Full year 2022 results presentation

9th March 2023

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Disclaimer

This announcement contains certain forward-looking statements with respect to the financial condition, results or operation and businesses of Network International Holdings plc. Such statements and forecasts by their nature involve risks and uncertainty because they relate to future events and circumstances.

There are a number of other factors that may cause actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements. These factors include general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance of programmes, or the delivery of products or services under them; industry; relationships with customers; competition; and ability to attract personnel.

You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances.

2022 Business review

Nandan Mer, CEO

Continued disciplined high growth and focus on execution to deliver strategic priorities

Record revenue growth	+24%	Group revenue USD 438m
Significant margin expansion	+240 bps	u.EBITDA[1] USD 179m
Strong FCF generation	+32%	u.FCF[1] USD82 m; leverage 0.7x
Shareholder returns	USD 100m	Buyback programme initiated
Positive strategic progress		Record customer wins, new business lines launched, new market entries

Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

Huge addressable market opportunity growing at a fast pace

MEA Personal Consumption Expenditure[1]
(Growing at 8-10%[2])

Of which is Electronic Consumer Payments[3]
(Growing at low teens[4])

Network Total Processed Volumes
(Growing at 20%+[5])

Network currently captures c1.5% of Personal Consumption Expenditure in the MEA, giving us a significant runway for growth

Notes: 1. EDC data for the year ended 2021. Private Consumption Expenditure (PCE) estimated by Economic Intelligence Unit (EIU) for Africa and Middle Eastern countries. 2. Edgar Dunn & Company, MEA PCE growth CAGR 2020-2025. 3. 20% of PCE pool is digital in MEA. 4. Edgar Dunn & Company Data, transaction value, forecast for total non-cash payments excluding account to account. 5. 20%+ growth aligned to medium-long term financial targets set at our Capital Markets Day in September 2021.

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Uniquely positioned to continue to be the leader in digital payments

Scale

Serving 200+ FI[1] customers and >150k merchants in 50 markets

+

Capabilities

Market leading solutions across entire payments value chain

+

On-soil presence

>1,900 professionals in 15 markets

Technology deployed in UAE, Jordan, Saudi Arabia, Egypt, Ghana, Nigeria and South Africa

Continued strategic progress maintaining our competitive advantage

Merchant Services	Outsourced Payment Services
Accepting the widest range of digital payments	Accelerated onboarding by utilising APIs
Widest range of Value Added Services	Growing rapidly in Saudi Arabia
Unlocking underserved SMEs in 21 markets	Launched new commercial payments solutions

Note: 1. FI – Financial Institution

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Record new merchant wins and strong TPV growth

	Vs. 2021	
Revenue	+41%	Strong competitive position in markets we serve
Total Processed Volume (TPV)[1]	+38%	Record new merchant signups
Middle East TPV[2]	+29%	23% ahead of pre-pandemic 2019
Africa TPV[3]	+303%[3]	30% y/y on pro-forma basis, constant FX growth[4]

Note: 1. Network and DPO direct-to-merchant volumes, excludes acquirer processing volumes following new segmentation, with acquirer processing volumes now part of Outsourced Payment Services. DPO volumes present for 12 months in 2022, compared with only 3 months in 2021 after acquisition 2. Direct-to-merchant TPV in the UAE and Jordan only.3.Considering twelve months of DPO in 2022 and three months in 2021, following the completion of the acquisition in September 2021. 4. DPO proforma TPV for the twelve months of 2022 compared with the twelve months of 2021, in constant FX.

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We are best positioned to serve enterprise and SME merchants

Best in class sector specific solutions

- FOODICS — SMEs in food & beverage
- FREEDOMPAY — Hospitality industry
- ezetap — Supermarket industry
- Remote terminals
- Face pay

A wide range of value-added solutions

- Merchant data dashboards
- Merchant lending[1]
- Consumer lending[1]
- Webstore builder

Accepting the most stores of value

Local and international schemes: VISA, Mastercard, UnionPay, American Express, Diners Club International, Discover, JCB, RuPay

Mobile money wallets: airtel, M-PESA, MTN, vodafone

Digital wallets: Google Pay, Alipay, WeChat Pay, terrapay, Apple Pay, UPI QR Code

Buy-Now-Pay-Later: tabby

Loyalty schemes: ADCB TouchPoints, Plus Points Emirates NBD

Note: 1. Network International does not provide lending directly. Lending is facilitated through a third-party bank partner.

DPO has expanded our capabilities and merchant reach in Africa

Added scale and access to new revenue pools

- Delivered revenue of USD 31.5 million in 2022
- Direct-to-merchant services across 21 African markets

Increased revenue across high growth segments

- DPO has doubled our e-commerce revenues, a strategic focus area.
- Expanded our reach across new industries, including sector specific partnerships in travel and airlines

Key strategic advances

- **Real-time onboarding in 19 African markets,** accelerating the SME sign up process
- **Launched 'DPO Pay' merchant app,** providing new online payment services through self-service capabilities, including email payment links
- **Introduced Airtel mobile money acceptance** in Rwanda, Malawi & Zambia
- **Received Payment Service Provider (PSP) License in Kenya**, by the Central Bank

Merchant services in Egypt focused on under-served and high margin SMEs

Large market and spending pool

105m
Population

6.6%
GDP growth[1]

USD 330bn+
PCE[2]

Underpenetrated market with a long runway for growth

USD **22bn+**
Egyptian market acquiring volumes[3]

High
Double digits
Expected digital payments growth[4] (2021-25)

Fragmented and underserved SME landscape

- Bank acquirers focused on large and key enterprise merchants
- Fragmented SME competitors, with no player of scale
- SME payment services remain nascent, focused on POS and card payments

Network's go to market approach

- **Provide a one stop shop offer** through the introduction of our enhanced services and expertise, empowering SMEs with digital payment methods
- **Differentiating our product offering** through a wide range of acceptance and value-added-services

Notes: 1. IMF country data, 2022 real GDP growth estimate. 2. Edgar Dunn & Company, 2021 data. 3. Edgar Dunn & Company, 2020 data. 4. Transaction value, non-cash payments, excluding account to account network

Outsourced Payment Services seeing strong momentum in new customers

New financial institution customers
18

Credentials hosted[1]
+8%
Vs. 2021

Transactions processed[1]
+32%
Vs. 2021

Select new Financial Institution customers

Expanded services and renewals

Notes: 1. For definitions of Key Performance Indicators, see slide 37.

Supported by good progress in enhancing capabilities and new revenue streams

Accelerated onboarding

› Now have over 150 APIs[1] to automate onboarding
› Simplifying the integration of new capabilities

Expanded fraud solutions and digital services

- Mobile wallet provisioning
- FICO Falcon Fraud Manager
- 3D Secure 2.0 / Biometrics

Launched new commercial payments opportunity

- Business and corporate cards
- Central Travel Account
- Procurement cards
- **4** Client wins

Note: 1. APIs– Application Programming Interface

Unlocking a new revenue opportunity in the Kingdom of Saudi Arabia

Attractive addressable market

Government initiatives supporting digitisation

- **'Saudi Vision 2030'** targeting c70% digital payments by 2025[1] vs. current 27%[2]
- **Retail outlets must have a point-of-sale device** installed to accept digital payments.
- **Plans to make KSA a global fintech centre**, targeting over 500 active fintechs by 2030[3].
- **Launch of mobile payments** such as Apple Pay and Mada pay.

Reminder of our long-term financial plan

USD 50m	c50%
Annual revenue	EBITDA margin

A year of significant progress

- **Completed deployment of on-soil technology** and established connections with domestic (Mada, Saudi Payments) and international schemes
- **Established office and team** with local Saudi talent
- **Hosted inaugural networking event,** strengthening our relationships with local regulators and stakeholders
- **Four processing customer wins**, taking our total customers to six, with a healthy pipeline in place
- **Merchant Services revenue opportunity** following approval to receive Payment Institution license[4]

Notes: 1. vision2030.gov.sa. 2. Edgar Dunn & Company data, digital as a % of transaction volumes. 3. Fintech Saudi Annual Report 2021/2022. 4. Licenses will be granted upon satisfaction of a number of customary conditions which Network is in the process of addressing before the expected date of launch/grant of license.

Strategic priorities ahead

Merchant Services

Continued focus on scaling rapidly in SME & e-commerce

Further enhance Value-Added-Services and range of payment acceptance methods

Scale up rapidly in Egypt

Launch in Kingdom of Saudi Arabia

Launch face to face payments in South Africa

Outsourced Payment Services

Accelerate and expand processing services in KSA

Deploy on-soil technology platform in South Africa

Deliver new value-added services through partnerships

Scale up in Commercial Payments

2022 financial review

Rohit Malhotra, CFO

Strong financial performance with revenue growth in line with guidance

(USDm)	2022	2021	y/y
Revenue[2]	438.4	352.2	*+24.5%*
Underlying EBITDA[1,2]	178.6	143.5[3]	*+24.5%*
Underlying EBITDA margin[1,2]	40.7%	38.3%	*+240bps*
Underlying basic EPS[1,2]	15.7c	11.6c	*+35.3%*
Underlying FCF[1,2]	81.9	61.9	*+32.3%*
Leverage	0.7x	0.9x	*(0.2)x*

+ 29% in constant FX excl. DPO from 2021 base, in line with guidance

+329bps y/y margin expansion excl. DPO, TG Cash and Mercury contribution in 2021

Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37. 2. There is a twelve-month contribution from DPO in 2022 vs. a three month contribution in the prior year. 3. 2021 Underlying EBITDA includes a cUSD8m contribution from associate, TG Cash.

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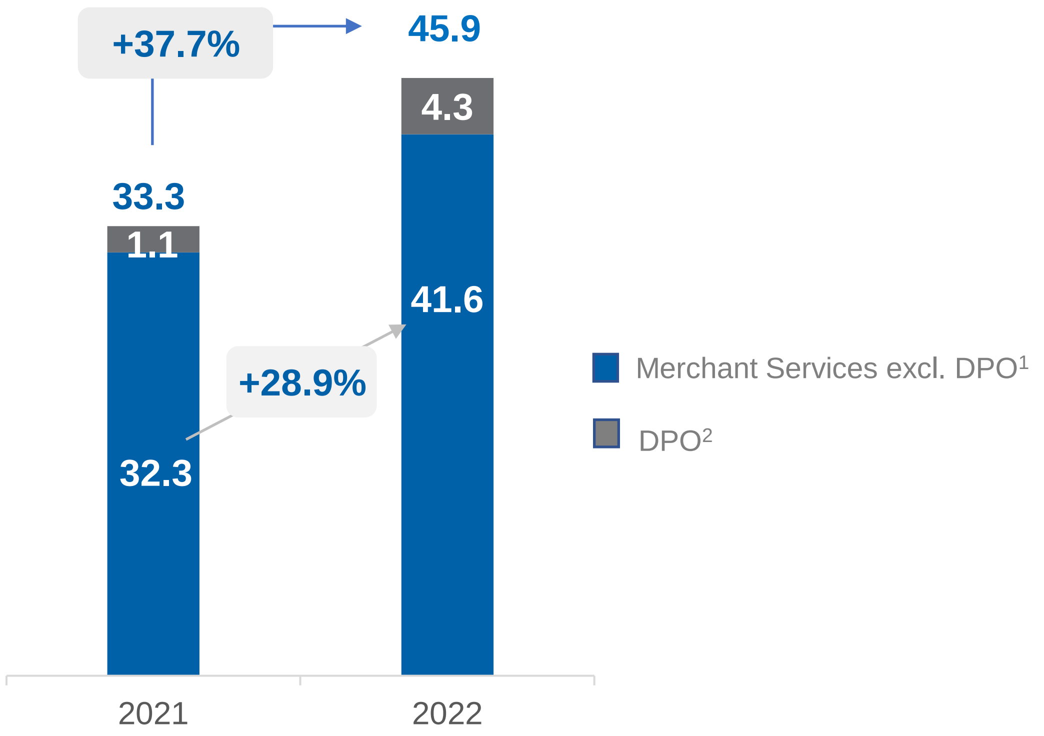
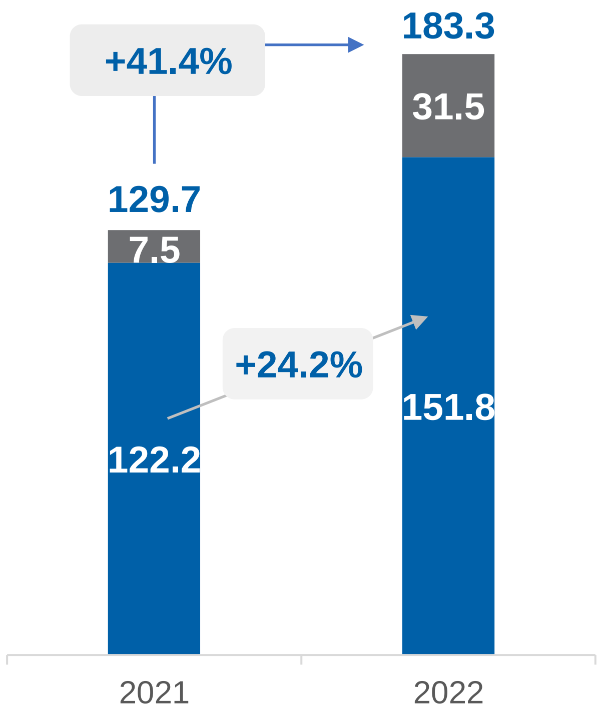
Merchant Services revenue growth driven by UAE consumer spending & new wins

Total Processed Volume (TPV[1,3]) (USDbn)



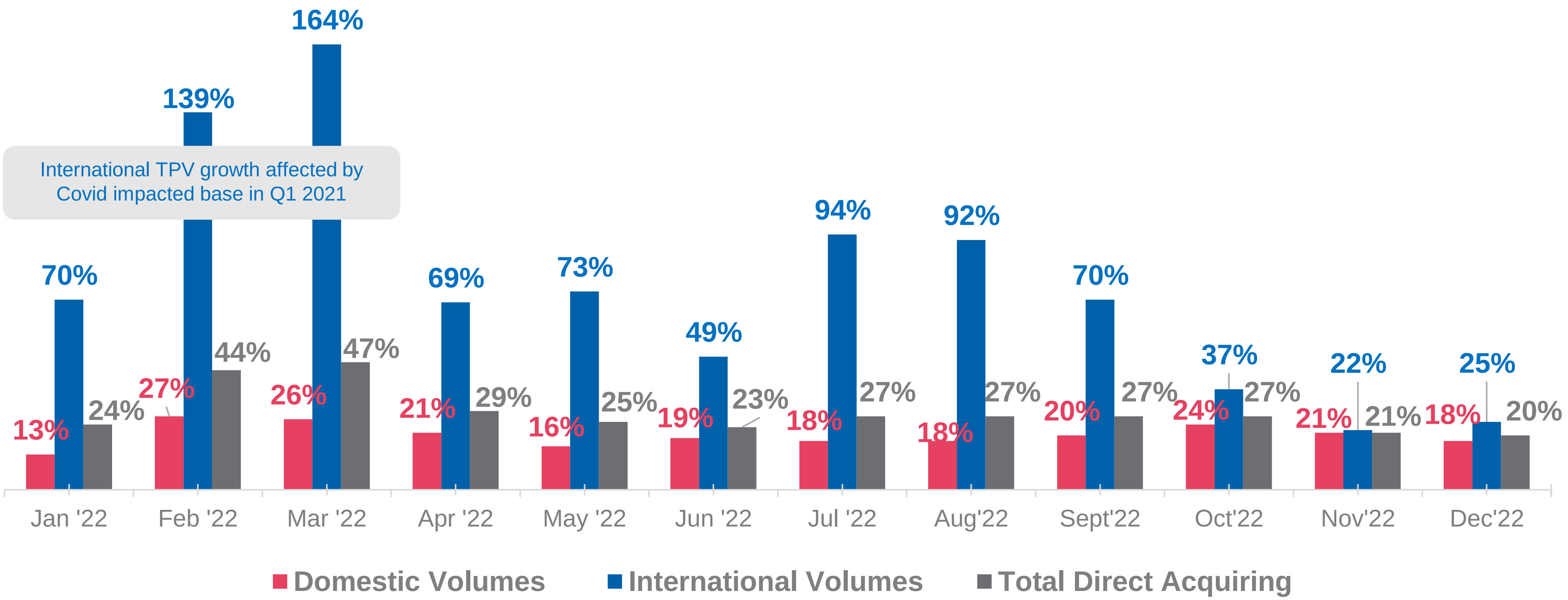
Merchant Services revenue (USDm)



Notes. 1. Merchant Services excl. DPO relates to direct-to-merchant services in the UAE and Jordan, primarily excluding acquirer processing revenue following new operating segments, with the 2021 base restated accordingly. 2. DPO was acquired in September 2021, therefore there is a three-month contribution in 2021 vs. twelve months in 2022. 3. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

UAE domestic consumer spending remains strong; International TPV growth reflects the return of tourism

UAE & Jordan direct-to-merchant y/y TPV growth[1]



Notes. 1. Relates to TPV growth trends for Network's direct-to-merchant business in UAE & Jordan only, not including African markets through DPO. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

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DPO has delivered considerable value and expanded merchant services in Africa

Total Processed Volume

2022: USD 4.3bn

+19% y/y

+30% Constant FX

2021: USD 3.6bn

Revenue

2022: USD 31.5m

+17% y/y

+27% Constant FX

2021: USD 26.9m

EBITDA and margin

2022: USD 5.8m[1]

c20% u. EBITDA margin, excl. exceptional items, constant FX

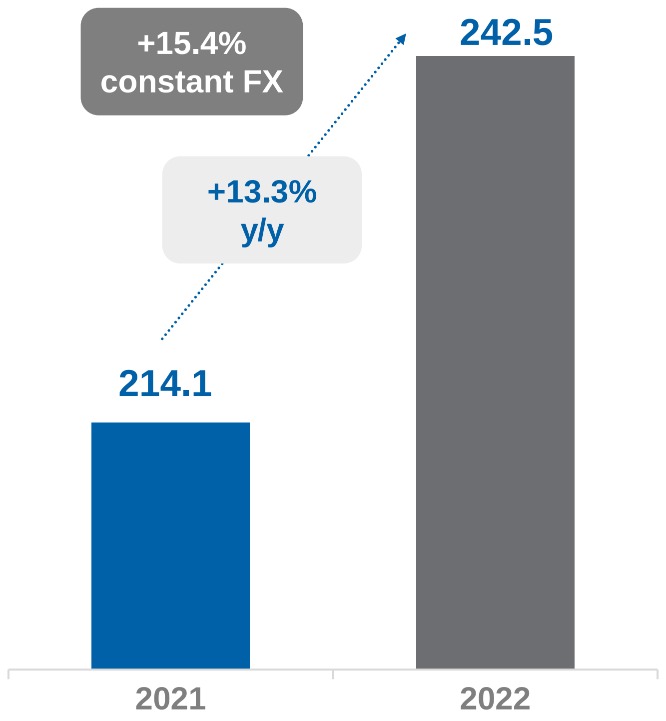
2021: USD 4.4m

DPO financials will be included within Merchant Services from FY23

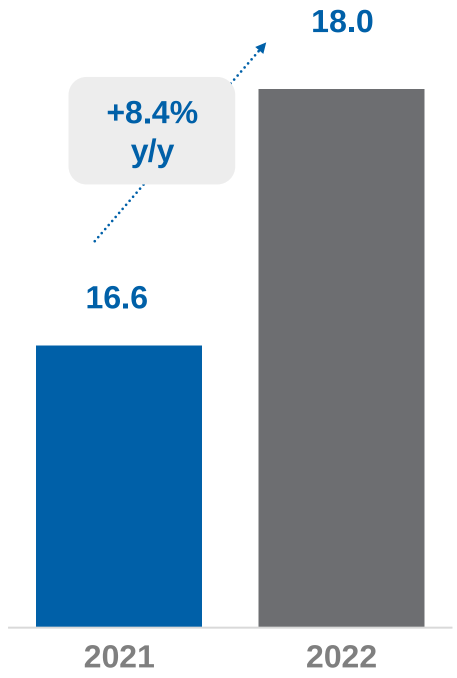
Notes. DPO was acquired in September 2021 therefore there is a three-month contribution in 2021 vs. twelve months in 2022, pro-forma data is presented in the slide for information only. 1. EBITDA normalised for exceptional items.

Outsourced Payment Services growth supported by strong KPIs and new FI wins

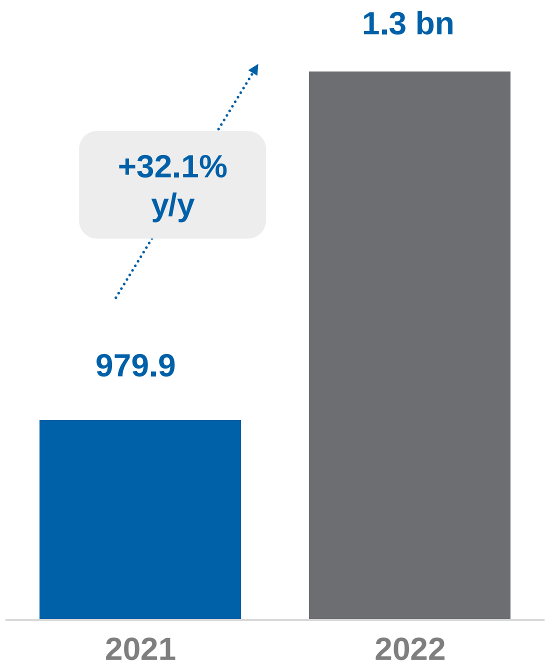
Outsourced Payment Services revenue (USDm)



Credentials hosted (m)[1]



No. of transactions (m)[1]



Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

Strong revenue performance across our key geographies

Middle East

- Very strong UAE performance, driven by buoyant economic conditions and consumer confidence
- Performance in Jordan also strong, with double-digit growth across all quarters
- Saudi Arabia remains a small contributor but fast growing as a new market entry

USD **288m**
Revenue

+16% y/y

66% of Group revenue[3]

Key market participation of Middle East revenue:

- UAE: 86%
- Rest of Middle East[4]:14%

Africa[2]

- Strong revenue growth through Q1-3, with Q4 slowing given tough macro conditions in South Africa which impacted consumer spending.
- Continued expansion in KPIs[1], particularly in the number of transactions processed
- Good performance at DPO

USD **143m**
Revenue

+42% y/y

+20% excl. DPO

33% of Group revenue[3]

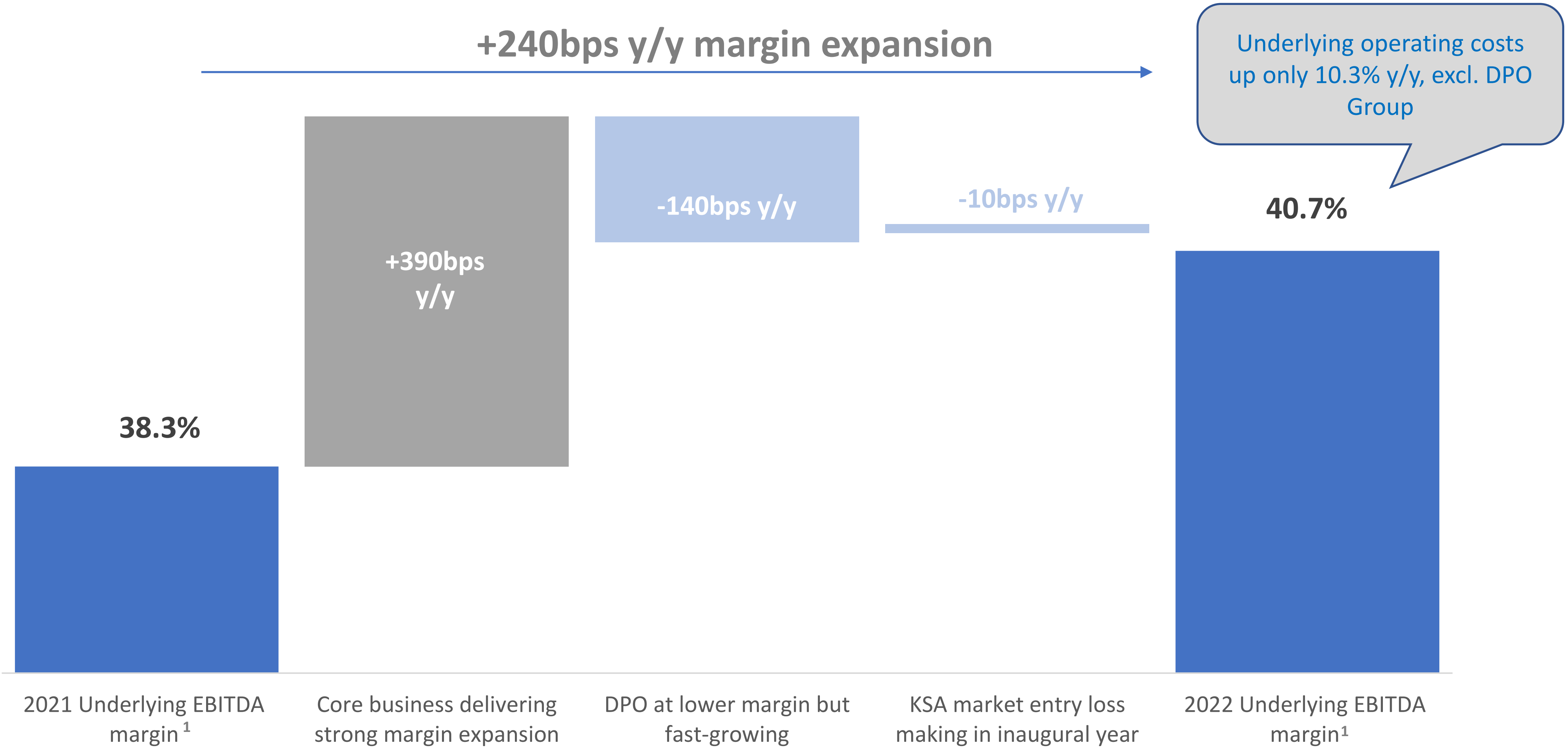
Key market participation of Africa revenue:

- North Africa: 36%
- Sub-Saharan Africa: 36%
- Southern Africa: 28%

Notes: 1. For definitions of Key Performance Indicators, see slide 37. 2. Africa revenue includes twelve month contribution from DPO. 3. Remaining percentage of group revenue relates to the other revenue line and revenue from Mastercard strategic partnership. 4. Rest of Middle East mainly relating to Jordan and Kingdom of Saudi Arabia.

Core business margin expansion demonstrates strong inherent operating leverage

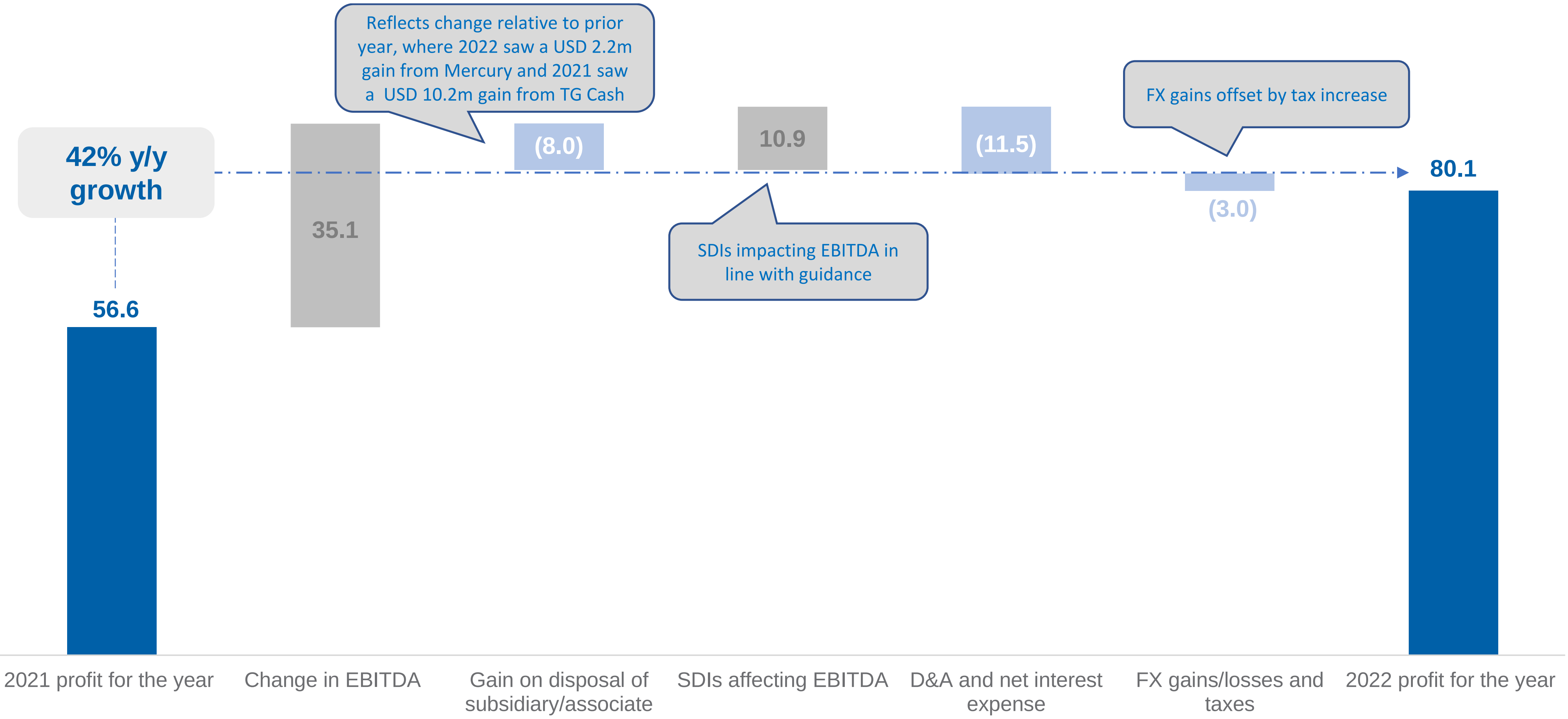
y/y EBITDA margin bridge



Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

Higher underlying EBITDA supporting profit growth of 42% y/y

Profit bridge (USDm)



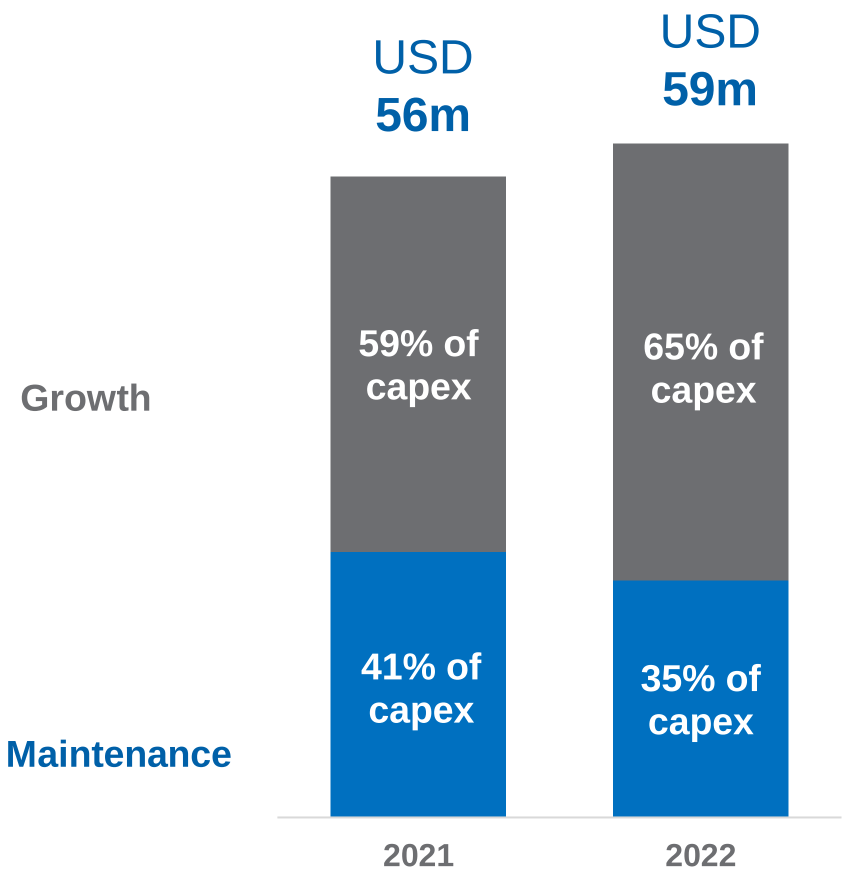
Capital expenditure aimed at unlocking new revenue and growth opportunities

Growth

- Investment in merchant and financial institution customer onboarding including POS terminals and new products/capabilities.
- Supporting the delivery of revenue growth and the expansion of new services with existing customers.
- Investment to deliver processing services in Saudi Arabia now complete, in line with expectations.

Maintenance

- Enhancement of existing tech infrastructure, including databases and ongoing upgrades.
- Emirates NBD separation which is largely complete.



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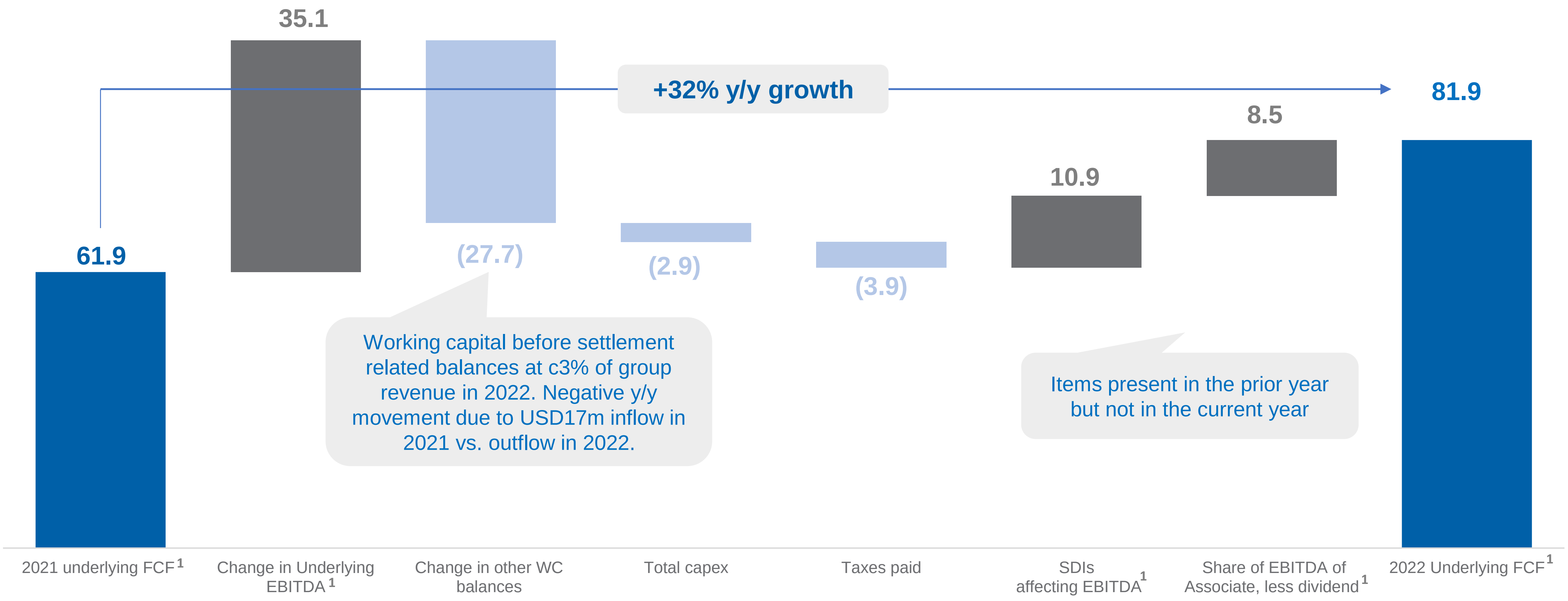
Free cash flow up 32% year on year, driven by strong EBITDA performance

Underlying free cash flow[1] bridge y/y (USDm)



Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

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Capital allocation policy prioritises investment for growth

Investment for further growth opportunities

› **Selective organic investment** to accelerate growth, such as market entry into KSA, Merchant Services launch in Egypt; and new business lines such as Commercial Payments.

› **Potential M&A,** where we will be disciplined around targets, focusing on three strategic areas:

1) in market consolidation; 2) new market entry; 3) new products and capabilities

Stable balance sheet

› Leverage at 0.7x, below the **1–2x average target range over the medium to long term**

› Comfortable stretching above target in the short term for M&A, with a clear deleveraging profile.

Shareholder returns

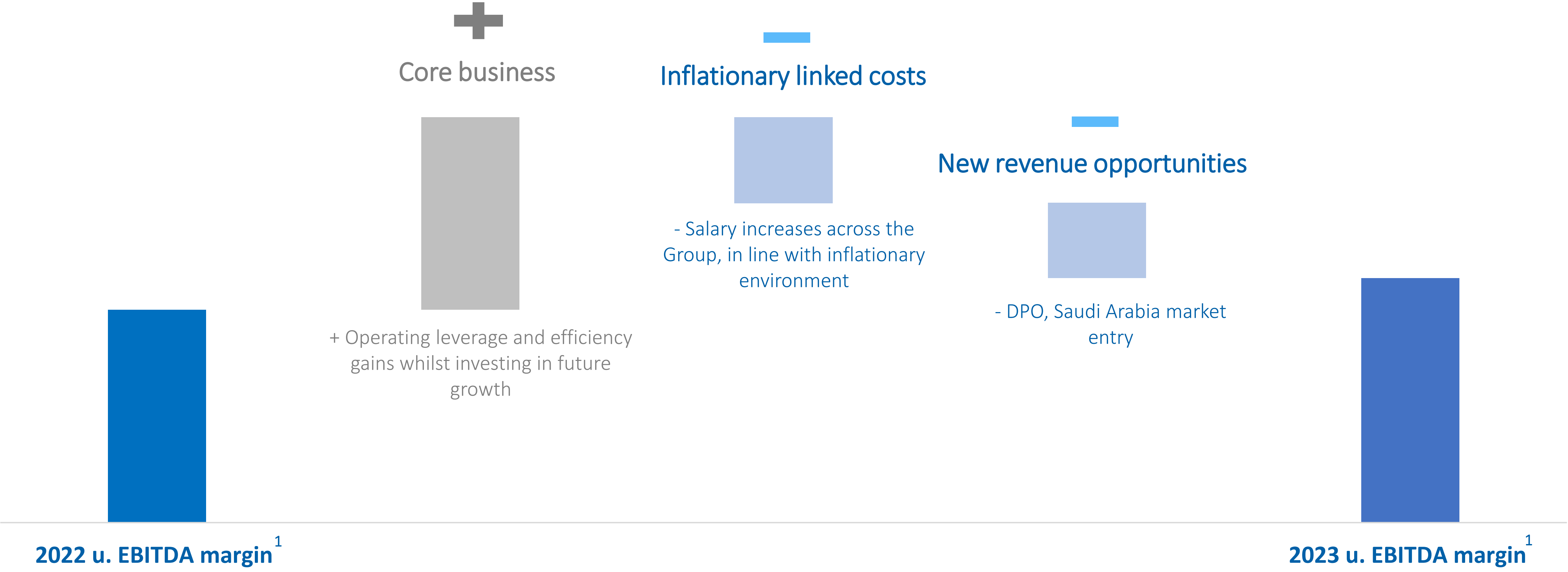
› **Launched a share buyback programme of up to USD 100m** to deploy excess cash

› Repurchased 11.5 million shares through 2022, equivalent to USD 40.6 million.

2023 guidance: high teens constant currency revenue growth

Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

2023 guidance: slight year on year underlying EBITDA margin expansion



Notes: 1. For definitions of Alternative Performance Measures and Key Performance Indicators, see slides 36-37.

Building blocks to deliver our medium-long term 20%+ revenue target

Underlying market growth
Low teens CAGR

Merchant Services

Outsourced Payment Services

Merchant Services

- Share gains: **+ Core UAE & Jordan**
- Presence in Africa: **+ DPO**, **+ Newly launched Egypt**
- New opportunities: **+ VAS**, **+ Future new markets**

Outsourced Payment Services

- Share gains: **+ Core Middle East & Africa**, **+ New FI/fintech wins**, **+ Greater cross-sell**
- KSA processing: **+ Future new markets**
- New opportunities: **+ VAS**, **+ Mobile Money wallets**, **+ Commercial Payments**

20%+ Revenue CAGR

Summary

Nandan Mer, CEO

Best positioned to be the fastest growing payments company in MEA

Fast growing markets

- High population and GDP growth
- Vast addressable consumer personal consumption expenditure pools
- Growing financial inclusion
- Digital payment transition accelerated by pandemic and Government initiatives
- E-commerce growth

Uniquely positioned with market leading capabilities

- Operate across two complementary business lines serving merchants and financial institutions
- On-soil in 15 markets
- On-soil technology deployment in seven markets
- Full range of products and value-added services
- Automation to accelerate new customer signup

Unmatched scale efficiencies

- Only pan-regional payments business operating at scale in 50 countries
- 200+ Financial institution and >150k merchant relationships
- Monetising existing relationships through a wide range of products and services
- Delivering operating efficiencies through digitization initiatives

Organic and inorganic acceleration opportunities

- New markets or new business lines in existing markets
- New customer pools across fintechs and mobile money operators
- New payment flows including commercial, P2P, account-to-account
- Consolidation opportunities through potential M&A

Core Growth Drivers

Further Upside

Appendix

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Segment results and KPIs

	Year end 31 Dec (Audited) 2022 (USD'000)	2021 (USD'000)
Segmental Results		
Merchant Services revenue[1]	183,347	129,670
Outsourced Payment Services revenue	242,510	214,082[2]
Other revenue[2,3]	12,514	8,493[2]
Merchant Services contribution margin	70.9%	70.4%
Outsourced Payment Services contribution margin	70.6%	68.7%
Geographical results		
Middle East revenue	288,383	247,683
Africa revenue	142,674	100,239
Other revenue[3]	7,314	4,323
Key Performance Indicators[4]		
Total Processed Volume (TPV) (USD m)[5]	45,905	33,327
Total number of credentials hosted (m)	18.0	16.6
Total number of transactions (m)	1,294.0	979.9

1. Merchant Services includes revenue from DPO Group, having completed the acquisition on 28th September 2021. Therefore, DPO contributed three months in the 2021 financials and twelve months in the 2022 financials. 2. 2021 other revenue has been restated in line with business re-segmentation, following the movement of other revenue relating to Diners into the Outsourced Processing Services business line. 3. Other revenue under segmental results primarily includes cash advance fees on withdrawals from ATMs, and foreign exchange gains / (losses) arising from the Merchant Services and Outsourced Payment Services business lines alongside revenues recognised relating to the Mastercard strategic partnership. Other revenues under Geographical results includes only revenues recognised relating to the Mastercard strategic partnership. 4. For definition of KPIs, please refer to slide 37. 5. TPV has been restated following the new segmentation of business lines, with TPV now primarily excluding acquirer processing volumes.

Income statement

	Year end 31 Dec (Audited)	
	2022	**2021**
	(USD'000)	(USD'000)
Revenue	**438,371**	**352,245**
Personnel expenses	(130,851)	(107,957)
Selling, operating and other expenses	(128,917)	(120,191)
Depreciation and amortisation	(71,429)	(60,958)
Share of profit of associate	-	4,694
Profit before interest, tax and gain on sale of a subsidiary /associate	**107,174**	**67,833**
Gain on sale of subsidiary / associate	2,170	10,169
Unrealised foreign exchange gains / (losses)	2,639	(910)
Net interest expense	(18,547)	(13,708)
Profit before tax	**93,436**	**63,384**
Taxes	(13,332)	(6,826)
Profit for the year	**80,104**	**56,558**
Attributable to:		
Equity holders of the Group	80,129	57,438
Non-controlling interest	(25)	(880)
Profit for the year	**80,104**	**56,558**
Underlying EBITDA	**178,603**	**143,477**
Reported basic earnings per share – in USD / cents	**14.5**	**10.4**
Underlying basic earnings per share – in USD / cents	**15.7**	**11.6**

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Balance Sheet and Cash Flow

	Year end 31 Dec (Audited)	
	2022	**2021**
	(USD'000)	(USD'000)
Assets		
Non-current assets	792,909	810,974
Current assets	785,859	813,892
Total assets	**1,578,768**	**1,624,866**
Liabilities		
Non-current liabilities	302,006	381,468
Current liabilities	649,080	630,985
Total liabilities	**951,086**	**1,012,453**
Total shareholders' equity	627,682	612,413
Total liabilities and shareholders' equity	**1,578,768**	**1,624,866**

	Year end 31 Dec (Audited)	
	2022	**2021**[1]
	(USD'000)	(USD'000)
Net cash flows before working capital balances	**162,845**	**110,102**
Net cash inflows from operating activities	**119,202**	**51,656**
Net cash outflows from investing activities	**(59,744)**	**(178,913)**
Net cash inflows / (outflows) from financing activities	**(137,740)**	**(10,743)**
Net decrease in cash and cash equivalents	**(78,282)**	**(138,000)**
Cash as part of held for sale	-	(2,619)
Effect of movements in exchange rate on cash held	(7,303)	(974)
Cash and cash equivalents at the beginning of the year	280,057	421,650
Cash and cash equivalents at the end of the year	**194,472**	**280,057**

1. Comparative year has been restated to reflect the change in IFRS guidance on the presentation of restricted cash in the statement of cash flows

Alternative performance measures

The Group uses Alternative Performance Measures to enhance the comparability of information between reporting periods either 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.

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 Egyptian Pound (EGP) and South African Rand (ZAR).

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.

Underlying EBITDA: is defined as profit for the year, before interest, taxes, depreciation and amortisation, unrealised foreign exchange gain/losses, gain on disposal of subsidiary/associate, share of depreciation of associate and specially disclosed items affecting EBITDA.

Underlying EBITDA Margin Excluding Share of Associate: is defined as underlying EBITDA before share of associate divided by the revenue.

Underlying basic earnings per share: 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.

Underlying Free Cash Flow: is calculated as underlying EBITDA adjusted for changes in other working capital balances, taxes paid, total capital expenditure, SDIs affecting EBITDA and adjustment for share of EBITDA of associate, less dividend.

Underlying Effective Tax Rate: is defined as underlying taxes as a percentage of the Group’s underlying net income before tax.

Underlying Net Income: represents the Group’s profit for the year adjusted for gain on sale of subsidiary/associate, and specially disclosed items.

Specially disclosed items: 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.

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 Services business line. The 2021 and 2022 TPV figures have been restated to exclude the acquirer processing volumes following the new business line segmentation, where acquirer processing is now within the newly classified Outsourced Payment Services segment.

Number of credentials hosted

Number of credentials hosted is defined as the aggregate number of consumer payment credentials managed and billed by the Group within its Outsourced Payment Services business line.

Number of transactions

Number of transactions is defined as the aggregate number of transactions processed and billed by the Group within its Outsourced Payments Services business line.