

Mastercard To Invest \$300 Million Into Network International's IPO

Digital payments and technology firm Mastercard will be making a cornerstone investment of \$300 million into a planned IPO of Dubai-based payments firm Network International in the London Stock Exchange.

The cornerstone investment will be based on the same terms as other institutional investors who are participating in the IPO, subject to a 9.99% ownership limitation, a 24-month lock-up period and a 36-month standstill not to acquire additional shares without Network International's board's approval.

Both companies have also entered into a partnership to support and accelerate the development of electronic payments in Africa and the Middle East.

As per the deal, Mastercard will pay or invest through Network International to drive innovation across product areas and improve the adoption of digital payments in Africa and the Middle East. The partnership will also support their "mutual strategy of growing the payments ecosystem in the world's most underpenetrated payments market."

Network International and Mastercard will also establish shared development projects and cross-referral arrangements for products and value-added services to financial institutions and merchants, including cyber and intelligence tools and tokenization solutions to drive incremental financial benefits to both parties. Both parties will retain and offer their respective independent solutions, and Network International fully retains its scheme agnostic strategy.

The deal is expected to provide synergy between the two companies who have partnered previously as well.

"Today's announcement will see both parties working on joint development projects and cross-referral arrangements to drive card penetration, usage and acceptance in the MEA region," said Simon Haslam, CEO of Network International. "In addition, it will also enable us to develop and offer new value-added solutions for our clients, through our scalable and secure pan-regional technology platforms."

Meanwhile Mastercard's President of Middle East and Africa, Raghu Malhotra, said that its partnerships with companies like Network International have helped in greater inclusion. "We believe that Network International's broad geographic reach will complement our existing activities and help to deliver a deeper and sustained shift from the use of cash and checks," he said

Established in 1994 as a fully-owned subsidiary of Emirates Bank, Network International was one of the first firms to provide internet commerce in the UAE through e-commerce solutions. It has since expanded its scope within the payments sector to facilitate mobile and other forms of electronic payments. Warburg Pincus and General Atlantic own 49% of

the company currently - a share they bought over in 2015 from the now defunct Abraaj Capital and Emirates Investment Authority.

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