial assets include other receivables and cash and cash equivalents. All these financial assets are measured at amortised cost.

Financial liabilities

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

As of 31 December 2021, the Company's financial liabilities include other payables and due to a related party. All these financial liabilities are measured at amortised cost.

iii. De-recognition of financial instruments

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

In case where the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

d. Share-based compensation

The Company currently operates the following share-based compensation plans for its Group entity employees.

- Long Term Incentive Plan (LTIP)

LTIP is an equity-settled share-based payment. The Company's accounting policy with respect to these incentive plans are as under.

4. Significant accounting policies continued

Equity-settled share-based payment

Equity-settled share-based payment transactions, in which the Company receives services as consideration for equity instruments of the parent entity (including shares or share options).

For equity-settled share-based payment transactions, the Company measures the services received, and the corresponding increase in equity, directly, at the fair value of the services received. If the fair value cannot be estimated reliably, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Company measures the fair value of the equity instruments granted, because it is typically not possible to estimate reliably the fair value of employee services received. The fair value of the equity instruments granted is measured at grant date.

For services measured by reference to the fair value of the equity instruments granted, all non-vesting conditions are taken into account in the estimate of the fair value of the equity instruments. However, vesting conditions that are not market conditions are not taken into account when estimating the fair value of the shares or options at the relevant measurement date. Instead, vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognised for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition (other than a market condition).

The fair value of equity instruments granted should be based on market prices, if available, and take into account the terms and conditions upon which those equity instruments were granted. In the absence of market prices, fair value is estimated, using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties.

The Company has calculated the fair value of the equity instruments granted by applying well-established principles of financial analysis, adapted as appropriate to meet the requirements of valuing individual incentive plans. For the valuation of the plan with only non-market conditions, the Black-Scholes model has been used whereas, for the valuation of the incentive plan with market condition, the Monte-Carlo model has been used to compute the fair value of the equity instruments.

After vesting date and a corresponding increase in equity, no subsequent adjustment to total equity shall be made. The Company will not subsequently reverse the amount recognised for services received from an employee if the vested equity instruments are later forfeited or, in the case of share options, the options are not exercised. However, a transfer within equity is allowed, i.e. a transfer from one component of equity to another.

5. Critical accounting estimates and judgements

The preparation of financial statements requires Directors to make judgements and estimates that affect the application of accounting 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 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. During the year, management has not applied any accounting estimates and judgements that are critical for the preparation of the Company's financial statements.

6. Investment in subsidiaries

	2021 USD'000	2020 USD'000
Investment in Network International Holding 1 Limited	**1,553,158**	1,553,158
Investment in Network International Holding 2 Limited[1]	**–**	–
Investment in 3G Direct Pay Holdings Limited	**283,201**	–
Investment in Network International LLC	**6,855**	–
	1,843,214	1,553,158

1 As at 31 December 2021, the investments in Network International Holding 1 Limited (as above) and Network International Holding 2 Limited (USD 100) comprise 100% of their ordinary share capital.

On 28 July 2020, the Group entered into an agreement to acquire (the 'Transaction') 100% stake in 3G Direct Pay Holdings Limited ('DPO'), the leading, high-growth online commerce platform in Africa. The sale was subsequently completed on 28 September 2021. The total consideration price of the transaction amounted to USD 291.5 million, of which USD 228.8 million was paid in cash and USD 62.7 million was paid through issuance of additional equity shares.

The Directors have assessed whether the Company's fixed asset investments require impairment. In making this assessment, the relationship between the Company's market capitalisation and the carrying value of its investments has been considered and noted that the market capitalisation as at 31 December 2021 was higher than Company's investment in subsidiaries. The assessment did not result in any impairment in 2021 (2020: Nil).

7. Due from a related party

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, parent, subsidiaries, and key management personnel or their close family members. The terms and conditions of these transactions have been mutually agreed between the Group and the related parties. Key management personnel consists of the Network Executive Committee.

	2021 USD'000	2020 USD'000
3G Direct Pay Holdings Limited	**1,000**	–

8. Due to a related party

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, parent, subsidiaries, and key management personnel or their close family members. The terms and conditions of these transactions have been mutually agreed between the Group and the related parties. Key management personnel consist of the Network Executive Committee.

	2021 USD'000	2020 USD'000
Network International LLC	**24,134**	26,433

9. 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.

	2021 USD'000	2020 USD'000
Issued and fully paid up		
561,101,690 shares of GBP 0.10 each (2020: 550,000,000 shares of GBP 0.10 each)	**73,077**	71,557

On 31 July 2020, the Company has issued additional share capital equivalent to 50 million shares. The shares were issued at a price of USD 5.3 per share (GBP 4.1 per share; par value: GBP 0.10 each). Accordingly, the Company's share capital has increased by USD 6.5 million, and the Company has recognised share premium of USD 258.3 million, out of which an amount of USD 6.0 million has been set off in relation to the costs that are directly attributable to the issuance of additional share capital.

On 28 September 2021, the Company issued additional shares equivalent to 11.1 million shares as part of the purchase consideration in the acquisition of DPO. Accordingly, the Company's share capital has increased by USD 1.5 million and the Company has recognised share merger reserve of USD 53.0 million.

10. Share-based compensation

The Group has established a long-term equity-settled share-based incentive plan (Network International Holdings Long Term Incentive Plan 'LTIP Plan') which is awarded to the eligible employees and subject to the condition specified under the LTIP Plan rules through various grants.

Key features of the Grants are as follows:

- Under the Grant, the plan is rolled out to select eligible employees of the Group.
- The award under this grant will normally vest on the third anniversary of the Date of Grant, unless an event occurs before then which causes the award to vest under the rules of the LTIP Plan. Some grants vest earlier than the three-year period.
- Multiple performance conditions apply to the award (including market and non-market), and the award may only vest to the extent that the performance conditions have been satisfied.

Under Grant 2, the plan is rolled out to all the employees of the Group, as an incentive in recognition of the efforts to support the listing of the Group. The award is subject only to the participant's continued employment with the Group.

10. Share-based compensation continued

Below are the details of the various grants:

Grant	Date of grant	Grant date share price	Vesting condition	Contractual life of options
1	17-May-19	GBP 5.3	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
2	24-Oct-19	GBP 5.25	a) Service condition only – Continued employment	1.5 years
3	13-Mar-20	GBP 4.33	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
4	19-Aug-20	GBP 4.08	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
5	15-Mar-21	GBP 4.38	a) Service condition only – Continued employment	1–2 years
6	26-Apr-21	GBP 4.25	a) Adjusted EPS b) Revenue c) Relative TSR	3 years
7	28-Sep-21	GBP 3.59	a) Continued employment b) No Supplemental Claims outstanding under DPO Share Purchase agreement	1–2 years

Detail of the valuation assumptions:

Description	Grant 1 17 May 2019	Grant 2 24 October 2019	Grant 3 13 March 2020	Grant 4 19 August 2020
Valuation model	Black-Scholes and Monte-Carlo model	Black-Scholes	Black-Scholes and Monte-Carlo model	
Risk free interest rate	0.69% p.a.	0.51% p.a.	0.69% p.a.	0.006% p.a.
TSR Comparator Group	Constituents of the FTSE 250 at the time of grant	n/a	Constituents of the FTSE 250 at the time of grant	
Dividend equivalent	0% (assumed participants entitled to dividends or dividend equivalents)	3% assumed dividend yield	0% (assumed participants entitled to dividends or dividend equivalents)	

Description	Grant 5 15 March 2021	Grant 6 26 April 2021	Grant 7 28 September 2021
Valuation model	Black-Scholes and Monte-Carlo model		Black-Scholes
Risk free interest rate	0.69% p.a.	0.127% p.a.	0.51% p.a.
TSR Comparator Group	n/a	Constituents of the FTSE 250 at the time of grant	n/a
Dividend equivalent	0% (assumed participants entitled to dividends or dividend equivalents)		

Contact Information

Registered Office
Suite 1,
3rd Floor,
11–12 St James's Square,
London SW1Y 4LB
United Kingdom

Head Office
Network International
Level 1, Network Building,
Al Barsha 2, Dubai,
United Arab Emirates.
Tel: +971 4 3032431
Fax: +971 4 3495377

Registered number
11849292

Investor Relations
investorrelations@network.global

Company Secretary
secretariat@network.global

Corporate brokers
Citigroup Global Markets Limited
Citigroup Centre,
33 Canada Square,
Canary Wharf,
London E14 5LB
United Kingdom

J.P. Morgan Securities plc
25 Bank St,
Canary Wharf,
London E14 5JP
United Kingdom

Auditors
KPMG LLP
15 Canada Square,
London E14 5GL
United Kingdom

Registrars
Link Group
10th Floor,
Central Square,
29 Wellington Street,
Leeds LS1 4DL
United Kingdom

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C107262

This report is printed on GenYous uncoated paper.
Manufactured at a mill that is FSC® accredited.

Printed by Principal Colour.

Principal Colour are ISO 14001 certified,
Alcohol Free and FSC® Chain of Custody certified.

Designed and produced by three thirty studio
www.threethirty.studio

Registered Office
Suite 1,
3rd Floor,
11-12 St James's Square,
London SW1Y 4LB
United Kingdom

Head Office
Level 1,
Network Building,
Al Barsha 2, Dubai,
United Arab Emirates

investors.networkinternational.ae