
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM F-10
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

NUVEI CORPORATION
(Exact name of registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Canada
(Province or Other Jurisdiction of
Incorporation or Organization)

7389
(Primary Standard Industrial
Classification Code)

48-1298435
(I.R.S. Employer
Identification No.)

**1100 René-Lévesque Boulevard West, Suite 900
Montreal, Quebec H3B 4N4
(514) 313-1190**
(Address and telephone number of registrant's principal executive offices)

**Nuvei Technologies Inc.
1375 N Scottsdale Rd
Ste 400
Scottsdale, AZ 85257
1 (480) 285-2000**

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

**Philip Fayer
Nuvei Corporation
1100 René-Lévesque
Boulevard West, Suite 900
Montreal, Québec, Canada
H3B 4N4
(514) 313-1190**

**Caitlin Rose
Fasken Martineau
DuMoulin LLP
800 Square Victoria
Suite 3500
Montreal, Québec, Canada
H4Z 1E9
(514) 397-5277**

**Marcel R. Fausten
Byron B. Rooney
Davis Polk & Wardwell
LLP
450 Lexington Avenue
New York, NY 10017
(212) 450-4000**

**Paul Tropp
William Michener
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
(212) 596-9000**

**Approximate date of commencement of proposed sale of the securities to the public:
From time to time after this Registration Statement becomes effective.**

Province of Québec, Canada
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box)

- A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. At some future date (check the appropriate box below)

1. pursuant to Rule 467(b) on (date) at (time) (designate a time not sooner than 7 calendar days after filing).
2. pursuant to Rule 467(b) on (date) at (time) (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on (date).
3. pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
4. after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount of Registration Fee
Subordinate Voting Shares Preferred Shares Debt Securities Warrants Subscription Receipts Units			
Total	US\$806,195,923	US\$806,195,923	US\$74,735 ⁽³⁾

- (1) There are being registered under this Registration Statement such indeterminate number of (i) subordinate voting shares, (ii) preferred shares, (iii) debt securities, (iv) warrants, (v) subscription receipts and/or (vi) units comprised of one or more of the securities listed above in any combination as shall have an aggregate initial offering price not to exceed US\$806,195,923, representing the aggregate offering price of such securities included in the amended and restated short form shelf prospectus included herein (the "Prospectus") and not previously sold pursuant to the Prospectus. The proposed maximum initial offering price per security will be determined, from time to time, by the Registrant in connection with the sale of the securities registered under this Registration Statement.
- (2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").
- (3) Calculated in accordance with Rule 457(o).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registration Statement shall become effective as provided in Rule 467 under the Securities Act or on such date as the United States Securities and Exchange Commission, acting pursuant to Section 8(a) of the Securities Act, may determine.

PART I
INFORMATION REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

A copy of this preliminary prospectus supplement has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus supplement may not be complete and may have to be amended.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the United States Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus supplement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the amended and restated short form base shelf prospectus dated May 20, 2021 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in this prospectus supplement and in the amended and restated short form base shelf prospectus dated May 20, 2021 for purposes of the distribution of the securities to which this prospectus supplement pertains, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement, and in the amended and restated short form base shelf prospectus dated May 20, 2021 to which it relates, from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Nuvei Corporation at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada, telephone: (514) 313-1190, and are also available electronically at www.sedar.com. See “Documents Incorporated by Reference”.

Subject to completion, dated October 4, 2021

PRELIMINARY PROSPECTUS SUPPLEMENT
TO THE AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS
DATED MAY 20, 2021

New Issue

October ●, 2021



NUVEI CORPORATION

1,500,000 Subordinate Voting Shares

This offering (the “Offering”) is the initial public offering of subordinate voting shares (the “Subordinate Voting Shares”) of Nuvei Corporation (the “Company”, “Nuvei”, “us”, “we” or “our”) in the United States and a new issue of Subordinate Voting Shares in Canada. This preliminary prospectus supplement (the “Prospectus Supplement”) together with the amended and restated short form base shelf prospectus dated May 20, 2021 (the “Shelf Prospectus”) qualifies the distribution of an aggregate of 1,500,000 Subordinate Voting Shares (the “Offered Shares”) at a price of US\$● per share (the “Offering Price”).

The Offering is being made concurrently in Canada under the terms of the Shelf Prospectus and this Prospectus Supplement and in the United States under the terms of the Company’s registration statement on Form F-10 (the “Registration Statement”) filed with the United States Securities and Exchange Commission (the “SEC”).

Investing in the Subordinate Voting Shares involves significant risk. Prospective investors should consider the risk factors described under “[Risk Factors](#)” and “Cautionary Note Regarding Forward-Looking Statements” and in the documents incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus.

Goldman Sachs & Co. LLC

Credit Suisse Securities (USA) LLC

J.P. Morgan Securities LLC

BMO Nesbitt Burns Inc.

RBC Dominion Securities Inc.

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Our Subordinate Voting Shares are listed on the Toronto Stock Exchange (the “TSX”) in Canadian dollars under the symbol “NVEI” and in U.S. dollars under the symbol “NVEI.U”. Upon completion of the Offering, the Subordinate Voting Shares listed on the TSX will only be tradable in Canadian dollars under the symbol “NVEI”. On October 1, 2021, the last trading day prior to the date of this Prospectus Supplement, the closing prices of the Subordinate Voting Shares on the TSX were C\$154.24 and US\$122.00. The Company has applied to list the Subordinate Voting Shares to be registered pursuant to the Registration Statement and its outstanding Subordinate Voting Shares on the Nasdaq Global Select Market (“Nasdaq”) under the trading symbol “NVEI”. Listing will be subject to the Company fulfilling all of the listing requirements of the Nasdaq.

Price: US \$● per Offered Share

	Price to the public(2)	Underwriters' commission(3)	Net proceeds to the Company
Per Offered Share(1)	US\$ ●	US\$ ●	US\$ ●
Total Offering(4)	US\$ ●	US\$ ●	US\$ ●

- (1) The Offering Price is payable in U.S. dollars, except as may otherwise be agreed to by the Underwriters.
- (2) After deducting the Underwriters' commission equal to 3.25% of the gross proceeds of the Offering payable by the Company, but before deducting the expenses of the Offering, estimated to be approximately US\$●, which expenses will be paid by the Company out of the proceeds of the Offering as agreed upon by the Company. See “Plan of Distribution”.
- (3) The Offering Price was determined by negotiation between us and the Underwriters with reference to the market price of the Subordinate Voting Shares.
- (4) The Company has granted the Underwriters an option, exercisable at any time not later than the 30th day following the Closing Date (as defined below), to purchase up to 225,000 additional Subordinate Voting Shares (representing 15% of the Offered Shares offered hereunder) (the “Additional Shares”) on the same terms as set out above, solely to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the “Option to Purchase Additional Shares”). If the Option to Purchase Additional Shares is exercised in full, the total “Price to the public”, “Underwriters' commission” and “Net proceeds to the Company” will be US \$●, US \$● and US \$●, respectively. This Prospectus Supplement, together with the Shelf Prospectus, qualifies the grant of the Option to Purchase Additional Shares and the distribution of the Additional Shares to be delivered upon the exercise of the Option to Purchase Additional Shares. A purchaser who acquires Subordinate Voting Shares forming part of an over-allocation position acquires those Subordinate Voting Shares under this Prospectus Supplement, regardless of whether the position is ultimately filled through the exercise of the Option to Purchase Additional Shares or secondary market purchases. See “Plan of Distribution”.

The following table sets out the number of Subordinate Voting Shares that may be sold to the Underwriters pursuant to the Option to Purchase Additional Shares:

Underwriters' position	Maximum number of shares available	Exercise period	Exercise price
Option to Purchase Additional Shares	225,000 Subordinate Voting Shares	Exercisable not later than the 30 th day following the Closing Date	US \$● per Subordinate Voting Share

All dollar amounts in this Prospectus Supplement are in United States dollars, unless otherwise indicated. See “Currency and Exchange Rate Information”.

The Offering is being underwritten by Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. (collectively, the “Underwriters”) pursuant to an underwriting agreement dated October ●, 2021 (the “Underwriting Agreement”).

An investment in the Subordinate Voting Shares involves risks that should be carefully considered by prospective investors before purchasing Subordinate Voting Shares. The risks outlined in this Prospectus Supplement, the accompanying Shelf Prospectus and in the documents incorporated by reference herein and therein should be carefully reviewed and considered by prospective investors in connection with any investment in Subordinate Voting Shares. See “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors”.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR ANY U.S. REGULATORY AUTHORITY NOR HAVE THESE AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospective investors in the United States should be aware that this Offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted in the United States and Canada, to prepare this Prospectus Supplement and the accompanying Shelf Prospectus in accordance with the disclosure requirements of its home country. Prospective investors should be aware that such requirements are different from those of the United States. The Company prepares financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board; the financial statements incorporated herein have been prepared in accordance with IFRS and may be subject to foreign auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the Offered Shares described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States or Canada may not be fully described herein. See “Certain Canadian Federal Income Tax Considerations” and “Certain U.S. Federal Income Tax Considerations”.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Canada, that some of its officers and directors may be residents of a foreign country, that some or all of the Underwriters or experts named in the Registration Statement may be residents of a foreign country, and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States. See “Enforcement of Judgments Against Foreign Persons”.

We have two classes of issued and outstanding shares: the Subordinate Voting Shares and the multiple voting shares of the Company (the “Multiple Voting Shares”). The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Subordinate Voting Shares and Multiple Voting Shares are substantially identical, except with respect to voting, conversion and subscription rights and transfer restrictions applicable to the Multiple Voting Shares. Each Subordinate Voting Share is entitled to one vote, and each Multiple Voting Share is entitled to 10 votes and is convertible into one Subordinate Voting Share automatically upon transfer, subject to certain exceptions. Holders of Subordinate Voting Shares and Multiple Voting Shares vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law. The holders of Subordinate Voting Shares benefit from contractual provisions that give them certain rights in the event of a take-over bid for the Multiple Voting Shares. See “Description of Share Capital – Subordinate Voting Shares and Multiple Voting Shares – Take-Over Bid Protection” in the Shelf Prospectus.

Upon completion of the Offering and assuming no exercise of the Option to Purchase Additional Shares and no other issuances of Subordinate Voting Shares or Multiple Voting Shares as a result of the exercise of options or conversion of shares, the Company’s issued and outstanding share capital will consist of 64,870,281 Subordinate Voting Shares and 76,064,619 Multiple Voting Shares, representing approximately 7.86% and 92.14% of the voting power attached to all issued and outstanding shares, respectively.

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The Underwriters, as principals, conditionally offer the Offered Shares qualified under this Prospectus Supplement and the Shelf Prospectus, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement, as described under “Plan of Distribution”.

Certain legal matters relating to Canadian law with respect to the Offering will be passed upon on the Company’s behalf by Fasken Martineau DuMoulin LLP and on behalf of the Underwriters by McCarthy Tétrault LLP. Certain legal matters relating to United States law with respect to the Offering will be passed upon on the Company’s behalf by Davis Polk & Wardwell LLP and on behalf of the Underwriters by Ropes & Gray LLP.

Certain affiliates of Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. are lenders and agents in respect of the First Lien Credit Facility (as defined herein). Accordingly, we may be considered a “connected issuer” to Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. within the meaning of National Instrument 33-105 – *Underwriting Conflicts*. See “Plan of Distribution – Relationship Between Us and Certain Underwriters”.

Subject to applicable laws, the Underwriters may, in connection with this Offering, over-allot or effect transactions that stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **After the Underwriters have made reasonable efforts to sell the Offered Shares at the Offering Price, the Underwriters may offer the Offered Shares to the public at prices lower than the Offering Price. Any such reduction will not affect the proceeds of this Offering to be received by the Company. See “Plan of Distribution”.**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering of the Offered Shares is expected to take place on or about October ●, 2021, or such earlier or later date as the Company and the Underwriters may agree, but in any event no later than ●, 2021 (the “Closing Date”).

It is expected that the Company will arrange for the instant deposit of the Subordinate Voting Shares offered hereby under the book-based system of registration, to be registered to The Depository Trust Company (“DTC”) or its nominee and deposited with DTC on the Closing Date. However, in the case of certain Canadian purchasers, we may alternatively arrange for the electronic deposit of the Offered Shares distributed under the Offering under the book-based system of registration, to be registered in the name of CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS on the Closing Date. No certificates evidencing the Subordinate Voting Shares offered hereby will be issued to purchasers of the Subordinate Voting Shares. Purchasers of the Subordinate Voting Shares will receive only a customer confirmation from the Underwriter or other registered dealer from or through which a beneficial interest in the Subordinate Voting Shares is purchased. See “Plan of Distribution”.

One of our directors, Daniela Mielke, resides outside of Canada and has appointed the Company at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process. See “Enforcement of Judgments Against Foreign Persons”.

Our head and registered office is located at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada, and our telephone number is (514) 313-1190.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is composed of two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and adds to and supplements information contained in the accompanying Shelf Prospectus and the documents incorporated by reference therein. The second part is the Shelf Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the Shelf Prospectus solely for the purpose of this Offering.

Neither the Company nor any of the Underwriters has authorized anyone to provide any information other than that contained or incorporated by reference in this Prospectus Supplement or the accompanying Shelf Prospectus or any relevant free writing prospectus prepared by or on behalf of the Company or to which the Company has referred you. The Company and the Underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. It is important for you to read and consider all information contained in this Prospectus Supplement and the accompanying Shelf Prospectus, including the documents incorporated by reference herein and therein, and any free writing prospectus that the Company has authorized for use in connection with this Offering, in their entirety before making your investment decision.

If the description of the Offered Shares or any other information varies between this Prospectus Supplement and the accompanying Shelf Prospectus (including the documents incorporated by reference herein and therein), the information in this Prospectus Supplement supersedes the information in the accompanying Shelf Prospectus. The Offered Shares are not being offered in any jurisdiction where the offer or sale is not permitted.

Readers should not assume that the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus is accurate as of any date other than the date of this Prospectus Supplement and the accompanying Shelf Prospectus or the respective dates of the documents incorporated by reference herein or therein, unless otherwise noted herein or as required by law. It should be assumed that the information appearing in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Company may have changed since those dates.

This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering. We do not undertake to update the information contained or incorporated by reference herein or in the Shelf Prospectus, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus Supplement or the accompanying Shelf Prospectus and such information is not incorporated by reference herein or therein.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Shelf Prospectus solely for the purposes of this Offering. Other documents are also incorporated, or are deemed to be incorporated by reference, into the Shelf Prospectus and reference should be made to the Shelf Prospectus for full particulars thereof.

Copies of the documents incorporated by reference in this Prospectus Supplement and the accompanying Shelf Prospectus may be obtained on request without charge from the Corporate Secretary of the Company at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada, telephone: (514) 313-1190, and are also available electronically at www.sedar.com ("SEDAR") and at www.sec.gov ("EDGAR").

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The following documents, filed by the Company with securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the accompanying Shelf Prospectus:

- a) the annual information form of the Company dated March 17, 2021 for the year ended December 31, 2020 (the “Annual Information Form”);
- b) the audited consolidated financial statements of the Company as at and for the years ended December 31, 2020 and 2019, together with the notes thereto and the independent auditor’s report thereon;
- c) the management’s discussion and analysis of financial condition and results of operations of the Company for the year ended December 31, 2020 (the “Annual MD&A”);
- d) the unaudited condensed interim consolidated financial statements of the Company as at June 30, 2021 and for the three and six months ended June 30, 2021 and 2020, together with the notes thereto (“Interim Financial Statements”);
- e) the management’s discussion and analysis of financial condition and results of operations of the Company for the three and six months ended June 30, 2021 and 2020 (the “Interim MD&A”);
- f) the management information circular of the Company dated April 26, 2021 in connection with the annual meeting of shareholders of the Company held on May 28, 2021;
- g) the material change report of the Company dated March 30, 2021 with respect to the closing of a secondary offering on a bought deal basis of Subordinate Voting Shares for gross proceeds to the selling shareholders of approximately US\$552 million; and
- h) the material change report of the Company dated June 17, 2021 with respect to the closing of a secondary offering on a bought deal basis of Subordinate Voting Shares for gross proceeds to the selling shareholders of approximately US\$500 million.

Any document of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements and the independent auditor’s report thereon (in each case, including exhibits containing updated earnings coverage information), management’s discussion and analysis and information circulars of the Company, filed by the Company with securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and for the duration of the Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein. In addition, all documents filed on Form 6-K or Form 40-F by the Company with the SEC on or after the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into the Registration Statement of which this Prospectus Supplement forms a part of, if and to the extent, in the case of any Report on Form 6-K, expressly provided in such document.

Any statement contained in this Prospectus Supplement, in the accompanying Shelf Prospectus or in any document incorporated or deemed to be incorporated by reference herein or therein shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in the accompanying Shelf Prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein or in the accompanying Shelf Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted

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a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus Supplement.

References to our website in any documents that are incorporated by reference into this Prospectus Supplement and the Shelf Prospectus are inactive textual references only and do not incorporate by reference the information on such website into this Prospectus Supplement or the Shelf Prospectus, and we disclaim any such incorporation by reference.

Any “template version” of any “marketing materials” (each such term as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed in connection with the Offering after the date hereof but prior to the termination of the distribution of the Offered Shares pursuant to the Offering is deemed to be incorporated by reference in this Prospectus Supplement and in the accompanying Shelf Prospectus.

MARKETING MATERIALS

Before filing the final prospectus supplement in respect of the Offering, Nuvei and the Underwriters intend to hold road shows that potential investors in the United States and in certain of the provinces and territories of Canada will be able to attend. Nuvei and the Underwriters may provide marketing materials to those potential investors in connection with those road shows.

In doing so, Nuvei and the Underwriters are relying on a provision in applicable Canadian securities legislation that allows issuers in certain U.S. cross-border offerings to not have to file marketing materials relating to those road shows on SEDAR or include or incorporate by reference those marketing materials in the final prospectus supplement in respect of the Offering. To rely on this exemption, Nuvei and the Underwriters must give contractual rights to Canadian investors in the event the marketing materials contain a misrepresentation.

Accordingly, Nuvei and the Underwriters signing the certificate to be contained in the final prospectus supplement in respect of the Offering have agreed that in the event the marketing materials relating to the road shows described above contain a misrepresentation (as defined in securities legislation in each of the provinces and territories of Canada), a purchaser resident in a province or territory of Canada who was provided with those marketing materials in connection with the road shows and who purchases Offered Shares under the final prospectus supplement in respect of the Offering during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against Nuvei and each such Underwriter with respect to the misrepresentation which are equivalent to the rights under the securities legislation of the jurisdiction of Canada where the purchaser is resident, subject to the defences, limitations and other terms of that legislation, as if the misrepresentation was contained in the final prospectus supplement in respect of the Offering.

However, this contractual right does not apply (i) to the extent that the contents of the marketing materials relating to the road shows have been modified or superseded by a statement in the final prospectus supplement in respect of the Offering, and (ii) to any “comparables” as such term is defined in National Instrument 41-101 – *General Prospectus Requirements* in the marketing materials provided in accordance with applicable securities legislation.

U.S. REGISTRATION STATEMENT

The Offering is being made concurrently in Canada pursuant to this Prospectus Supplement and the accompanying Shelf Prospectus and in the United States pursuant to the Registration Statement filed with the SEC under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). This Prospectus Supplement and the accompanying Shelf Prospectus do not contain all of the information set forth in the Registration Statement, certain items of which are contained in the exhibits to the Registration Statement as permitted or required by the rules and regulations of the SEC.

NON-IFRS MEASURES

The Company prepares and reports its financial statements in accordance with IFRS as issued by the International Accounting Standards Board. However, this Prospectus Supplement and the documents incorporated by reference herein include non-IFRS financial measures, namely Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share, and Adjusted net income per diluted share. These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, the Company provides these measures as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share, and Adjusted net income per diluted share are used to provide investors with a supplemental measure of the Company's operating performance and thus highlight trends in Nuvei's core business that may not otherwise be apparent when relying solely on IFRS measures. The Company's management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Nuvei's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. The Company's management believes Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share and Adjusted net income per diluted share are important supplemental measures of Nuvei's performance, primarily because they and similar measures are used widely among others in the payment technology industry as a means of evaluating a company's underlying operating performance.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, the accompanying Shelf Prospectus, and the documents incorporated by reference herein and therein, contain forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by terms and phrases such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. These forward-looking statements include all matters that are not historical facts. They appear in many places throughout this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, business prospects, growth, strategies and the industry in which we operate.

Although we base the forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein. In addition, even if results and developments are consistent with the forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein, those results and developments may not be indicative of results or developments in subsequent periods. In particular, and without limiting the generality of the foregoing, forward-looking information in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein includes statements relating to:

- our outlook on total volume, revenue and Adjusted EBITDA for the three-months period ending September 30, 2021 and the year ending December 31, 2021;
- expectations regarding industry trends and the size and growth rates of addressable markets;
- our business plans and strategies;
- addressable markets for our solutions;
- expected pace of ongoing legislation of regulated online gaming and sports-betting worldwide; and
- our competitive position in our industry.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

In particular, our ability to achieve the total volume, revenue and Adjusted EBITDA levels set forth in our outlook is highly uncertain and is subject to a wide variety of factors, both impacting the Company specifically or the broader economy, that could cause actual results to differ from these expectations. Furthermore, the prospective financial information on page 8 of the Interim MD&A has been prepared by, and is the responsibility of, the Company’s management. PricewaterhouseCoopers LLP, the independent auditor, has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying prospective financial information. We believe that the risks and uncertainties impacting our forward-looking statements include, but are not limited to, those described or referenced in the “Risk Factors” section of this Prospectus Supplement or of our Annual Information Form or identified in our Annual MD&A or Interim MD&A and in our subsequent regulatory filings, which include, but are not limited to, the following risks:

- risks relating to our business and industry, such as the ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic;

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- the rapid developments and change in our industry;
- challenges in expanding into new geographic regions outside of Europe, the United States, the U.K. and Canada and continuing our growth within these markets;
- challenges in retaining existing clients, increasing sales to existing clients and attracting new clients;
- managing our growth effectively; difficulty to maintain the same rate of revenue growth as our business matures;
- net losses resulting from significant investments in our business; impact of our indebtedness on our business, financial condition and results of operation; and
- concentration of our revenue from payment services, as well as risks relating to intellectual property and technology, risks relating to regulation and risks relating to our Subordinate Voting Shares.

These factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein. Although we have attempted to identify important risk factors, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results and developments to differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein. If any of these risks materialize, or if any of the above assumptions underlying forward-looking statements prove incorrect, actual results and developments may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein.

Given these risks and uncertainties, you are cautioned not to place substantial weight or undue reliance on these forward-looking statements, particularly our outlook for the quarter ending September 30, 2021 or the year ending December 31, 2021, when making an investment decision. Any forward-looking statement that we make in this Prospectus Supplement, the accompanying Shelf Prospectus and the documents incorporated by reference herein and therein speaks only as of the date hereof or thereof, and, except as required by law, we undertake no obligation to update any forward-looking statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

Any references to forward-looking statements in this Prospectus Supplement include “forward-looking information” within the meaning of applicable Canadian securities laws.

CURRENCY AND EXCHANGE RATE INFORMATION

We express all amounts in this Prospectus Supplement in U.S. dollars, except where otherwise indicated. References to “US\$” are to U.S. dollars and references to “C\$” are to Canadian dollars.

The following table sets forth, for the periods indicated, the high, low, average and end of period daily rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada during the respective periods.

	3-months Ended		Year Ended December 31,	
	June 30, 2021 (C\$)	March 31, 2021 (C\$)	2020 (C\$)	2019 (C\$)
Highest rate during the period	1.2617	1.2828	1.4496	1.3600
Lowest rate during the period	1.2040	1.2455	1.2718	1.2988
Average for the period ⁽¹⁾	1.2250	1.2680	1.3415	1.3240
Period end	1.2394	1.2575	1.2732	1.2988

(1) The average exchange rates are calculated based on the exchange rates on the last business day of each month for the applicable period.

On October 1, 2021, the Bank of Canada daily average exchange rate was US\$1.00 = C\$1.2654.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the full informational requirements of the securities commissions or similar regulatory authority in all provinces and territories of Canada. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we intend to file with the Canadian provincial and territorial securities commissions or similar regulatory authority. These filings are also electronically available from SEDAR. Except as expressly provided herein, documents filed on SEDAR are not, and should not be considered, part of this Prospectus Supplement or the Shelf Prospectus.

Nuvei has filed with the SEC under the U.S. Securities Act the Registration Statement relating to the Subordinate Voting Shares being offered hereunder, of which this Prospectus Supplement and the accompanying Shelf Prospectus form a part. This Prospectus Supplement and the accompanying Shelf Prospectus do not contain all of the information set forth in the Registration Statement, certain items of which are contained in the exhibits to the Registration Statement as permitted or required by the rules and regulations of the SEC. Items of information omitted from this Prospectus Supplement but contained in the Registration Statement will be available on EDGAR on the SEC’s website at www.sec.gov.

As a “foreign private issuer”, Nuvei is exempt from the rules under the United States Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”) prescribing the furnishing and content of proxy statements, and Nuvei’s officers and directors and beneficial owners of 10% or more of its Shares are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. Nuvei’s reports and other information filed or furnished with or to the SEC are available on EDGAR at www.sec.gov as well as from certain commercial document retrieval services.

MARKET AND INDUSTRY DATA

Market and industry data presented in this Prospectus Supplement or the Shelf Prospectus or incorporated by reference herein or therein was obtained from third-party sources and industry reports, including Accenture, eMarketer Inc.'s global eCommerce report dated May 2021, Digital Commerce 360, Grand View Research Inc., IMARC Group, Newzoo, Market Research Future and Statista, and from publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, partners, customers and other industry participants.

We believe that the market and industry data presented in this Prospectus Supplement or the Shelf Prospectus, or incorporated by reference herein or therein is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented in this Prospectus Supplement or the Shelf Prospectus, or incorporated by reference herein or therein are not guaranteed and none of us or any of the Underwriters makes any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecasted in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, none of us or any of the Underwriters has independently verified any of the data from third-party sources referred to in this Prospectus Supplement, the Shelf Prospectus or the documents incorporated by reference herein or therein, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, industry and other assumptions relied upon by such sources. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. In addition, certain of these publications, studies and reports were published before the global COVID-19 pandemic and therefore do not reflect any impact of the COVID-19 pandemic on any specific market or globally.

NUVEI CORPORATION

Our Purpose

Making our world a local marketplace.

Our Business

We are a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. We believe we are differentiated by our proprietary technology platform, which is purpose-built for high-growth mobile commerce and eCommerce markets. Our focus on technology, innovation and security enables us to design and develop solutions that are tailored for these markets. Our solutions span the entire payments stack and include a fully integrated payments engine with global processing capabilities, a turnkey solution for frictionless checkout experiences and a broad suite of data-driven business intelligence tools and risk management services. Through a single integration, we believe our technology platform makes it simple for merchants and partners to securely accept payments in over 200 markets worldwide with local acquiring in 45 markets and nearly 150 currencies, and for their customers to transact using over 500 alternative payment methods, of which 25 were onboarded in 2020 and 40 were onboarded in 2021, and nearly 40 cryptocurrencies. We employ over 1,230, employees throughout North America, Latin America, Europe, Middle East, Africa and Asia Pacific. We leverage our deep industry expertise, thought leadership in mobile commerce and eCommerce payments and fast-growing digital payments sales team to serve merchants of all sizes, from small-and-medium sized businesses to large enterprises, operating in some of the most complex verticals across multiple geographic markets. We estimate that Nuvei's combined total addressable market in

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terms of total volumes is approximately \$20 trillion across various high-growth verticals, including online retail, online marketplaces, digital goods & services, regulated online gaming, social gaming, financial services and travel. “Net Dollar-Based Retention Rate” is an operating metric used in our industry that tracks the performance and is calculated by dividing the gross profit, representing the revenue less the cost of revenue, earned in a specific period by the gross profit we earned from the same customers in the corresponding period of the previous year. Our calculation of “Net Dollar-Based Retention Rate” for a given period only includes gross profit from customers that were customers at the beginning of the corresponding period of the previous year, and excludes gross profit generated by new business onboarded during the last 12 months. For the six months ended June 30, 2021, we had a “Net Dollar-Based Retention Rate” of 127%.

In short, we provide the payment technology and intelligence our merchants and partners need to succeed locally and globally, through one integration.

Our head and registered office is located at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada and our telephone number is (514) 313-1190.

Additional information about our business is included in the documents incorporated by reference into this Prospectus Supplement and the Shelf Prospectus, which are available under our profile on SEDAR and on EDGAR.

Recent Developments

On September 1, 2021, the Company completed (a) the acquisition of SimplexCC Ltd, a leading fiat-cryptocurrency gateway connecting market participants, including exchanges, brokers, wallet and liquidity providers; and (b) the acquisition of Paymentez LLC, a leading payment solution provider in Latin America.

On September 28, 2021, a new lender joined Nuvei’s syndicate under the First Lien Credit Facility and the revolving credit facility was increased to \$385,000,000.

On October 1, 2021, the Company announced the appointments of Max Attias as Group Chief Technology Officer, Guillaume Conteville as Chief Marketing Officer and Nikki Zinman as Chief People Officer. Max Attias takes over from Keith Birdsong, who retired effective October 1, 2021.

On October 4, 2021, the Company amended and restated the investor rights agreement dated September 22, 2020, as amended on May 20, 2021 (the “Amended and Restated Investor Rights Agreement”) to provide for registration rights enabling the distribution of securities to the public in the United States.

CEO Grants

In recognition of his instrumental role in the Company’s achievements to date as well as the significant potential impact he is anticipated to make towards achieving the Company’s strategic and business goals going forward, the Board intends to grant Philip Fayer, our Chair and CEO, special awards consisting of 665,000 Performance Share Units (the “PSUs”) and 2,200,000 options to acquire Subordinate Voting Shares pursuant to our Company’s omnibus incentive plan dated February 3, 2021 (the “Omnibus Plan”) to be made upon the Closing (collectively, the “CEO Grants”).

The CEO Grants are structured to vest only when significant share price milestones are met and sustained over a 45 day duration during the applicable vesting periods. More specifically, considering the share price hurdles representing a share price increase of 50%, 100% and 200%, respectively, to achieve the minimum vesting levels, the Company’s total equity value will need to reach approximately US\$26 billion, US\$35 billion, and US\$52 billion, respectively, before there is any vesting of the CEO Grants. There can be no assurance that

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any such milestones will be obtained and these figures are provided for illustration purposes only based on a fair market value of US\$125.00 per Subordinate Voting Share for purposes of such calculations.

The CEO Grants are designed to provide both multi-year retention incentives and to align Company strategy and achievement of business and operating objectives with long-term shareholder value creation. We believe that a payout of the CEO Grants at or above each threshold performance level would result in significant value realized by our shareholders over the performance period due to the rigorous share price hurdles applicable to the CEO Grants, as described below.

The Board has obtained a recommendation from our Governance, Human Resources and Compensation Committee, with the input of its independent compensation consultant, Compensia, Inc. with respect to the CEO Grants. The CEO Grants, together, would represent, in the aggregate, 2.03% of the total issued and outstanding shares upon Closing (assuming target levels of performance and no exercise of the Option to Purchase Additional Shares).

Vesting Conditions

The PSUs and the options will be earned and will vest upon the satisfaction of both a performance-based vesting condition and a time-based vesting condition.

The performance condition applicable to the PSUs will be earned based on the Company's achievement of a specified share price hurdle representing a share price increase of 50% over the share price on the date of the grant (and subject to anti-dilution adjustments), during the performance period beginning on the date of grant and ending on the Business Day preceding December 31, 2024 (the "Unit Restriction Period").

The time-based condition applicable to the PSUs will be satisfied in installments as follows, subject to Mr. Fayer's continued employment as Chief Executive Officer of the Company through vesting date: 33.33% of the PSUs will vest on each of the first, second, and third anniversaries of the grant date.

The performance condition applicable to the options will be earned as follows, provided such conditions are met prior to the date that is six years from the date of the grant: 50% of the options shall performance vest upon the Company's achievement of a specified share price hurdle representing a share price increase of 100% over the exercise price, and 50% of the options shall performance vest upon the Company's achievement of a specified share price hurdle representing 200% over the exercise price (in each case, subject to anti-dilution adjustments). The options shall have an exercise price equal to the closing price of Subordinate Voting Shares on the TSX on the trading day immediately preceding the date of grant.

The time-based condition applicable to the options will be satisfied in installments as follows, subject to Mr. Fayer's continued employment as Chief Executive Officer of the Company through each applicable vesting date: 25% of the options will time vest on each of the first, second, third and fourth anniversary of the grant date. The options shall have a term of ten years, subject to early expiry in the event that the performance hurdles have not been achieved within the six year time frame.

Achievement of the applicable share price hurdle will occur on the date that the Company certifies that the average closing price per share of the Company's Subordinate Voting Shares, as reported on the Nasdaq, during any 45 consecutive trading day period during the performance period exceeded the applicable share price hurdle for such tranche. Such achievement will be reviewed, and any certifications will be made, within 30 days after the end of each fiscal quarter of the Company. Any PSUs for which both the performance condition and the time-based condition have been satisfied will be settled in Subordinate Voting Shares as soon as practicable, but in any event no later than the end of the Unit Restriction Period. Any PSUs or options for which the threshold share price hurdle is not achieved prior to the end of the performance period will be forfeited in their entirety.

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The applicable share price hurdles will be adjusted to reflect any subdivision, consolidation, reclassification, reorganization or similar event under the Omnibus Plan. The terms of the Omnibus Plan are described in further detail under “Executive Compensation – Long Term Incentive Plans” of our management information circular incorporated by reference in this Prospectus Supplement.

Early Termination

In the event that Mr. Fayer is terminated other than for cause, death or incapacity, all vested PSUs and options shall expire on the earlier of (i) 90 days after the effective date of termination; and (ii) the expiry date of such PSUs and options, and all PSUs and options that have not yet vested shall expire immediately upon such termination.

In the event that Mr. Fayer is terminated for cause, all vested and unvested PSUs and options shall terminate effective as of the date of termination. If Mr. Fayer retires or resigns, all vested and unvested PSUs and options shall terminate effective as of the date of resignation.

In the case of death or disability, all vested PSUs and options shall expire on the earlier of (i) 90 days after the effective date of such event; and (ii) the expiry date of such PSUs and options, and all PSUs and options that have not yet vested shall expire immediately upon such event.

In the event of a Change in Control (as defined in the Omnibus Plan), any portion of the PSUs or options, as applicable, for which the share price hurdle has not been previously satisfied will be deemed earned to the extent the price per share (plus the value of any other consideration received by the Company’s shareholders) pursuant to such change of control transaction equals or exceeds the share price hurdle applicable to such PSUs or options, as applicable. If the transaction price falls between the two price hurdles applicable to the options, a pro rata portion of the tranche of options that is subject to the higher of such two price hurdles will be deemed earned using linear interpolation, and any other options will be forfeited in their entirety.

Clawback Policy

On October 4, 2021, the Company implemented a formal clawback policy as an additional approach to mitigate compensation risk. The clawback policy enables the Board to require reimbursement of all or a portion of compensation received by an executive officer pursuant to awards made under the Company’s short-term and long-term incentive plans in the event of either of the following: (a) There has been a restatement of the Company’s financial statements; and the amount of the incentive compensation paid or awarded to an Executive Officer would have been lower if it was calculated based on the achievement of certain financial results that were subsequently the subject of or affected by the restatement of the Company’s financial statements; or (b) the executive officer engaged in misconduct (including fraud, negligence, or material non-compliance with legal requirements or the Company’s Code of Ethics).

Foreign Private Issuer Status

We are a “foreign private issuer,” as defined by the SEC. As a result, we will be exempt from certain provisions of the U.S. Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the U.S. Exchange Act regulating the solicitation of proxies, consents or authorizations with respect to a security registered under the U.S. Exchange Act;
- the requirement to comply with Regulation Fair Disclosure, or Regulation FD, which regulates selective disclosure of material information;
- the sections of the U.S. Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and

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- the rules under the U.S. Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K upon the occurrence of specified significant events.

As a foreign private issuer, we are also exempt from certain more stringent executive compensation disclosure rules, that are applicable to U.S. domestic public companies.

In addition, as a foreign private issuer, while we voluntarily follow most Nasdaq corporate governance standards, in accordance with Nasdaq listing rules, we have elected to comply with Canadian requirements and certain exemptions thereunder rather than complying with Nasdaq corporate governance standards as follows:

- Nasdaq Listing Rule 5635 requires shareholder approval for certain issuances of securities, including shareholder approval of equity based compensation plans, issuances that will result in a change of control of our company, certain transactions (other than a public offering) involving issuances of a 20% or greater interest in the company, and certain issuances in connection with acquisitions of the stock or assets of another company. In lieu of this requirement, we comply with Canadian requirements, which provide for different requirements for shareholder approval (including, in certain instances, not requiring any shareholder approval) in connection with issuances of securities in the circumstances listed above.
- Nasdaq Listing Rule 5620(c) requires that the minimum quorum for any meeting of a company's shareholders be 33 1/3% of the outstanding voting shares. As permitted under Canadian requirements, our by-laws provide that the minimum quorum requirement for a meeting of shareholders is persons holding or representing by proxy not less than 25% of the aggregate votes attaching to all voting shares entitled to vote at the meeting.

Although we may rely on home country corporate governance practices in lieu of certain of the rules in the Nasdaq Rule 5600 series and Rule 5250(d), we must comply with Nasdaq's Notification of Noncompliance requirement (Rule 5625) and the Voting Rights requirement (Rule 5640). Further, we must have an audit committee that satisfies Nasdaq Rule 5605(c)(3), which addresses audit committee responsibilities and authority and requires that the audit committee consist of members who meet the independence requirements of Nasdaq Rule 5605(c)(2)(A)(ii), which requires that members of the audit committee meet the criteria for independence set forth in Rule 10A-3(b)(1) under the U.S. Exchange Act. Under Rule 10A-3(b)(iv)(A) of the U.S. Exchange Act, we are permitted to phase in our compliance with the independent audit committee requirements set forth in Nasdaq Rule 5605(c) and Rule 10A-3 as follows: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing and (3) all independent members within one year of listing. Our audit committee will initially consist of four members, two of whom meet the criteria for independence set forth in Rule 10A-3(b)(1). However, our board of directors intends to cause our audit committee to comply with the transition rules within the applicable time periods.

Although we currently intend to comply with the Nasdaq corporate governance rules applicable other than as noted above, we may in the future decide to use the foreign private issuer exemption with respect to some or all of any other Nasdaq corporate governance rules where we are permitted to follow our home country governance requirements in lieu of such Nasdaq rules. Following our home country governance practices, as opposed to the requirements that would otherwise apply to a company listed on the Nasdaq, may provide less protection than is accorded to investors under the Nasdaq listing requirements applicable to U.S. domestic public companies.

RISK FACTORS

An investment in our Subordinate Voting Shares involves a high degree of risk. You should carefully consider the risks and uncertainties contained in, or incorporated by reference into, this Prospectus Supplement, including, without limitation, the risk factors identified in our Annual MD&A and Interim MD&A incorporated by reference into this Prospectus Supplement and under “Risk Factors” in our Annual Information Form, also incorporated by reference herein which are available under our profile on SEDAR. If any of the risks discussed in this Prospectus Supplement actually occur, alone or together with additional risks and uncertainties not currently known to us, or that we currently deem immaterial, our business, financial condition, results of operations and prospects, and your investment in the Offered Shares, may be materially adversely affected. If this were to occur, the value of our Subordinate Voting Shares may decline and you may lose all or part of your investment.

Future sales, or the perception of future sales, of Subordinate Voting Shares by existing shareholders or by us, or future dilutive issuances of Subordinate Voting Shares by us, could adversely affect prevailing market prices for the Subordinate Voting Shares.

Our Articles permit us to issue an unlimited number of Subordinate Voting Shares and Multiple Voting Shares. We anticipate that we will, from time to time, issue additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares, including pursuant to the exercise of stock options that were granted prior to this Offering. Subject to the requirements of the TSX, we will not be required to obtain the approval of shareholders for the issuance of additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares. Although the rules of the TSX generally prohibit us from issuing additional Multiple Voting Shares, there may be certain circumstances where additional Multiple Voting Shares may be issued, including pursuant to the exercise of the subscription rights attached to the Multiple Voting Shares described under “Description of Share Capital – Share Capital Upon Completion of the Offering – Subordinate Voting Shares and Multiple Voting Shares – Subscription Rights” of the Shelf Prospectus. In addition, we will follow Canadian requirements instead of the listing rules of the Nasdaq that require that we obtain shareholder approval for certain dilutive events, such as the establishment or amendment of certain equity based compensation plans, an issuance that will result in a change of control of our company, certain transactions other than a public offering involving issuances of a 20% or greater interest in the company, and certain issuances in connection with acquisitions of the stock or assets of another company. As a result, we will not be subject to the Nasdaq shareholder approval rules in connection with any such issuance. Any further issuances of Subordinate Voting Shares, Multiple Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares or Multiple Voting Shares, will result in immediate dilution to existing shareholders. Furthermore, issuances of a substantial number of additional Subordinate Voting Shares, Multiple Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares or Multiple Voting Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price for the Subordinate Voting Shares. Additionally, any further issuances of Multiple Voting Shares may significantly lessen the combined voting rights of our Subordinate Voting Shares due to the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares.

Moreover, subject to compliance with applicable securities laws, sales of a substantial number of Subordinate Voting Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Subordinate Voting Shares or securities convertible into Subordinate Voting Shares intend to sell Subordinate Voting Shares, could reduce the prevailing market price of our Subordinate Voting Shares. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of our Subordinate Voting Shares. If the market price of our Subordinate Voting Shares were to drop as a result, this might impede our ability to raise additional capital and might cause remaining shareholders to lose all or part of their investment. Certain of the shareholders have rights under the Amended and Restated Investor Rights Agreement to require us to file a prospectus and/or registration statement covering their registrable securities or to include some of their registrable securities in prospectuses that may be filed in connection with certain offerings, subject to certain underwriter’s cutback rights.

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The Subordinate Voting Shares of the Company do not currently trade on a stock exchange in the United States and the Company does not know whether a market for the Subordinate Voting Shares will develop to provide you with adequate liquidity. The market price of the Subordinate Voting Shares may be volatile after this Offering, and you could lose a significant part of your investment.

The Subordinate Voting Shares are currently listed only on the TSX and trade in the United States on the over-the-counter market under the trading symbol “NUVF”. Prior to this Offering, the Subordinate Voting Shares have not been listed on a stock exchange in the United States. If an active trading market does not develop in the United States, you may have difficulty selling any of the Subordinate Voting Shares that you buy. The Company cannot predict the extent to which investor interest in the Company will lead to the development of an active trading market on the Nasdaq or otherwise, or how liquid that market might become. The price of the Subordinate Voting Shares in this Offering may not be indicative of prices that will prevail in the United States trading market following the Offering.

The market price of the Subordinate Voting Shares on the TSX has fluctuated in the past and the Company expects it to fluctuate in the future, and it may decline. Consequently, you may not be able to sell the Subordinate Voting Shares at prices equal to or greater than the price paid by you in this Offering. In addition to the risks described above and in the Annual Information Form, the market price of the Subordinate Voting Shares may be influenced by many factors, many of which are beyond the Company’s control, including:

- actual or anticipated variations in the Company’s operating results;
- the failure of financial analysts to initiate or maintain coverage of the Subordinate Voting Shares after this Offering, changes in financial estimates by financial analysts, or any failure by the Company to meet or exceed any of these estimates, or changes in the recommendations of any financial analysts that elect to follow the Subordinate Voting Shares or the shares of the Company’s competitors;
- announcements by the Company or the Company’s competitors of significant contracts or acquisitions;
- additions and departures of key personnel;
- announcement or expectation of additional financing efforts;
- changes in accounting principles;
- changes in general market and economic conditions;
- future sales of the Subordinate Voting Shares; and
- investor perceptions of the Company and the industry in which the Company operates.

In addition, stock markets in general have experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of the Company, regardless of the Company’s operating performance. Listing of the Subordinate Voting Shares on the Nasdaq in addition to the TSX may increase share price volatility on the TSX and also result in volatility of the trading price on the Nasdaq because trading will be in the two markets, which may result in less liquidity on both exchanges. In addition, different liquidity levels, volumes of trading, currencies and market conditions on the two exchanges may result in different prevailing trading prices. In the past, following periods of volatility in the market price of certain companies’ securities, securities class action litigation has sometimes been instituted against these companies. This litigation, if instituted against the Company, could adversely affect the financial condition or results of operations of the Company.

If you purchase Subordinate Voting Shares in the Offering, you will suffer immediate and substantial dilution of your investment.

We expect that our Subordinate Voting Shares will be offered at a price that is substantially higher than the net tangible book deficit per share. Therefore, if you purchase our Subordinate Voting Shares in the Offering, you will pay a price per share that substantially exceeds our net tangible book deficit per share after the Offering.

Based on a public offering price of US\$• per Subordinate Voting Share, you would experience immediate dilution of US\$• per Subordinate Voting Share, representing the difference between our pro forma net tangible book deficit per share as of June 30, 2021, after giving effect to the Offering.

The Company will incur increased costs as a result of being a public company in the United States, and its management will be required to devote substantial time to United States public company compliance programs.

As a public company in the United States, the Company will incur additional legal, accounting, reporting and other expenses that it did not incur as a public company in Canada. The additional demands associated with being a U.S. public company may disrupt regular operations of the Company's business by diverting the attention of some of its senior management team away from revenue-producing activities to additional management and administrative oversight, adversely affecting the Company's ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing the Company's business. Any of these effects could harm the Company's business, financial condition and results of operations.

If the Company does not comply with new United States laws, regulations and standards to the satisfaction of regulatory or governing bodies, such regulatory bodies or third parties may initiate legal proceedings against the Company and its business may be harmed. In the future, it may be more expensive for the Company to obtain director and officer liability insurance, and the Company may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified members of the Company's Board of Directors and its committees.

The U.S. *Sarbanes-Oxley Act of 2002* (the "Sarbanes-Oxley Act") requires that the Company maintain effective disclosure controls and procedures and internal control over financial reporting. Any failure to develop or maintain effective controls could adversely affect the results of periodic management evaluations. In the event that the Company is not able to demonstrate compliance with the Sarbanes-Oxley Act, that its internal control over financial reporting is perceived as inadequate, or that the Company is unable to produce timely or accurate financial statements, investors may lose confidence in the Company's operating results and the price of the Subordinate Voting Shares could decline. In addition, if the Company is unable to continue to meet these requirements, the Company may not be able to become and/or remain listed on the Nasdaq.

The Company's independent registered public accounting firm will be required to attest to the effectiveness of the Company's internal control over financial reporting only after a delay permitted for a newly-public company in the United States. Even if the Company's management concludes that the Company's internal controls over financial reporting are effective, its independent registered public accounting firm may issue an adverse opinion on the Company's internal control over financial reporting if it is not satisfied with the Company's controls or the level at which the Company's controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from the Company.

The Company will have broad discretion in the use of proceeds.

The Company will have broad discretion concerning the use of the net proceeds of the Offering as well as the timing of any expenditures. As a result, a purchaser of Subordinate Voting Shares offered hereby will be

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relying on the judgment of the Company's management with respect to the application of the net proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's financial performance and financial condition may be adversely affected and the trading price of the Subordinate Voting shares could be adversely affected.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file different information with the SEC than that required to be filed by U.S. domestic public companies.

We are a "foreign private issuer," as defined in the SEC rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to companies organized within the United States. For example, we are exempt from certain rules under the U.S. Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the U.S. Exchange Act. In addition, our officers and directors and beneficial owners of 10% or more of our Shares are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the U.S. Exchange Act and related rules with respect to their purchases and sales of our securities. While we will be required to file with or furnish to the SEC the continuous disclosure documents that we are required to file in Canada under Canadian securities laws, the reporting deadlines under the corresponding Canadian insider reporting rules are longer than under Section 16 of the U.S. Exchange Act and the related rules. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as public companies organized in the United States. Accordingly, there may be less publicly available information concerning our company than there is for U.S. domestic public companies.

As a foreign private issuer, we are exempt from the rules and regulations under the U.S. Exchange Act related to the furnishing and content of proxy statements. We are also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While we will comply with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the U.S. Exchange Act and Regulation FD and shareholders should not expect to receive in every case the same information at the same time as such information is provided by U.S. domestic public companies.

As a foreign private issuer, through a multijurisdictional disclosure system adopted in the United States and Canada, we will file an annual report on Form 40-F on the date on which we file our annual information form and related documents in Canada, and we will also file with the SEC reports on Form 6-K relating to certain material events promptly after we publicly announce these events. However, because of the above exemptions for foreign private issuers, our shareholders will not be afforded the same protections or information generally available to investors holding shares in public companies organized in the United States.

For so long as we are a foreign private issuer, we are not subject to certain Nasdaq corporate governance rules applicable to a U.S. issuer.

We are entitled to rely on a provision in Nasdaq's corporate governance rules that allows us to follow certain Canadian corporate governance practices. This allows us to follow certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. domestic public companies listed on Nasdaq.

For example, we are exempt from Nasdaq regulations that require a listed U.S. company to (i) obtain shareholder approval for certain issuances of securities, and (ii) have a minimum quorum for any meeting of shareholders of 33 1/3% of the outstanding voting shares. See "Nuvei Corporation – Foreign Private Issuer Status" for more information.

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In accordance with the Nasdaq listing rules, our audit committee is required to comply with the provisions of Section 301 of the Sarbanes-Oxley Act, and Rule 10A-3 of the U.S. Exchange Act, both of which are also applicable to Nasdaq listed companies organized in the United States. Because we are a foreign private issuer, however, our audit committee is not subject to additional requirements applicable to Nasdaq listed companies organized in the United States, including an affirmative determination that all members of the audit committee are “independent,” using more stringent criteria than those applicable to us as a foreign private issuer. Furthermore, under Rule 10A-3 of the Exchange Act, we are permitted to phase in our compliance with the independent audit committee requirements set forth in Nasdaq Rule 5605(c) and Rule 10A-3 as follows: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing and (3) all independent members within one year of listing. The audit committee will consist of four members, two of whom meet the criteria for independence set forth in Rule 10A-3. However, our board of directors intends to cause our audit committee to comply with the transition rules within the applicable time periods.

Although we currently intend to comply with the Nasdaq corporate governance rules applicable other than as noted above, we may in the future decide to use the foreign private issuer exemption with respect to some or all of any other Nasdaq corporate governance rules where we are permitted to follow our home country governance requirements in lieu of such Nasdaq rules. Following our home country governance practices, as opposed to the requirements that would otherwise apply to a company listed on the Nasdaq, may provide less protection than is accorded to investors under the Nasdaq listing requirements applicable to U.S. domestic public companies.

The Company is governed by the corporate and securities laws of Canada which in some cases have a different effect on shareholders than the corporate laws of Delaware, U.S. and U.S. securities laws.

The Company is governed by the *Canada Business Corporation Act* (“CBCA”) and other relevant laws, which may affect the rights of shareholders differently than those of a company governed by the laws of a U.S. jurisdiction, and may, together with the Company’s charter documents, have the effect of delaying, deferring or discouraging another party from acquiring control of the Company by means of a tender offer, a proxy contest or otherwise, or may affect the price an acquiring party would be willing to offer in such an instance. The material differences between the CBCA and Delaware General Corporation Law (“DGCL”) that may have the greatest such effect include, but are not limited to, the following: (i) for material corporate transactions (such as mergers and amalgamations, other extraordinary corporate transactions or amendments to our articles) the CBCA generally requires a two-thirds majority vote by shareholders, whereas DGCL generally requires only a simple majority vote; and (ii) under the CBCA, holders of 5% or more of our shares that carry the right to vote at a meeting of shareholders can requisition a special meeting of shareholders, whereas such right does not exist under the DGCL.

The Company’s By-laws provide that unless the Company agrees or consents otherwise, the courts of the Province of Québec shall be the sole and exclusive forum for substantially all disputes between the Company and its shareholders under the CBCA, which could limit its shareholders’ ability to bring claims and proceedings against, as well as obtain favorable judicial forum for disputes with, the Company, its directors, officers and other employees.

The courts of the Province of Québec and appellate courts therefrom shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action or proceeding asserting a claim for breach of a fiduciary duty owed by any director, officer or employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or the Articles or By-laws (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the Company’s “affairs” (as defined in the CBCA). Such exclusive forum provision in the Company’s By-laws will not relieve the Company of its duties to comply with federal securities laws and the rules and regulations thereunder, and shareholders of the Company will not be deemed to have waived the Company’s compliance with these laws, rules and regulations. This exclusive forum provision may limit a

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shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with the Company or its directors or other employees which may discourage lawsuits against the Company, its directors, officers and employees.

Provisions of Canadian law may delay, prevent or make undesirable an acquisition of all or a significant portion of the Company's shares or assets.

A non-Canadian must file an application for review with the Minister responsible for the *Investment Canada Act* and obtain approval of the Minister prior to acquiring control of a "Canadian business" within the meaning of the *Investment Canada Act*, where prescribed financial thresholds are exceeded. Furthermore, limitations on the ability to acquire and hold the Subordinate Voting Shares may be imposed by the *Competition Act* (Canada). This law permits the Commissioner of Competition, or Commissioner, to review any acquisition or establishment, directly or indirectly, including through the acquisition of shares, of control over or of a significant interest in the Company. Otherwise, there are no limitations either under the laws of Canada or in the Articles on the rights of non-Canadians to hold or vote the Subordinate Voting Shares. Any of these provisions may discourage a potential acquirer from proposing or completing a transaction that may have otherwise presented a premium to the Company's shareholders.

As the Company is a Canadian corporation and some of its directors and officers are resident in Canada, it may be difficult for United States shareholders to effect service on the Company or to realize on judgments obtained in the United States.

The Company is incorporated under the federal laws of Canada with its principal place of business in Canada, most of its directors and officers are residents of Canada, the experts named in this prospectus are residents of Canada, and many of the Company's assets and the assets of such persons are located outside the United States. Consequently, it may be difficult for United States investors to effect service of process within the United States upon the Company or upon such persons who are not residents of the United States, or to realize in the United States upon judgments of United States courts predicated upon civil liabilities under U.S. securities laws. A judgment of a U.S. court predicated solely upon such civil liabilities may be enforceable in Canada by a Canadian court if the U.S. court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. Investors should not assume that Canadian courts: (i) would enforce judgments of U.S. courts obtained in actions against the Company or such persons predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or blue sky laws of any state within the United States, or (ii) would enforce, in original actions, liabilities against the Company or such persons predicated upon the U.S. federal securities laws or any such state securities or blue sky laws.

Similarly, some of the Company's directors and officers are residents of countries other than Canada and all or a substantial portion of the assets of such persons are located outside Canada. As a result, it may be difficult for Canadian investors to initiate a lawsuit within Canada against these non-Canadian residents. In addition, it may not be possible for Canadian investors to collect from these non-Canadian residents judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for Canadian investors to succeed in a lawsuit in the United States based solely on violations of Canadian securities laws.

We may lose our foreign private issuer status which would then require us to comply with the U.S. Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

As a foreign private issuer, we are not required to comply with all of the periodic disclosure and current reporting requirements of the U.S. Exchange Act applicable to public companies organized in the United States. We may no longer be a foreign private issuer as early as January 1, 2023, which would require us to comply with all of the periodic disclosure and current reporting requirements of the U.S. Exchange Act applicable to public

companies organized in the United States. In order to maintain our current status as a foreign private issuer, either (a) a majority of our securities (based on number or voting power) must be either directly or indirectly owned of record by nonresidents of the United States or (b)(i) a majority of our executive officers or directors cannot be U.S. citizens or residents, (ii) more than 50% of our assets must be located outside the United States and (iii) our business must be administered principally outside the United States. If we lose our status as a foreign private issuer, we would be required to comply with the U.S. Exchange Act reporting and other requirements applicable to public companies organized in the United States, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and Nasdaq rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic public company may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and is likely to make some activities highly time-consuming and costly. We also expect that if we were required to comply with the rules and regulations applicable to public companies organized in the United States, it would make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors.

There could be adverse tax consequences for our U.S. shareholders if we are a passive foreign investment company.

U.S. shareholders of passive foreign investment companies are subject to potentially adverse U.S. federal income tax consequences. In general, a non-U.S. corporation is a passive foreign investment company (a "PFIC") for any taxable year in which (i) 75% or more of its gross income consists of passive income; or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Cash is a passive asset for these purposes.

Based on the expected composition of our income and assets we do not believe that we were a PFIC for the 2020 taxable year, and we do not expect to be a PFIC in the foreseeable future. However, our PFIC status is a factual determination that is made on an annual basis. Because our PFIC status for any taxable year will depend on the manner in which we operate our business, the composition of our income and assets and the value of our assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. holder owned Subordinate Voting Shares, such U.S. holder would be subject to certain adverse U.S. federal income tax consequences as discussed under "U.S. Federal Income Tax Considerations". Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to our Subordinate Voting Shares.

USE OF PROCEEDS

The net proceeds of the Offering, after deduction of the Underwriters' commission of US \$● payable by the Company and the estimated expenses of the Offering of approximately US \$●, are estimated to be approximately US \$●. If the Option to Purchase Additional Shares is exercised in full, the total aggregate net proceeds to the Company are estimated to be approximately US \$●, after deduction of the Underwriters' commission payable by the Company in respect of the Additional Shares sold pursuant to the exercise of the Option to Purchase Additional Shares and the estimated expenses of the Offering.

We intend to use the net proceeds from the Offering for general corporate purposes, including to fund ongoing operations, working capital requirements and/or to fund growth initiatives such as acquisitions or strategic investments in complementary businesses, services, products or technologies. At this time, we do not have any binding agreements or commitments to enter into any such transactions or agreements. In addition, we may use a portion of the net proceeds to repay indebtedness under the First Lien Credit Facility. As a result of our significant growth in recent periods and the fact that we operate in a dynamic and rapidly-evolving market, we do not believe we can provide the approximate amounts of the proceeds that will be allocated to each of these purposes with certainty. As such, we have not specifically allocated the net proceeds amongst these purposes as at the date of this Prospectus Supplement. Pending application, we may invest the net proceeds of the Offering in short-term, interest-bearing, investment-grade securities or money market accounts.

We will have broad discretion in allocating the net proceeds from the Offering. While we currently anticipate that we will use the net proceeds from the Offering as outlined above, the actual use of the net proceeds may vary depending on the circumstances, including market conditions and strategic acquisition opportunities. See "Risk Factors".

CONSOLIDATED CAPITALIZATION

Other than as described in this Prospectus Supplement, there have been no material changes in our share or loan capital on a consolidated basis since June 30, 2021, the date of our Interim Financial Statements. No material change is expected to result from the Offering on a consolidated basis.

The following table sets out the Company's consolidated capitalization as at June 30, 2021 (i) on an actual basis and (ii) on an as adjusted basis to give effect to this Offering, assuming no exercise of the Option to Purchase Additional Shares. The table should be read in conjunction with the Annual Financial Statements and the Interim Financial Statements, along with the related notes thereto and the associated Annual MD&A and Interim MD&A incorporated by reference in this Prospectus Supplement.

	As at June 30, 2021	
	Actual	As Adjusted
	(in thousands of US \$)	
Cash	\$ 533,688	\$ ●(1)
Loans and borrowings (including current portion)	\$ 509,221	\$ ●
Equity attributable to shareholders:		
Share capital(2)	1,631,777	●(3)
Contributed surplus	24,084	●
Deficit	(146,398)	●
Accumulated other comprehensive income	11,931	●
Non-controlling interest	10,090	●
Total equity	1,531,484	●
Consolidated capitalization	<u>\$2,040,705</u>	<u>\$ ●</u>

- (1) The amount included in the table includes the estimated net proceeds of the Offering, after deducting the estimated expenses of the Offering, assuming all such estimated expenses were paid at Closing. The amount does not reflect the use of proceeds set out under "Use of Proceeds".
- (2) Immediately following closing of the Offering, based on the number of shares outstanding as of October 1, 2021 and assuming no exercise of the Option to Purchase Additional Shares, 64,870,281 Subordinate Voting Shares, 76,064,619 Multiple Voting Shares and no preferred shares will be issued and outstanding.
- (3) The amount included in the table includes additional share capital raised by the Company through the Offering estimated to amount to approximately US\$● million, after deducting the estimated expenses of the Offering.

DESCRIPTION OF SHARE CAPITAL

Our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, of which 63,370,281 were issued and outstanding as of October 1, 2021, (ii) an unlimited number of Multiple Voting Shares, of which 76,064,619 were issued and outstanding as of October 1, 2021 and (iii) an unlimited number of preferred shares, issuable in series, none of which were outstanding as of October 1, 2021.

See "Description of Share Capital – Subordinate Voting Shares and Multiple Voting Shares" in the Shelf Prospectus for a detailed description of the attributes of our Subordinate Voting Shares and Multiple Voting Shares.

PRIOR SALES

The following table summarizes issuances of Subordinate Voting Shares, or securities convertible into or exchangeable for Subordinate Voting Shares, during the 12-month period preceding the date of this prospectus.

<u>Date</u>	<u>Type of Security</u>	<u>Number of Securities</u>	<u>Issuance/Exercise Price per Security</u>
2021-10-04	Subordinate Voting Shares(1)	3,446	\$26.00
2021-10-01	Subordinate Voting Shares(1)	1,418	\$26.00
2021-09-30	Deferred Share Units(2)	947	—
2021-09-29	Subordinate Voting Shares(1)	8,190	\$26.00
2021-09-28	Subordinate Voting Shares(1)	7,952	\$26.00
2021-09-27	Subordinate Voting Shares(1)	12,643	\$26.00
2021-09-24	Subordinate Voting Shares(1)	55,289	\$26.00
2021-09-23	Subordinate Voting Shares(1)	685	\$26.00
2021-09-22	Subordinate Voting Shares(3)	161	\$4.70
2021-09-17	Subordinate Voting Shares(1)	535	\$26.00
2021-09-16	Subordinate Voting Shares(1)	535	\$26.00
2021-09-13	Restricted Share Units(2)	11,700	—
2021-09-09	Subordinate Voting Shares(3)	1,000	\$4.70
2021-09-02	Options(2)	565,000	\$120.05
2021-09-01	Restricted Share Units(2)	26,500	—
2021-09-01	Options(2)	257,755	\$127.00
2021-09-01	Performance Share Units(2)	106,305	—
2021-09-01	Performance Share Units(2)	482,742	—
2021-09-01	Restricted Share Units(2)	15,748	—
2021-09-01	Options(2)	15,000	\$127.00
2021-08-30	Options(2)	10,000	\$127.33
2021-08-30	Subordinate Voting Share(4)	3,968	\$6.30
2021-08-17	Options(2)	15,500	\$104.53
2021-08-17	Restricted Share Units(2)	12,500	—
2021-08-27	Subordinate Voting Shares(5)	71,428	\$2.80
2021-08-19	Subordinate Voting Shares(5)	20,000	\$2.80
2021-08-03	Subordinate Voting Shares(6)	138,522	C\$103.76
2021-07-02	Deferred Share Units(2)	1,396	—
2021-07-02	Subordinate Voting Shares(5)	5,000	\$2.80
2021-06-30	Subordinate Voting Shares(3)	11,122	\$4.70
2021-06-29	Subordinate Voting Shares(3)	1,689	\$4.70
2021-06-23	Subordinate Voting Shares(7)	16,006	\$6.24
2021-06-07	Subordinate Voting Shares(8)	6,663,801	—
2021-06-07	Subordinate Voting Shares(3)	1,500	\$4.70
2021-06-07	Subordinate Voting Shares(9)	71,654	\$11.51
2021-06-07	Subordinate Voting Shares(5)	358,269	\$2.80
2021-06-02	Subordinate Voting Shares(10)	2,440,500	—
2021-05-21	Subordinate Voting Shares(5)	10,000	\$2.80
2021-05-21	Subordinate Voting Shares(3)	63,000	\$4.70
2021-05-19	Subordinate Voting Shares(5)	1,000	\$2.80
2021-05-04	Subordinate Voting Shares(7)	16,025	\$6.24
2021-04-21	Subordinate Voting Shares(3)	31,888	\$4.70
2021-04-19	Subordinate Voting Shares(3)	5,315	\$4.70
2021-04-16	Subordinate Voting Shares(3)	10,629	\$4.70

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Date	Type of Security	Number of Securities	Issuance/Exercise Price per Security
2021-05-12	Options ⁽²⁾	7,000	\$67.66
2021-05-12	Restricted Share Units ⁽²⁾	142,500	—
2021-04-06	Subordinate Voting Shares ⁽³⁾	10,629	\$4.70
2021-04-05	Subordinate Voting Shares ⁽³⁾	10,629	\$4.70
2021-04-05	Subordinate Voting Shares ⁽³⁾	975	\$4.70
2021-04-05	Subordinate Voting Shares ⁽¹¹⁾	10,000	\$3.84
2021-04-05	Deferred Share Units ⁽²⁾	1,848	—
2021-03-30	Subordinate Voting Shares ⁽³⁾	12,000	\$4.70
2021-03-29	Subordinate Voting Shares ⁽³⁾	2,700	\$4.70
2021-03-29	Preferred Share Units ⁽²⁾	141,122	—
2021-03-26	Subordinate Voting Shares ⁽³⁾	40,100	\$4.70
2021-03-25	Options ⁽²⁾	214,286	\$57.50
2021-03-24	Subordinate Voting Shares ⁽¹²⁾	8,919,388	—
2021-03-24	Subordinate Voting Shares ⁽³⁾	51,416	\$4.70
2021-03-24	Subordinate Voting Shares ⁽¹³⁾	198,583	\$3.42
2021-03-19	Subordinate Voting Shares ⁽¹⁴⁾	600,000	—
2021-01-04	Deferred Share Units ⁽²⁾	1,848	—
2020-12-30	Subordinate Voting Shares ⁽³⁾	760	\$4.70
2020-12-07	Options ⁽²⁾	438,614	\$47.21

- (1) Issued upon the exercise of certain options granted on September 22, 2020.
- (2) Granted pursuant to our omnibus incentive plan dated February 3, 2021.
- (3) Issued upon the exercise of certain options granted on December 12, 2018.
- (4) Issued upon the exercise of certain options granted on July 15, 2019.
- (5) Issued upon the exercise of certain options granted on April 3, 2018.
- (6) Issued to Green Logo Holdings Inc. and Sovereign Technology Management GP Inc. pursuant to a share purchase agreement dated April 15, 2021 between Green Logo Holdings Inc., JaxB Holdings Inc., Vantatech Holdings Inc. and certain other minority shareholders, Nuvei and Mazooma Technical Services Inc., a U.S focused gaming and sports wagering payment technology provider.
- (7) Issued upon the exercise of certain options granted on May 29, 2019.
- (8) Issued pursuant to the conversion of 6,663,801 Multiple Voting Shares held by Novacap TMT IV, L.P., Novacap International TMT IV, L.P., NVC TMT IV, L.P., Novacap TMT V, L.P., Novacap International TMT V, L.P., Novacap TMT V-A, L.P., NVC TMT V, L.P., NVC TMT V-A, L.P. and Novacap TMT V Co-Investment (Nuvei), L.P. (collectively, “Novacap”), Caisse de dépôt et placement du Québec (“CDPQ”) and Whiskey Papa Fox Inc. (“WPF”).
- (9) Issued upon the exercise of certain options granted on August 1, 2019.
- (10) Issued pursuant to the conversion of 2,440,500 Multiple Voting Shares held by WPF.
- (11) Issued upon the exercise of certain options granted on November 7, 2018.
- (12) Issued pursuant to the conversion of 8,919,388 Multiple Voting Shares held by Novacap, CDPQ and WPF.
- (13) Issued upon the exercise of certain options granted on September 9, 2018.
- (14) Issued pursuant to the conversion of 600,000 Multiple Voting Shares held by WPF which were subsequently donated to Le Fonds Générations / Generations Funds, a Canadian charitable foundation for no consideration on March 23, 2021.

TRADING PRICE AND VOLUME

The Subordinate Voting Shares are listed on the TSX in Canadian dollars under the symbol “NVEI” and in U.S. dollars under the symbol “NVEI.U”. The following table sets forth the market price ranges and trading volumes of the Subordinate Voting Shares on the TSX during the 12-month period preceding the date of this Prospectus Supplement.

Calendar Period	NVEIU(1)			NVEI		
	Monthly High Price (in US\$)	Monthly Low Price (in US\$)	Monthly Volume	Monthly High Price (in C\$)	Monthly Low Price (in C\$)	Monthly Volume
2020						
October	42.84	37.16	1,240,465	57.50	49.25	1,587,768
November	47.00	39.44	974,521	60.61	50.83	1,608,659
December	60.30	45.96	657,374	77.99	59.50	2,051,004
2021						
January	60.00	49.50	693,799	75.81	63.09	2,881,407
February	61.05	52.05	369,181	77.40	66.68	2,471,550
March	68.50	45.66	2,290,483	84.93	58.57	6,694,319
April	71.32	62.50	1,615,550	89.48	78.09	3,450,114
May	75.79	65.35	1,082,759	91.34	78.83	9,145,696
June	82.50	67.75	2,554,924	101.46	81.98	9,689,607
July	85.00	75.05	620,667	105.10	96.80	3,121,495
August	127.33	80.00	943,426	163.53	100.51	16,492,949
September	138.00	113.99	700,861	175.04	145.04	10,279,638
October (to October 1, 2021)	122.00	122.00	49,247	154.24	154.24	436,096

(1) Upon completion of the Offering, the Subordinate Voting Shares listed on the TSX will only be tradable in Canadian dollars under the symbol “NVEI”.

PLAN OF DISTRIBUTION

General

Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell the Offered Shares and each of the Underwriters has agreed to purchase, severally and not jointly, on the Closing Date the number of Offered Shares opposite its name below, amounting to an aggregate of 1,500,000 Subordinate Voting Shares, at a price of US\$ ● per Offered Share payable in cash to the Company against delivery of the Offered Shares for aggregate gross proceeds of US\$ ● to the Company. In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters an Underwriters’ commission equal to US\$ ● per Offered Share, representing 3.25% of the gross proceeds of the Offering.

Name	Number of Offered Shares
Goldman Sachs & Co. LLC	●
Credit Suisse Securities (USA) LLC	●
J.P. Morgan Securities LLC	●
BMO Nesbitt Burns Inc.	●
RBC Dominion Securities Inc.	●
Total	1,500,000

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The Offering is being made concurrently in the United States and in each of the provinces and territories of Canada. The Offered Shares will be offered in the United States and each of the provinces and territories of Canada through the Underwriters and/or affiliates thereof registered to offer the Offered Shares for sale in such jurisdictions in accordance with applicable securities laws and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters, or such other registered dealers as may be designated by the Underwriters, may offer the Offered Shares outside of the United States and Canada.

The Offering Price of US\$ ● per Offered Share was determined by negotiation between us and the Underwriters, and the Underwriters propose to offer the Offered Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Shares at the price specified on the cover page of this Prospectus Supplement, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page of this Prospectus Supplement, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the price paid by the Underwriters to us. The Underwriters may form a sub agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Underwriters out of their fees. The obligation to pay the sub underwriting fee is an obligation of the Underwriters and we are not responsible for ensuring that any dealer receives this payment from the Underwriters.

The Company has granted to the Underwriters the Option to Purchase Additional Shares, which is exercisable in whole or in part and at any time for a period of 30 days after Closing Date to purchase from the Company up to an additional 15% of the aggregate number of Offered Shares issued under the Offering on the same terms as set forth above solely to cover over allocations, if any, and for market stabilization purposes. This Prospectus Supplement, together with the Shelf Prospectus, also qualifies the grant of the Option to Purchase Additional Shares and the distribution of the Additional Shares to be delivered upon the exercise of the Option to Purchase Additional Shares. A purchaser who acquires Subordinate Voting Shares forming part of the Underwriters' over allocation position acquires such Subordinate Voting Shares under this Prospectus Supplement, regardless of whether the Underwriters' over allocation position is ultimately filled through the exercise of the Option to Purchase Additional Shares or secondary market purchases.

Under the terms of the Underwriting Agreement, the Underwriters may, at their discretion terminate their obligations under the Underwriting Agreement upon the occurrence of certain stated events. The termination provisions in the Underwriting Agreement include customary "regulatory proceedings out", "disaster out", "material change out" and "non compliance with conditions out" clauses. The Underwriters are, however, subject to certain closing conditions, severally and not jointly, obligated to take up and pay for all of the Offered Shares that they have agreed to purchase if any of the Offered Shares are purchased under the Underwriting Agreement.

Subscriptions for Offered Shares will be received subject to rejection or allocation in whole or in part and the right is reserved to close the subscription books at any time without notice. The Closing is expected to occur on October ●, 2021 or such other date as we and the Underwriters may agree, but in any event not later than ●, 2021.

The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under Canadian and U.S. securities legislation.

Listing

The Subordinate Voting Shares are listed on the TSX in Canadian dollars under the symbol "NVEI" and in U.S. dollars under the symbol "NVEI.U". Upon completion of the Offering, the Subordinate Voting Shares listed on the TSX will be tradable in Canadian dollars under the symbol "NVEI" only. The Company has applied to list the Subordinate Voting Shares to be registered pursuant the Registration Statement and its outstanding Subordinate Voting Shares on the Nasdaq under the trading symbol "NVEI". Listing will be subject to the Company fulfilling all of the listing requirements of the Nasdaq.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may, subject to applicable law, over allocate or effect transactions which stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Subordinate Voting Shares while the Offering is in progress. These transactions may also include making short sales of the Subordinate Voting Shares, which involve the sale by the Underwriters of a greater number of Subordinate Voting Shares than they are required to purchase in the Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Option to Purchase Additional Shares, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Option to Purchase Additional Shares, in whole or in part, or by purchasing Subordinate Voting Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Subordinate Voting Shares available for purchase in the open market compared with the price at which they may purchase Subordinate Voting Shares through the Option to Purchase Additional Shares. If, following Closing, the market price of the Subordinate Voting Shares decreases, the short position created by the over allocation position in Subordinate Voting Shares may be filled through purchases in the market, creating upward pressure on the price of the Subordinate Voting Shares. If, following Closing, the market price of Subordinate Voting Shares increases, the over allocation position in Subordinate Voting Shares may be filled through the exercise of the Option to Purchase Additional Shares in respect of Subordinate Voting Shares at the Offering Price.

The Underwriters must close out any naked short position by purchasing Subordinate Voting Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Subordinate Voting Shares in the open market that could adversely affect investors who purchase in the Offering. Any naked short sales will form part of the Underwriters’ over allocation position. A purchaser who acquires Subordinate Voting Shares forming part of the Underwriters’ over allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such Subordinate Voting Shares under this prospectus, regardless of whether the Underwriters’ over allocation position is ultimately filled through the exercise of the Option to Purchase Additional Shares or secondary market purchases.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities, the Underwriters may not, at any time during the period of distribution, bid for or purchase Subordinate Voting Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Subordinate Voting Shares. These exceptions include a bid or purchase permitted under the by laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Subordinate Voting Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Subordinate Voting Shares are listed, in the over the counter market, or otherwise.

Non-Certificated Inventory System

No certificates representing the Subordinate Voting Shares to be sold in the Offering will be issued to purchasers under this prospectus. It is expected that the Company will arrange for the instant deposit of the Subordinate Voting Shares offered hereby under the book-based system of registration, to be registered to DTC or its nominee and deposited with DTC on the Closing Date. However, in the case of certain Canadian purchasers, we may alternatively arrange for the electronic deposit of the Offered Shares distributed under the Offering under the book-based system of registration, to be registered in the name of CDS or its nominee and will be deposited with CDS on the Closing Date. No certificates evidencing the Subordinate Voting Shares offered hereby will be issued to purchasers of the Subordinate Voting Shares. Purchasers of the Subordinate Voting Shares will receive only a customer confirmation from the Underwriter or other registered dealer from or through which a beneficial interest in the Subordinate Voting Shares are purchased.

Lock-Up Agreements

In connection with this Offering, the Company, each of the Company's directors, Novacap and Whiskey Papa Fox Inc. have entered into a lock-up agreement pursuant to which he, she or it has agreed not to, directly or indirectly, without the prior written consent of the Joint Active Bookrunners (as defined in the Underwriting Agreement), on behalf of the Underwriters, such consent not to be unreasonably withheld, conditioned or delayed, offer, sell, contract to sell, issue or grant (as applicable) any option, right or warrant to purchase, or otherwise lend, transfer, assign or dispose of, in a public offering or by way of private placement or otherwise, any Subordinate Voting Shares, Multiple Voting Shares or any securities convertible, exchangeable or exercisable into Subordinate Voting Shares or Multiple Voting Shares, secure or pledge any Subordinate Voting Shares, Multiple Voting Shares or any securities convertible or exchangeable into Subordinate Voting Shares of Multiple Voting Shares, or publicly announce any intention to do any of the foregoing, subject to certain exceptions, for a period of 45 days after the date of the final prospectus (each, a "Lock-Up Agreement"). These exceptions for the Company include the issuance of securities by the Company:

- pursuant to the Underwriting Agreement;
- pursuant to employee or executive incentive compensation arrangements currently in place;
- as consideration in connection with acquisitions, provided that any issuances in connection with such acquisitions in the aggregate do not exceed 10% of the shares of the Company (on a fully diluted basis); and
- as may be required pursuant to the articles of the Company or for transactions related to the Offering.

The exceptions for the Company's directors, Novacap and Whiskey Papa Fox Inc. (each, a "Lock-Up Party") include:

- shares sold pursuant to the Underwriting Agreement;
- *bona fide* gifts to their immediate family, provided the recipient thereof agrees in writing for the benefit of the Underwriters to be bound by the terms of the Lock-up Agreement for the remainder of its term;
- dispositions to any trust for the direct or indirect benefit of the Lock-Up Party and/or the immediate family of the Lock-Up Party, provided that such trust agrees in writing for the benefit of the Underwriters to be bound by the terms of the Lock-up Agreement for the remainder of its term;
- dispositions to any wholly-owned subsidiary of the Lock-Up Party, provided that such subsidiary agrees in writing for the benefit of the Underwriters to be bound by the terms of the Lock-up Agreement for the remainder of its term;
- if the Lock-Up Party is a corporation, partnership, limited liability company or other entity, dispositions to any affiliate, limited partner, member or security holder of the Lock-Up Party or to any investment fund or other entity controlled or managed by the Lock-Up Party, the manager or general partner of the Lock-Up Party, or an affiliate, limited partner, member or security holder of the manager or general partner of the Lock-Up Party, provided that such affiliate agrees in writing for the benefit of the Underwriters to be bound by the terms of the Lock-up Agreement for the remainder of its term;

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- pledges or security interests, provided that the pledgee or beneficiary of the security interest agrees in writing for the benefit of the Underwriters to be bound by the terms of the Lock-up Agreement for the remainder of its term;
- exercises or settlement of awards pursuant to any employee or executive incentive compensation arrangement of the Company existing as at the date of the Lock-up Agreement (provided however that the securities issuable thereunder shall be subject to the restrictions set out in the Lock-up Agreement); or
- transfers pursuant to a *bona fide* third party take-over bid made to all shareholders of the Company, a plan of arrangement or amalgamation involving a change of control of the Company, or similar acquisition or business combination transaction provided that in the event that the take-over bid, plan of arrangement or amalgamation, or acquisition or business combination transaction is not completed, any Subordinate Voting Shares or Multiple Voting Shares, as applicable, held by the Lock-Up Party shall remain subject to the restrictions contained in the Lock-Up Agreement.

The Joint Active Bookrunners in their sole discretion, may release the securities subject to any of the Lock-Up Agreements within the underwriters described above, in whole or in part at any time.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this Prospectus Supplement is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, as defined herein (each, a “Relative Member State”) an offer to the public of our Subordinate Voting Shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our Subordinate Voting Shares may be made at any time under the following exemptions under the Prospectus Directive:

- To any legal entity which is a qualified investor as defined in the Prospectus Directive;
- To fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Underwriter or Underwriters for any such offer; or
- In any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer or shares of our common stock shall result in a requirement for the publication by us or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to public” in relation to our Subordinate Voting Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our Subordinate Voting Shares to be offered so as to enable an investor to decide to purchase our Subordinate Voting Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU and includes any relevant implementing measure in the Relative Member State.

Notice to Prospective Investors in Switzerland

This Prospectus Supplement is not intended to constitute an offer or solicitation to purchase or invest in our Subordinate Voting Shares. Our Subordinate Voting Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit our Subordinate Voting Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus Supplement nor any other offering or marketing material relating to our Subordinate Voting Shares constitutes a prospectus pursuant to the FinSA, and neither this Prospectus Supplement nor any other offering or marketing material relating to our Subordinate Voting Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Hong Kong

Our Subordinate Voting Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to our Subordinate Voting Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Subordinate Voting Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Notice to Prospective Investors in Singapore

This Prospectus Supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus Supplement and any other document or material in connection with the sale, or invitation for purchase, of our Subordinate Voting Shares may not be circulated or distributed, nor may our Subordinate Voting Shares be sold, or be made the subject of an invitation for purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where our Subordinate Voting Shares are purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired our Subordinate Voting Shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation’s securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (“Regulation 32”).

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Where our Subordinate Voting Shares are purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than US\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Notice to Prospective Investors in Japan

Our Subordinate Voting Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIFA"). Our Subordinate Voting Shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIFA and otherwise in compliance with any relevant laws and regulations of Japan.

Relationship Between Us and Certain Underwriters

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Company and to persons and entities with relationships with the Company, for which they received or will receive customary fees and expenses.

In particular, certain affiliates of Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. are lenders and agents to the Company in respect of an amended and restated credit agreement dated June 18, 2021, as amended (the "First Lien Credit Facility"), which provides the Company with financing capacity of US\$511,971,000 in the form of a term loan and US\$385,000,000 in the form of a revolving credit facility. Accordingly, we may be considered a "connected issuer" to Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. within the meaning of National Instrument 33-105 – *Underwriting Conflicts*.

As at October 1, 2021, there was US\$511,971,000 outstanding under the First Lien Credit Facility.

As of the date hereof, the Company is in compliance in all material respects with the terms of its indebtedness to the lenders under the First Lien Credit Facility. There has been no material adverse change in the financial position of the Company or to the security for the indebtedness under the First Lien Credit Facility since the date that the First Lien Credit Facility was established.

The lenders have not waived any breach of the credit agreement in respect of the First Lien Credit Facility since the date that the First Lien Credit Facility was established. The lenders under the First Lien Credit Facility were not involved in the decision to proceed with the Offering or in the determination of the terms of the Offering. As a consequence of the Offering, the Underwriters will receive a commission in respect of the Subordinate Voting Shares sold through the Underwriters.

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In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with our Company. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “Tax Act”) generally applicable to a holder who: (i) acquires as beneficial owner Subordinate Voting Shares pursuant to this Offering; (ii) for the purposes of the Tax Act and at all relevant times, acquires and holds the Subordinate Voting Shares as capital property; and (iii) for purposes of the Tax Act and at all relevant times, deals at arm’s length and is not affiliated with the Company and the Underwriters (a “Holder”). A Subordinate Voting Share will generally be capital property to a Holder provided that the Holder does not hold or use such Subordinate Voting Share in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired or been deemed to have acquired the Subordinate Voting Share in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the mark-to-market rules); (ii) an interest in which would be a “tax shelter investment” (as defined in the Tax Act); (iii) that is a “specified financial institution” (as defined in the Tax Act); (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency; (v) who enters into or has entered into a “synthetic disposition arrangement” or a “derivative forward agreement” (as defined in the Tax Act) with respect to the Subordinate Voting Shares; (vi) that receives dividends on Subordinate Voting Shares under or as part of a “dividend rental arrangement” (as defined in the Tax Act); or (vii) that is a corporation resident in Canada (for the purposes of the Tax Act) and is, or becomes, or does not deal at arm’s length (for purposes of the Tax Act) with a corporation resident in Canada (for the purposes of the Tax Act) that is, or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Subordinate Voting Shares, controlled by a non-resident person, or, if no single non-resident person has or acquires control, by a group of non-resident persons that do not deal with each other at arm’s length for the purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such investors should consult their own tax advisors with respect to an investment in the Subordinate Voting Shares.

This summary is based upon: (i) the provisions of the Tax Act in force as of the date hereof; (ii) all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”); and (iii) counsel’s understanding of the current administrative and assessing policies and practices of the Canada Revenue Agency (the “CRA”) published in writing by the CRA prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary also does not take into account any change in the administrative policies or assessing practices of the CRA.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder or prospective Holder of Subordinate Voting Shares, and no representations with respect to the tax consequences to any Holder or prospective Holder are made therein. Accordingly, Holders and prospective Holders of Subordinate Voting Shares are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Subordinate Voting Shares, having regard to their particular circumstances.

Currency Conversions

Subject to certain exceptions that are not discussed herein, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Subordinate Voting Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars using the relevant exchange rate required under the Tax Act.

Residents in Canada

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a “Resident Holder”). Certain Resident Holders who might not otherwise be considered to hold their Subordinate Voting Shares as capital property may, in certain circumstances, be entitled to have their Subordinate Voting Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such Resident Holders in the taxation year of the election and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Resident Holders should consult their own tax advisors regarding this election.

Dividends on Subordinate Voting Shares

Dividends received or deemed to be received on Subordinate Voting Shares held by a Resident Holder will be included in the Resident Holder’s income for the purposes of the Tax Act.

Such dividends received by a Resident Holder who is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as “eligible dividends” in accordance with the Tax Act. There may be limitations on the ability of the Company to designate dividends as “eligible dividends” and the Company has made no commitments in this regard.

Taxable dividends received or deemed to be received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Dividends received or deemed to be received on a Subordinate Voting Share by a Resident Holder that is a corporation will be included in computing such Resident Holder’s income for the taxation year and will generally also be deductible in computing its taxable income for that taxation year, subject to all relevant restrictions under the Tax Act. In certain circumstances a dividend received or deemed to be received by a Resident Holder that is a corporation may be deemed to be proceeds of disposition or a capital gain pursuant to subsection 55(2) of the Tax Act. Resident Holders that are corporations should consult their own tax advisors with respect to the application of subsection 55(2) of the Tax Act having regard to their own circumstances.

A Resident Holder that is a “private corporation” or a “subject corporation”, each as defined in the Tax Act, may be liable to pay an additional tax under Part IV of the Tax Act on dividends received or deemed to be received on a Subordinate Voting Share to the extent such dividends are deductible in computing the Resident Holder’s taxable income. Such additional tax may be refundable in certain circumstances. Resident Holders that are corporations should consult their own tax advisors regarding their own circumstances.

Dispositions of Subordinate Voting Shares

A disposition or a deemed disposition of a Subordinate Voting Share (other than to the Company unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market) by a Resident Holder will generally result in a Resident Holder

realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Subordinate Voting Share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder thereof immediately before the disposition or deemed disposition and any reasonable costs of disposition. For this purpose, the adjusted cost base to a Resident Holder of a Subordinate Voting Share will be determined at any particular time by averaging the cost of such share with the adjusted cost base of any other Subordinate Voting Shares owned by the Resident Holder as capital property at that time. Such capital gain (or capital loss) will be subject to the treatment described below under “Taxation of Capital Gains and Capital Losses”.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “taxable capital gain”) realized by a Resident Holder in a taxation year must be included in computing the Resident Holder’s income for the year, and, subject to and in accordance with the Tax Act, one-half of any capital loss (an “allowable capital loss”) realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years (but not against other income), to the extent and under the circumstances described in the Tax Act.

If the Resident Holder is a corporation, the amount of any capital loss realized on the disposition or deemed disposition of a Subordinate Voting Share may, in certain circumstances, be reduced by the amount of any dividends received or deemed to be received by the Resident Holder on such Subordinate Voting Share (or on a share for which the Subordinate Voting Share has been substituted) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Subordinate Voting Shares, directly or indirectly through a partnership or a trust. Such Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional tax (refundable under certain circumstances) on its “aggregate investment income”, which is defined in the Tax Act to include taxable capital gains. Such Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Capital gains realized by an individual (other than certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Non-Resident Holders

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act and any relevant income tax treaty or convention: (i) is neither resident nor deemed to be resident in Canada; and (ii) does not, and is not deemed to, use or hold Subordinate Voting Shares in carrying on a business in Canada (a “Non-Resident Holder”). In addition, this discussion does not apply to a Non-Resident Holder that is “registered non-resident insurer” or “an authorized foreign bank” (as such terms are defined in the Tax Act), and such Non-Resident Holders should consult their own tax advisors.

Dividends on Subordinate Voting Shares

Dividends paid or credited, or deemed to be paid or credited, on a Subordinate Voting Share to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder’s country of residence. For example, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Income Tax Convention (1980)* as amended (the “Treaty”), and is the beneficial owner of the dividends, the rate of

Canadian withholding tax applicable to dividends is generally reduced to 15% (or 5% in the case of a Non-Resident Holder that is a corporation entitled to full benefits under the Treaty beneficially owning at least 10% of the Company's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Subordinate Voting Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a Subordinate Voting Share unless the Subordinate Voting Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. In addition, a capital loss arising on a disposition or deemed disposition of a Subordinate Voting Share will not be recognized under the Tax Act, unless the Subordinate Voting Share constitutes "taxable Canadian property" (as defined in the Tax Act) at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Provided the Subordinate Voting Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), at the time of disposition, Subordinate Voting Shares generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60 month period that ends at the time of the disposition of the Subordinate Voting Shares, the following two conditions are met concurrently: (i) one or any combination of (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length (for purposes of the Tax Act); or (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Company; and (ii) more than 50% of the fair market value of the Subordinate Voting Shares was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada; (b) "Canadian resource properties" (as defined in the Tax Act); (c) "timber resource properties" (as defined in the Tax Act); and (d) options in respect of, or interests in or for civil law rights in, property described in (a) to (c), whether or not such property exists. Notwithstanding the foregoing, Subordinate Voting Shares may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act.

A Non-Resident Holder contemplating a disposition of Subordinate Voting Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

In the event that a Subordinate Voting Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act or pursuant to an applicable income tax convention, the income tax consequences discussed above for Resident Holders under "Dispositions of Subordinate Voting Shares" will generally apply to the Non-Resident Holder.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of our U.S. tax counsel, Davis Polk & Wardwell LLP, the following is a description of the material U.S. federal income tax consequences of owning and disposing of Subordinate Voting Shares, but this discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire the Subordinate Voting Shares.

This discussion applies only to the U.S. Holders described below that acquire the Subordinate Voting Shares in this offering and hold Subordinate Voting Shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the provisions of the Internal Revenue Code of 1986, as amended (the "Code") that are known as the Medicare contribution tax on net investment income and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- real estate investment trusts or regulated investment companies;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding Subordinate Voting Shares as part of a hedging transaction, straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to Subordinate Voting Shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- tax-exempt entities, including an "individual retirement account" or "Roth IRA";
- persons that own or are deemed to own ten percent or more of our stock, by vote or value;
- persons holding shares in connection with a trade or business conducted outside of the United States; or
- entities classified as partnerships for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Subordinate Voting Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Subordinate Voting Shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the Subordinate Voting Shares to them.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed treasury regulations, and the income tax treaty between Canada and the United States (the "Treaty") all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

A "U.S. Holder" is a person who, for U.S. federal income tax purposes, is a beneficial owner of Subordinate Voting Shares who is eligible for the benefits of the Treaty and is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of Subordinate Voting Shares in light of their particular circumstances.

Taxation of Distributions

We do not currently intend to pay dividends. In the event that we do pay dividends, and subject to the passive foreign investment company (“PFIC”) rules described below, distributions paid on Subordinate Voting Shares, other than certain pro rata distributions of Subordinate Voting Shares, will be treated as dividends to the extent paid out of the Company’s current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be eligible for taxation as “qualified dividend income” and therefore may be taxable at rates applicable to long-term capital gains. The reduced rate of tax does not apply if the Company is a PFIC in the year in which the dividend is paid or was a PFIC in the Company’s prior taxable year, in each case with respect to a particular U.S. Holder. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends in their particular circumstances. The amount of a dividend will include any amounts withheld by the Company in respect of Canadian taxes. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder’s income on the date of the U.S. Holder’s receipt of the dividend.

Subject to applicable limitations, some of which vary depending upon the U.S. Holder’s circumstances, Canadian income taxes withheld from dividends on Subordinate Voting Shares at a rate not exceeding the rate provided by the Treaty will be creditable against the U.S. Holder’s U.S. federal income tax liability. Canadian taxes withheld in excess of the rate applicable under the Treaty will not be eligible for credit against a U.S. Holder’s federal income tax liability. See “Certain Canadian Federal Income Tax Consequences—Non-Resident Holders—Dividends on Subordinate Voting Shares” for a discussion of the applicable Canadian withholding tax under the Treaty. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including the Canadian tax, in computing their taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all taxes paid or accrued in the taxable year to foreign countries and possessions of the United States.

Sale or Other Disposition of Subordinate Voting Shares

Subject to the passive foreign investment company rules described below, for U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of Subordinate Voting Shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Subordinate Voting Shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder’s tax basis in the Subordinate Voting Shares disposed of and the amount realized on the disposition. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

The Company believes that it was not a “passive foreign investment company” for U.S. federal income tax purposes for its 2020 taxable year and, based on the expected composition of the Company’s income and assets, it does not expect to become one in the foreseeable future. However, because PFIC status depends on the composition of a company’s income and assets and the market value of its assets, including its goodwill, from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year.

If the Company were a PFIC for any taxable year during which a U.S. Holder held Subordinate Voting Shares, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the Subordinate Voting Shares would be allocated ratably over the U.S. Holder’s holding period for the Subordinate Voting

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Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and a punitive interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received by a U.S. Holder on its Subordinate Voting Shares exceeds 125% of the average of the annual distributions on the Subordinate Voting Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Subordinate Voting Shares. U.S. Holders should consult their tax advisers to determine whether any other of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisers regarding the application of the U.S. information reporting and backup withholding rules.

If the Company were a PFIC for any year in which a U.S. Holder owns Subordinate Voting Shares, such U.S. Holder generally would be required to make annual filings with the IRS.

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, our Canadian counsel, and McCarthy Tétrault LLP, Canadian counsel to the Underwriters, based on the current provisions of the Tax Act and provided the Subordinate Voting Shares are listed on a designated stock exchange (which currently includes the TSX) at all relevant times, the Subordinate Voting Shares acquired pursuant to this Offering will be "qualified investments" under the Tax Act for trusts governed by deferred profit sharing plans ("DPSPs"), registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered education savings plans ("RESP"), registered disability savings plans ("RDSP") and tax-free savings accounts ("TFSA") (each as defined in the Tax Act).

Notwithstanding that the Subordinate Voting Shares may be "qualified investments" for a trust governed by a RRSP, RRIF, RESP, RDSP or a TFSA, a holder of a TFSA or RDSP, an annuitant of a RRSP or RRIF or a subscriber of a RESP, as applicable, will be subject to a penalty tax under the Tax Act with respect to Subordinate Voting Shares if the Subordinate Voting Shares are "prohibited investments" for the RRSP, RRIF, RESP, RDSP or TFSA. A Subordinate Voting Share will not be a "prohibited investment" for trusts governed by a RRSP, RRIF, RESP, RDSP or a TFSA provided that the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company for purposes of the Tax Act. In addition, a Subordinate Voting Share will not be a "prohibited investment" if it is an "excluded property", as defined in the Tax Act, for trusts governed by a RRSP, RRIF, RESP, RDSP or TFSA. Holders who intend to hold Subordinate Voting Shares in a RRSP, RRIF, RESP, RDSP, TFSA or DPSP should consult their own tax advisors.

ENFORCEMENT OF CIVIL LIABILITIES

Nuvei is a corporation incorporated under and governed by the CBCA. Most of Nuvei's directors and officers reside in Canada, and the majority of Nuvei's assets and all or a substantial portion of the assets of these persons are located outside the United States. Nuvei has appointed an agent for service of process in the United States, but it may be difficult for holders of Subordinate Voting Shares who reside in the United States to effect service within the United States upon those directors and officers who are not resident in the United States. It may also be difficult for holders of our Subordinate Voting Shares who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon our civil liability and the civil liability of our directors, officers and experts under U.S. federal securities laws. There is substantial doubt whether an action could be brought in Canada in the first instance predicated solely upon U.S. federal securities laws.

Nuvei filed with the SEC, concurrently with the Registration Statement of which the Shelf Prospectus and this Prospectus Supplement form part, an appointment of agent for service of process on Form F-X. Under Form F-X, the Company appointed Nuvei Technologies Inc. at 1375 N Scottsdale Rd Ste 400, Scottsdale, AZ 85257 as its agent for service of process in the United States in connection with any investigation or administrative proceeding conducted by the SEC and any civil suit or action brought against or involving Nuvei in a United States court arising out of or related to or concerning the offering of securities under this Prospectus Supplement.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

One of our directors, Daniela Mielke resides outside of Canada and have appointed the Company at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada as agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

EXPERTS

There is no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named as having prepared or certified a report, valuation, statement or opinion in this prospectus other than Fasken Martineau DuMoulin LLP, McCarthy Tétrault LLP, and PricewaterhouseCoopers LLP. Our independent auditor, PricewaterhouseCoopers LLP, has confirmed that it is independent with respect to the Company within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon on our behalf by Fasken Martineau DuMoulin LLP with respect to Canadian legal matters and Davis Polk & Wardwell LLP with respect to U.S. legal matters and on behalf of the Underwriters by McCarthy Tétrault LLP with respect to Canadian legal matters and Ropes & Gray LLP with respect to U.S. legal matters. As at the date hereof, the partners and associates of each of Fasken Martineau DuMoulin LLP and McCarthy Tétrault LLP beneficially own less than 1% of the outstanding shares of any class of the Company and its affiliates or associates.

INDEPENDENT AUDITOR, TRANSFER AGENT AND REGISTRAR

Our independent auditor is PricewaterhouseCoopers LLP, 1250 René -Lévesque boulevard West, Montreal, Québec H3B 4Y1.

The transfer agent and registrar for our Multiple Voting Shares and Subordinate Voting Shares is AST Trust Company (Canada) at its principal office in Montreal, Québec.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed or furnished with the SEC as part of the Registration Statement of which this Prospectus Supplement forms a part: (i) the documents listed under the heading “Documents Incorporated by Reference”; (ii) powers of attorney from Nuvei’s directors and officers, as applicable; (iii) the consent of PricewaterhouseCoopers LLP; (iv) the consent of Fasken Martineau DuMoulin LLP; (v) the consent of McCarthy Tétrault LLP; and (vi) the Underwriting Agreement.

This amended and restated short form prospectus is a base shelf prospectus. This amended and restated short form prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this amended and restated prospectus has become final and that permits the omission from this amended and restated prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This amended and restated short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See “Plan of Distribution”. This amended and restated short form prospectus may qualify as an “at-the-market distribution” as defined in National Instrument 44-102—Shelf Distributions (“NI 44-102”).

Information has been incorporated by reference in this amended and restated short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Nuvei Corporation at 1100 René -Lévesque Boulevard West, Suite 900, Montréal, Québec, H3B 4N4, Canada, telephone: (514) 313-1190, and are also available electronically at www.sedar.com. See “Documents Incorporated by Reference”.

AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS

(amending and restating the short form base shelf prospectus dated December 7, 2020)

New Issue and/or Secondary Offering

May 20, 2021



NUVEI CORPORATION

US\$1,800,000,000

Subordinate Voting Shares

**Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units**

Nuvei Corporation (the “Company”, “Nuvei”, “us”, “we” or “our”) may offer, issue and sell, as applicable, from time to time subordinate voting shares (“Subordinate Voting Shares”), preferred shares (“Preferred Shares”), debt securities (“Debt Securities”), warrants (“Warrants”) to acquire any of the other securities that are described in this amended and restated short form base shelf prospectus (the “Prospectus”), subscription receipts (“Subscription Receipts”) to acquire any of the other securities that are described in this Prospectus, and units (“Units”) comprised of one or more of any of the other securities that are described in this Prospectus, or any combination of such securities (all of the foregoing collectively, the “Securities” and individually, a “Security”), for up to an aggregate offering price of US\$1,800,000,000, in one or more transactions during the 25-month period commencing on December 7, 2020 that this Prospectus, including any amendments hereto, remains effective.

We will provide the specific terms of any offering of Securities, including the specific terms of the Securities with respect to a particular offering and the terms of such offering, in one or more prospectus supplements (each a “Prospectus Supplement”) to this Prospectus. The Securities may be offered separately or together or in any combination, and as separate series. One or more securityholders of the Company may also offer and sell Securities under this Prospectus. See “Selling Securityholders”.

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All information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. For the purposes of applicable securities laws, each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which that Prospectus Supplement pertains. You should read this Prospectus and any applicable Prospectus Supplement carefully before you invest in any Securities offered pursuant to this Prospectus.

Our Securities may be offered and sold pursuant to this Prospectus through underwriters, dealers, directly or through agents designated from time to time at amounts and prices and other terms determined by us or any selling securityholders. In connection with any underwritten offering of Securities other than an “at-the-market distribution” (as defined in *National Instrument 44-102 – Shelf Distributions* (“NI 44-102”)), unless otherwise specified in the relevant Prospectus Supplement the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be commenced, interrupted or discontinued at any time. See “Plan of Distribution”. A Prospectus Supplement will set out the names of any underwriters, dealers, agents or selling securityholders involved in the sale of our Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the net proceeds we expect to receive from the sale of such Securities, if any, the amounts and prices at which such Securities are sold, the compensation of such underwriters, dealers or agents and other material terms of the plan of distribution.

No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale (including sales in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the Toronto Stock Exchange (“TSX”) or other existing trading markets for the Securities, and as set forth in an applicable prospectus supplement) or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution. If the Securities are offered on a non-fixed price basis, the underwriters’, dealers’ or agents’ compensation will be increased or decreased by the amount by which the aggregate price paid for such Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us.

Our Subordinate Voting Shares are listed on the TSX in Canadian dollars under the symbol “NVEI” and in U.S. dollars under the symbol “NVEI.U”. On May 19, 2021, the last trading day prior to the date of this Prospectus, the closing prices of the Subordinate Voting Shares on the TSX were C\$85.09 and US\$70.11. **Unless otherwise specified in the applicable Prospectus Supplement, Securities other than Subordinate Voting Shares will not be listed on any securities exchange. There is currently no market through which such Securities other than Subordinate Voting Shares may be sold and purchasers may not be able to resell any such Securities purchased under this Prospectus and the Prospectus Supplement relating to such Securities. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation.**

Purchasers of Securities should be aware that the acquisition of Securities may have tax consequences. This Prospectus does not discuss Canadian or other tax consequences and any such tax consequences may not be described fully in any applicable Prospectus Supplement with respect to a particular offering of Securities. Prospective investors should consult their own tax advisors prior to deciding to purchase any of the Securities.

The Company has two classes of issued and outstanding shares: the Subordinate Voting Shares and the multiple voting shares (“Multiple Voting Shares”). The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. The Subordinate Voting Shares and Multiple Voting Shares are substantially identical, except with respect to voting, conversion and subscription rights and transfer restrictions applicable to the Multiple Voting Shares. Each Subordinate Voting Share is entitled to one vote, and each Multiple Voting Share is entitled to 10 votes and is convertible into one Subordinate Voting Share automatically upon transfer, subject to certain exceptions. Holders of Subordinate Voting Shares and Multiple Voting Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares, except to the extent that a separate vote of holders as a separate class is required by law. See “Description of Share Capital – Conversion”. The holders of Subordinate Voting Shares benefit from contractual provisions that give them certain rights in the event of a take-over bid for the Multiple Voting Shares. See “Description of Share Capital – Take-Over Bid Protection”.

No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.

Our head and registered office is located at 1100 René-Lévesque Boulevard West, Suite 900, Montréal, Québec, H3B 4N4, Canada, and our telephone number is (514) 313-1190.

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ABOUT THIS PROSPECTUS

We have not authorized anyone to provide readers with information different from that contained in this Prospectus (or incorporated by reference herein). We take no responsibility for, and can provide no assurance as to the reliability of any other information that others may give readers of this Prospectus. We are not making an offer of Securities in any jurisdiction where the offer is not permitted. Readers are required to inform themselves about, and to observe any restrictions relating to, any offer of Securities and the possession or distribution of this Prospectus and any applicable Prospectus Supplement.

Readers should not assume that the information contained or incorporated by reference in this Prospectus is accurate as of any date other than the date of this Prospectus or the respective dates of the documents incorporated by reference herein, unless otherwise noted herein or as required by law. It should be assumed that the information appearing in this Prospectus, any Prospectus Supplement and the documents incorporated by reference herein and therein are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Company may have changed since those dates.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities in compliance with applicable securities laws. We do not undertake to update the information contained or incorporated by reference herein, including any Prospectus Supplement, except as required by applicable securities laws. Information contained on, or otherwise accessed through, our website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Nuvei Corporation at: 1100 René-Lévesque Blvd, 9th floor, Montréal, Québec, Canada, telephone: (514) 313-1190. In addition, copies of the documents incorporated by reference herein are also available electronically on SEDAR at www.sedar.com.

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus, the following documents of the Company filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- a) the annual information form of the Company dated March 17, 2021 for the year ended December 31, 2020 (the “Annual Information Form”);
- b) the audited consolidated financial statements of the Company as at and for the years ended December 31, 2020 and 2019, together with the notes thereto and the independent auditor’s report thereon;
- c) the management’s discussion and analysis of financial condition and results of operations of the Company for the year ended December 31, 2020 (the “Annual MD&A”);
- d) the unaudited condensed interim consolidated financial statements of the Company as at March 31, 2021 and for the three-month periods ended March 31, 2021 and 2020, together with the notes thereto (“Q1 Financial Statements”);
- e) the management’s discussion and analysis of financial condition and results of operations of the Company for the three-month period ended March 31, 2021 (the “Q1 MD&A”);

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- f) the management information circular of the Company dated April 26, 2021 in connection with the annual meeting of shareholders of the Company to be held on May 28, 2021; and
- g) the material change report of the Company dated March 30, 2021 with respect to the closing of the Company's secondary offering on a bought deal basis of Subordinate Voting Shares for gross proceeds to the selling shareholders of approximately US\$552 million.

Any document of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements (in each case, including any applicable exhibits containing updated earnings coverage information) and the independent auditor's report thereon, management's discussion and analysis and information circulars of the Company filed by the Company with securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the completion or withdrawal of any offering under this Prospectus shall be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new annual information form and annual consolidated financial statements being filed by the Company with the applicable Canadian securities commissions or similar regulatory authorities in Canada during the period that this Prospectus is effective, the previous annual information form, the previous annual consolidated financial statements and all interim consolidated financial statements and in each case the accompanying management's discussion and analysis of financial condition and results of operations, and material change reports, as applicable, filed prior to the commencement of the financial year of the Company in which such annual information form is filed shall be deemed to no longer be incorporated into this Prospectus for purpose of future offers and sales of Securities under this Prospectus. Upon interim consolidated financial statements and the accompanying management's discussion and analysis of financial condition and results of operations being filed by the Company with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus is effective, all interim consolidated financial statements and the accompanying management's discussion and analysis of financial condition and results of operations filed prior to such new interim consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as applicable, shall be deemed to no longer be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. In addition, upon a new management information circular for an annual meeting of shareholders being filed by the Company with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus is effective, the previous management information circular filed in respect of the prior annual meeting of shareholders, as applicable, shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

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References to our website in any documents that are incorporated by reference into this Prospectus and any Prospectus Supplement do not incorporate by reference the information on such website into this Prospectus or any Prospectus Supplement, and we disclaim any such incorporation by reference.

Any “template version” of “marketing materials” (as those terms are defined in National Instrument 41-101— *General Prospectus Requirements*) pertaining to a distribution of Securities filed after the date of a Prospectus Supplement and before termination of the distribution of Securities offered pursuant to such Prospectus Supplement will be deemed to be incorporated by reference into the Prospectus Supplement for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information in relation to the Securities will be delivered to prospective purchasers of such Securities together with this Prospectus and shall be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement but only for the purposes of the offering of the Securities covered by that Prospectus Supplement.

FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference herein, contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. This forward-looking information is identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases.

Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, those described in greater detail under the sections “Summary of Factors Affecting our Performance” of our Annual MD&A and Q1 MD&A and the section “Risk Factors” of our Annual Information Form, including: risks relating to our business and industry, such as the ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic; the rapid developments and change in our industry; substantial and increasingly intense competition, both within our industry and from other payments methods; challenges in expanding into new geographic regions outside of Europe, the United States, the U.K. and Canada and continuing our growth within these markets; challenges in retaining existing clients, increasing sales to existing clients and attracting new clients; managing our growth effectively; difficulty to maintain the same rate of revenue growth as our business matures; net losses resulting from significant investments in our business; impact of our indebtedness on our business, financial condition and results of operation; concentration of our revenue from payment services; as well as risks relating to intellectual property and technology, risks relating to regulation and risks relating to our Subordinate Voting Shares. Our Annual MD&A, Q1 MD&A and Annual Information Form are available under our profile on SEDAR at www.sedar.com.

Forward-looking information is based on management’s beliefs and assumptions and on information currently available to management. Although the forward-looking information contained in this Prospectus and in the documents incorporated by reference herein is based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information.

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Consequently, all of the forward-looking information contained in this Prospectus and in the documents incorporated by reference herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this Prospectus and in the documents incorporated by reference herein represents our expectations as of the date hereof or as of the date it is otherwise stated to be made, as applicable, and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

TRADEMARKS AND TRADE NAMES

This Prospectus and the documents incorporated by reference herein include certain trademarks and trade names, such as “Nuvei”, “SafeCharge” and “Smart2Pay”, which are protected under applicable intellectual property laws and are the property of Nuvei. Solely for convenience, our trademarks and trade names referred to in this Prospectus and in the documents incorporated by reference herein may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks and trade names to the fullest extent under applicable law. All other trademarks used in this Prospectus or the documents incorporated by reference herein are the property of their respective owners.

CURRENCY AND EXCHANGE RATE DATA

Our financial statements and other financial data appearing in this Prospectus or the documents incorporated by reference herein are reported in U.S. dollars.

On May 19, 2021, the rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was C\$1.00 = US\$0.83 or US\$1.00 = C\$1.21.

Unless otherwise specified, all references to “\$”, “US\$”, “dollars” and “U.S. dollars” are to United States dollars, all references to “C\$” are to Canadian dollars, and all references to “€” are to Euros.

NUVEI CORPORATION

Our Purpose

Making our world a local marketplace.

Our Business

We are a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. We believe we are differentiated by our proprietary technology platform, which is purpose-built for high-growth mobile commerce and eCommerce markets. Our focus on technology, innovation and security enables us to design and develop solutions that are tailored for these markets. Our solutions span the entire payments stack and include a fully integrated payments engine with global processing capabilities, a turnkey solution for frictionless checkout experiences and a broad suite of data-driven business intelligence tools and risk management services. Through a single integration, we believe our technology platform makes it simple for merchants and partners to securely accept payments in over 200 markets worldwide with local acquiring in 44 markets and nearly 150 currencies, and for their customers to transact using 470 alternative payment methods and nearly 40 cryptocurrencies. We leverage our deep industry expertise and

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thought leadership in mobile commerce and eCommerce payments to serve merchants of all sizes, from small-and-medium sized businesses to large enterprises, operating in some of the most complex verticals across multiple geographic markets.

In short, we provide the payment technology and intelligence our merchants and partners need to succeed locally and globally, through one integration.

While global commerce continues to pivot online, mobile commerce and eCommerce channels are converging and creating new and fast-growing opportunities for merchants. According to eMarketer Inc.'s global eCommerce report dated January 2021, mobile commerce and eCommerce purchase volume, including transactions completed through mobile apps, e-Wallets, social media and websites, is expected to reach \$6.4 trillion globally by 2024, up from \$3.4 trillion in 2019, representing a compound annual growth rate of approximately 14%. Rapidly scaling across these commerce channels, however, can be complex and costly for merchants who rely on multiple payment providers in each local market. For example, merchants may use disparate and varied systems for gateway services, payment processing, online fraud prevention, business intelligence and more, creating operational distractions and workflow challenges, which result in additional costs and financial inefficiencies. In parallel, consumers expect a consistent transaction experience across all channels whether from a mobile device or computer. As a result, we believe merchants increasingly seek payment providers who have a unified approach and can offer end-to-end solutions to help them navigate this complex environment.

Our head and registered office is located at 1100 René-Lévesque Boulevard West, Suite 900, Montréal, Québec, H3B 4N4, Canada and our telephone number is (514) 313-1190.

Additional information about our business is included in the documents incorporated by reference into this Prospectus, which are available under our profile at www.sedar.com.

Recent Developments

On March 24, 2021, Nuvei closed a secondary offering on a bought deal basis by funds managed by Novacap Management Inc., Whiskey Papa Fox Inc., a holding company controlled by Philip Fayer, our Chair and Chief Executive Officer, CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec (the "Caisse"), and David Schwartz, our Chief Financial Officer (together the "Selling Shareholders"), of an aggregate of 9,169,387 subordinate voting shares of the Company at a purchase price of US\$60.22 per subordinate voting share for total gross proceeds to the Selling Shareholders of approximately US\$552 million. As a result of this offering, as of the date of this Prospectus, a total of US\$1,247,819,514.86 remains available for future offerings pursuant to this Prospectus. The Investor Rights Agreement was subsequently amended on May 20, 2021 to reduce the minimum shareholding required to be in effect by Caisse from 15% to 10% to in order for the Company to continue to be bound by the restrictive covenant regarding the maintenance of its head office within the Province of Québec.

On March 31, 2021, Nuvei announced it has joined the Canadian Gaming Association ("CGA"). The CGA is Canada's premier national trade association working to advance the gaming industry across the country.

On April 16, 2021 Nuvei entered into a definitive agreement to acquire Mazooma Technical Services Inc. ("Mazooma"), a U.S. focused gaming and sports wagering payment technology provider for approximately \$56 million plus additional consideration subject to the achievement of specific performance criteria (over a maximum 3-year period from the closing date) of up to a total maximum consideration of approximately \$315 million. Approximately 24% of the consideration is expected to be paid via the issuance of subordinate voting shares with the remainder to be paid in cash. The TSX has conditionally approved the listing of the subordinate voting shares, subject to the Company fulfilling all the listing requirements of the TSX. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2021.

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Mazooma is a leading account-to-account payments provider in U.S. online gaming and sports betting and holds 9 vendor registrations, with permission in 12 states, and holds money transmitter licenses and exemptions in a total of 47 states. Mazooma's Instant Bank Transfer payment solution features same-day Automated Clearing House (ACH) for pay-ins and payouts; and through a partnership with Plaid, is connected to 11,000 financial institutions in the U.S. Mazooma is integrated with the majority of U.S. gaming platforms and online gaming and sports betting operators and is expected to process more than \$2 billion of ACH total volume¹ in 2021.

On April 28, 2021, we announced our deal with Wargaming Group Limited, an online gaming developer and publisher, pursuant to which Nuvei will provide local acquiring solutions and payment technology to Wargaming in the APAC market. APAC payment methods available to Wargaming players through their single integration with Nuvei include Paytm, NetBanking, UPI and RuPay in India, DANA in Indonesia, GCash in the Philippines, plus SCB, KTB, BAY and BBL in Thailand.

On May 6, 2021, Nuvei entered into a definitive agreement to acquire SimplexCC Ltd. ("Simplex"), a fintech startup providing the fiat infrastructure to the cryptocurrency industry, for approximately \$250 million to be paid in cash. The transaction is subject to customary closing conditions, including regulator approval, and is expected to close in the second half of 2021.

Founded in 2014, Simplex has grown into a leading fiat-cryptocurrency gateway connecting market participants including exchanges, brokers, wallet and liquidity providers. Simplex delivers the infrastructure for users to buy or sell cryptocurrencies (i.e. on-ramp/off-ramp capabilities) using credit and debit cards. Through its proprietary fraud and risk management tools, Simplex provides a zero-chargeback guarantee to its customers, resulting in higher conversion rates. In addition, the acquisition will provide Nuvei with an electronic money institution (EMI) license to offer IBAN accounts to end users and corporations, and offers future banking and card issuing capabilities. As a principal member of the Visa network, Simplex has permission to issue Visa cards, giving its consumers access to digital currencies daily. Simplex processed approximately \$500 million of total volume² in 2020 and is expected to process more than \$2.0 billion of total volume² in 2021.

On May 7, 2021, Daniela Mielke, a director of the Company, was appointed to the Audit Committee and Governance, Human Resources and Compensation Committee of our board of directors ("Board").

SELLING SECURITYHOLDERS

Securities may be sold under this Prospectus by way of secondary offering by or for the account of certain of our securityholders. Any Prospectus Supplement that we file in connection with an offering of Securities by selling securityholders will include the following information:

- the names of the selling securityholders;
- the number or amount of Securities owned, controlled or directed of the class being distributed by each selling securityholder;
- the number or amount of Securities of the class being distributed for the account of each selling securityholder;

¹ Total volume does not represent revenue earned by Mazooma, but rather the total dollar value of transactions processed by merchants under contractual agreement with Mazooma. Total volume is explained in further detail in the Q1 MD&A.

² Total volume does not represent revenue earned by Simplex, but rather the total dollar value of transactions processed by merchants under contractual agreement with Simplex. Total volume is explained in further detail in the Q1 MD&A.

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- the number or amount of Securities of any class to be owned, controlled or directed by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding Securities;
- whether the Securities are owned by the selling securityholders both of record and beneficially, of record only, or beneficially only; and
- all other information that is required to be included in the applicable Prospectus Supplement.

USE OF PROCEEDS

The net proceeds to the Company from any offering of Securities and the proposed use of those proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities. Unless otherwise set forth in the applicable Prospectus Supplement, the Company will not receive any proceeds from any sale of any Securities by selling securityholders.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes certain provisions contained in our articles of amalgamation (as amended) (the “Articles”) and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our Articles and by-laws.

Authorized Share Capital

Our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, of which 55,845,914 were issued and outstanding as of May 19, 2021, (ii) an unlimited number of Multiple Voting Shares, of which 82,728,420 were issued and outstanding as of May 19, 2021 and (iii) an unlimited number of Preferred Shares, issuable in series, none of which were outstanding as of May 19, 2021.

The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable securities laws in Canada. We are exempt from the requirements of Part 12 of National Instrument 41-101 — *General Prospectus Requirements* on the basis that the securities that may be offered hereunder are the same class of securities distributed under the prospectus filed in connection with our initial public offering closed on September 22, 2020 (the “IPO”) and we were a private issuer within the meaning of such term under applicable securities laws in Canada immediately before our IPO.

Subordinate Voting Shares and Multiple Voting Shares

Except as described herein, the Subordinate Voting Shares and the Multiple Voting Shares have the same rights, are equal in all respects and are treated by Nuvei as if they were one class of shares.

Rank

The Subordinate Voting Shares and Multiple Voting Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of the Company. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Subordinate Voting Shares and the holders of Multiple Voting Shares are entitled to participate equally, share-for-share, in the remaining property and assets of the Company available for distribution to the holders of shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares, subject to the rights of the holders of any Preferred Shares.

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Dividends

The holders of outstanding Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends on a share-for-share basis at such times and in such amounts and form as our Board may from time to time determine, but subject to the rights of the holders of any Preferred Shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares. We are permitted to pay dividends unless there are reasonable grounds for believing that: (i) we are, or would after such payment be, unable to pay our liabilities as they become due; or (ii) the realizable value of our assets would, as a result of such payment, be less than the aggregate of our liabilities and stated capital of all classes of shares. In the event of a payment of a dividend in the form of shares, Subordinate Voting Shares shall be distributed with respect to outstanding Subordinate Voting Shares and Multiple Voting Shares shall be distributed with respect to outstanding Multiple Voting Shares.

Voting Rights

The holders of outstanding Subordinate Voting Shares are entitled to one vote per share and the holders of Multiple Voting Shares are entitled to 10 votes per share. As of May 19, 2021, the Subordinate Voting Shares collectively represented approximately 40.30% of our issued and outstanding shares and approximately 6.32% of the voting power attached to all of our issued and outstanding shares, and the Multiple Voting Shares collectively represented approximately 59.70% of our issued and outstanding shares and approximately 93.68% of the voting power attached to all of our issued and outstanding shares.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that a Multiple Voting Share shall be held by a Person (as defined below) other than by a Permitted Holder (as defined below), the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Multiple Voting Share into a fully paid and non-assessable Subordinate Voting Share, on a share-for-share basis.

In addition:

- all Multiple Voting Shares held by the Fayer Group Permitted Holders (as defined below) will convert automatically into Subordinate Voting Shares at such time that the Fayer Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding Shares (as defined below).
- all Multiple Voting Shares held by the Novacap Group Permitted Holders (as defined below) will convert automatically into Subordinate Voting Shares at such time that the Novacap Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding Shares.
- all Multiple Voting Shares held by the Caisse Group Permitted Holders (as defined below) will convert automatically into Subordinate Voting Shares at such time that the Caisse Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding Shares.

For the purposes of the foregoing:

“Affiliate” means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such specified Person;

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“Caisse Group Permitted Holders” means Caisse and any of its Affiliates;

“Fayer Group Permitted Holders” means (i) Mr. Philip Fayer and any Members of the Immediate Family of Mr. Philip Fayer, and (ii) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (i) above;

“Members of the Immediate Family” means with respect to any individual, each parent (whether by birth or adoption), spouse, or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the *Income Tax Act* (Canada) as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

“Novacap Group Permitted Holders” means Novacap TMT IV, L.P., Novacap International TMT IV, L.P., NVC TMT IV, L.P., Novacap TMT V, L.P., Novacap International TMT V, L.P., Novacap TMT V-A, L.P., NVC TMT V, L.P., NVC TMT V-A, L.P. and Novacap TMT V Co-Investment (Nuvei), L.P. and any of their Affiliates;

“Permitted Holders” means any of (i) the Fayer Group Permitted Holders, (ii) the Novacap Group Permitted Holders, and (iii) the Caisse Group Permitted Holders;

“Person” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company; and

“Shares” means, collectively, the Subordinate Voting Shares and the Multiple Voting Shares.

A Person is “controlled” by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; (ii) in the case of a Person that is an unincorporated entity other than a limited partnership, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; or (iii) in the case of a limited partnership, the other Person is the general partner of such limited partnership; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

Subscription Rights

Pursuant to our Articles, in the event of any distribution or issuance, including by way of a share dividend (a “Distribution”) of voting shares of the Company (other than Subordinate Voting Shares issued upon the conversion of Multiple Voting Shares or voting shares issued pursuant to the exercise of a right attached to any security of the Company issued prior to the Distribution) (the “Subject Voting Shares”) or of securities convertible or exchangeable into Subject Voting Shares or giving the right to acquire Subject Voting Shares (other than options or other securities issued under compensatory plans or other plans to purchase Subject Voting

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Shares or any other securities in favour of the management, directors, employees or consultants of the Company) (the “Convertible Securities” and, together with the Subject Voting Shares, the “Distributed Securities”), the Company shall issue to the holder(s) of Multiple Voting Shares rights to subscribe for that number of Multiple Voting Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, mutatis mutandis (except for the ultimate underlying securities which shall be Multiple Voting Shares), as those stipulated in the Convertible Securities, that number of Multiple Voting Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully-diluted basis) associated with the then outstanding Multiple Voting Shares (the “Rights to Subscribe”).

The Rights to Subscribe shall be issued to the holder(s) of Multiple Voting Shares in a proportion equal to their respective holdings of Multiple Voting Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the “Subscription Securities”) shall be issued and must be paid for concurrently with the completion of the Distribution and payment to the Company of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Subordinate Voting Shares, the price at which Subordinate Voting Shares are then being issued or distributed; (ii) if the Distributed Securities are Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are Subject Voting Shares other than Subordinate Voting Shares, the higher of (a) the weighted average price of the transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be) for the 20 trading days preceding the Distribution of such Subject Voting Shares or (b) the weighted average price of transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such Subject Voting Shares.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Multiple Voting Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Multiple Voting Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Multiple Voting Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.

The right to receive Rights to Subscribe as described above, and the legal or beneficial ownership of the Rights to Subscribe, may be assigned in whole or in part among Permitted Holders, provided that written notice of any such assignment shall be sent promptly to the other holders of Multiple Voting Shares and the Company.

Subordinate Voting Shares have no pre-emptive or subscription rights to purchase any securities of the Company. An issuance of participating (equity) securities will not be rendered invalid due to a failure by the Company to comply with the foregoing.

Subdivision or Consolidation

No subdivision or consolidation of the Subordinate Voting Shares or the Multiple Voting Shares may be carried out unless, at the same time, the Multiple Voting Shares or the Subordinate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Certain Class Votes

Except as required by the *Canada Business Corporations Act* (the “CBCA”), applicable Canadian securities laws or our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will vote together on all

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matters subject to a vote of holders of both those classes of shares as if they were one class of shares. Under the CBCA, certain types of amendments to our Articles are subject to approval by special resolution of the holders of our classes of shares voting separately as a class, including amendments to:

- add, change or remove the rights, privileges, restrictions or conditions attached to the shares of that class;
- increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of Subordinate Voting Shares or Multiple Voting Shares to vote separately as a class, neither the holders of the Subordinate Voting Shares nor the holders of the Multiple Voting Shares shall be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment to (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class, which rights are otherwise provided for in paragraphs (a) and (e) of subsection 176(1) of the CBCA. Pursuant to our Articles, neither holders of our Subordinate Voting Shares nor holders of our Multiple Voting Shares will be entitled to vote separately as a class on a proposal to amend our Articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to Section 176(1)(b) of the CBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable Canadian laws or our Articles in respect of such exchange, reclassification or cancellation.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the CBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Take-Over Bid Protection

Under applicable Canadian laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, the holders of Multiple Voting Shares have entered into a customary coattail agreement with Nuvei and a trustee, which we refer to as the "Coattail Agreement". The following is a summary of the material attributes and characteristics of the Coattail Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Coattail Agreement is available under our profile on SEDAR at www.sedar.com

The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not prevent a sale by Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- offers a price per Subordinate Voting Share at least as high as the highest price per share paid or required to be paid pursuant to the take-over bid for the Multiple Voting Shares;

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- provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares to a Permitted Holder, provided such transfer is not or would not constitute a take-over bid or, if so, is exempt or would be exempt from the formal bid requirements (as defined in applicable securities legislation). The conversion of Multiple Voting Shares into Subordinate Voting Shares shall not, in of itself constitute a sale of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on Nuvei or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may require. No holder of Subordinate Voting Shares will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

The Coattail Agreement provides that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada and (b) the approval of at least 66 2/3% of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held directly or indirectly by holders of Multiple Voting Shares, their affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms that would constitute a sale for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

The Preferred Shares are issuable in series. Each series of Preferred Shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by our Board prior to the issuance thereof. Holders of Preferred Shares, except as otherwise provided in the terms specific to a series of Preferred Shares or as required by Canadian laws, will not be entitled to vote at meetings of holders of shares, and will not be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment of the kind referred to in paragraph (a), (b) or (e) of subsection 176(1) of the CBCA. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the Preferred Shares will be entitled to preference over the

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Subordinate Voting Shares, Multiple Voting Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over Subordinate Voting Shares, Multiple Voting Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series.

The issuance of Preferred Shares and the terms selected by our Board could decrease the amount of earnings and assets available for distribution to holders of our Subordinate Voting Shares and Multiple Voting Shares or adversely affect the rights and powers of the holders of our Subordinate Voting Shares and Multiple Voting Shares without any further vote or action by the holders of our Subordinate Voting Shares and Multiple Voting Shares.

We have no current intention to issue any Preferred Shares.

Limitations on the Right to Own Securities

In addition to the limitations applicable to all businesses under applicable law (such as the Investment Canada Act, the Competition Act (Canada) and similar competition/antitrust legislation), the right to own our securities is subject to limitations imposed due to the nature of the products and services that we offer, as summarized below. Any shareholder seeking to acquire 10% or more of our shares or the voting rights attached to our shares or acquiring the power to exercise, directly or indirectly, an equivalent degree of control in us should carefully consider the regulatory framework within which we operate and the formalities that must be complied with. See sections of our Annual Information Form entitled “Business of Nuvei—Regulatory Environment—Payment Services and Electronic Money Regulation” and “Risk factors—Limitations imposed by the FCA, the Central Bank of Cyprus and the Dutch Central Bank on the right to own our securities may result in sanctions being imposed on our regulated subsidiaries and an acquiror of such securities in the event of non-compliance by such acquiror, and may reduce the value of our Subordinate Voting Shares.”

As a result of the acquisition of SafeCharge International Group Limited and the acquisition of Smart2Pay Global Services B.V., certain of our subsidiaries, specifically SafeCharge Financial Services Limited, SafeCharge Limited and Smart2Pay, are subject to various regulatory requirements deriving from PSD2 (in the United Kingdom (“U.K.”) and the Netherlands) and the Electronic Money Laws of 2012 and 2018 (implementing the Electronic Money Directive in Cyprus) and the Payment Services and Access to Payment Systems Laws of 2018 and 2019 (implementing PSD2 in Cyprus).

As such, each person who, alone or together with others, holds, acquires or increases a qualifying holding/control in any of these regulated subsidiaries, directly or indirectly (including by way of investment in Nuvei), as a result of which certain thresholds are reached or passed, will require prior approval or a declaration of no objection from the relevant regulator (the Financial Conduct Authority in the U.K., the Central Bank of Cyprus in Cyprus, and the Dutch Central Bank in the Netherlands) prior to obtaining such qualifying holding/control. This requirement to obtain prior approval or a declaration of no objection for qualifying holdings/changes in control in the regulated subsidiaries implements the requirements relating to qualifying holdings in payment services providers as set out in PSD2 and the Cyprus Electronic Money Institution (“EMI”), respectively.

A “qualifying holding” or “an acquisition of control” in U.K. terms, is a direct or indirect holding of 10% or more of the issued share capital of SafeCharge Financial Services Limited, SafeCharge Limited and/or Smart2Pay Global Services B.V., the ability to exercise directly or indirectly 10% or more of the voting rights in such regulated subsidiary, or the power to exercise, directly or indirectly, an equivalent degree of control in such regulated subsidiary.

Holders of such qualifying holdings or “controllers” in U.K. terms, will also be subject to certain additional notification requirements where the size of such holdings increase beyond or fall below certain thresholds, as required by Article 6 of PSD2 (as implemented in the U.K. and the Netherlands) and Article 3 of the EMI (as implemented in Cyprus).

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Local laws, regulations and guidelines, including the EU Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector (JC/GL/2016/01), shall be taken into account in assessing a qualifying holding/control (e.g., the voting rights of any other shareholders with whom a person is acting in concert are also relevant in determining a person's voting rights). Similar limitations are expected to apply with respect to the EMI license held by Simplex upon closing the acquisition.

DESCRIPTION OF DEBT SECURITIES

As of the date of this Prospectus, the Company has no Debt Securities outstanding. The Company may issue Debt Securities, separately or together, with Subordinate Voting Shares, Preferred Shares, Warrants, Subscription Receipts or Units or any combination thereof, as the case may be. The Debt Securities will be issued in one or more series under an indenture (the “Indenture”) to be entered into between the Company and one or more trustees that will be named in a Prospectus Supplement for a series of Debt Securities. The description of certain provisions of the Indenture in this section do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Indenture or of any instalment receipt and pledge agreement (see below). Terms used in this summary that are not otherwise defined herein have the meaning ascribed to them in the Indenture or of any instalment receipt and pledge agreement, as applicable. The particular terms relating to Debt Securities offered by a Prospectus Supplement will be described in the related Prospectus Supplement. This description may include, but may not be limited to, any of the following, if applicable:

- the specific designation of the Debt Securities;
- the price or prices at which the Debt Securities will be issued;
- any limit on the aggregate principal amount of the Debt Securities;
- the date or dates, if any, on which the Debt Securities will mature and the portion (if less than all of the principal amount) of the Debt Securities to be payable upon declaration of acceleration of maturity;
- the rate or rates (whether fixed or variable) at which the Debt Securities will bear interest, if any, the date or dates from which any such interest will accrue and on which any such interest will be payable and the record dates for any interest payable on the Debt Securities that are in registered form;
- the terms and conditions under which we may be obligated to redeem, repay or purchase the Debt Securities pursuant to any sinking fund or analogous provisions or otherwise;
- the terms and conditions upon which we may redeem the Debt Securities, in whole or in part, at our option;
- the covenants and events of default applicable to the Debt Securities;
- the terms and conditions for any conversion or exchange of the Debt Securities for any other securities;
- whether the Debt Securities will be issuable in registered form or bearer form or both, and, if issuable in bearer form, the restrictions as to the offer, sale and delivery of the Debt Securities which are in bearer form and as to exchanges between registered form and bearer form;
- whether the Debt Securities will be issuable in the form of registered global securities (“Global Securities”), and, if so, the identity of the depositary for such registered Global Securities;
- the authorized denominations in which registered Debt Securities and bearer Debt Securities will be issuable, as applicable;
- each office or agency where payments on the Debt Securities will be made and each office or agency where the Debt Securities may be presented for registration of transfer or exchange;
- the currency in which the Debt Securities are denominated or the currency in which we will make payments on the Debt Securities;
- any index, formula or other method used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the Debt Securities;
- whether or not the Debt Securities will be guaranteed by some or all of the subsidiaries of the Company, and the terms of any such guarantees;
- whether the Debt Securities (or instalment receipts representing the Debt Securities, if applicable) will be listed on any securities exchange; and

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- any other terms of the Debt Securities which apply solely to the Debt Securities.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The terms on which a series of Debt Securities may be convertible into or exchangeable for Subordinate Voting Shares or other securities of the Company will be described in the applicable Prospectus Supplement. These terms may include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at the option of the Company, and may include provisions pursuant to which the number of Subordinate Voting Shares or other securities to be received by the holders of such series of Debt Securities would be subject to adjustment.

To the extent any Debt Securities are convertible into Subordinate Voting Shares or other securities of the Company, prior to such conversion the holders of such Debt Securities will not have any of the rights of holders of the securities into which the Debt Securities are convertible, including the right to receive payments of dividends or the right to vote such underlying securities.

The Debt Securities offered pursuant to this Prospectus and any Prospectus Supplement may be represented by instalment receipts which will provide for payment for the Debt Securities on an instalment basis, the particular terms and provisions of which will be described in the applicable Prospectus Supplement and set out in an instalment receipt and pledge agreement or similar agreement. Any such instalment receipt will evidence, among other things, (a) the fact that a first instalment payment has been made in respect of the Debt Securities represented thereby, and (b) the beneficial ownership of the Debt Securities represented by the instalment receipt, subject to a pledge of such Debt Securities securing the obligation to pay the balance outstanding under such Debt Securities on or prior to a certain date. A copy of any such instalment receipt and pledge agreement or similar agreement, once executed, will be filed by the Company with securities regulatory authorities after it has been entered into and will be available under our profile on SEDAR at www.sedar.com.

DESCRIPTION OF WARRANTS

As of the date of this Prospectus, the Company has no Warrants outstanding. The Company may issue Warrants, separately or together, with Subordinate Voting Shares, Preferred Shares, Debt Securities, Subscription Receipts or Units or any combination thereof, as the case may be. The Warrants would be issued under a separate Warrant agreement or indenture. The specific terms and provisions that will apply to any Warrants that may be offered by us pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Warrants offered;
- the price or prices, if any, at which the Warrants will be issued;
- the currency at which the Warrants will be offered and in which the exercise price under the Warrants may be payable;
- upon exercise of the Warrant, the events or conditions under which the amount of Securities may be subject to adjustment;
- the date on which the right to exercise such Warrants shall commence and the date on which such right shall expire;
- if applicable, the identity of the Warrant agent;
- whether the Warrants will be listed on any securities exchange;
- whether the Warrants will be issued with any other Securities and, if so, the amount and terms of these Securities;

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- any minimum or maximum subscription amount;
- whether the Warrants are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Warrants and the Securities to be issued upon exercise of the Warrants;
- any other rights, privileges, restrictions and conditions attaching to the Warrants and the Securities to be issued upon exercise of the Warrants; and
- any other material terms or conditions of the Warrants and the Securities to be issued upon exercise of the Warrants.

The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

Prior to the exercise of any Warrants, holders of such Warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including the right to receive payments of dividends or the right to vote such underlying securities.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

As of the date of this Prospectus, the Company has no Subscription Receipts outstanding. The Company may issue Subscription Receipts, separately or together, with Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants or Units or any combination thereof, as the case may be. The Subscription Receipts would be issued under an agreement or indenture. The specific terms and provisions that will apply to any Subscription Receipts that may be offered by us pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts offered;
- the price or prices, if any, at which the Subscription Receipts will be issued;
- the manner of determining the offering price(s);
- the currency at which the Subscription Receipts will be offered and whether the price is payable in installments;
- the Securities into which the Subscription Receipts may be exchanged;
- conditions to the exchange of Subscription Receipts into other Securities and the consequences of such conditions not being satisfied;
- the number of Securities that may be issued upon the exchange of each Subscription Receipt and the price per Security or the aggregate principal amount, denominations and terms of the series of Debt Securities that may be issued upon exchange of the Subscription Receipts, and the events or conditions under which the amount of Securities may be subject to adjustment;
- the dates or periods during which the Subscription Receipts may be exchanged;
- the circumstances, if any, which will cause the Subscription Receipts to be deemed to be automatically exchanged;
- provisions applicable to any escrow of the gross or net proceeds from the sale of the Subscription Receipts plus any interest or income earned thereon, and for the release of such proceeds from such escrow;

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- if applicable, the identity of the Subscription Receipt agent;
- whether the Subscription Receipts will be listed on any securities exchange;
- whether the Subscription Receipts will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Subscription Receipts are to be issued in registered form, “book-entry only” form, noncertificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- any material risk factors relating to such Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts and the Securities to be issued upon exchange of the Subscription Receipts.

The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described above and may not be subject to or contain any or all of the terms described above.

Prior to the exchange of any Subscription Receipts, holders of such Subscription Receipts will not have any of the rights of holders of the securities for which the Subscription Receipts may be exchanged, including the right to receive payments of dividends (other than dividend equivalent payments, if any, or as otherwise set forth in any applicable Prospectus Supplement) or the right to vote such underlying securities.

DESCRIPTION OF UNITS

As of the date of this Prospectus, the Company has no Units outstanding. The Company may issue Units, separately or together, with Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants or Subscription Receipts or any combination thereof, as the case may be. Each Unit would be issued so that the holder of the Unit is also the holder of each Security comprising the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each applicable Security. The specific terms and provisions that will apply to any Units that may be offered by us pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Units offered;
- the price or prices, if any, at which the Units will be issued;
- the manner of determining the offering price(s);
- the currency at which the Units will be offered;
- the Securities comprising the Units;
- whether the Units will be issued with any other Securities and, if so, the amount and terms of these Securities;
- any minimum or maximum subscription amount;
- whether the Units and the Securities comprising the Units are to be issued in registered form, “book-entry only” form, non-certificated inventory system form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;

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- any material risk factors relating to such Units or the Securities comprising the Units;
- any other rights, privileges, restrictions and conditions attaching to the Units or the Securities comprising the Units; and
- any other material terms or conditions of the Units or the Securities comprising the Units, including whether and under what circumstances the Securities comprising the Units may be held or transferred separately.

The terms and provisions of any Units offered under a Prospectus Supplement may differ from the terms described above, and may not be subject to or contain any or all of the terms described above.

CONSOLIDATED CAPITALIZATION

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of Securities pursuant to such Prospectus Supplement.

There have been no material changes to the Company's share and loan capitalization since March 31, 2021, the date of our Q1 Financial Statements.

EARNINGS COVERAGE RATIOS

The applicable Prospectus Supplement will provide, if required, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

PLAN OF DISTRIBUTION

We may offer and sell Securities directly to one or more purchasers, through agents, or through underwriters or dealers designated by us from time to time. We may distribute the Securities from time to time in one or more transactions at fixed prices (which may be changed from time to time), at market prices prevailing at the times of sale, at varying prices determined at the time of sale, at prices related to prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102, including sales made directly on the TSX or other existing trading markets for the Securities. A description of such pricing will be disclosed in the applicable Prospectus Supplement. We may offer Securities in the same offering, or we may offer Securities in separate offerings.

This Prospectus may also, from time to time, relate to the offering of our Securities by certain selling securityholders. The selling securityholders may sell all or a portion of our Securities beneficially owned by them and offered thereby from time to time directly or through one or more underwriters, broker-dealers or agents. Our Securities may be sold by the selling securityholders in one or more transactions at fixed prices (which may be changed from time to time), at market prices prevailing at the time of the sale, at varying prices determined at the time of sale, at prices related to prevailing market prices or at negotiated prices.

A Prospectus Supplement will describe the terms of each specific offering of Securities, including (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security being offered; (ii) the name or names of any agents, underwriters or dealers involved in such offering of Securities; (iii) the name or names of any selling securityholders; (iv) the purchase price of the Securities offered thereby and the proceeds to, and the portion of expenses borne by, the Company from the sale of such Securities; (v) any agents' commission, underwriting discounts and other items constituting compensation payable to agents, underwriters or dealers; and (vi) any discounts or concessions allowed or re-allowed or paid to agents, underwriters or dealers.

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If underwriters are used in an offering, the Securities offered thereby will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase Securities will be subject to the conditions precedent agreed upon by the parties and the underwriters will be obligated to purchase all Securities under that offering if any are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to agents, underwriters or dealers may be changed from time to time.

The Securities may also be sold: (i) directly by the Company or the selling securityholders at such prices and upon such terms as agreed to; or (ii) through agents designated by the Company or the selling securityholders from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company and/or selling securityholder to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a “best efforts” basis for the period of its appointment.

We and/or the selling securityholders may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered under any Prospectus Supplement. Agents, underwriters or dealers who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company and/or the selling securityholders to indemnification by the Company and/or the selling securityholders against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

We may authorize agents or underwriters to solicit offers by eligible institutions to purchase Securities from us at the public offering price set forth in the applicable Prospectus Supplement under delayed delivery contracts providing for payment and delivery on a specified date in the future. The conditions to these contracts and the commissions payable for solicitation of these contracts will be set forth in the applicable Prospectus Supplement.

Each class or series of Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units will be a new issue of Securities with no established trading market. **Unless otherwise specified in the applicable Prospectus Supplement, the Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units will not be listed on any securities or stock exchange. Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units may be sold and purchasers may not be able to resell Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.** Subject to applicable laws, certain dealers may make a market in the Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units, as applicable, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in the Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units or as to the liquidity of the trading market, if any, for the Preferred Shares, Debt Securities, Warrants, Subscription Receipts or Units.

In connection with any offering of Securities other than an “at-the-market distribution”, unless otherwise specified in a Prospectus Supplement, underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of Securities offered at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences generally applicable to an investor acquiring, holding and disposing any Securities offered thereunder. Prospective investors should consult their own tax advisors prior to deciding to purchase any of the Securities.

RISK FACTORS

Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated by reference herein, including the applicable Prospectus Supplement. Additional risk factors relating to a specific offering of Securities may be described in the applicable Prospectus Supplement. Some of the risk factors described herein and in the documents incorporated by reference herein, including the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations and cash flows, and your investment in the Securities could be materially adversely affected. Additional risks and uncertainties of which we currently are unaware or that are unknown or that we currently deem to be immaterial could have a material adverse effect on our business, financial condition and results of operation. We cannot assure you that we will successfully address any or all of these risks. For additional information in respect of the risks affecting our business, see under the sections “Summary of Factors Affecting our Performance” of our Annual MD&A and Q1 MD&A and the section “Risk Factors” of our Annual Information Form, which are available under our profile on SEDAR at www.sedar.com.

EXEMPTIONS UNDER SECURITIES LAWS

The Company previously applied for and has been granted an exemption pursuant to Section 11.1 of NI 44-102 requesting relief from the requirement under Section 6.3(1)3 of NI 44-102 to include a prospectus certificate signed by each agent or underwriter who, with respect to the Securities offered by any Prospectus Supplement, is in a contractual relationship with the Company to the extent that such agent or underwriter is not a registered dealer in any Canadian jurisdiction (a “Foreign Dealer”). Accordingly, such Foreign Dealer would not, directly or indirectly, make any offers or sales to persons in a province or territory of Canada. All sales of Securities pursuant to any Prospectus Supplement to persons in a province or territory of Canada would solely be made through other agents or underwriters that are duly registered in the applicable Canadian jurisdictions where any offer of Securities will be made (the “Canadian Dealers”); and the Prospectus Supplement would include a certificate signed by each Canadian Dealer in compliance with Section 6.3(1)3 of NI 44-102. The granting of the exemption was evidenced by the issuance of a receipt in respect of the short form base shelf prospectus of the Company dated December 7, 2020 amended and restated hereby.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement relating to the Securities, certain legal matters will be passed upon on our behalf by Fasken Martineau DuMoulin LLP. In addition, certain legal matters in connection with any offering of Securities may be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents with respect to matters of Canadian law.

EXPERTS

There is no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named as having prepared or certified a report, valuation, statement or opinion in this Prospectus other than PricewaterhouseCoopers LLP.

Our independent auditor, PricewaterhouseCoopers LLP, has confirmed that it is independent with respect to the Company within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

INDEPENDENT AUDITOR, TRANSFER AGENT AND REGISTRAR

Our independent auditor is PricewaterhouseCoopers LLP, 1250 René-Lévesque boulevard West, Montréal, Québec H3B 4Y1.

The transfer agent and registrar for our Subordinate Voting Shares and Multiple Voting Shares is AST Trust Company (Canada) at its principal office in Montréal, Québec.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Daniela Mielke, a director of the Company, resides outside of Canada and has appointed the Company at 1100 René-Lévesque Boulevard West, Suite 900, Montréal, Québec, H3B 4N4, Canada as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

PART II

INFORMATION NOT REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

Indemnification of Directors and Officers

Under the Canada Business Corporations Act (the “CBCA”), the Corporation may indemnify its current or former directors or officers or another individual who acts or acted at its request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with the Corporation or another entity. The CBCA also provides that the Corporation may advance moneys to a director, officer or other individual for costs, charges and expenses reasonably incurred in connection with such a proceeding; provided that such individual shall repay the moneys if the individual does not fulfill the conditions described below.

However, indemnification is prohibited under the CBCA unless the individual:

- acted honestly and in good faith with a view to the Corporation’s best interests, or the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation’s request; and
- in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

The Corporation’s by-laws require it to indemnify to the fullest extent permitted by the CBCA each of its current or former directors or officers and each individual who acts or acted at its request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including, without limitation, an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with the Corporation or another entity.

We maintain insurance policies relating to certain liabilities that our directors and officers may incur in such capacity.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

EXHIBIT INDEX

Exhibit Number	Description
3.1*	Underwriting Agreement
4.1	Annual Information Form of the Registrant dated March 17, 2021 for the year ended December 31, 2020
4.2	Audited Consolidated Annual Financial Statements of the Registrant as at and for the years ended December 31, 2020 and December 31, 2019, together with the notes thereto and the auditors' report thereon
4.3	Management's Discussion and Analysis of the Registrant for the year ended December 31, 2020
4.4	Material Change Report dated March 30, 2021
4.5	Management Information Circular of the Registrant dated April 26, 2021 for the Annual Meeting of Shareholders held on May 28, 2021
4.6	Unaudited Condensed Interim Consolidated Financial Statements of the Registrant as at March 31, 2021 and for the three-month periods ended March 31, 2021 and 2020, together with the notes thereto
4.7	Management's Discussion and Analysis of the Registrant for the three-month period ended March 31, 2021
4.8	Material Change Report dated June 17, 2021
4.9	Unaudited Condensed Interim Consolidated Financial Statements of the Registrant as at June 30, 2021 and for the three and six-month periods ended June 30, 2021 and 2020, together with the notes thereto
4.10	Management's Discussion and Analysis of the Registrant for the three and six-month period ended June 30, 2021
5.1	Consent of PricewaterhouseCoopers LLP
5.2	Consent of Fasken Martineau DuMoulin LLP
5.3	Consent of McCarthy Tétrault
6.1	Power of Attorney (included on the signature page)
7.1*	Form of Indenture

* To be Filed by subsequent amendment.

PART III
UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Item 1. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to the securities registered pursuant to Form F-10 or to transactions in said securities.

Item 2. Consent to Service of Process

Concurrently with the filing of the Registration Statement on Form F-10, the Registrant is filing with the SEC a written irrevocable consent and power of attorney on Form F-X. Any change to the name or address of the Registrant agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of this Registration Statement.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-10 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Montreal, Province of Québec, Canada on October 4, 2021.

NUVEI CORPORATION

By: /s/ David Schwartz

Name: David Schwartz

Title: Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints Philip Fayer and David Schwartz, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments, including post effective amendments, and supplements to this Registration Statement on Form F-10, and registration statements filed pursuant to Rule 429 under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Philip Fayer</u> Philip Fayer	Chairman and Chief Executive Officer (Principal Executive Officer)	October 4, 2021
<u>/s/ David Schwartz</u> David Schwartz	Chief Financial Officer (Principal Financial and Accounting Officer)	October 4, 2021
<u>/s/ Michael Hanley</u> Michael Hanley	Lead Director	October 4, 2021
<u>/s/ David Lewin</u> David Lewin	Director	October 4, 2021
<u>/s /Daniela Mielke</u> Daniela Mielke	Director	October 4, 2021
<u>/s/ Pascal Tremblay</u> Pascal Tremblay	Director	October 4, 2021

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of the Securities Act, this Registration Statement on Form F-10 has been signed by the undersigned, solely in its capacity as the duly authorized representative of the Registrant in the United States, on October 4, 2021.

NUVEI TECHNOLOGIES INC.

By: /s/ David Schwartz

Name: David Schwartz

Title: Chief Financial Officer



**NUVEI CORPORATION
ANNUAL INFORMATION FORM**

Fiscal Year ended December 31, 2020

March 17, 2021

ANNUAL INFORMATION FORM NUVEI CORPORATION
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EXPLANATORY NOTES

As used in this Annual Information Form (“AIF”), unless the context indicates or requires otherwise, all references to the “Company”, “Nuvei”, “we”, “us” or “our” refer to Nuvei Corporation together with our subsidiaries, on a consolidated basis. Furthermore, as used in this AIF, unless the context indicates or requires otherwise, the following terms have the following meanings:

This AIF is dated March 17, 2021, which is the date it was approved by the Board, and, unless specifically stated otherwise, all information disclosed in this AIF is provided as at December 31, 2020, the end of Nuvei’s most recently completed fiscal year.

This AIF should be read in conjunction with the Company’s audited consolidated financial statements and notes for Fiscal 2020 and Management’s Discussion and Analysis for Fiscal 2020 which, for greater certainty, are not incorporated by reference herein.

References to “total volume” do not represent revenue earned by us, but rather the total dollar value of transactions processed by merchants under contractual agreement with us.

Certain capitalized terms used in this prospectus are defined in the “Glossary of Terms”

Trademarks and Trade Names

This AIF includes certain trademarks, such as “Nuvei”, “SafeCharge” and “Smart2Pay”, which are protected under applicable intellectual property laws and are the property of Nuvei. Solely for convenience, our trademarks referred to in this AIF and in the documents incorporated by reference herein may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks to the fullest extent under applicable law. All other trademarks used in this AIF are the property of their respective owners.

Presentation of Financial Information and Other Information

Our financial statements (including the audited consolidated financial statements for Fiscal 2020) and other financial data appearing in this AIF are reported in U.S. dollars. Unless otherwise specified, all references to “\$”, “US\$”, “dollars” and “U.S. dollars” are to United States dollars, all references to “C\$” are to Canadian dollars, and all references to “€” are to Euros.

Exchange Rate Data

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars during each of the periods specified, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods, each based on the rate of exchange published by the Bank of Canada for conversion of U.S. dollars into Canadian dollars.

	Fiscal Year Ended December 31,	
	2020	2019
	(C\$)	(C\$)
Highest rate during the period	1.4496	1.3600
Lowest rate during the period	1.2718	1.2988
Average rate for the period	1.3415	1.3269
Rate at the end of the period	1.2732	1.2988

FORWARD-LOOKING INFORMATION

This AIF contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. This forward-looking information is

identified by the use of terms and phrases such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases.

In particular, and without limiting the generality of the foregoing, forward-looking information in this AIF includes statements relating to: expectations regarding industry trends and the size and growth rates of addressable markets; our business plans and strategies; addressable markets for our solutions; expected pace of ongoing legislation of regulated online gaming and sports- betting worldwide and our competitive position in our industry.

Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond our control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors described in greater detail under “Risk Factors” of this AIF such as: risks relating to our business and industry, such as the ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic; the rapid developments and change in our industry; substantial and increasingly intense competition, both within our industry and from other payments methods; challenges in expanding into new geographic regions outside of Europe, the United States, the U.K. and Canada and continuing our growth within these markets; challenges in retaining existing clients, increasing sales to existing clients and attracting new clients; managing our growth effectively; difficulty to maintain the same rate of revenue growth as our business matures; net losses resulting from significant investments in our business; impact of our indebtedness on our business, financial condition and results of operation; concentration of our revenue from payment services; as well as risks relating to intellectual property and technology, risks relating to regulation and risks relating to our Subordinate Voting Shares.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information, including but not limited to the factors in the “Summary of Factors Affecting our Performance” section of our Management’s Discussion and Analysis for Fiscal 2020. Our Management’s Discussion and Analysis for Fiscal 2020 is available under our profile on SEDAR at www.sedar.com.

Forward-looking information is based on management’s beliefs and assumptions and on information currently available to management. Although the forward-looking information contained in this AIF is based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information.

Consequently, all of the forward-looking information contained in this AIF is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this AIF represents our expectations as of the date hereof or as of the date it is otherwise stated to be made, as applicable, and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

CORPORATE STRUCTURE

Name, Address and Incorporation

Nuvei was incorporated on September 1, 2017 under the name “10390461 Canada Inc.” pursuant to the CBCA and subsequently changed its name to “Pivotal Development Corporation Inc.” on September 21, 2017 and to “Nuvei Corporation” on November 27, 2018.

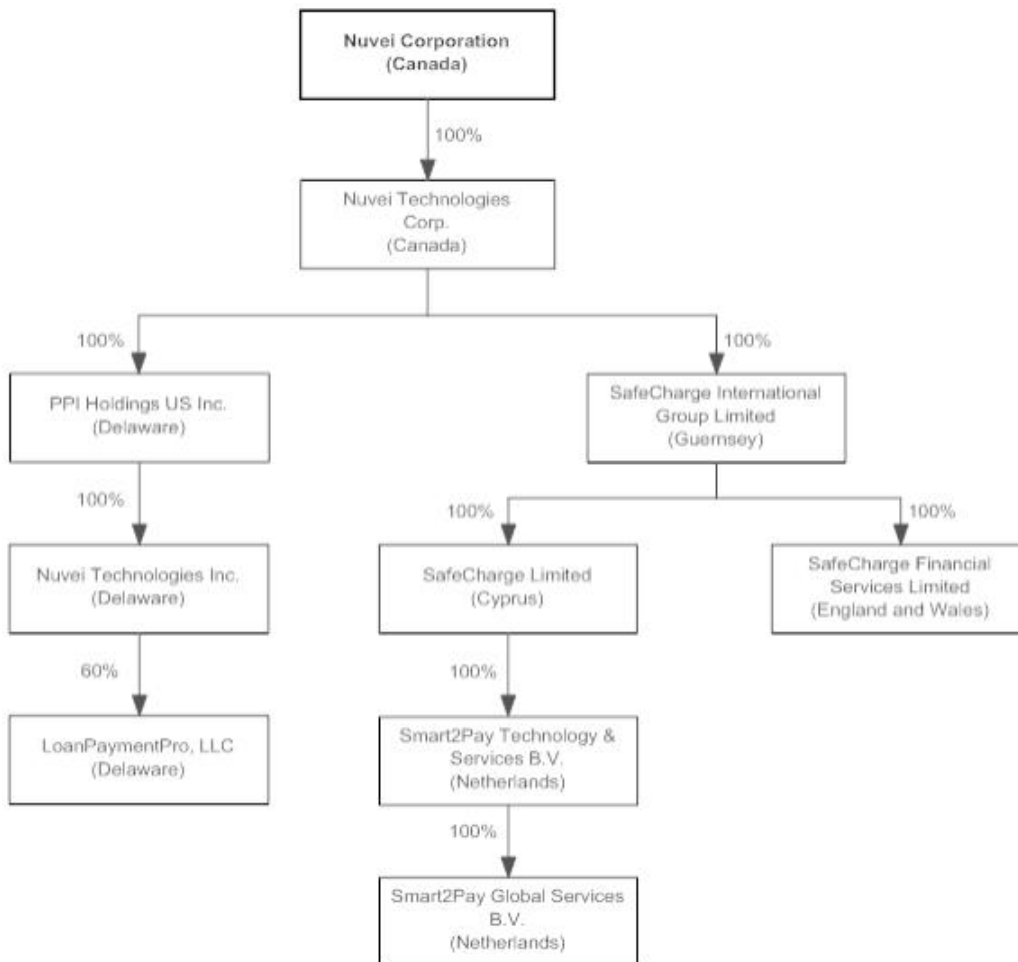
Immediately prior to closing of our initial public offering (the “IPO”) on September 22, 2020, we implemented a number of pre-closing capital changes. Namely, the Corporation amalgamated with Pivotal Holdings Corporation pursuant to the CBCA under the name Nuvei Corporation and amended its share capital to provide for an unlimited number of subordinate voting

shares (the “Subordinate Voting Shares”), multiple voting shares (the “Multiple Voting Shares”) and Class A preferred shares issuable in series (the “Preferred Shares”), each with the attributes described under “Description of share capital”.

Our headquarters and registered office are located at 1100 René-Lévesque Boulevard West, Suite 900, Montreal, Québec, H3B 4N4, Canada.

Intercorporate Relationships

The following organization chart indicates the intercorporate relationships of the Company and its material subsidiaries, together with the jurisdiction of formation, incorporation or continuance of each entity:



Our Purpose

Making our world a local marketplace.

Overview

We are a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. We believe we are differentiated by our proprietary technology platform, which is purpose-built for high-growth mobile commerce and eCommerce markets. Our focus on technology, innovation and security enables us to design and develop solutions that are tailored for these markets. Our solutions span the entire payments stack and include a fully integrated payments engine with global processing capabilities, a turnkey solution for frictionless checkout experiences and a broad suite of data-driven business intelligence tools and risk management services. Through a single integration, we believe our technology platform makes it simple for merchants and partners to securely accept payments in over 200 markets and nearly 150 currencies, and for their customers to transact using 455 alternative payment methods (“APMs”). We leverage our deep industry expertise and thought leadership in mobile commerce and eCommerce payments to serve merchants of all sizes, from small-and-medium sized businesses (“SMBs”) to large enterprises, operating in some of the most complex verticals across multiple geographic markets.

In short, we provide the payment technology and intelligence our merchants and partners need to succeed locally and globally, through one integration.

While global commerce continues to pivot online, mobile commerce and eCommerce channels are converging and creating new and fast-growing opportunities for merchants. According to eMarketer, mobile commerce and eCommerce purchase volume, including transactions completed through mobile apps, e-Wallets, social media and websites, is expected to reach \$6.4 trillion globally by 2024, up from \$3.4 trillion in 2019, representing a compound annual growth rate (CAGR) of approximately 14%. Rapidly scaling across these commerce channels, however, can be complex and costly for merchants who rely on multiple payment providers in each local market. For example, merchants may use disparate and varied systems for gateway services, payment processing, online fraud prevention, business intelligence and more, creating operational distractions and workflow challenges, which result in additional costs and financial inefficiencies. In parallel, consumers expect a consistent transaction experience across all channels whether from a mobile device or computer. As a result, we believe merchants increasingly seek payment providers who have a unified approach and can offer end-to-end solutions to help them navigate this complex environment.

Why We Win

We believe our competitive differentiators are underpinned by our Native Commerce Platform, which is purpose-built for high growth mobile commerce and eCommerce markets, and addresses our merchants’ challenges in some of the most complex verticals.

Full Stack Technology Platform with a Single Integration

We developed our Native Commerce Platform to simplify payments by combining gateway, acceptance, reconciliation, settlement, currency management and risk management into a full stack. Through a single integration to our technology platform, our merchants can securely accept payments for goods and services sold online in nearly 150 currencies and settle locally in over 200 markets using our multi-currency pricing and processing solutions. We also provide our merchants with data-driven analytics and risk management tools that enable them to provide their customers a convenient checkout experience and increase conversion rates while proactively managing chargebacks and potential fraud. In addition, having control of the full payments stack allows us to provide merchants with a holistic view of their payment flow. Unlike traditional payment systems where a transaction is either approved or declined with little explanation, integration of our full payments stack provides transparency across the transaction lifecycle. We believe this single vendor experience is difficult to replicate for those who operate multiple platforms and differentiates us from other payment providers.

Modular Architecture with Open Access to Third Party Providers

We built our Native Commerce Platform to be modular and configurable. This allows us to offer merchants the flexibility to utilize our solutions on an on-demand, as-needed basis. As our merchants grow and expand their businesses globally, we have the opportunity to cross-sell services with minimal, if any, additional integration effort. We also leverage our modular architecture to accelerate product development and rapidly deploy solutions to our broad base of merchants. For example, our foreign currency exchange services is a value-added feature that any of our merchants can use, irrespective of whether they currently utilize our gateway, acquiring or global-payout capabilities.

Our gateway provides open access to third-party providers, including direct integrations to many global acquiring partners. This enables merchants who utilize our gateway to choose the acquiring providers, including us, who they believe best suit their needs. In addition, given our position as a single global connection point, we have the ability to monitor the performance of the third-party providers connected to our gateway. Accordingly, if a payment processor who is connected to our gateway experiences disruption in service, we help our merchants optimize payments acceptance by automatically redirecting volume to an alternative acquiring partner or to us. We also help our third-party acquiring partners support their own businesses by providing fast and secure global processing capabilities through our gateway.

Deep Domain Expertise and Thought Leadership in Mobile Commerce and eCommerce

Over the last decade, we have developed deep domain expertise in mobile commerce and eCommerce channels. This has enabled us to offer a broad range of integrated payment solutions embedded with robust risk management and security tools that are designed to meet the precise use-case requirements of our eCommerce merchants selling goods and services globally. For example, with our dynamic currency conversion tools, merchants and their customers can view purchase amounts in their home currency at checkout while on their mobile device or computer. In addition, our recently completed acquisition of Smart2Pay is expected to enhance our vertical expertise and capabilities in serving social gaming merchants (e.g., video and digital gaming) and online marketplaces.

We believe the future of payments is “frictionless commerce”, where consumers seamlessly interact and transact with merchants anywhere and at any time using the payment form of their choice. As convenience, speed and transparency become priorities for consumers, Nuvei recognizes the importance for merchants to have a unified yet configurable solution across mobile commerce and eCommerce channels. Our full stack payments platform provides the same front-and back-end processing and settlement infrastructure for transactions made on a mobile device, website or in person at the point of sale. We design and develop technology and solutions that reduce friction at mobile or online checkout and create enhanced experiences for consumers. As a result, we believe our merchants have experienced higher conversion and acceptance rates, which we believe are better than those of many other providers.

Leadership in Serving Merchants Globally in Complex and Regulated Verticals

We believe we are part of a select group of payment providers that have the ability to serve complex verticals, including regulated online gaming and regulated financial services. Over our history, we have developed in-depth knowledge of these verticals and demonstrated the technical expertise to deploy innovative solutions across geographic markets that address specific business needs and operational challenges while complying with local regulatory requirements. Our merchants rely on us for global processing capabilities, embedded payment pages, conversion optimization solutions, in-app fraud management and robust risk management tools (such as digital KYC/AML, geo-blocking and automated chargeback reconciliation) – each of which are tailored for complex and regulated industries. With ongoing legislation of regulated online gaming and sports-betting worldwide, we believe we are well-positioned to serve our merchants who are expanding into new and open markets and to capitalize on what we view to be a first-mover advantage in these complex verticals. To date, we have secured gaming licenses in the states of Indiana, Colorado, Tennessee, West Virginia and Virginia.

Technology-First Culture Driving Continuous Innovation

Our technology-first culture is a key to our success as we seek to innovate, differentiate and enhance our solutions on an ongoing basis to meet our merchants’ current and future needs and maintain our competitive advantages. Our product development team of approximately 300 technology professionals representing approximately one third of our total employee base as of December 31, 2020, is dedicated to continuously enhancing our payments technology solutions. We believe the way we collaborate with our merchants differentiates us from other payment providers and allows us to gain first-hand

knowledge of our merchants' evolving payments needs, which we leverage to develop new and proprietary solutions. Examples of such product innovations include our global pay-out capabilities, embedded payment pages, decline recovery, localized payments and Smart 3DS, which is designed to ensure that transactions are PSD2-and 3D Secure 2-compliant. Many of these innovations improve acceptance rates and conversion to completed transactions, enabling our merchants to earn more revenue.

Our Growth Strategy

We believe we have built a strong and agile business model that positions us well to capitalize on multiple growth opportunities including:

Grow with Our Existing Merchants in High Growth Verticals

We intend to grow alongside our existing merchants and expect to benefit from sales growth and strong retention within selected high-growth end-markets, including regulated online gaming / sports betting, regulated financial services, social gaming and online marketplaces. Mobile commerce and eCommerce merchants represent the majority of our total volume, which accounted for 76% of our total volume in the twelve months ended December 31, 2020.

We believe that over time our merchants will adopt more solutions from our Native Commerce Platform as they enter into new markets and expand across new and emerging commerce channels. This provides us with significant cross-selling opportunities and should allow us to win more wallet share.

Win New Merchants in Existing and New Geographies

We have significant experience in serving SMBs in North America and large enterprises in Europe. We intend to capture more market share in these merchant segments, as well as broaden our merchant base. We intend to achieve this by leveraging our fast-growing direct sales team and our established "one-to-many" indirect distribution model. In addition, we intend to expand and deepen our footprint in geographies where we have an emerging presence today, such as Asia Pacific and Latin America.

Accelerate Pace of Product Innovation

We strive to maintain our position as a leading provider of global payments solutions by offering innovative and comprehensive technology-driven solutions to our merchants. For example, in 2019, we launched partial approvals, Smart 3DS, instant funding and an enhanced mobile-ready merchant dashboard. In 2020, we launched new features such as our cloud-based chargeback management tools, dynamic currency conversion, global token / PII encryption, split funding for marketplaces and *PayLink*, a solution that enables SMBs to receive payments through the use of QR codes and secure payment links without the need for a physical point of sale terminal or an online shop, while adding over 100 APMs and taking steps towards expansion into the U.S. regulated online gaming market. We believe our technology-first culture enables us to enhance our offerings to remain at the forefront of payments innovation.

Pursue Strategic Acquisitions

We intend to augment our strong organic growth with strategic acquisitions. We have an established track record of successfully identifying, acquiring and integrating highly complementary businesses through a highly disciplined approach. We intend to target businesses that enhance our existing solutions, increase our presence within existing markets and verticals, add new resources and capabilities, grant us access to new markets and verticals, and expand our global direct and indirect distribution.

Our Solutions

At the core of our business is our Native Commerce Platform, a unified platform built in-house with over a decade of operational and industry domain expertise. Our Native Commerce Platform enables us to deliver comprehensive payment technology solutions to power a convenient and secure transaction experience for our merchants and their customers. Our solutions include:

Fully Integrated Payments Engine

<u>Solution</u>	<u>Component</u>	<u>Description</u>
Global Gateway	Gateway	Cloud-based front-end system that serves as a single global connection point for in-app, mobile commerce, eCommerce and other card-not-present businesses <ul style="list-style-type: none"> Principal member of Visa, Mastercard and UnionPay, and acquiring licenses with American Express and Discover/Diners Club Direct connections to leading eCommerce and other commerce platforms Direct connections to over 20 acquirers globally
	Global Tokenization	Encryption process that replaces sensitive cardholder data with tokens, to reduce the risk of a security breach while processing a transaction; also alleviates merchants' need to comply with Payment Card Industry Data Security Standards ("PCI DSS")
	Smart Routing Tool	Prediction engine that analyzes historical payment acceptance data to configure an optimized mix of acquiring routes in real time, and re-routes transactions to specific acquiring partners to increase authorization rates and reduce processing costs for our merchants. The tool analyzes both card and APMs to support varying user behavior and decline recovery management
	Acquiring & APMs	Front-End Processing
Alternative Payment Methods		Accepts 455 APMs, including direct integration with ACH, PayPal, AliPay and WeChat Pay, among others
<i>PayLink</i>		Enables merchants to accept payments by generating a QR code or a link to a secure payment page without requiring an online store or a physical POS terminal; and unattended / in-store, enables consumers to make payments using smart devices
Back-End Processing		Proprietary back-end clearing and settlement platform that connects directly to all major payment networks
Payout	Payout	Allows merchants to disburse payments in nearly 150 currencies to payout options pre-selected by their customers, including local currency bank deposits, branded prepaid or virtual cards, direct transfers to designated debit or credit cards and more
	Instant Disbursement	Allows customers to receive real-time payments in less than 30 seconds
Currency Management	Multi-Currency Pricing	Enables merchants to price and sell in nearly 150 currencies and settle in the local currency, while reducing risks and costs associated with international sales
	Dynamic Currency Conversion	Gives international shoppers the choice of paying either in the default / local currency of the merchant or in the currency in which their credit card is issued
Risk Management & Compliance	Transaction Risk Scoring	Assigns a risk score to every transaction, based on a suite of checks designed to identify potentially fraudulent transactions, including cross referencing of internal negative databases, identity checks, velocity checks and geographic location. Utilizes proprietary behavioral algorithms, which can detect subtle patterns and habits that help identify those seeking to perpetrate online fraud
	<i>Identity Manager</i>	Offers KYC and document verification checks by connecting to identity management service providers worldwide, helping businesses comply with

<u>Solution</u>	<u>Component</u>	<u>Description</u>
Other Value-Added Services	Fraud Management Tools	various KYC, AML and politically exposed persons and sanctions regulations, while also verifying age and identity of their users Allows merchants to reduce chargebacks by addressing questionable transactions early on in the payment process Provides an acquirer-agnostic solution to help merchants manage the complexity under PSD2 and 3D Secure 2, while enabling high authorization rates and reducing fraud levels. Our online exemption submission engine makes decisions in real-time according to merchant preference and either routes transactions through extra authentication checks via Dynamic 3D Secure or sends transactions with the right exemption to a non-3D flow
	Smart 3DS	Automated processes for receiving and managing chargebacks directly from the card schemes, including automated alerts and advanced case management
	Chargeback Management	
	Recurring Billing Tools	Helps merchants grow recurring revenue through: <ul style="list-style-type: none"> • Effective storage and management of subscription accounts, • Merchant-friendly APIs and developer toolkits to set up flexible schedules for recurring payments, • Auto account updater service that polls payment networks to automatically update account information when a new credit or debit card is issued, and • Automated authorization retries for recurring payments
	Decline Recovery	Increases merchants' approval rate through recovering declined transactions; for example, provides users with the option to choose an alternate credit card or payment method for declined transactions Allows online marketplaces and merchants on their platforms to receive their share of payments separately based on pre-determined rules, eliminating the need for further reconciliation among the parties
	Split Funding	Automates the matching and reconciliation of transactions across multiple payment providers and bank accounts
	Reconciliation Manager	

Alternative Payment Methods

455 APMs are accepted by our global gateway including:

List of Selected APMs

Maestro	Caixa	MultiBanco	Singapore Post
Mastercard	Loterias Caixa	mBank	Skrill
Mastercard Debit	Caja Vecina	MB WAY	Skrill 1-tap
Visa	CashLib	Millennium Bank	Banco Bradesco
Visa Checkout	CenPay	Moneta Money Bank	Slovenská sporiteľňa
Visa Debit	Ceska Sporitelna	Moneta Ru	SoFort Banking
SuperBodega Acuenta	Citi Bank	Mpay Station	Sistema de Pagos Electronicos
Alior Bank	CobroExpress	MuchBetter	Interbancarios
Alipay	Citibanamex	Multicaja	Standard Chartered Bank
Apple Pay	Davivienda	MyBank	STP Sistema de
AstroPay	DBS Bank	Neosurf	Transferencias y Pagos
AXS	EcoPayz	Nest Bank	SurtiMax
Baloto Revancha	Efecty	Neteller	Uslugi Bankowe, Tatra Banka
Banco de Chile	EPS Uberweisung, Express Linder	Noble Bank	Tbanc
Banco do Brasil	FamilyMart Fast Bank Transfer	ON Shop	Tesco Lotus
Banco BICE	Fio Banka	OXXO	Thanachart Bank Public
Bancolombia	Get In Bank	Pago Facil	Company Limited
Banco Falabella	GiroPay	PagoEfectivo	TMB Bank

Banco Security	GoPay	PassNGo	ToditoCash
Bancontact - Mistercash NV	HiPay	PaybyMobile	Tpay
Bangkok Bank	IdeaBank	PayMaya	TrueMoney
Bank OCBC NISP	iDEA	PayPal	Trustly
Bank of Ayudhya	iDebit	Pay@Post	UniCredit
Bank Pekao	ING GroupInstadebit	Rapipago	UnionPay
Group Financiero Banorte	Inteligo	Redcompra Prepago	United Overseas Bank
Bank Rakyat	Interac	SafetyPay	Všeobecná úverová banka
Banco Bilbao Vizcaya Argentaria	Interbank	SAM	Webanq
Banco BCI	Banco Itaú	Santander Bank	WebMoney
Bayad Center	JustPay	Banco Santander Rio	WebPay
Blik	Kasikornbank	Sberbank of Russia	WeChat
Boleto Bancario	Komercijní banka	Siam Commercial Bank	Yandex
Big C	Krung Thai Bank	Single Europe Payments Area	Zimpler
Bank Ochrony Srodowiska	Kwick! Go!	RedServi	
Banco Estado	Lider, Banco Macro S.A.		

Enhanced Checkout Experience

Solution	Description
<i>Checkout</i>	Customizable payment page designed for eCommerce businesses to give consumers a convenient checkout experience across all devices. Allows merchants to personalize and localize their payments pages to increase conversion into completed purchases; supports virtual point of sale, QR codes and link-to-pay capabilities
<i>Cashier</i>	Embedded payment page designed for merchants that need payment acceptance and withdrawal options, particularly in the regulated online gaming and regulated financial services industries. Supports: (i) partial approval, (ii) reverse withdrawal, (iii) quick deposit and in-game top ups for gaming merchants, (iv) net deposits enabling withdrawals using the same method as deposits, while aiding in AML compliance and (v) payments account verification (e.g., with PayPal) for additional security and ability to support local regulations
<i>Fields</i>	Enables merchants to alleviate PCI DSS requirements, while building their own cashier or checkout pages solution
<i>Partial Approval</i>	Enables approval of partial transaction amounts for users with limited available funds; this feature is designed to reduce transaction declines and maximize revenue conversion
<i>One-Click Payment</i>	Securely stores user payment data enabling “one-click” payment for future transactions

Data-Driven Back Office

Solution	Description
<i>Nuvei Dashboard</i>	Cloud-based and customizable reporting dashboard, offering merchants real-time access to their transactional and financial data, including cost breakdown at a transaction level and pricing at specific volume tiers
<i>Flexible Reporting</i>	Allows merchants to customize and structure reports to meet their specific business needs. Merchants are able to review reports using automatic scheduler, via email or Secure File Transfer Protocol
<i>Business Analytics Tools</i>	Enables merchants to identify trends and turn selected customer data (such as spending patterns and buying preferences) into actionable insights
<i>Business Coach</i>	Social media monitoring dashboard that helps merchants improve engagement with customer segments that have higher potential revenue per visit and turn new customers into repeat customers

Our Competition

We compete with a range of providers for various components of our offering across markets, commerce channels and verticals. Globally, our competitors include integrated payment providers focused on mobile commerce and eCommerce channels (such as Adyen and PayPal) and other payment processors (such as Fiserv, Global Payments, Checkout.com and Worldpay).

We are one of the few companies that can offer mobile commerce and eCommerce payments technology through a single integration and through a single source relationship. Certain traditional payment providers are hindered by limitations including disparate legacy technology systems and inadequate product offerings. Our full stack technology platform combined with our innovative and flexible suite of payment solutions addresses many of the issues that merchants face today, including:

- **Fragmented global payments landscape:** Global merchants are forced to work with a large number of payment providers who can offer solutions relevant to a specific market, leading to increased complexity and a higher administrative burden.
- **Slow to adapt to new technology:** With changing consumer preferences and behavior and the globalization of commerce, the ability of payment providers to accept not only card-based payments but also APMs is increasingly important. Additionally, the ability to provide robust payment solutions across multiple commerce channels has come to be expected as a minimum offering.
- **Friction in customer checkout experiences:** Checkout is one of the most important steps for a successful mobile commerce or eCommerce transaction. Once a customer is at the payment page, it is critical to make the experience as easy and seamless as possible until the payment is completed. Functionalities such as partial approval, decline recovery, one-click checkout, recurring billing and account updater are required to increase conversion rates.
- **Lack of flexibility or inability to offer a modular, “à-la-carte” offering:** Certain providers that offer a full-stack offering are unwilling to provide merchants with the flexibility to use their solutions on an as-needed basis. We believe merchants seek to work with providers that can address multiple use cases in a modular, “à-la-carte” format – such as gateway only, or gateway plus acquiring and checkout, or a full one-stop solution including gateway.
- **Unsophisticated fraud and chargeback prevention tools:** Minimizing fraud and chargebacks is a major challenge for both payment providers and merchants. We believe fraud detection and prevention measures may result in both false-positives and false-negatives which leads to lower conversion and higher fraud due to the improper verification of customers. Additionally, many solutions do not have global tokenization and encryption solutions for mobile and online transactions or integrated KYC and AML checks which allow merchants to automate customer authentication without impacting transaction success rates.

We believe we compete favorably with respect to each of these factors. For information on risks relating to increased competition in our industry, see “Risk factors—Substantial and increasingly intense competition, both within our industry and from other payments methods, may harm our business.”

Our Intellectual Property

We rely on a combination of intellectual property laws, confidentiality procedures and contractual provisions to protect our proprietary technology and our brand. We have registered, and applied for the registration of, Canadian, U.S. and international trademarks, service marks, and domain names. Over time, we have assembled and continue to assemble a portfolio of trademarks, service marks, copyrights, domain names and trade secrets covering our products and services. See “Our Solutions”. In particular, our source code, product books and website content is protected by copyright at common law. Intellectual property is a component of our ability to be a leading payment services provider and any significant impairment of, or third-party claim against, our intellectual property rights could harm our business or our ability to compete.

Our Employees

We have a strong management team led by our Chief Executive Officer Philip Fayer, with broad experience in information technology, strategy, operations, finance, sales, communications and training. Our executive officers have an average of over

17 years of experience in the electronic payments industry. Many of the members of our management team have worked together as a team for many years.

As of December 31, 2020, we had 869 employees, of which 193 were based in our headquarters in Montreal, Québec. We also engage consultants as needed to support our operations.

None of our employees are represented by a collective bargaining agreement.

Specialized Skills and Knowledge

The skills, expertise and competencies required in our industry are constantly evolving. Nuvei strives to be one step ahead and adopts a proactive approach, not only by recruiting engaged and skilled professionals but, more importantly, by developing and retaining them to meet our needs. Over the years, we have put in place multiple initiatives to meet our needs, fulfill our business plans, and maintain and develop professionals of very high calibre for the benefits of our merchants, members and shareholders.

Our Facilities and Locations

All of Nuvei's premises are rented. Our corporate headquarters, which includes product development, sales, marketing, and business operations, is located in Montreal, Québec. It consists of an office of 32,658 square feet of space under a lease that expires in March, 2021, and that, starting in April 2021, will be reduced to 21,646 square feet of space for a ten-year term expiring in March 2031. In addition to our corporate headquarters, we lease general office space in Scottsdale, Arizona, Hoffman Estates, Illinois, Bloomingdale, Illinois, St Catherines, Ontario, Sofia, Bulgaria, Nicosia, Cyprus, London, England, and Tel Aviv, Israel. We also embrace a "work from home" model, which extends our reach beyond our physical office locations to virtual or shared office spaces in Mexico, Italy and Singapore and a remote presence in China. As part of the Smart2Pay Transaction, we added office locations in Iasi, Romania and the Netherlands and virtual or shared office spaces in San Francisco, California, Brazil, Spain and Malta.

We also lease server space in third-party data centers in Montreal, Québec, Toronto, Ontario, Chicago, Illinois, Hawthorne, New York, Phoenix, Arizona, Las Vegas, Nevada, London, England, Amsterdam, Rotterdam and Delft, the Netherlands, Strasbourg and Gravelines, France, Dublin, Ireland and Iasi, Romania.

We believe that our facilities are suitable and adequate for our business as presently conducted. However, we periodically review our facility requirements and may acquire new space to meet the needs of our business or consolidate and dispose of facilities that are no longer required. If we require additional space, we expect that we will be able to obtain additional facilities on commercially reasonable terms.

Regulatory Environment

We operate in a complex legal and regulatory environment. Our business and the products and services that we offer are subject to a variety of laws and regulations in Canada, the United States, the United Kingdom, the member states of the EEA, and elsewhere. We are also subject to the rules and standards of the payment networks that we utilize to provide our electronic payment services. As described more fully below, failure to comply with these requirements may result in regulatory sanctions being imposed on our regulated subsidiaries, any may result in constraints on our ability to continue to operate or to continue to grow our business.

Consumer Financial Regulation

In the United States, the CFPB is authorized to regulate at the federal level the provision of consumer financial products and services, including many offered by our merchants or partners. Among other things, the CFPB may issue rules prohibiting unfair, deceptive or abusive acts or practices. Though we are not directly subject to the CFPB's regulations or supervisory authority, the CFPB may have authority over us as a provider of services to regulated financial institutions in connection with consumer financial products.

In Canada, the Payment Card Networks Act was adopted to regulate national payment card networks and their commercial practices. The act provides for the possibility of regulation of acquirers, however, such provisions have not been implemented. Instead, Canadian payment networks, issuers and acquirers abide by the Code. There are 13 policy elements

included in the Code, some of which apply directly to us, such as minimal content for merchant-acquirer agreements and monthly statements, fee increase notices and cancellation rights.

Payment Services and Electronic Money Regulation

Certain of our subsidiaries are subject to various regulatory requirements deriving from PSD2 (in the United Kingdom and the Netherlands) and the Electronic Money Laws of 2012 and 2018 (implementing the Electronic Money Directive) and the Payment Services and Access to Payment Systems Laws of 2018 and 2019 (implementing PSD2) (in Cyprus). Applicable regulations in these jurisdictions require our subsidiaries to obtain licenses to perform certain of their business activities in or from these jurisdictions, and impose, among other things, certain conduct of business requirements, integrity requirements, and initial and ongoing capital requirements and regulatory reporting and notification requirements.

United Kingdom

In the United Kingdom, SafeCharge Financial operates as an authorized payment institution under PSD2, and is subject to regulation and oversight by the FCA. Pursuant to its authorization as an authorized payment institution granted under the U.K. Payment Services Regulations 2017 (“U.K. PSRs”), SafeCharge Financial is authorized to provide issuing and/or acquiring of payment instruments services, and is currently able to provide these payment services throughout the EEA pursuant to the cross-border passporting right in PSD2.

With respect to SafeCharge Financial, the FSMA, which applies (with certain modifications) to a payment services institution by virtue of paragraph 5 of schedule 6 of the U.K. PSRs and associated guidance, requires that, *inter alia*:

- any individual or entity, whether residing or established in the United Kingdom or abroad, obtains prior approval from the FCA where such individual or entity (a) proposes to acquire 10% or more of the shares or voting rights, directly or indirectly, of an FCA-authorized payment institution, such as SafeCharge Financial, or in its parent, such as Nuvei, or (b) otherwise is able to exercise significant influence over the management of the FCA-authorized payment institution by virtue of the acquirer’s shares or voting rights in the FCA-authorized payment institution;
- where a person that holds 10% or more of the shares or voting rights of an FCA-authorized payment institution intends to increase its control and this causes the person to cross a control threshold (20%, 30% or 50%), that person must notify the FCA before the proposed transaction;
- in reviewing an application with respect to a proposed change in control, the FCA must be satisfied in respect of: the suitability of the proposed controller; the financial soundness of the acquisition of control to ensure the continued sound and prudent management of the payment institution; and the likely influence the proposed controller will have on the payment institution;
- the business activities of the payment institution must be carried out in accordance with the conduct of business requirements set out in the U.K. PSRs, including with respect to the information provided to customers before and after execution of a payment transaction and the rights and obligations of the payment service provider and its customers in relation to payment transactions; and
- the FCA must be informed in advance of any significant change in circumstances which is relevant to its authorisation of SafeCharge Financial or the information previously provided to it. This includes, for example, changes to control of the business and the people responsible for management. In particular, appointments should be notified to the FCA before the change takes place, and removals no later than seven working days after the event. The FCA must be satisfied that the directors and other persons who will be responsible for the management of SafeCharge Financial and its payment services activities are of good repute and have the appropriate knowledge and experience to perform payment services.

If the FCA considers that there are reasonable grounds to object to a proposed change, it may issue a warning notice, which may be followed by a decision notice and final notice. Where the FCA has issued a warning notice, a decision notice or a final notice, it may also give a notice imposing one or more restrictions on shares or voting power (a restriction notice) and must direct that the voting power subject to the restriction notice is suspended until further notice. The FCA also has the power to apply to the court for the order of a sale of shares or the disposition of voting power where the acquisition or continued holding of the shares or voting power by that person is in contravention of a final notice. Persons that acquire or

increase control without prior approval, or in contravention of a warning, decision or final notice, may have committed a criminal offence. The FCA may prosecute and, if found guilty, the person may be liable to an unlimited fine or given a prison sentence.

In relation to breaches of the U.K. PSRs, the FCA may impose penalties or censures and initiate criminal prosecutions against the regulated entity. The FCA can also order authorized payment institutions to provide restitution to their customers. In the case of serious breaches of the U.K. PSRs or failure to meet the minimum standards for authorization, the FCA can cancel, vary or place requirements on an authorized payment institution's authorization.

Cyprus

In Cyprus, SafeCharge Limited operates as an electronic money institution under the Electronic Money Laws of 2012 and 2018 (implementing the Electronic Money Directive) and the Payment Services and Access to Payment Systems Laws of 2018 and 2019 (implementing PSD2), and is subject to regulation and oversight by the Central Bank of Cyprus. Pursuant to License No.115.1.3.9/2018 granted pursuant thereto, SafeCharge Limited is authorized to provide payment processing for online merchants as well as an electronic money service to customers. SafeCharge Limited is also a Principal Member of MasterCard, Visa and UnionPay International. SafeCharge Limited utilizes cross-border passporting rights under the Electronic Money Directive to provide both payment and electronic money services throughout the EEA.

With respect to SafeCharge Limited, the Electronic Money Laws of 2012 and 2018 and the Payment Services and Access to Payment Systems Laws of 2018 and 2019 collectively require that, *inter alia*:

- any individual or entity, whether residing or established in Cyprus or abroad, obtains prior approval from the Central Bank of Cyprus for the acquiring directly or indirectly of an equity interest of 10% or more in its capital, or for increasing of an existing qualifying holding;
- the proposed acquirer of a qualifying holding supplies to the Central Bank of Cyprus information indicating the size of the intended holding, as well as all additional information necessary for the Central Bank of Cyprus to carry out an assessment of the proposed acquirer;
- in order to ensure the sound and prudent management of the institution in which an acquisition is proposed, and having regard to the likely influence of the proposed acquirer, information that is necessary to appraise the suitability of the proposed acquirer and the financial soundness of the proposed acquisition is also required to be submitted to the Central Bank of Cyprus;
- the suitability and the financial soundness of the proposed acquirer is appraised against all of the following criteria: (a) the reputation of the proposed acquirer; (b) the reputation, the knowledge, the competencies and the experience of any member of the management body and of any senior manager, who will direct the business of the institution as a result of the proposed acquisition; (c) the financial soundness of the proposed acquirer; (d) the ability of the institution to comply and to continue to comply with the requirements of prudential supervision, in particular whether the group of which it will become a part has a structure that makes it possible to exercise effective supervision, effectively exchange information among the competent authorities and determine the allocation of responsibilities among the competent authorities; (e) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing is being or has been committed;
- where the influence exercised by a proposed acquirer is likely to operate to the detriment of the prudent and sound management of the institution, the Central Bank of Cyprus shall express its opposition and in addition take one or more of the following measures: (a) suspension of the exercise of the voting rights attaching to the shares or the voting rights held by that person; (b) issuance of an order under which the disposal, signing of a disposal agreement, sale, exchange, hiring, transfer, donation and in general the alienation of the institution's shares is void (c) prohibition of acquiring, including acquisition by donation or by exercise of option, of the shares of the institution; (d) prohibition of conduct of any payments by the institution attaching to the shares, excluding the case of dissolution of the institution;
- the regulated entity is required to take every measure to ensure the continued compliance with the provisions of the legal framework and that its business activities are carried out in accordance with the applicable provisions on integrity of business operations and administration, as well as applicable requirements regarding organization and internal control, including, *inter alia*, a requirement to disclose any change affecting the accuracy of the data it has

In the case of natural or legal persons failing to fulfil the obligation of pre-disclosure as stated above, the Central Bank of Cyprus may take against that person any one or more of the following measures, specifying the duration of the validity of the measure or that the measure is valid until its withdrawal: (a) suspension of the exercise of the voting rights attaching to the shares or the voting rights held by that person; (b) issuance of an order under which the disposal, signing of a disposal agreement, sale, exchange, hiring, transfer, donation and in general the alienation of the institution's shares is void; (c) prohibition of acquiring, including acquisition by donation or by exercise of option, of the shares of the institution; (d) prohibition of conduct of any payments by the institution attaching to the shares, excluding the case of dissolution of the institution. The Central Bank of Cyprus may also impose an administrative fine in connection with the violation of pre-disclosure obligations. These penalties may be imposed on the persons seeking to acquire or increase a qualified holding in the regulated entity and/or on the regulated entity itself.

The Netherlands

We are subject to regulations in the Netherlands, where Smart2Pay Regco provides services that are regulated and subject to supervision by the Dutch Central Bank in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the regulations promulgated thereunder. Pursuant to the Dutch Financial Supervision Act, Smart2Pay Regco requires a license to provide payment services. Smart2Pay Regco holds a license from the Dutch Central Bank to operate as a payment institution and is authorized to execute payment transactions (payment service 3, as referred to in PSD2) and to issue and/or acquire payment instruments (payment service 5, as referred to in PSD2) in the Netherlands, and is currently able to provide payment services 3 and 5 in the EEA in accordance with its cross-border passporting right in PSD2. As a licensed payment institution, Smart2Pay Regco is also under ongoing prudential and integrity supervision by the Dutch Central Bank.

With respect to Smart2Pay Regco, the Dutch Financial Supervision Act and the regulations promulgated thereunder require that, *inter alia*:

- the integrity of all members of the management board and supervisory board and factual policy makers of Smart2Pay Regco is without doubt and each such person meets the applicable "fit and proper" requirements;
- any individual or entity, whether residing or established in the Netherlands or abroad, obtains prior approval from the Dutch Central Bank where such individual or entity (a) proposes to acquire 10% or more of the issued share capital or voting rights, directly or indirectly, in Smart2Pay Regco, or (b) otherwise is able to exercise, directly or indirectly, an equivalent degree of control in Smart2Pay Regco. In reviewing an application with respect to a proposed change in control, the Dutch Central Bank must be satisfied in respect of: the suitability of the proposed controller; the financial soundness of the acquisition of control to ensure the continued sound and prudent management of the payment institution; and the likely influence the proposed controller will have on the payment institution. In order to ensure the sound and prudent management of the institution in which an acquisition of a qualifying holding is proposed, and having regard to the likely influence of the proposed acquirer, information that is necessary to appraise the suitability of the proposed acquirer and the financial soundness of the proposed acquisition is also required to be submitted to the Dutch Central Bank;
- the suitability and the financial soundness of the proposed acquirer of a qualifying holding is appraised against all of the following criteria: (a) the integrity of the proposed acquirer and its day-to-day policymakers; (b) the reputation, the knowledge, the competencies and the experience of the proposed acquirer and its day-to-day policymakers; (c) the financial soundness of the proposed acquirer; (d) the ability of the institution to comply and to continue to comply with the requirements of prudential supervision; (e) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing is being or has been committed;
- any change to the formal and actual control structure of the group of companies of which it is part obtains prior approval from the Dutch Central Bank;
- its business activities are carried out in accordance with the applicable provisions on conduct of business, integrity of business operations and administration, as well as applicable requirements regarding administrative organization and internal control; and

- the Dutch Central Bank must be informed in advance of any material changes in the direct or indirect shareholding structure of Smart2Pay Regco, changes to its management and/or supervisory board, or of any significant changes in its business activities.

Non-compliance with the requirements of the Dutch Financial Supervision Act and the regulations promulgated thereunder may result in enforcement action being taken by the Dutch Central Bank. Such action may take the form of, among other things, formal instructions (*aanwijzingen*), administrative fines, orders subject to an incremental penalty (*last onder dwangsom*), increased regulatory compliance requirements or other potential regulatory restrictions on Smart2Pay Regco's business, enforced suspension of operations and, in extreme cases, withdrawal of licenses, removal of board members or criminal prosecution. For example, the Dutch Central Bank may instruct the payment services provider or its corporate bodies to implement certain changes in the composition of its management board or to replace certain policy makers that do not meet the applicable suitability and/or integrity requirements, may require that such persons no longer co-determine or determine the business policy of the payment services provider, or require that the policy makers follow a certain course of action as determined by the Dutch Central Bank.

Singapore

In Singapore, SafeCharge Pte Limited has applied for a Standard Payment Institution License under the Payment Services Act 2019 (the "PSA"). The recently enacted PSA imposes a licensing requirement on any person offering "payment services" (as defined therein) and who is not otherwise exempted. The application has been submitted to the Monetary Authority of Singapore (the "MAS"), which is responsible for granting and administering licenses under the PSA. Once granted, the Standard Payment Institution License will authorize SafeCharge Pte Limited to provide domestic money transfer services, cross-border money transfer services, and merchant acquiring services within Singapore.

The PSA and associated Payment Services Regulations 2019 (the "SG PSRs"), which will apply to SafeCharge Pte Limited once the Standard Payment Institution License is granted, require that, inter alia:

- a person must not become a 20% controller of a licensee (defined as owning 20% of the shares or being in a position to control 20% of the votes of a licensee) without first applying for and obtaining the approval of the MAS;
- in reviewing an application with respect to the granting of a license or a proposed change in control of a licensee, the MAS must be satisfied in respect of: the suitability of the proposed controller; the financial soundness of the acquisition of control to ensure the continued sound and prudent management of the payment institution; and the likely influence the proposed controller will have on the payment institution;
- the business activities of the payment institution must be carried out in accordance with the conduct of business requirements set out in the PSA and the SG PSRs, and the MAS has the power to impose certain conditions or restrictions on the operation of the business;
- the MAS must be informed in advance of any significant change in circumstances which is relevant to its authorisation of SafeCharge Pte Limited or the information previously provided to it. This includes, for example, changes to control of the business and the people responsible for management.

Failure to abide by the conditions of the Standard Payment Institution License or breaches of the requirements of the PSA and the SG PSRs can result in an investigation by the MAS, the imposition of fines or penalties, and, in some cases, ultimately the suspension or revocation of the license. The Standard Payment Institution License has not yet been granted, but SafeCharge Pte Limited is in regular contact with the MAS regarding the status of the application, and has no reason to believe that the application will be refused.

Mexico

In Mexico, SafeCharge Payments Mexico, S.A. de C.V. ("SafeCharge Mexico") is authorized to provide services as an aggregator under the Law on Transparency and Regulation of Financial Services (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*) and the General Rules for Payment Networks. It is registered with the National Banking Commission (CNBV *Comisión Nacional Bancaria y de Valores*) (the "CNBV") and subject to oversight by both the CNBV

and the Mexican Central Bank (Banco de México). Pursuant to this authorization, SafeCharge Mexico operates as an aggregator offering payment acceptance services within Mexico.

The following requirements are applicable to SafeCharge Mexico as a registered aggregator:

- Though not strictly required by law, any material change to the information filed when the CNBV registration was made should be updated accordingly, including any changes to the capital structure;
- Mexican law requires aggregators to register their commissions and fees with the Mexican Central Bank and for their agreements with clients to follow certain principles, and may require that SafeCharge Mexico show evidence of compliance with these principles from time to time.

Failure to abide by the conditions imposed by the CNBV or the Mexican Central Bank gives the authorities the power to enforce their provisions by imposing warnings, penalties, or temporary total or partial closure of the business, or use of force.

Banking Regulation

A number of our financial institution partners are directly subject to various laws and regulations enforced by U.S. and Canadian federal or state as well as European banking regulators. While these regulatory requirements do not apply to us directly, many of them may affect the services that we provide to our partners. U.S. and Canadian federal, state or provincial and European banking regulators may also impose requirements on regulated financial institutions related to their relationships with third-party service providers. As a result, our acquiring banks may be required to perform appropriate due diligence on us and our activities, evaluate our risk management, information security, and information management systems, and conduct ongoing monitoring of our performance and our ability to deliver services. Various other obligations may also be imposed on us to allow our partners to meet the regulators' expectations, such as in respect of reporting, contingency planning, subcontracting, confidentiality, security, separation of property, insurance, location of records and business continuity plans. Similar U.S. state and Canadian provincial laws and regulations that govern financial institutions may also subject our activities to review or examination.

Payment Networks

In order to access the international card networks to provide acquiring and processing services, we are subject to the rules and standards of MasterCard, Visa and other payment networks. These rules and standards implicate a variety of our activities and services, including operating rules, mandatory technology requirements data security, allocation of liability for certain acts or omissions (including liability in the event of a data breach) and how consumers and merchants may use their cards. Payment networks may, and routinely do, modify these rules and standards as they determine in their sole discretion and with or without advance notice to us. These modifications may impose additional costs and expenses on, or may otherwise be disadvantageous to, our business. In addition, we are subject to audit by various payment networks. The payment networks may fine or penalize us or suspend our registration if those audits find that we have failed to comply with applicable rules and standards.

Data Protection Laws and Regulations

We provide services that may be subject to data protection laws, rules, regulations and standards in a number of jurisdictions. These laws, rules, regulations and standards restrict the collection, processing, storage, use and disclosure of personal information, require notice to individuals of privacy practices and provide individuals with certain rights to prevent the use and disclosure of protected information. They also impose requirements for safeguarding and proper destruction of personal information including through the issuance of data security standards or guidelines. For example, the payment networks require compliance with the Payment Card Industry Data Security Standard, a set of requirements designed to ensure that all companies that process, store or transmit payment card information maintain a secure environment to protect cardholder data.

Relevant U.S. federal privacy laws include the Gramm-Leach-Bliley Act of 1999, which applies directly to a broad range of financial institutions and indirectly, or in some instances directly, to companies that provide services to financial institutions. Canada's PIPEDA and certain U.S. state and Canadian provincial laws impose similar privacy obligations as well. For example, the CCPA imposes stringent data privacy and data protection requirements for the data of California residents. Many of these laws also impose obligations to provide notification of security breaches to affected individuals, state officers, consumer reporting agencies, businesses or governmental agencies that own data.

In Europe, the GDPR applies to companies operating within the EEA as well as companies outside the EEA that offer goods or services to EEA customers or businesses. It imposes a number of disclosure, consent, data handling and storage and data use obligations on processors and controllers of personal data. Penalties for breach of the GDPR can be substantial, including a maximum fine of 4% of annual global turnover.

Unfair or Deceptive Acts or Practices

We and our partners are subject to U.S. and Canadian federal, state and provincial laws prohibiting unfair or deceptive trade practices enforced by various regulatory agencies, including, in the U.S., the FTC and U.S. state attorneys general, in Canada, the Competition Bureau, in Europe, the European Commission, in the United Kingdom, the Competition and Markets Authority, and, in the Netherlands, the Authority for Consumers & Markets. These agencies and regulators may take actions that affect the activities of certain of our partners, and in some cases may subject us to investigations or enforcement actions if we are deemed to have aided and abetted or otherwise facilitated illegal or improper activities.

Anti-Bribery, Sanctions, and Counter-Terrorist Regulations

In the United States, Canada, the United Kingdom and the European Union, we are subject to anti-corruption laws and regulations such as the FCPA, the CFPOA and the Bribery Act which prohibit the making or offering of improper payments or benefits to foreign government officials and political figures. The broad reach of such acts as well as accounting provisions enforced by various regulatory agencies require us to maintain appropriate records and adequate internal controls to prevent and detect possible violations. Many other jurisdictions where we conduct business have similar anticorruption laws and regulations. We have policies, procedures, systems, and controls designed to identify and address potentially impermissible transactions under such laws and regulations.

We are also subject to certain economic and trade sanctions programs administered by the OFAC in the United States, Global Affairs Canada in Canada, the European Union and Her Majesty's Treasury in the United Kingdom and the Dutch Central Bank in the Netherlands. These programs prohibit or restrict transactions to or from, or dealings with, specified countries, their governments, and in certain circumstances, their nationals. Transactions or dealings with individuals and entities that are specially-designated nationals of those countries, narcotics traffickers, and terrorists or terrorist organizations are also prohibited or restricted. Similar laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified in lists maintained by the authorities in several other countries and require intermediaries in the payment process to observe specific data retention obligations. Although we do not currently perform any business in these jurisdictions, if we do so in the future, we will be subject to those data retention obligations.

Money Transmission Licensing and Regulation

In the United States, regulations promulgated by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury require certain persons to register at the federal level as a MSB and comply with anti-money laundering laws and regulations. In addition, most U.S. states require licenses for persons engaged in the business of money transmission. Such U.S. state licensing laws may subject money transmitters to periodic examinations and may require them and their agents to comply with federal and/or state anti-money laundering laws and regulations.

In Canada, the PCMLTFA implements specific measures to detect and deter money laundering and the financing of terrorist activities, including by establishing record keeping and client identification requirements and requiring the reporting of suspicious financial transactions and of cross-border movements of currency and monetary instruments.

MSBs are reporting entities under the PCMLTFA and must register with the Financial Transactions and Reports Analysis Centre of Canada. The Province of Québec has also enacted legislation requiring similar registration with the AMF.

Our current activities do not require us to register with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury or the Financial Transactions and Reports Analysis Centre of Canada as an MSB or to be licensed as a money transmitter with U.S. states or Canadian provinces. As our business continues to grow and evolve, however, we may become subject to such regulation in the future.

In the EEA, money transmission services qualify as a regulated payment service (i.e. money remittance) meaning that a firm must be authorized to carry on this activity, including as an electronic money institution or as a payment services institution.

The authorizations of SafeCharge Financial and SafeCharge Limited do not include money remittance. Both authorized firms must comply with the registration, systems and controls and policies and procedures requirements in the Money Laundering, Terrorist Financing and Transfer of Funds (Information to the payer) Regulations 2017 as well as the requirements imposed by the EU Funds Transfer Regulation (EU 2015/847) and applicable anti-money laundering and counter terrorism financing laws in Cyprus and the United Kingdom. As a licensed payment institution, Smart2Pay Regco must comply with the requirements of the Dutch Act for the Prevention of Money Laundering and Financing of Terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*). This act implements the Fourth EU Anti-Money Laundering Directive (Directive (EU)2015/849) in the Netherlands and imposes requirements regarding, *inter alia*, customer due diligence and reporting of unusual transactions.

U.S. Gaming and Sports Betting Regulations

Gaming and sports betting in the United States is regulated on a federal and state-by-state basis. The industry is overseen and regulated by the gaming regulatory authority and banking regulators in each applicable state. Currently, there are ten states that allow some form of online gaming and or online sports betting, and this number is expected to increase over time. Nuvei is in the process of obtaining the appropriate licensing to provide payment processing in every state that currently allows these online activities. To date, we have secured gaming licenses in the states of Indiana, Colorado, Tennessee, West Virginia and Virginia.

Other

The U.S. Internal Revenue Code of 1986, as amended, requires information returns to be made for each calendar year by “merchant acquiring entities” and “third-party settlement organizations” with respect to payments made in settlement of payment card transactions and third-party payment network transactions occurring in that calendar year. Reportable transactions are also subject to backup withholding requirements. Failure to comply with these rules could subject us to penalties. We believe we currently comply with these reporting and withholding requirements and intend to continue to do so.

We are also subject to U.S. federal and state unclaimed or abandoned property (escheat) laws, which require us to turn over to certain government authorities the property of others we hold that has been unclaimed for a specified period of time.

GENERAL DEVELOPMENT OF NUVEI'S BUSINESS

Below is a summary of key general developments of our business over the last three completed financial years.

Three-Year Business Development History

On September 28, 2018, the Company entered into a new credit agreement (the “September 2018 Credit Facility”). The September 2018 Credit Facility provides the Company with financing capacity of \$315 million and includes U.S. and Canadian term loan facilities, a revolving facility and a delayed draw U.S. term loan facility. In 2019, in connection with the SafeCharge Transaction, the September 2018 Credit Facility was amended and restated to increase the total financing capacity available under that facility from \$315 million to \$895 million in the form of term loans and a \$50 million revolving credit facility.

On August 1, 2019, 11411802 Canada Inc., a wholly-owned indirect subsidiary of Nuvei, completed the SafeCharge Transaction, a company incorporated in Guernsey whose shares were admitted to trading on the Alternative Investment Market operated by the London Stock Exchange plc. The acquisition was effected by means of a scheme of arrangement under Part VIII of The Companies (Guernsey) Law 2008 which involved, among other things, a meeting of SafeCharge shareholders convened by the Royal Court of Guernsey to approve the scheme and an application by SafeCharge to the Court to sanction the scheme. As a result of this transaction, we acquired all of the issued and outstanding shares in SafeCharge. The consideration for the acquisition was US\$5.55 in cash for each SafeCharge share, which valued the fully diluted share capital of SafeCharge at approximately US\$872.5 million. This transaction is referred to as the “SafeCharge Transaction”.

During the third quarter of 2020, the Company made progress on its strategic plan as it was awarded a certificate of registration for sports wagering from the Indiana Gaming Commission and received its sports betting vendor license from Colorado's Division of Gaming. In addition, on November 19, 2020, the Company announced that its subsidiary Nuvei

Technologies Inc. has received approval to support the sports betting and iGaming industry in West Virginia which permits it to operate as an i-Gaming supplier in compliance with the codes outlined in West Virginia's Interactive Wagering Act (§29-22E-1) and provide services for sports betting operators under West Virginia's Sports Wagering Act (§29-22D-8 et seq.). On January 21, 2021 Nuvei announced that its subsidiary Nuvei Technologies Inc. was approved by the Sports Wagering Committee of the Tennessee Education Lottery Corporation as a payment technology service provider to support sports gaming transactions. On March 17, 2021, Nuvei announced that its wholly owned subsidiary has been approved by the Virginia Lottery to support the sports betting industry in Virginia.

Also during the third quarter of 2020, Nuvei continued to execute on its strategic plan by expanding its footprint geographically, launching local processing solutions in Hong Kong, Singapore, Russia, Brazil, and Colombia. These new markets enlarge the Company's total addressable market, providing extended reach for existing merchants and enabling Nuvei to win new merchants in those countries. Additionally, during that period, the Company expanded its support for cryptocurrency exchanges, onboarding two exchanges and continued to enhance its offering including foreign exchange services, European Revised Payment Services Directive ("PSD2") mandate support, early warning dispute management solutions and payout capabilities that includes the launch of Mastercard MoneySend.

On September 22, 2020, we announced the closing of our IPO consisting of a treasury offering by the Company and a secondary offering by certain funds managed by Novacap Management Inc. (the "Selling Shareholders") of an aggregate of 30,961,539 Subordinate Voting Shares of the Company at a price of US\$26 per share, for aggregate gross proceeds of US\$805 million, with the Company and the Selling Shareholders receiving gross proceeds of US\$730 million and US\$75 million, respectively. Concurrently with the closing of its initial public offering, the Company also closed a direct private placement of 1,094,132 additional Subordinate Voting Shares to certain employees, customers, suppliers and other business partners outside Canada for aggregate gross proceeds of US\$28.4 million. The Subordinate Voting Shares are listed on the TSX in Canadian dollars under the symbol "NVEI" and in U.S. dollars under the symbol "NVEI.U".

In September 2020, the net proceeds from the IPO were used to reduce loans and borrowing by repaying \$615.6 million aggregate principal amount of term loans under the first lien credit facilities and second lien credit facility. Also in 2020, as a result of the Smart2Pay Transaction and Base Commerce, LLC acquisition, the Company modified its amended and restated credit facility to add term loans of \$110 million and to increase its revolving credit facility from \$50 million to \$100 million.

On November 2, 2020, the Company completed its previously announced acquisition of Smart2Pay (the "Smart2Pay Transaction"), a payment services provider headquartered in The Netherlands. Nuvei acquired all of the shares for a total consideration consisting of approximately €70,900 (US\$81,927) in cash and 6,711,923 Subordinate Voting Shares issued from the Company's treasury.

On November 30, 2020, Nuvei entered into a purchase agreement pursuant to which it agreed to acquire substantially all of the assets of Base Commerce, LLC. Closing of the acquisition was effective on January 1, 2021.

On December 1, 2020, we announced the filing of a preliminary short form base shelf prospectus with securities regulatory authorities in each of the provinces and territories of Canada to allow Nuvei and certain of its security holders to qualify the distribution by way of prospectus in Canada of up to US\$850 million of Subordinate Voting Shares, Preferred Shares, debt securities, warrants, subscription receipts, units, or any combination thereof, during the 25-month period that the base shelf prospectus is effective.

On December 17, 2020, we announced the appointment of Neil Erlick to the role of Chief Corporate Development Officer.

RISK FACTORS

In addition to all other information set out in this AIF, as well as our audited consolidated financial statements and notes for Fiscal 2020 and Management's Discussion and Analysis for Fiscal 2020, the following specific factors could materially adversely affect us and/or our business, financial condition and results of operations. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may also become important factors that affect our future business, financial condition and results of operations. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations or cash flow. This AIF also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those

anticipated in the forward-looking statements as a result of a number of factors including the risks described below. See “Forward-Looking Information”.

Risks Relating to Our Business and Industry

The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, could materially impact our business and future results of operations and financial condition.

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict. It is even more difficult to predict the impact on the global economic market, which will depend upon the actions taken by governments, businesses and other enterprises in response to the pandemic. The pandemic has already caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. SMBs who rely on their physical storefronts in particular have been significantly impacted. The pandemic has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place or total lock-down orders, and business limitations and shutdowns. Such measures have significantly contributed to rising unemployment and negatively impacted consumer and business spending. The extent to which COVID-19 impacts the Company’s financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the actions taken by governments to curtail or treat its impact, including shelter in place directives, business limitations and shutdowns, travel bans and restrictions, loan payment deferrals (whether government-mandated or voluntary), moratoriums on debt collection activities and other actions, which, if imposed or extended, may impact the economies in which the Company now, or may in the future, operate. Adverse market conditions resulting from the spread of COVID-19 could materially adversely affect our business and the value of our Subordinate Voting Shares.

Our merchants, particularly in industries most impacted by the COVID-19 pandemic, including the retail, restaurant, hotel, hospitality, consumer discretionary and travel industries and companies whose customers operate in impacted industries, may reduce or delay their technology-driven transformation initiatives, which could materially and adversely impact our business. Further, as a result of the COVID-19 pandemic, we have experienced, and may continue to experience, slowed growth or decline in new demand for our products and services and lower demand from our existing merchants for expansion within our products and services, as well as existing and potential merchants reducing or delaying purchasing decisions. We have experienced, and may continue to experience, an increase in prospective merchants seeking lower prices or other more favorable contract terms and current merchants attempting to obtain concessions on the terms of existing contracts, including requests for early termination or waiver or delay of payment obligations, all of which has adversely affected and could materially adversely impact our business, results of operations and overall financial condition in future periods. Further, we may face increased competition due to changes to our competitors’ products or services, including modifications to their terms, conditions and pricing that could materially adversely impact our business, results of operations and overall financial condition in future periods.

The COVID-19 pandemic could cause our third-party service providers such as data center hosting facilities and cloud computing platform providers, which are critical to our infrastructure, to shut down their business, experience security incidents that impact our business, delay or disrupt performance or delivery of services or experience interference with the supply chain of hardware required by their systems and services, any of which could materially adversely affect our business. Further, the COVID-19 pandemic has resulted in our employees and those of many of our customers working from home and conducting work via the Internet, and if the network and infrastructure of Internet providers becomes overburdened by increased usage or is otherwise unreliable or unavailable, our employees’ and our customers’ employees’ access to the Internet to conduct business could be negatively impacted. Limitations on access or disruptions to services or goods provided by or to some of our suppliers upon which our platform and business operations relies could interrupt our ability to provide our platform, decrease the productivity of our workforce and significantly harm our business operations, financial condition and results of operations. In addition, our technology platforms and the other systems or networks used in our business may experience an increase in attempted cyber-attacks, targeted intrusion, ransomware and phishing campaigns seeking to take advantage of shifts to employees working remotely using their household or personal Internet networks as a result of the COVID-19 pandemic. The success of any of these unauthorized attempts could substantially impact our technology platforms, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations,

and ultimately our business. Any actual or perceived security incident also may cause us to incur increased expenses to improve our security controls and to remediate security vulnerabilities.

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we participate, which could negatively impact our business. In response to the COVID-19 pandemic, we have enabled our employees to work remotely, implemented travel restrictions for all non-essential business and shifted company events to virtual-only experiences, and we may deem it advisable to similarly alter, postpone or cancel additional events in the future. There is no certainty that the measures we have taken will be sufficient to mitigate the risks posed by the virus. If the COVID-19 pandemic worsens, especially in regions where we have offices, our business activities originating from affected areas could be adversely affected. Disruptive activities could include additional business closures in impacted areas, further restrictions on our employees' and service providers' ability to travel, impacts to productivity if our employees or their family members experience health issues and potential delays in hiring and onboarding of new employees. We may take further actions that alter our business operations as may be required by local, provincial, state or federal authorities or that we determine are in the best interests of our employees. Such measures could negatively affect our sales and marketing efforts, sales cycles, employee productivity or customer retention, any of which could harm our financial condition and business operations. Changes in internal controls due to remote work arrangements may result in control deficiencies and impact our financial reporting systems, which may also be material.

Additionally, diversion of management focus to address the impacts of the COVID-19 pandemic could potentially disrupt our operating plans. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; delays in vaccine rollout; the effectiveness of vaccines against the virus and its mutations; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. If we or our customers experience prolonged shutdowns or other business disruptions in the future, our ability to conduct our business in the manner and within planned timelines could be materially adversely impacted.

The Company submitted an application to the Government of Canada for the Canadian Emergency Wage Subsidy ("CEWS") for which it was eligible due to the COVID-19 pandemic for the periods of April 12 to May 9, 2020, May 10 to June 6, 2020. CEWS of \$1.0 million has been recorded principally as a reduction of employee costs in the audited consolidated financial statements and notes for Fiscal 2020.

To the extent that the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risks Relating to Our Business and Industry" section.

If we cannot keep pace with rapid developments and change in our industry and continue to acquire new merchants and partners rapidly, the use of our services could decline, reducing our revenue.

The electronic payments market in which we compete is subject to rapid and significant changes. This market is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing client needs, consolidation and the entrance of non-traditional competitors. In order to remain competitive and continue to acquire new merchants and partners rapidly, we are continually involved in a number of projects to develop new services and improve our existing services. These projects may not be successful and carry some risks, such as cost overruns, delays in delivery, performance problems and lack of client adoption, and may cause us to become subject to additional regulation. Moreover, the merchant base that we target is varied and non-geographically bound or restricted by scale, making it more challenging to predict demand for our offerings. Any inability to develop or delay in the delivery of new services or the failure to differentiate our services or to accurately predict and address market demand could render our services less desirable, or even obsolete, to our clients. Furthermore, in recent years, the market for APMs has grown significantly, and technology has become particularly important for payment processors looking to maintain a competitive edge in the industry. Many of the projects that we have spent time and resources on relate to APMs. Even though the market for APMs is growing, it may not continue to develop rapidly enough for us to recover the costs we have incurred in developing new services targeted at this market. In addition, many current or prospective customers may find competing services more attractive if we do not keep

pace with market innovation or changes in response to COVID-19, and many may choose to switch to competing services even if we do our best to innovate and provide superior services.

We rely in part, and may in the future rely in part, on third parties, including some of our competitors and potential competitors, for the development of, and access to, new technologies. If we are unable to maintain these relationships, we may lose access to new technologies or may not have the speed-to-market necessary to successfully launch new offerings.

Our future success will depend on our ability to adapt to technological changes and evolving industry standards. We cannot predict the effects of technological changes on our business. If we are unable to adapt to technological changes or evolving industry standards on a timely and cost-effective basis by introducing new services and improving existing services, our business, financial condition and results of operations could be materially adversely affected.

Substantial and increasingly intense competition, both within our industry and from other payments methods, may harm our business.

The market for payment processing services is highly competitive. Other providers of payment processing services have established a sizable market share in the merchant acquiring sector. Our growth will depend on a combination of the continued growth of electronic payments and our ability to increase our market share.

Our competitors include traditional merchant acquirers such as financial institutions, affiliates of financial institutions and well-established payment processors and payment technology providers. In particular, we compete with these vendors to develop and offer innovative non-conventional payment services at competitive prices, including in-app services, eCommerce and mobile commerce services, digital banking, ERP, digital wallet account and prepaid card offerings. In certain of the countries in which we operate, primarily the United States and Canada, we do not have direct relationships with the payment networks, but rely on an acquiring bank. As some of our competitors are directly affiliated with financial institutions, those competitors may not incur the same sponsorship costs that we incur for registration with the payment networks in these countries. Furthermore, in the countries where we rely on an acquiring bank to access the payment networks, our ability to control our costs is limited, because we do not have a direct relationship with those payment networks.

Many of our competitors, in particular those affiliated with large financial institutions, also have substantially greater financial, technological, operational and marketing resources than we have. Accordingly, these competitors may be able to offer their products and services at more competitive prices. As a result, we may need to reduce our fees or otherwise modify the terms of use of our products and services in order to retain existing clients and attract new ones. If we are required to materially reduce our fees in order to remain competitive, we will need to aggressively control our costs in order to maintain our profit margins, and our revenue may be adversely affected. Our risk management team monitors our client relationships and we have at times terminated, and may continue to terminate, client relationships that may no longer be profitable to us due to such pricing pressure. Moreover, our competitors may have the ability to devote significantly more financial and operational resources than we can to the development of new products, services or new technologies or to acquire other companies or technology so that they can provide improved operating functionality and features to their existing service offerings. If successful, their efforts in this regard could render our products or services less desirable to clients, resulting in the loss of existing clients, an inability to obtain new clients or a reduction in the fees we could generate from our offerings. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We derive a significant portion of our revenue from payments services. Our efforts to expand our product portfolio and market reach may not succeed and may reduce our revenue growth.

We derive the majority of our revenue from transaction fees we collect in connection with payments services, primarily core credit card processing. While we intend to continue to broaden the scope of products and services we offer, such as through expanded alternative payment solutions and continuing support for mobile wallets, and to penetrate additional high-growth verticals, primarily eCommerce channels by expanding our direct and indirect sales channels, we may not be successful in deriving the revenue from these efforts that we expect. Failure to broaden the scope of products and services that are attractive to our clients or penetrate additional verticals may inhibit the growth of repeat business and harm our business, as well as increase the vulnerability of our core payments business to competitors offering a broader suite of products and services. Furthermore, we may have limited or no experience with new offerings and these offerings may present new and difficult technology, regulatory, operational and other challenges. If we experience service disruptions, failures or other issues

with any such new offerings, our business may be materially and adversely affected. Our newer activities may not recoup our investments in a timely manner or at all. If any of this were to occur, it could damage our reputation, limit our growth and materially and adversely affect our business, financial condition and results of operations.

We may face challenges in expanding into new geographic regions outside of the European Union, the United States, the U.K. and Canada and continuing our growth within these markets.

The substantial majority of our revenues in 2020 were generated in Europe, the United States, the U.K. and Canada. We plan to expand in geographic regions outside Europe, the United States, the U.K. and Canada, and we will face challenges associated with entering and expanding in markets in which we have limited or no experience and in which we may not be well-known. Offering our products and services in new geographic regions requires substantial expenditures and takes considerable time, and we may not recover our investments in new markets in a timely manner or at all. For example, we may be unable to attract a sufficient number of merchants and partners, fail to anticipate competitive conditions or fail to adapt and tailor our products and services to different markets.

The development of our products and services globally exposes us to risks relating to staffing and managing cross-border operations, increased costs and difficulty protecting intellectual property and sensitive data, tariffs and other trade barriers, differing and potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, lack of acceptance of our products and services, challenges caused by distance, language, and cultural differences, exchange rate risk and exposure to political instability. Accordingly, our efforts to develop and expand the geographic footprint of our operations may not be successful, which could limit our ability to grow our business.

Our growth depends on our ability to retain existing clients, increase sales to existing clients and attract new clients.

Our future growth and profitability depend upon our ability to retain existing clients, increase sales to existing clients and attract new clients in the face of intense competition in the electronic payments industry. While we generally have longstanding relationships with our clients, whether they are merchants or partners, their contracts can typically be terminated upon reasonable notice. As a result, they typically have no obligation to continue to use our products and services. Our clients' payment processing activity with us may decrease for a variety of reasons, including client satisfaction with our products and services, the effectiveness of our support services, our pricing and terms, the pricing, terms and quality of competing products or services, the effects of global economic conditions or reductions in the spending levels of our clients' customers. We may also experience client attrition as a result of business closures or account closures that we initiate due to heightened risks relating to contract breaches by merchants or a reduction in same-store sales or regulatory risks. We cannot predict the level of attrition in the future and higher than expected attrition could lead to a decrease in transaction volumes processed and a decline in revenue. In addition, the growth of our business depends in part on existing clients expanding their use of our products and services. If we are unable to encourage clients to broaden their use of our services, our growth may slow or stop. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, it is difficult to attract new clients because of potential complications associated with switching payment processing vendors, such as early termination fees, software integration costs and other transition costs, business disruption and loss of accustomed functionality. For potential clients, switching from one vendor of core processing or related software and services (or from an internally developed system) to a new vendor is a significant undertaking, and as a result, potential clients may resist changing vendors. We seek to overcome these factors by making investments to enhance the functionality of our software and differentiate our services. However, there can be no assurance that our efforts will be successful, and this resistance may adversely affect our growth.

If we fail to manage our growth effectively, our business could be harmed.

In order to manage our growth effectively, we must continue to strengthen our existing infrastructure, develop and improve our processes and internal controls, create and improve our reporting systems, and timely address issues as they arise. As we continue to strengthen our existing infrastructure and systems, we will also be required to hire additional personnel. These efforts may require substantial financial expenditures, commitments of resources, developments of our processes, and other investments and innovations. Furthermore, we encourage employees to quickly develop and launch new features for our products and services. As we grow, we may not be able to execute as quickly as smaller, more efficient organizations. In addition, as we grow, we may not be able to maintain our entrepreneurial company culture, which fosters innovation and talent. If we do not successfully manage our growth, our business may be adversely affected.

Our revenue growth rate is likely to slow as our business matures.

We have experienced periods of high revenue growth since we were founded in 2003, but we do not expect to be able to maintain the same rate of revenue growth as our business matures. Moreover, we have experienced revenue growth due to acquisitions. To the extent we do not continue to grow our business organically or through acquisitions, our future revenue growth may not be consistent with historic trends. We have encountered, and expect to continue to encounter, risks and difficulties frequently experienced by growing companies, including challenges in financial forecasting accuracy, determining appropriate investments and developing new products and features, among others. Any evaluation of our business and prospects should take into account the risks and uncertainties inherent in investing in growing companies.

Historically our business has generated net losses and we may continue to generate net losses as we continue to make significant investments in our business.

Since our founding in 2003, we have made significant investments in the growth of our business. As a result of these investments, we have historically generated net losses. We intend to continue to make investments in our business, including with respect to our employee base, sales, distribution and marketing; development of new products, services and features; expansion of office space and other infrastructure; and development of international operations and general administration, including legal, finance and other compliance expenses related to being a public company. If we are unable to generate adequate revenue growth and manage our expenses, our results of operations and operating metrics may fluctuate and we expect to continue to incur net losses, which could cause the market price of our Subordinate Voting Shares to decline. We cannot assure you that our increased investment in the business will result in corresponding revenue growth.

Our indebtedness could adversely affect our business, financial condition and results of operations.

As of December 31, 2020, we had \$206.5 million of outstanding indebtedness pursuant to our credit facilities. Our credit facilities contain covenants and events of default that may limit our financial flexibility and ability to undertake certain types of transactions. For instance, we are subject to negative covenants that restrict some of our activities, including restrictions on: incurring additional debt; creating liens; paying dividends or making other distributions; entering into certain types of agreements; making certain investments; consolidating, merging or transferring assets, or making other fundamental changes; entering into transactions with affiliates; entering into sale and lease-back transactions; and maintaining certain leverage ratios. Our current level of debt as well as the restrictions our existing debt places on us could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under our existing and future debt;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our credit facilities, which event of default could result in all of the debt outstanding under our credit facilities becoming immediately due and payable;
- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under our existing and future debt. In addition, certain loans that we take out under our credit facilities are subject to variable interest rates and we had \$206.5 million of outstanding indebtedness subject to variable interest rates as of December 31, 2020. As a result, any increase in interest rates may also materially adversely affect our liquidity, financial condition and results of operations.

Our ability to meet our payment and other obligations under our existing and future debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under our credit facilities and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may

need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital, which may have an adverse impact on our business, financial condition and results of operations.

Any future acquisitions, partnerships or joint ventures that we make or enter into could disrupt our business and harm our financial condition.

Acquisitions, partnerships and joint ventures are an integral part of our growth strategy, and in recent years, we have consummated a number of acquisitions in addition to the SafeCharge acquisition and the Smart2Pay Transaction. We evaluate, and expect in the future to evaluate, potential strategic acquisitions of, and partnerships or joint ventures with, businesses providing services or technologies that are complementary to our existing services and technologies. However, we may not be successful in identifying acquisition, partnership and joint venture targets or we may use estimates and judgments to evaluate the operations and future revenue of a target that turn out to be inaccurate. In addition, we may not be able to successfully finance or integrate a particular business, service or technology that we acquire or with which we form a partnership or joint venture, and we may not achieve the anticipated benefits of such project or we may lose merchants as a result. Furthermore, the integration of any acquisition, partnership or joint venture may divert management's time and resources from our existing business and disrupt our operations. Certain acquisitions, partnerships and joint ventures we have and may in the future make may prevent us from competing for certain clients or in certain lines of business and may lead to a loss of clients to the extent we acquire businesses with non-competes or exclusivity provisions in their agreements with clients. Certain acquisitions may also enmesh us in outstanding or unforeseen legal, regulatory, contractual, employee or other issues. As a result of any of the foregoing, we may spend time and money on projects that do not increase our revenue or profitability. Moreover, our competitors may be willing or able to pay more than us for acquisitions, which may cause us to lose certain acquisitions that we would otherwise desire to complete. Even if we successfully compete for a certain acquisition, partnership or joint venture, we may finance the project with cash on hand, equity or debt, or a combination thereof, which could decrease our cash reserves, dilute our shareholders, including you, or significantly increase our level of indebtedness or place other restrictions on our operations. We cannot ensure that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

A significant number of our merchants are SMBs, which can be more difficult and costly to retain than larger enterprises and may increase the impact of economic fluctuations on us.

SMBs comprise a significant percentage of our number of merchants. To continue to grow our revenue, we must add merchants, sell additional services to existing merchants and encourage existing merchants to continue doing business with us. However, retaining SMBs can be more difficult than retaining large enterprise merchants as SMB merchants:

- often have higher rates of business failure and more limited resources;
- are typically less sophisticated in their ability to make technology-related decisions based on factors other than price;
- may have decisions related to the choice of payment processor dictated by their affiliated parent entity; and
- are more able to change their payment processors than larger enterprise merchants dependent on our services.

SMBs are typically more susceptible to the adverse effects of economic fluctuations. If we do not continue to diversify our merchant base and adverse changes in the economic environment or business failures of our SMB merchants increase, we may need to attract and retain new merchants at an accelerated rate or decrease our expenses to reduce negative impacts on our business, financial condition and results of operations.

SMBs have been disproportionately affected by the COVID-19 pandemic and the related measures taken by governments and private industry to protect the public health such as stay-at-home orders. Many SMBs are experiencing reduced sales and are processing fewer payments with us, which has had a negative impact on our results of operations. If they cease to operate, they will stop using our products and services altogether. SMBs frequently have limited budgets and limited access to capital, and they may choose to allocate their spending to items other than our financial or marketing services, especially in times of economic uncertainty or in recessions. In addition, if more of our merchants cease to operate, this may have an adverse impact not only on the growth of our payments services but also on our transaction and advance loss rates, and the success of our other services. For example, if merchants processing payments with us receive chargebacks after they cease to operate, we may incur additional losses.

We have a certain degree of concentration of customers and customer sectors.

Some of our largest merchants provide significant contributions to our revenue. Large merchants typically have arrangements with multiple payment service providers, primarily in order to mitigate against risks such as downtime, delayed response time or default by a payment service provider, and as a result can readily shift their business from us to other providers. For the twelve month period ended December 31, 2020, our top 10 merchants represented approximately 15% of our gross profit, with our largest merchant representing approximately 2% of our gross profit.

In addition, the mix of customer sectors that we service has an impact on our revenue. For example, a portion of our revenue is derived from the online retail sector, in which chargeback ratios tend to be higher than physical retail. The online retail sector is also particularly subject to discretionary spending by customers, which increases our exposure from fluctuations in economic conditions. This concentration, particularly if it were to increase, could have a material adverse effect on our business financial condition and results of operations. A substantial portion of our revenue is also derived from the gaming and sports betting and the foreign exchange trading sectors, each of which is highly regulated. Gaming and sports betting in particular are subject to intense public scrutiny regarding the societal effects of such activities, with changing public attitudes potentially decreasing transaction volumes. Regulatory changes that cause a decrease in regulated gaming and sports betting or foreign exchange trading overall could harm the business of our merchants, decrease their transaction volumes and lead to a decline in our revenue. In addition, in response to public pressure about the effects of regulated gaming and sports betting or otherwise, the payment networks may change the terms of use of their networks by regulated gaming and sports betting companies, which could reduce their use of formal payment channels. Moreover, we depend on our acquiring banks in certain jurisdictions to process transactions for these clients. If any of our acquiring banks refuse to process these transactions, we may have difficulty finding other acquiring banks to process these transactions. Any of the foregoing could reduce the volume of payments that we process for our regulated gaming and sports betting and foreign exchange trading merchants and the revenue we earn from it, and could also harm our reputation and brand.

If we lose a major merchant, experience a material change in the mix of customer sectors that we service or otherwise experience a decline in the use of our products in one of the key sectors that we service, we could also experience a material loss of revenue, which could have a material adverse effect on our business, financial condition and results of operations.

If we fail to comply with the applicable requirements of Visa, Mastercard or any other payment networks, those payment networks could seek to fine us, suspend us or terminate our registrations.

We rely on payment networks to process our transactions, and a significant source of our revenue comes from processing transactions through Visa, Mastercard, American Express, UnionPay, Discover and other payment networks. The payment networks routinely update and modify their requirements. Changes in their requirements may impact our ongoing cost of doing business and we may not, in every circumstance, be able to pass through such costs to our clients or associated participants. Furthermore, if we or our merchants do not comply with the payment networks' requirements (e.g., their rules, bylaws and charter documentation), the payment networks could seek to fine us, suspend us or terminate our registrations that allow us to process transactions on their networks. In the ordinary course of our business, we receive on occasion notices of non-compliance and fines, which typically relate to transactional or messaging requisites, as well as excessive chargebacks by a merchant or data security failures on the part of a merchant. If we are unable to recover amounts relating to fines from, or pass through costs to, our merchants, partners or other associated participants, we would experience a financial loss. The termination of our registration due to failure to comply with the applicable requirements of Visa, Mastercard, American Express, UnionPay, Discover or other payment networks, or any changes in the payment network rules that would impair our registration, could require us to stop providing payment services through Visa, Mastercard, American Express, UnionPay, Discover or other payment networks, which could have a material adverse effect on our business, financial condition and results of operations.

Moreover, as payment networks become more dependent on proprietary technology, modify their technological approach or operating practices and seek to provide value added services to issuers and merchants, there is heightened risk that rules and standards may be governed by their own self-interest, or the self-interest of third parties with influence over them, which could materially impact our business, financial condition and results of operations.

We may incur losses when our merchants refuse to or cannot reimburse chargebacks resolved in favor of their customers or if they are not in compliance with the rules and regulations of the payment networks.

We are currently, and will continue to be, exposed to risks associated with chargebacks in connection with payment card fraud or relating to the goods or services provided by our merchants. In the event that a billing dispute between a cardholder and a merchant is not resolved in favor of the merchant, including in situations in which the merchant is engaged in fraud, the transaction is typically “charged back” to the merchant and the purchase price is credited or otherwise refunded to the cardholder. If we are unable to collect chargebacks from the merchant’s account, or if the merchant refuses or is unable to reimburse us for a chargeback due to closure, bankruptcy or other reasons, we may bear the loss for the amounts paid to the cardholder. Our financial results would be adversely affected to the extent these merchants do not fully reimburse us for the related chargebacks. We do not typically collect and maintain reserves from our merchants to cover these potential losses, and to the extent we do maintain such reserves, they may not be adequate to cover our actual losses. Historically, chargebacks have occurred more frequently in online transactions than in in-person transactions. Moreover, chargebacks typically increase during economic downturns due to merchants becoming insolvent and bankrupt and therefore unable to fulfill their commitments for goods or services. Consequently, in certain industries, chargebacks have risen, and may continue to rise, as a result of the economic downturn caused by the current COVID-19 pandemic. If we are unable to maintain our losses from chargebacks at acceptable levels, the payment card networks could fine us, increase our transaction-based fees, or terminate our ability to process payment cards. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We have bank accounts with banks in multiple territories and rely on our banking partners to maintain those accounts.

We have bank accounts with banks in multiple territories in the day-to-day operations of our core businesses and are reliant upon our banking partners that provide those accounts. The loss of any key banking relationships, whether through the failure of our banking partners or their terminating our partnership based on our own conduct or other circumstances, could have a material impact on our financial condition and results of operations. In addition, a banking partner could default on its obligations to us, thereby exposing us to credit risk. We may have to repay certain costs, such as transaction fees or breakage costs, if we terminate these arrangements. Any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

The United Kingdom’s departure from the European Union could adversely affect our ability to execute on our expansion plans.

The U.K. has one of the largest economies in Europe, and the United States and other European countries are substantial trading partners of the U.K. On January 31, 2020, the U.K. separated from the E.U. (“Brexit”). Brexit has introduced, and may continue to introduce, significant uncertainties and instability in the financial markets. At present the political and economic long-term consequences of Brexit are uncertain, including whether Brexit will have an overall negative impact on the U.K. or the broader global economy or the value of the British pound. On December 24, 2020, the U.K. and E.U. entered into the E.U.-U.K. Trade and Cooperation Agreement. The agreement was provisionally applicable beginning January 1, 2021 and sets new rules and arrangements between the U.K. and E.U. in areas such as the trade of goods and services, intellectual property, transportation. As a result of the agreement, the U.K. will no longer be considered a member of the E.U. Single Market and Customs Union and will exit all E.U. policies and trade agreements. Although the agreement has mitigated a portion of the risk that arose due to the U.K.’s withdrawal from the E.U., the overall impact caused on the Company’s operations is still being evaluated, including in the volatility of the British pound. We have significant operations in the U.K. and the E.U. Such a withdrawal from the E.U. is unprecedented, and it is unclear how the U.K.’s access to the European single market for goods, capital, services and labor within the European Union and the wider commercial, legal and regulatory environment, will impact our U.K. operations. We may also face new regulatory costs and challenges as a result of Brexit that could have an adverse effect on our operations and development programs, consumer and investor confidence and the level of consumer discretionary purchases, thereby impacting the use of our payments services by merchants. There may continue to be economic uncertainty surrounding the consequences of Brexit, which could negatively impact our financial condition, results of operations and cash flows. Brexit could have significant implications for our business and could lead to economic and legal uncertainty, including significant volatility in global stock markets and currency exchange rates, and increasingly divergent laws, regulations, and licensing requirements for the Company. Any of these effects of Brexit, among others, could adversely affect our operations and financial results.

A decline in the use of electronic payment methods could have a materially adverse effect on our business, financial condition and results of operations.

A significant portion of our revenue is generated by payments with credit, debit and prepaid cards. We believe future growth in the use of credit, debit and prepaid cards and other electronic payments, including APMs, will be driven by the cost, ease-of-use and quality of services offered to consumers. If consumers reduce or discontinue their use of credit, debit or prepaid cards or other electronic payment methods as a payment mechanism for their transactions, it could have a material adverse effect on our business, financial condition and results of operations. Moreover, if there is an adverse development in the payments industry, such as new legislation or regulation that makes it more difficult or onerous for our clients to do business or utilize such payment mechanisms, or renders our services less desirable or even obsolete to our clients, our business, financial condition and results of operations may be adversely affected.

Our results of operations may be adversely affected by changes in foreign currency exchange rates.

Our financial results are reported in U.S. dollars and a substantial portion of our sales and operating costs are transacted in other currencies, primarily Euros, Sterling, Bulgarian lev, Israeli shekels and Canadian dollars. We have not historically entered into arrangements to hedge foreign currency risk. In situations where we are not hedged, either through hedging arrangements or through a natural hedging resulting from an offset in such currencies, our results of operations will be affected by movements in these currencies against the U.S. dollar. Significant fluctuations in relative currency values against the U.S. dollar could thus have a significant impact on our results of operations.

A deterioration in the quality of the products and services we offer, including support services, could adversely impact our ability to attract and retain merchants and partners.

Our clients expect a consistent level of quality in the provision of our products and services. The support services that we provide are also a key element of the value proposition to our clients. The products and services we deliver are designed to process complex transactions and provide reports and other information concerning those transactions, all at high volumes and processing speeds. If the reliability, functionality or speed of our products and services is compromised or the quality of those products or services is otherwise degraded, or if we fail to continue to provide a high level of support and quickly detect and remediate any performance issues, we could experience significant processing or reporting errors. This in turn, could lead us to lose existing clients and find it harder to attract new merchants and partners. In addition, if we are unable to scale our support functions to address the growth of our merchant and partner network, the quality of our support may decrease, which could adversely affect our ability to attract and retain merchants and partners.

If we lose key personnel, our business, financial condition and results of operations may be adversely affected.

The success of our business strategy is dependent upon the ability and experience of a number of key personnel who have substantial experience with our operations, the rapidly changing payment processing industry and the markets in which we offer our services. Many of our key personnel have worked for us for a significant amount of time or were recruited by us specifically due to their industry experience. In particular, we are highly dependent on the contributions of our founder and Chief Executive Officer, Philip Fayer, as well as other members of our management team. The loss of the services of one or a combination of our senior executives and key managers, including our Chief Executive Officer, could have a material adverse effect on our business, financial condition and results of operations.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. The market for qualified personnel is competitive, and we may not succeed in recruiting and retaining additional personnel or we may fail to effectively replace departing personnel with qualified or effective successors. Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition and results of operations. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability.

Our balance sheet includes significant amounts of intangible assets and goodwill. The impairment of a significant portion of these assets would negatively affect our business, financial condition and results of operations.

As of December 31, 2020, our balance sheet included intangible assets that amounted to \$524.2 million and goodwill that amounted to \$969.8 million. These assets consisted primarily of identified intangible assets associated with merchant and

partner relationships, technologies and goodwill associated with recent acquisitions. We also expect to engage in additional acquisitions, which may result in our recognition of additional intangible assets and goodwill. Under current accounting standards, we are required to amortize certain intangible assets over the useful life of the asset, while certain other intangible assets are not amortized. On at least an annual basis, we assess whether there have been impairments in the carrying value of certain intangible assets. If the carrying value of the asset is determined to be impaired, then it is written down to fair value by a charge to earnings. An impairment of a significant portion of intangible assets and/or goodwill could have a material adverse effect on our business, financial condition and results of operations.

If we cannot pass increases in fees from payment networks, including assessment, interchange, transaction and other fees, along to our merchants, our operating margins will decline.

We rely on issuing and acquiring banks and payment networks to process our transactions, and we pay assessment, interchange and/or other fees set by the payment networks for transactions we process. From time to time, the issuing and acquiring banks or payment networks may increase the assessment, interchange, transaction and other fees that they charge payment processors. Under certain of our existing contracts with merchants, we are generally permitted to pass these fee increases along to our merchants through corresponding increases in our processing fees. If we are unable to pass through these and other fees in the future due to contractual or regulatory restrictions, competitive pressures or other considerations, it could have a material adverse effect on our business, financial condition and results of operations.

We are subject to economic and political risk, the business cycles and credit risk of our clients and volatility in the overall level of consumer, business and government spending.

The electronic payments industry depends heavily on the overall level of consumer, business and government spending. This spending depends on worldwide economic and geopolitical conditions. Key international economies have experienced cyclical downturns from time to time in which economic activity was impacted by falling supply or demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies, pandemics such as COVID-19 and overall economic uncertainty. We are exposed to general economic conditions that affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. The current deterioration in general economic conditions, including the rise in unemployment rates and any increases in interest rates, particularly in Europe, the United States, the U.K. and Canada, may adversely affect our financial performance by reducing consumer confidence and, as a result, the number or average purchase amount of transactions made using electronic payments. If our merchants make fewer sales of their products and services using electronic payments or people spend less money per transaction, we will have fewer transactions to process and lower overall volume, resulting in lower revenue.

In addition, a recessionary economic environment could affect our merchants through a higher rate of bankruptcy filings, in particular for our SMB clients, which could result in higher merchant attrition and decrease our revenue. As of December 31, 2020, we recorded an allowance for receivables of \$0.6 million relating to estimated losses on doubtful accounts. Any of the foregoing risks would negatively impact our business, financial condition and results of operations.

The uncertainty caused by the COVID-19 outbreak continues with the duration and severity of the pandemic and the overall impact on supply and consumer demand still unknown. Even after the COVID-19 pandemic has subsided, we may experience material and adverse impacts to our business as a result of the virus's global economic impact. There are no comparable recent events that provide guidance as to the effect the COVID-19 pandemic may have, and we are unable to forecast the full impact on our business; however, this represents a known area of uncertainty and the impacts from the COVID-19 pandemic and the related economic disruption will have a material and adverse impact on our business, results of operations, financial condition and cash flows.

We rely on third-party partners such as ISOs and VARs to market and sell some of our products and services.

We rely on indirect sales channels consisting of third-party partners such as ISOs and VARs to market and sell our products and services to merchants, in particular SMBs. We do not fully control the activities of our partners with respect to the marketing and sale of our products and services, and they may make decisions that may be contrary to our interests, including decisions to compete against us or to favor products and services of our existing or future competitors. Therefore, their reputation and performance, their ability and willingness to market and sell our products and services and their ability to expand their business and their sales channels will have a direct and material impact on our future growth and profitability.

The loss of a number of our partners or a substantial decrease in the volume of business generated by a major partner or a group of partners could have a material adverse effect on our business, financial condition and results of operations.

Misappropriation of end-user transaction funds by our employees may harm our business and create legal exposure.

We receive end-user transaction funds from acquiring banks, payment networks and APMs for many of our clients, depending on the jurisdiction in which they are located. A substantial portion of these funds is held on behalf of merchants in dedicated merchant client bank accounts with banks. The nature of this arrangement entails a possibility that third party funds could be misappropriated by our employees in breach of our internal policies, which may create negative publicity, harm our relationship with merchants and result in a violation of applicable laws, any of which could have a material adverse effect on our business, financial condition and results of operations.

Fraud by merchants, their customers or others could have a material adverse effect on our business, financial condition and results of operations.

We offer our products and services to a large number of clients, and we are responsible for vetting and monitoring these clients and determining whether the transactions we process for them are lawful and legitimate. If our products and services are used to process illegitimate transactions, and we settle those funds to merchants and are unable to recover them, we may suffer losses and incur liability. Examples of merchant fraud include when a merchant or other party knowingly uses a stolen or counterfeit credit, debit or prepaid card, card number or other credentials to record a false sales transaction, processes an invalid card or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Moreover, criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting and fraud. Identity thieves and those committing fraud using stolen or fabricated credit card or bank account numbers or other deceptive or malicious practices, may steal significant amounts of money from our merchants, which may negatively impact their businesses, including forcing them to close. This in turn could lead to a decrease in our transaction volumes and have an adverse effect on our business. The highly automated nature of, and liquidity offered by, our payments services make us a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering and terrorist financing. We expect incidents of fraud or other illegitimate transactions to increase in the future. In configuring our payments services, we face an inherent trade-off between security and client convenience. Failure to effectively manage risk and prevent fraud could increase our chargeback liability or expose us to governmental or regulatory sanctions or other liabilities. Moreover, if we are unable to maintain our losses from fraud at permissible levels, the payment networks could fine us, increase our transaction fees or terminate our ability to process payment cards. Increase in chargebacks or other liabilities as a result of any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our insurance policies may not be sufficient to cover all claims.

Our insurance policies, including policies for data security, privacy liability and cyber-attacks, may not adequately cover all risks to which we are exposed and may not be adequate for all liabilities actually incurred or indemnification claims against us. A significant claim not covered by our insurance, in full or in part, may result in significant expenditures by us. Moreover, we may not be able to maintain insurance policies in the future at reasonable costs, on acceptable terms or at all, which may adversely affect our business and the trading price of our Subordinate Voting Shares. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, financial condition and results of operations.

Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, which could expose us to losses and liability and otherwise harm our business.

We operate in a rapidly changing industry and we have experienced significant change in recent years, including in connection with certain acquisitions. Accordingly, our risk management policies and procedures may not be fully effective at identifying, monitoring and managing our risks. Some of our risk evaluation methods depend upon information provided by third parties regarding markets, clients or other matters that are otherwise inaccessible to us. In some cases, however, that information may not be accurate, complete or up-to-date. Our risk management policies, procedures, techniques and processes may not be effective at identifying all of the risks to which we are exposed or enabling us to mitigate the risks we have identified. In addition, when we introduce new services, focus on new business types or begin to operate in markets in which we have a limited history of fraud loss, we may be less able to forecast and reserve accurately for new risks. If our risk

management policies and processes are ineffective, we may suffer large financial losses, we may be subject to civil and criminal liability and our business, financial condition and results of operations may be materially and adversely affected.

Our services must integrate and interoperate with a variety of operating systems, software, hardware, web browsers and networks.

We are dependent on the ability of our products and services to integrate with a variety of operating systems, software, hardware, networks and web browsers that we do not control. Any changes in these systems or networks that degrade the functionality of our products and services, impose additional costs or requirements on us or give preferential treatment to competitive services could materially and adversely affect usage of our products and services. In the event that it is difficult for our merchants to access and use our products and services, our business may be materially and adversely affected. We also rely on bank platforms and others, including issuing and acquiring banks, to process our transactions. If there are any issues with, or service interruptions in, these bank platforms, users may be unable to complete their transactions, which would seriously harm our business, financial condition and results of operations.

In addition, our solutions, including hardware and software, interoperate with mobile networks offered by telecom operators and mobile devices developed by third parties. Changes in these networks or in the design of these mobile devices may limit the interoperability of our solutions with such networks and devices and require modifications to our solutions. If we are unable to ensure that our hardware and software continue to interoperate effectively with such networks and devices, or if doing so is costly, our business, financial condition and results of operations may be materially and adversely affected.

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

We are, and may be in the future, party to legal, arbitration and administrative investigations, inspections and proceedings arising in the ordinary course of our business or from extraordinary corporate, tax or regulatory events that involve us or our associated participants, particularly with respect to civil, tax and labor claims.

Our indemnities and insurance may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, there is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending or future litigation or investigation significantly exceed our indemnity rights, they could have a material adverse effect on our business, financial condition and results of operations and the price of our Subordinate Voting Shares. Further, even if we adequately address issues raised by an inspection conducted by an agency or successfully defend our case in an administrative proceeding or court action, we may have to set aside significant financial and management resources to respond and settle issues raised by such proceedings, which could adversely affect our business.

We may be subject to claims that we have wrongfully hired an employee from a competitor, or that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of our employees, consultants and advisors, or individuals that may in the future serve as our employees, consultants and advisors, are currently or were previously employed at companies that are our competitors or are potential competitors. We may be subject to claims that we, our employees, consultants or independent contractors or advisors have, inadvertently or otherwise, used or disclosed confidential or proprietary information, trade secrets or know-how of these third parties. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to secure financing on favorable terms, or at all, to meet our future capital needs.

We have funded our operations since inception primarily through equity financings, bank credit facilities and financing arrangements, including our credit facilities. We do not know if our operations will continue to generate sufficient cash to fund our operations going forward. In the future, we may require additional capital to respond to business opportunities, refinancing needs, acquisitions or unforeseen circumstances and we may not be able to secure additional debt or equity financing or refinancing on favorable terms, in a timely manner, or at all. Our ability to secure any additional debt financing

may also be subject to restrictions contained in our existing or future indebtedness, including our credit facilities; which contain customary limitations on the incurrence of certain indebtedness and liens. Any debt financing obtained by us in the future could also include restrictive covenants relating to our capital-raising activities or other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. We are aware that the impacts of the COVID-19 outbreak have led to reduced availability and attractiveness of external funding sources, and we expect that until financial market conditions stabilize, accessing financing could be challenging or at elevated costs. We intend to continue focusing on our long-term business initiatives and believe that our available funds are sufficient to meet our liquidity needs for the foreseeable future. We are carefully monitoring and managing our cash position in light of ongoing conditions and levels of operations. See the “Liquidity and Capital Resources” section of our Management’s Discussion and Analysis for Fiscal 2020.

Our operating results are subject to seasonal fluctuations, which could result in variations in our quarterly results.

We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our revenue as a result of consumer spending patterns. Historically, we have marketed our products and services primarily to SMBs, many of which host seasonal retail events. As a result, our revenue have historically been strongest during the last quarter of the year as a result of higher sales by our merchants during the holiday season. Any negative economic conditions that occur during these months could have a disproportionate effect on our results of operations for the entire fiscal year. As a result of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance.

We are subject to the risks associated with less than full control rights of some of our subsidiaries and investments.

We own less than 100% of the equity interests or assets of certain of our subsidiaries, namely LoanPaymentPro, LLC and SafeCharge Payments Mexico S.A. de C.V. and do not hold a controlling interest in Yello Company Limited (Guernsey). As a result, we do not receive the full amount of any profit or cash flow from these non-wholly owned entities and those who hold a controlling interest may be able to take actions that bind us. We may be adversely affected by this lack of full control and we cannot provide assurance that management of our subsidiaries or other entities will possess the skills, qualifications or abilities necessary to profitably operate such businesses.

Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect our financial condition and results of operations.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Future changes in accounting standards, pronouncements or interpretations could require us to change our policies and procedures. The materiality of such changes is difficult to predict, and such changes could materially impact how we record and report our financial condition and results of operations.

Additionally, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including, but not limited to, revenue recognition, impairment of long-lived assets, leases and related economic transactions, intangibles, self-insurance, income taxes, property and equipment, litigation and equity-based compensation are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us (i) could require us to make changes to our accounting systems to implement these changes that could increase our operating costs and (ii) could significantly change our reported or expected financial performance.

An occurrence of a natural disaster, widespread health epidemic, pandemic or other outbreaks could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, such as fires or floods, the outbreak of a widespread health epidemic, pandemic, such as COVID-19, or other events, such as wars, acts of terrorism, power shortages or communication interruptions. In addition to previously identified risks associated with the current COVID-19 pandemic, the occurrence of a disaster or similar event could materially disrupt our business and operations. These events could also

cause us to close our operating facilities temporarily, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. In addition, our net sales could be materially reduced to the extent that a natural disaster, health epidemic, such as COVID-19, or other major event harms the economies of the countries in which we operate. Our operations could also be severely disrupted if our merchants, partners and other third-party providers or other participants were affected by natural disasters, health epidemics, such as COVID-19, or other major events.

Our holding company structure makes us dependent on the operations of our subsidiaries.

We are a corporation under the CBCA. Our material assets are our direct and indirect equity interests in our subsidiaries, including our international subsidiaries. We are, therefore, dependent upon payments, dividends and distributions from our subsidiaries for funds to pay our holding company's operating and other expenses and to pay future cash dividends or distributions, if any, to holders of our Subordinate Voting Shares, and we may have tax costs in connection with any dividend or distribution.

Risks Relating to Intellectual Property and Technology

Accidental or unauthorized access to or disclosure, loss, destruction or modification of data, through cybersecurity breaches, computer viruses or otherwise, human error, natural or man-made disasters, or disruption of our services could expose us to liability, protracted and costly litigation and damage to our reputation.

In connection with the various services we provide to our merchants, we collect, store, process and transmit the personal data of our merchants and, in some cases through providing services to our merchants, their customers as well as other end users of payment services (e.g., payers, receivers, cardholders and those who may hold funds and balance in merchants' accounts), including but not limited to names, addresses, identification numbers, credit or debit card numbers and expiration dates and/or bank account numbers.

Cybersecurity incidents are increasing in frequency and evolving in nature and include, but are not limited to, installation of malicious software, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse, unauthorized access to data and other electronic security breaches. Threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Concerns about security increase when we transmit information (including personal data). Electronic transmissions can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and spread rapidly over the Internet and could infiltrate our systems or those of our merchants, distribution partners, payment networks and other associated participants. Infiltration of our systems or those of our associated participants has in the past led to, and could in the future lead to, disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential or otherwise protected information (including personal data) and the corruption of data.

An increasing number of organizations, including large enterprises merchants and businesses, other large technology companies, financial institutions and government institutions, have disclosed breaches of their information technology systems, some of which have involved sophisticated and highly targeted attacks, including on portions of their websites or infrastructure. Given the unpredictability of the timing, nature and scope of information technology disruptions, there can be no assurance that any security procedures and controls that we or our associated participants have implemented will be sufficient to prevent security incidents from occurring. Furthermore, because there are many different security breach techniques and such techniques continue to evolve and are generally not detected until after an incident has occurred, we may be unable to anticipate attempted security breaches or other security incidents, react in a timely manner, determine the nature or scope of an incident, or implement adequate preventive measures.

As a defense, in connection with our IT security program, we maintain a disaster recovery plan and have implemented controls over unauthorized access, including remediation strategies and controls to prevent future attacks. Our Chief Technology Security Officer and Chief Information Security Officer, with the oversight of management, oversee and implement our cybersecurity risk mitigation strategy. Our defensive measures, however, have not in the past prevented and may not prevent future access or protect us against use of sensitive data or against other cybersecurity related incidents. Furthermore, we cannot be certain that these measures will be successful and will be sufficient to counter all current and emerging technology threats that are designed to breach our systems. While we maintain insurance coverage that may cover

certain aspects of cyber risks and incidents, our insurance coverage may be insufficient to cover all losses resulting from a cybersecurity incident.

In connection with the services we provide, we share information with our associated participants who collect, process, store and transmit sensitive data. Given the rules established by payment network processors such as Visa and Mastercard, and applicable regulations, we may be held responsible for any failure or cybersecurity breaches attributed to our associated participants as they relate to the information we share with them. The accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data of the end users of payment services (e.g., payers, receivers, cardholders, merchants and those who may hold funds and balance in their accounts, among others) by us or our associated participants or through systems we provide could result in significant fines, penalties, orders, sanctions and proceedings or actions against us by the payment networks, governmental bodies and other regulatory authorities, end users or third parties, or loss of our PCI accreditation, which could have a material adverse effect on our business, financial condition and results of operations. Any such proceeding or action, and any related indemnification obligation, could damage our reputation, force us to incur significant expenses in defense of these proceedings, distract our management, increase our costs of doing business or result in the imposition of financial liability.

Our security measures or those of our associated participants could be insufficient and breached as a result of third-party action, human (including employee) errors, technological limitations, defects or vulnerabilities in our offerings or those of our third-party service providers, natural or man-made disasters, malfeasance or otherwise. In addition, although we generally have agreements relating to cybersecurity and data privacy in place with our associated participants, we do not have agreements in place with all of our associated participants. Where we do have agreements in place, they are limited in nature and we cannot assure you that such agreements will prevent the accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data (including personal data) or enable us to obtain reimbursement from associated participants in the event we should suffer any such incidents. In addition, many of our merchants are SMBs that have limited competency regarding data security and handling requirements and may thus experience data losses. Because we do not control our associated participants and our ability to monitor their data security is limited, we cannot ensure the security measures they take will be sufficient to protect data (including personal data).

Any accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data, cybersecurity breach or other security incident that we or our associated participants have in the past experienced, and in the future could experience, or the perception that one has occurred or may occur, could harm our reputation, reduce the demand for our products and services and disrupt normal business operations. In addition, it may require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations or damages for contract breach, and cause us to incur significant costs, any of which could materially adversely affect our business, financial condition and results of operations. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could have a substantial adverse effect on the price of our Subordinate Voting Shares. A significant cybersecurity breach of our systems or communications could also result in payment networks prohibiting us from processing transactions on their networks, which could materially impede our ability to conduct business, materially impact the reputation of our business and lead to a decline in demand for our products and services. In addition, our remediation efforts may not be successful. While no security incidents in the past have had a material adverse effect on our business, financial condition or results of operations, we cannot predict the impact of any such future events. These risks may increase as we continue to grow and collect, process, store and transmit increasingly large amounts of data.

Our systems and our third-party providers' systems may fail, including due to factors beyond our control, which could interrupt our service, cause us to lose business and increase our costs.

We depend on the efficient and uninterrupted operation of numerous systems, including our computer systems, our software and that of third parties and telecommunications networks, as well as data centers and other systems of third parties. Our systems and operations or those of our associated participants could be exposed to interruptions, delays or outages from, among other things, fire, natural disaster, power loss, telecommunications failure, unauthorized entry and computer viruses. Our systems or those of third parties may also contain undetected errors or other performance problems or may fail due to human error. Although we maintain insurance policies specifically for property and business interruptions, these policies may

not be adequate to cover losses arising as a result of any such interruptions. Defects in our systems or those of third parties, errors or delays in the processing of payment transactions, telecommunications failures or other difficulties could result in:

- loss of revenue;
- loss of clients;
- loss or breach of merchant or consumer data;
- loss of membership with Visa, Mastercard or other payment networks, leading to loss of our ability to access their networks;
- fines imposed by payment networks and other issues relating to non-compliance with applicable payment network requirements;
- fines imposed by regulators, including the FCA, the Central Bank of Cyprus and the Dutch Central Bank;
- harm to our business or reputation resulting from negative publicity;
- exposure to fraud losses or other liabilities;
- additional operating and development costs;
- diversion of technical and other resources; and/or
- breach of contractual obligations, such as guarantees to maintain performance levels at certain levels given to many of our clients, which could harm client relationships and cause us to issue credits to clients or incur other additional liability.

Our business is also dependent on the continued growth and maintenance of the Internet's infrastructure. There can be no assurance that the Internet's infrastructure will continue to be able to support the demands placed on it by sustained growth in the number of users and amount of traffic. To the extent that the Internet's infrastructure is unable to support the demands placed on it, the business of merchants, and thus our business, may be impacted. We may also be disadvantaged by the adverse effect of any delays or cancellations of private sector or government initiatives designed to expand broadband access. We, and our merchants, may be impacted by a reduction in the growth of, or a decline in, access to broadband and Internet.

We are particularly reliant on our acquiring banks to access the payment networks in the United States and Canada; on Lusion S.A. and Worldnet International for front-end processing services, on Total System Services Inc., for certain logistics and back-end processing services and on The Phoenix Group for sourcing our terminals, which are often our first point of contact with customers, as well as terminal services and deployment. We also rely on third-party data centers to host aspects of our platform and solutions, including Tango and Nuvei Gateway, among others, primarily in Montreal, Toronto, London and Amsterdam. Any interruptions, delays or outages in the services provided by these providers, or a deterioration of our relationships with them, could impact the use of, and our clients' satisfaction with, our products and services and could harm our business and reputation. Moreover, to the extent any of these providers begins offering its services to other payment processors or others, the frequency of interruptions, delays or outages in service availability may increase. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We have business systems that do not have full redundancy.

While much of our processing infrastructure is located in multiple redundant data centers, we have some core business systems, such as our customer relationship management systems, that are located in only one facility and do not have redundancy. An adverse event, such as damage or interruption from natural disasters, power or telecommunications failures, cybersecurity breaches, criminal acts and similar events, with respect to such systems or the facilities in which they are located could impact our ability to conduct business and perform critical functions, which could negatively impact our business, financial condition and results of operations.

If we are unable to successfully obtain, maintain, protect, enforce or otherwise manage our intellectual property and proprietary rights, we may incur significant expenses and our business may be adversely affected.

Our success depends in part, and we place considerable emphasis, on obtaining, maintaining, protecting and enforcing relevant intellectual property and proprietary rights, which may include patent, design, utility model, trademark, copyright

and trade secret protection, as well as regulatory exclusivity periods and confidentiality agreements (collectively, “IP Rights”). We cannot be sure that our means of obtaining, maintaining and enforcing our IP Rights in the United States or abroad will be adequate to protect such rights against infringement, misappropriation or other violation. We may not receive protection for pending or future applications relating to IP Rights owned by or licensed to us, and the scope of protection granted under any issued or registered IP Rights may not be sufficiently broad to protect our technology, products, services, systems, brands, trademarks or information. Also, because of the rapid pace of technological change in our industry, aspects of our business and our products and services rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all. Moreover, the laws of certain jurisdictions, including emerging countries, do not protect IP Rights to the same extent as the laws of the United States. If we cannot adequately obtain, maintain, protect or enforce our IP Rights, third parties may be able to compete more successfully against us and develop and commercialize substantially identical products, services or technologies, which could have a material adverse effect on our business, financial condition or results of operations.

Third parties may challenge, invalidate, circumvent, infringe or misappropriate our IP Rights, and such IP Rights may be lost or no longer sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain service offerings or other competitive harm. Others, including our competitors, may independently develop similar technology, duplicate our products and services or design around our IP Rights, and in such cases, we could not assert our IP Rights against such parties. Moreover, third parties may infringe, misappropriate or otherwise violate IP Rights owned or licensed by us and we may assert claims against such third parties to enforce, or determine the scope and enforceability of, our IP Rights, which could result in lengthy litigation or other proceedings and could cause a diversion of resources and may not prove successful. Such third parties could also counterclaim that any IP Rights we assert are invalid or unenforceable and if such counterclaims are successful, we could lose valuable IP Rights.

We rely heavily on trade secrets and proprietary know-how to protect our products, services and technology and their development and commercialization, and rely in part on confidentiality agreements with suppliers and other partners, employees, independent contractors and consultants. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our trade secrets. Moreover, these agreements may be breached, and we may not have or be able to enforce adequate remedies for any such breach. There is also no guarantee that these agreements or other precautions will provide sufficient protection against any unauthorized access, use or misuse, misappropriation, counterfeiting, cloning, reverse engineering or disclosure of any of our trade secrets, proprietary know-how and any other information or technology. Trade secrets can be difficult to protect and some courts inside and outside of the United States are unwilling or less willing to protect trade secrets as compared to other forms of intellectual property. Defending against unauthorized access, use or misuse, misappropriation, counterfeiting, cloning, reverse engineering or disclosure of our technology, trade secrets, proprietary know-how and other IP Rights and technology may result in lengthy and expensive litigation or other proceedings with uncertain outcomes and cause significant disruption to our business and operations. If we are unable to obtain, maintain, protect or effectively enforce our IP Rights, it could impact the development, manufacture and commercialization of our products, services and solutions and have a material adverse effect on our business, financial condition or results of operations.

Claims by others that we have infringed their proprietary technology or other IP Rights could harm our business.

Our success depends, in part, on our ability to develop and commercialize our services and technologies without infringing, misappropriating or otherwise violating the IP Rights of third parties. However, we may not be aware that our products, services, solutions or technologies are infringing, misappropriating or otherwise violating third-party IP Rights, and such third parties may bring claims alleging such infringement, misappropriation or violation. Third parties may have issued, or may eventually issue, patents that could be infringed by our services or technology. Any of these third parties could make a claim of infringement against us with respect to our services or technology. We may also be subject to claims by third parties for breach of copyright, trademark, license usage or other IP Rights. When any such claims are asserted against us, we may seek to license the third party’s IP Rights, which could be expensive. We may be unable to obtain the necessary licenses on satisfactory terms, if at all. Any claim from third parties may result in a limitation on our ability to use the intellectual property subject to these claims or could prevent us from registering our brands as trademarks. Even if we believe that intellectual property-related claims are without merit, defending against such claims is time-consuming and expensive, and could result in the diversion of the time and attention of our management and employees. Claims of intellectual property infringement also might require us to redesign affected services, enter into costly settlement or license agreements, pay costly

damage awards, change our brands or face a temporary or permanent injunction prohibiting us from importing, marketing, selling or operating certain of our services, using certain of our brands or operating our business as presently conducted. Even if we have an agreement for indemnification against such costs, the indemnifying party, if any in such circumstances, may be unable to uphold its contractual obligations.

We may be subject to adverse publicity or reputational harm, even if claims against us are later shown to be unfounded or unsubstantiated. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of our Subordinate Voting Shares. The award of damages, including material royalty payments, or the entry of an injunction against the manufacture, import, marketing, sale or operation of some or all of our products or services, or our entry into any license or settlement agreement in connection with such claims could affect our ability to compete with third parties and have a material adverse effect on our business, financial condition and results of operations.

If we are unable to obtain or fail to comply with the required licenses to operate our business or experience disputes with licensors or disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We have entered into license agreements with third parties and may need to obtain additional licenses from our existing licensors and others to advance or allow commercialization of our solutions. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to expend significant time and resources to redesign our solutions or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected solutions, which could disrupt and adversely affect our business.

Disputes may arise regarding intellectual property, including software and data, that is subject to a licensing agreement, including the scope of rights granted under the license agreement and other interpretation-related issues. In addition, the agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement. If these events were to occur, we may lose the right to continue to use and exploit such licensed intellectual property or technology in connection with our operations and solutions, which could have a material adverse effect on our business, financial condition and results of operations.

Our use of open-source software could negatively affect our ability to sell our solutions and subject us to possible litigation.

Our solutions incorporate and are dependent to some extent on the use and development of open-source software and we intend to continue our use and development of open-source software in the future. Such open-source software is generally licensed by its authors or other third parties under so-called "open-source" licenses and is typically freely accessible, usable and modifiable.

Pursuant to such open-source licenses, we may be subject to certain conditions, including requirements that we offer our proprietary software that incorporates the open-source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open-source software, that we license such modifications or derivative works under the terms of the particular open-source license or that we grant other licenses to our intellectual property. We seek to ensure that our proprietary software is not combined with, and does not incorporate, open-source software in ways that would require the release of the source code of our proprietary software to the public. Certain components of our platform and products incorporate software that is licensed under an open-source license which would require release of proprietary code if such platform or products was released or distributed to third parties. We take steps to ensure that such platform or products are not released or distributed but we have co-located certain such platform or products on third parties' premises.

If an author or other third party that uses or distributes such open-source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our solutions that contain or

are dependent upon such open-source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our solutions. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our platform. As there is little or no legal precedent or judicial interpretation governing the interpretation of many of the terms of certain of these licenses, the potential impact of these terms on our business is uncertain and may result in unanticipated obligations regarding our solutions and technologies.

Any requirement to disclose our proprietary source code, in defending our use of open-source licenses or otherwise, the termination of open-source license rights or payments of damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop products and services that are similar to or better than ours with lower development effort and time. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software.

In addition to risks related to license requirements, use of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties, controls on the origin or development of the software or remedies against the licensors, nor are there any guarantees of any updates to the open-source software being released, which means that some open-source software can be more susceptible to cybersecurity attacks than commercially available software. Many of the risks associated with usage of open-source software cannot be eliminated and could adversely affect our business.

It is possible that we may not be aware of all instances where open-source software has been incorporated into our proprietary software or used in connection with our solutions or our corresponding obligations under open-source licenses. We do not have open-source software usage policies or monitoring procedures in place. We rely on multiple software programmers to design our proprietary software and we cannot be certain that our programmers have not incorporated open-source software into our proprietary software that we intend to maintain as confidential or that they will not do so in the future. To the extent that we are required to disclose the source code of certain of our proprietary software developments to third parties, including our competitors, in order to comply with applicable open-source license terms, such disclosure could harm our intellectual property position, competitive advantage, results of operations and financial condition. In addition, to the extent that we have failed to comply with our obligations under particular licenses for open-source software, we may lose the right to continue to use and exploit such open-source software in connection with our operations and solutions, which could disrupt and adversely affect our business.

Risks Relating to Regulation

We are subject to costs and risks associated with new or changing laws and regulations and governmental action affecting our business.

We operate in a complex regulatory and legal environment and are subject to a wide variety of laws and regulations in the jurisdictions in which we operate. Some of the laws and regulations in Europe, the United States, the U.K. and Canada and other jurisdictions in which we operate that affect or may affect us include: those relating to anti-money laundering and cross-border and domestic money transmission; those relating to consumer products, product liability and consumer protection; those relating to foreign exchange trading and gaming and sports betting; those relating to the manner in which we advertise, market and sell products; labor and employment laws, including wage and hour laws; tax laws or interpretations thereof; bank secrecy laws; data protection and privacy laws and regulations; and securities and exchange laws and regulations. The laws and regulations specifically applicable to us may also change on the basis of a change in the nature of our products or services, or a change in the jurisdictions in which those products or services are being offered, including, but not limited to, as a result of acquisitions. There can be no guarantee that we will have sufficient resources to comply with new laws, regulations or government action, or to successfully compete in the context of a shifting regulatory environment. Moreover, these laws and regulations may change, sometimes significantly, as a result of political, economic and social events.

We also generate a significant portion of our revenue from merchants operating in the regulated gaming and sports betting and foreign exchange trading sectors. Regulations in the gaming and sports betting and foreign exchange trading sectors vary significantly among different countries and localities. In many cases, they may be unclear and may also change, sometimes dramatically. Due to the borderless nature of online gaming and sports betting and foreign exchange trading, a merchant properly licensed in its home jurisdiction may still provide services to consumers in other jurisdictions, including

jurisdictions where regulations are ambiguous or where gaming, sports betting and/or foreign exchange trading are prohibited. We have policies and procedures in place that are designed to ensure that we comply with applicable local laws and regulations regarding card brands, regulated verticals and bank sponsor requirements. However, these policies and procedures may not always be effective. If we provide services, intentionally or unintentionally, to gaming and sports betting and foreign exchange trading companies that do not have proper regulatory authorizations, we could be subject to fines, penalties, reputational harm or other negative consequences. Furthermore, European Union laws, regulations and directives are sometimes incompatible with local laws in place in European Union member countries, which introduces additional uncertainty around licensing and ongoing compliance obligations into the regulatory framework. Regulators may also seek to place greater emphasis on payment service providers who provide services to gaming and sports betting and foreign exchange trading companies, which could increase these risks. Moreover, we face increased risk of liability in jurisdictions in which we have an on the ground presence, assets, personnel or funds, such as through maintaining a bank account. Violations or changes in these or other laws and regulations that we are subject to may have a material adverse effect on our business, financial condition and results of operations.

Changes in laws or regulations relating to privacy and data protection, or any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligation relating to, privacy and data protection could adversely affect our business.

We receive, generate and store significant and increasing volumes of sensitive information, such as personal data of our employees, our merchants and any end users of payment services (e.g., payers, receivers, cardholders, merchants and those who may hold funds and balance in their accounts). As we seek to build a trusted and secure platform for commerce, and as we expand our network of clients and facilitate their transactions and interactions with one another, we are and will increasingly be subject to a variety of laws, directives and regulations, as well as contractual obligations, relating to the collection, use, retention, security, disclosure, transfer, destruction, de-identification and other processing of sensitive information in the jurisdictions in which we operate. The regulatory framework for privacy, data protection and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Applicable privacy laws and court decisions could impact our ability to transfer personal data internationally. For example, the Court of Justice of the European Union, the European Union's highest court, concluded in July 2020 that the European Union-U.S. Privacy Shield (a mechanism for the transfer of personal data from the European Union to the U.S.) is invalid. As a result of this decision, organizations transferring personal data from the European Union to a third country, such as the United States, are now required to carry out a transfer risk assessment in order to determine whether the recipient country offers the same level of protection than the one offered in the European Union. If the recipient country offers the same level of protection, the organization implements transfer tools (e.g. standard contractual clauses). If the recipient country fails to offer the same level of protection, however, supplementary measures are required to be taken, and without such measures, the transfers may be prohibited. In addition, it is still unclear whether transfer of data from the European Economic Area to the United Kingdom will remain lawful under GDPR. On December 24, 2020, the United Kingdom and EU entered into a Trade and Cooperation Agreement, which provides for a transitional period during which the United Kingdom will be treated like an EU member state in relation to processing and transfers of personal data for four months from January 1, 2021. This may be extended by two further months. After such period, the United Kingdom will be a "third country" under the GDPR unless the European Commission adopts an adequacy decision in respect of transfers of personal data to the United Kingdom.

We publicly post documentation regarding our data privacy practices. Although we endeavor to comply with our published policies, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies that provide promises and assurances about privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any failure, real or perceived, by us to comply with our posted privacy policies or with any regulatory requirements, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us could cause merchants to reduce their use of our products and services and could materially and adversely affect our business. In many jurisdictions, enforcement actions and consequences for noncompliance can be significant and are rising. Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of delivering our platform.

The U.S. federal and various state government bodies and agencies have adopted or are considering adopting laws and regulations limiting or otherwise regarding the collecting, distribution, use, disclosure, storage and security of personal information. For example, in June 2018, California passed the CCPA, which became effective on January 1, 2020 and

imposes stringent data privacy and data protection requirements for the data of California residents. Enforcement of the CCPA by the California Attorney General began on July 1, 2020. Among other things, it requires covered companies to provide new disclosures to California consumers and afford such consumers new data protection rights, including the ability to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase the likelihood of, and risks associated with, data breach litigation. The effects of this legislation are potentially far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

California voters also passed a new privacy law, the California Privacy Rights Act (“CPRA”), in the November 2020 election. The CPRA significantly modifies the CCPA, including by imposing additional obligations on covered companies and expanding consumers’ rights with respect to certain sensitive personal information, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply prior to the 2023 effective date. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. More recently, Virginia passed the Virginia Consumer Data Protection Act (“VCDPA”), which also includes increased protections for Virginia residents and goes into operation in 2023. Aspects of the CCPA, the CPRA, the VCDPA, and other laws and regulations relating to data protection, privacy and information security, as well as their enforcement, remain unclear, and we may be required to modify our practices in an effort to comply with them.

The CCPA, CPRA and VCDPA could mark the beginning of a trend toward more stringent privacy legislation in the United States. The CCPA has prompted a number of proposals for federal and state privacy legislation that, if passed, could increase our potential liability, add layers of complexity to compliance in the U.S. market, increase our compliance costs and adversely affect our business.

Privacy laws inspired by the CCPA have also been introduced in a number of other states. Internationally, laws and regulations in many jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, Internet Protocol, or IP addresses. For example, we are subject to Canada’s PIPEDA, and the analogous provincial laws, which similarly impose data privacy and security obligations on our processing of personal data. In December 2019, Canadian Ministers were mandated to draft and implement a new bill to reform PIPEDA providing expressly for the establishment of new rights related to privacy, such as personal data portability, the ability to remove, delete and erase personal data and the ability to withdraw consent to the exchange or sale of personal data, notably.

We are also subject to Québec’s Act respecting the protection of personal information in the private sector (the “Private Sector Act”). On June 12, 2020, the Government of Québec tabled Bill 64, an Act to modernize legislative provisions as regards the protection of personal information (“Bill 64”), which proposes major amendments to the Private Sector Act, notably, to impose new obligations on Québec businesses while significantly increasing the powers of its supervisory authority. Should Bill 64 pass, the Québec privacy regime for private companies would become more onerous, as new proposed penal provisions would introduce fines of either up to \$25,000,000 or 4% of worldwide turnover for the preceding fiscal year, whichever sum is greater. Additionally, the proposed amendments include organizations’ duty to adopt corporate governance rules regarding the protection of personal information, organizations’ duty to report and log “confidentiality incidents”, requirements to assess privacy-related factors with regard to information systems and electronic service delivery projects, and many others.

The European Parliament and the Council of the European Union in 2016 adopted the European Union’s GDPR, which came into effect in May 2018, superseding the European Union Data Protection Directive, and imposing more stringent data privacy and data protection requirements. The GDPR introduced numerous privacy-related changes for companies whose processing is subject to the GDPR, including greater control for data subjects (such as the “right to be forgotten”), increased data portability for data subjects and increased fines. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. Further, while the U.K. enacted the Data Protection Act 2018 in May 2018 that supplements the GDPR, which will continue to regulate the protection of personal data in the same way post-Brexit through the U.K. GDPR. Brexit has created uncertainty with regard to the future of regulation of data protection in the U.K. Indeed, the U.K. government recently announced its intention to adopt a more flexible approach to the regulation of data, and as a result there remains a risk of future divergence between the EU and U.K. data protection regimes.

In July 2020, the Court of Justice of the European Union (“CJEU”) issued a ruling regarding the validity of the primary mechanism that we use to safeguard transfers of personal data sent from the EU and the U.K. (i.e., the European Commission-approved standard contractual clauses). Following the CJEU’s ruling, we may be unable in certain cases to transfer personal data outside the EU and the U.K. without a defined lawful mechanism under the GDPR or the Data Protection Act 2018. While regulatory guidance on complying with the CJEU’s ruling is expected to be released shortly, it is unclear currently how data protection authorities, courts and our counterparties will view or enforce any such potential or actual non-compliance.

On January 1, 2021, the U.K. became a third country for the purposes of EU law, such that transfers of personal data from the EU to the U.K. are permitted only where there is a lawful mechanism under the GDPR. In February 2021, the European Commission issued a draft finding of data protection adequacy for the U.K., which is currently being assessed by the European Data Protection Board and will thereafter require approval from representatives of the EU’s Member States. If the draft finding is not finalized by June 30, 2021, or the U.K. otherwise does not receive an adequacy finding, we will be required to safeguard transfers of personal data sent from the EU to the U.K. through the use of European Commission standard contractual clauses or other approved mechanisms. This will impose legal and compliance costs for us and could result in additional legal and regulatory risk where such transfers are not conducted in accordance with the GDPR and the requirements set out in the CJEU’s ruling.

Complying with CCPA, PIPEDA, the Private Sector Act, the GDPR, the Data Protection Act 2018 and the U.K. GDPR or other laws, regulations or other obligations relating to privacy, data protection, data transfers, data localization, or information security may cause us to incur substantial operational costs or require us to modify our data practices. Non-compliance could result in proceedings against us by governmental entities or others, could result in substantial fines or other liability, and may otherwise adversely affect our business, financial condition and results of operations.

Additionally, some statutory requirements, both in the United States and abroad include obligations for companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or our service providers. For example, laws in all 50 U.S. states require businesses to provide notice to customers whose personal data has been disclosed as a result of a data breach in some circumstances. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. States are also frequently amending existing laws, requiring attention to frequently changing regulatory requirements. The GDPR also contains data breach notification requirements. Any actual or perceived security breach could harm our reputation and brand, expose us to potential liability, result in a fine from payment networks or loss of PCI accreditation or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections.

In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply, or facilitate our merchants’ compliance, with such standards. Additionally, our customers and prospective customers have required, and may in the future require, us to comply with certain privacy, data protection and information security standards, including with respect to our data encryption practices, and we may undertake contractual commitments to adhere to such standards. We expect that there will continue to be new proposed laws and regulations and guidance concerning privacy, data protection and information security, and we cannot yet determine the impact such future laws, regulations, standards and guidance may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, industry standards, guidance, contractual obligations, customer expectations and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of laws, standards, contractual obligations and other obligations relating to privacy and data protection are still uncertain, it is possible that these obligations may be interpreted and applied in a manner that varies by jurisdiction and/or that is inconsistent with our data privacy policies and procedures, including with respect to our data encryption practices, or the features of our platform. If so, we may face fines, lawsuits, regulatory investigations, imprisonment of company officials and public censure, other claims and penalties, significant costs for remediation and damage to our reputation. We could also be required to fundamentally change our business activities and practices, which could adversely affect our business. We may be unable to make such changes and modifications in a commercially reasonable manner, or at all. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, policies and guidance that are applicable to the

businesses of our merchants may limit the use and adoption of, and reduce the overall demand for, our services. Any inability to adequately address privacy, data protection, or information security-related concerns, even if unfounded, or to successfully negotiate related contractual terms with merchants, or to comply with applicable laws, regulations, policies, standards and guidance relating to privacy, data protection and information security, including those with which we elect to comply, could result in additional cost and liability to us, harm our reputation and brand, damage our relationship with important providers and adversely affect our business, financial condition and results of operations.

Our business is subject to complex and evolving requirements and oversight related to our provision of payments services and other financial services.

The laws, rules and regulations that govern our business include, or may in the future include, those relating to banking, deposit-taking, cross-border and domestic money transmission, payment card networks, currency exchange, payments services (such as payment processing and settlement services), consumer financial protection, commercial electronic messaging, anti-money laundering, terrorist financing, escheatment and other standards or requirements imposed by regulators or the payment networks. For example, the payment networks require compliance with the PCI Data Security Standard, a set of industry requirements designed to ensure that companies that process, store, or transmit payment card information maintain a secure environment to protect cardholder data, as well as, in Canada, the Code. These laws, rules, regulations, standards and requirements are enforced by multiple authorities, governing bodies and organizations in Europe, the United States, the U.K. and Canada and the other jurisdictions in which we operate. As our business continues to develop and expand, we may become subject to additional requirements, which may limit or change how we conduct our business.

Our activities in the European Union are subject to the PSD2, implemented in both the U.K. in 2017 (by the Payment Services Regulations 2017) and the Republic of Cyprus in 2018 with a view to bringing regulation up to date with developments in the payment services industry, to promote further innovation and to improve consumer protection. SafeCharge Limited, a wholly-owned subsidiary of SafeCharge, is an Electronic Money Institution authorized and regulated by the Central Bank of Cyprus and has obtained permission under the U.K. FCA's Temporary Permissions Regime to continue providing payment services to merchants in the U.K. following the end of the transitional period for the U.K.'s withdrawal from the European Union on December 31, 2020. In addition, SafeCharge Financial, another wholly-owned subsidiary of SafeCharge, is authorized by the U.K. FCA as a Payment Institution. The authorization allows SafeCharge Financial to provide payments services in the U.K. in accordance with the Payment Services Regulations 2017. Regulatory reform in either jurisdiction could increase the cost of our operations or deny access to certain territories in the provision of certain services. As a result of the U.K.'s withdrawal from the European Union and the absence of an agreement between the U.K. and European Union with respect to financial services, SafeCharge Financial's cross-border passporting rights, which allowed it to provide payment services throughout the European Union, ceased to be available from the end of 2020.

The Smart2Pay Transaction entailed the acquisition of its regulated subsidiary, Smart2Pay Regco, which is licensed as a payment services provider by the Dutch Central Bank to provide payment services 3 and 5 as referred to in PSD2. Continued compliance with the Dutch Central Bank's rules entails additional costs and regulatory reform in the Netherlands could further increase the cost of our operations in that jurisdiction.

We believe that our activities in the United States and Canada do not require a charter or license from federal, state, or provincial financial regulatory authorities to conduct our activities in the United States or Canada. However, in 2018, the Canadian federal government restated its intent to introduce legislation to implement a new federal retail payments oversight framework (similar to PSD2). If implemented, the framework would require payment service providers to establish sound operational risk management practices and to protect users' funds against losses, plus registration, which would represent a significant development in the Canadian payments landscape and require additional time and effort be spent to develop, implement and monitor such practices in Canada.

If we are found to have engaged in financial services activities requiring a charter or a license without having obtained such charter or license, we could be subject to civil and criminal fines, penalties, costs, legal fees, reputational damage or other negative consequences. For example, we could be required to change our business practices in order to comply with additional laws and regulations, including those related to anti-money laundering and terrorist financing, or could be forced to cease engaging in such regulated activity entirely. This could adversely affect our business, financial condition and results of operations.

The Payment Networks Act (Canada) has been enacted with a view to regulating national payment networks and their commercial practices. While this act refers to acquirers, it does not apply directly to them. However, it does contain various regulatory powers which have not yet been carried out, as the Code was adopted in lieu of regulations and relies on voluntary compliance. Canadian payment networks, issuers and acquirers abide by it mainly as a result of payment network rules. The stated purpose of the Code is to ensure that merchants are fully aware of the costs associated with accepting credit and debit card payments, provide merchants with increased pricing flexibility to encourage consumers to choose the lowest-cost payment option, and allow merchants to freely choose which payment options they will accept. There are 13 policy elements included in the Code, including requirements that merchant-acquirer agreements and monthly statements include a sufficient level of detail and are easy to understand, that merchants will receive a minimum of 90 days' notice of any fee increases or the introduction of a new fee related to any credit or debit card transactions, or a reduction in applicable interchange rates, and that following notification of a fee increase or the introduction of a new fee, or a reduction in applicable interchange rates not passed on to merchants, merchants will be allowed to cancel their contracts without penalty.

The U.S. CFPB is the U.S. federal financial regulator with authority over the provision of consumer financial products and services (including many offered by our merchants or partners). Although we are not directly subject to the CFPB's supervisory authority, the rules issued by the CFPB that apply to our merchants or partners may require us to adjust our activities and may increase our compliance costs. In addition, because we provide data processing services to banks and other financial institutions, we are or may become subject to indirect inquiries from the CFPB or from federal or state banking regulators. To comply with their regulatory obligations, these banks and other financial institutions may be required to perform appropriate due diligence on us and our activities, evaluate our risk management, information security, and information management systems, and conduct ongoing monitoring of our performance and our ability to deliver services.

In addition, all persons engaged in commerce in the United States, including, but not limited to, us, our merchants and our bank partners, are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices, or UDAP. The Federal Trade Commission, or FTC, has authority to take action against nonbanks that engage in UDAP. We are also subject to various other consumer protection laws and related regulations in the markets in which we operate, and we may be subject to lawsuits from time to time relating to such laws and regulations. If we are subject to similar suits in the future or are found to have breached any consumer protection laws or regulations in any such market, this could have an adverse effect on our reputation, business, financial condition or results of operations.

We may be subject to fines or other penalties levied by regulators in one or more jurisdictions for failing to comply with applicable rules and regulations. In addition we could be subject to significant criminal and civil lawsuits, forfeiture of significant assets or other enforcement actions, including loss of licensure in a given jurisdiction. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Moreover, any perceived or actual breach of compliance by us with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing clients, prevent us from obtaining new clients, require us to expend significant funds to remedy problems caused by breaches and to avert further breaches and expose us to legal risk and potential liability.

Failure to comply with the CFPOA, the U.S. FCPA, anti-money laundering economic and trade sanctions regulations, and similar laws and regulations could subject us to penalties and other adverse consequences.

We operate our business in several countries where companies often engage in business practices that are prohibited by Canadian, U.S. and other laws and regulations applicable to us. We are subject to anti-corruption laws and regulations, including the CFPOA, the FCPA, the U.K. Bribery Act, the USA PATRIOT Act of 2001 and other laws that prohibit the making or offering of improper payments, including anti-bribery provisions in the Criminal Code of Canada and those enforced by the U.S. Department of Justice. These laws prohibit improper payments or offers, including payments to governments, officials and business entities for the purpose of obtaining or retaining business. There can be no assurance that our employees, consultants and agents, including those that may be based in or from countries where practices that violate Canadian, U.S. or other laws may be customary or commonplace, will not take actions in violation of our policies for which we may be ultimately responsible.

In addition, we are subject to certain anti-money laundering laws and regulations. In some jurisdictions, we are directly subject to these regulations. In other cases, we are contractually required to comply with certain laws and regulations to which our bank partners are subject. These laws and regulations, including the Canadian PCMLTFA and its related

regulations, the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, and the Anti-Money Laundering Act of 2020, typically require businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records.

We are also subject to certain economic and trade sanctions programs that are administered by the Special Economic Measures Act in Canada and the U.S. Treasury Department's OFAC, which prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially designated nationals of those countries, narcotics traffickers, and terrorists or terrorist organizations. Similar anti-money laundering and sanctions laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified in lists maintained by the country equivalents to OFAC lists in several other countries and entail specific data retention obligations to be observed by intermediaries in the payment process. Our businesses in those jurisdictions are subject to those data retention obligations.

Failure to comply with any of these laws or regulations or changes in the legal or regulatory environment, including changing interpretations and implementations of new or varying regulatory requirements, may result in significant financial or other penalties. We may also face significant criminal and civil lawsuits, forfeiture of significant assets or other enforcement actions, including loss of licensure in a given jurisdiction, or reputational damage, which could cause us to lose existing clients or prevent us from obtaining new clients or otherwise adversely affect our business, financial condition or results of operations. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Changes in tax laws and regulations or trade rules may impact our effective tax rate and may adversely affect our business, financial condition and operating results.

We operate on a global basis and have business operations in a number of different tax jurisdictions. Changes in our tax profile due to acquisitions or changes in tax legislation and rates in jurisdictions in which we operate may adversely affect our business, financial condition and operating results. Additionally, there is uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between countries. Major developments in tax policy or trade relations, such as the Canada-United States-Mexico Agreement (the "CUSMA") which came into effect on July 1, 2020, the disallowance of tax deductions for imported merchandise or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our growth opportunities, business and results of operations. Regarding the CUSMA, in April 2020 all three countries provided formal notification that their respective internal ratification processes were complete. Since July 1, 2020, the CUSMA replaced the North American Free Trade Agreement. The impact of CUSMA on our business and operations remains uncertain.

We previously have participated in government programs in Canada that provide investment tax credits based upon qualifying research and development expenditures. If taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, our historical operating results could be adversely affected.

We currently conduct activities through our subsidiaries pursuant to transfer pricing arrangements. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us.

Risks Relating to Our Subordinate Voting Shares

If our Subordinate Voting Share price fluctuates, you could lose a significant part of your investment.

The stock market in general has experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our Subordinate Voting Shares, regardless of our operating

performance. In the past, following periods of volatility in the market price of certain companies' securities, securities class action litigation has been instituted against these companies. This litigation, if instituted against us, could adversely affect our financial condition or results of operations. If a market is not maintained, the liquidity and price of our Subordinate Voting Shares could be seriously harmed.

Sales of substantial amounts of our Subordinate Voting Shares in the public market, or the perception that these sales may occur, could cause the market price of our Subordinate Voting Shares to decline.

Sales of substantial amounts of our Subordinate Voting Shares in the public market could occur at any time after the expiration of the 180-day contractual lock-up period described in the paragraph below. These sales, or the market perception that these sales may occur, could cause the market price of our Subordinate Voting Shares to decline. This could also impair our ability to raise additional capital through the sale of our equity securities.

Under our Articles, we are authorized to issue an unlimited number of Multiple Voting Shares and Subordinate Voting Shares, of which 92,247,808 Multiple Voting Shares and 45,924,637 Subordinate Voting Shares were outstanding as of December 31, 2020. In connection with the completion of the IPO, we, each of our directors, executive officers and other current shareholders, and their respective associates and affiliates holding securities of the Company entered into a lock-up agreement pursuant to which we agreed not to offer, sell, or dispose of any shares of our share capital or securities convertible into or exchangeable or exercisable for any shares of our share capital during the 180-day period following the date of the IPO (the "Lock-Up Agreements"). The IPO Joint Active Bookrunners, however, may, in their sole discretion, permit us, our directors, executive officers and current shareholders who are subject to these Lock-Up Agreements to sell shares prior to the expiration of the Lock-up Agreements. Following the expiration of the 180-day period, these shares will be available for sale in the public markets subject to restrictions under applicable securities laws. In addition, as of the date hereof, there are outstanding options to acquire our Subordinate Voting Shares. The Subordinate Voting Shares subject to these options will, to the extent permitted by any applicable vesting requirements, lock-up agreements and restrictions under applicable securities laws, also become eligible for sale in the public market. We also granted registration rights to our Principal Shareholders pursuant to the Investor Rights Agreement. If a large number of our Subordinate Voting Shares or securities convertible into our Subordinate Voting Shares are sold in the public market after they become eligible for sale, or there is a perception that such sales could occur, the trading price of our Subordinate Voting Shares could decline and impede our ability to raise future capital. Further, we cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our Subordinate Voting Shares.

Limitations imposed by the FCA, the Central Bank of Cyprus and the Dutch Central Bank on the right to own our securities may result in sanctions being imposed on our regulated subsidiaries and an acquiror of such securities in the event of non-compliance by such acquiror, and may reduce the value of our Subordinate Voting Shares.

Several of the Company's indirect subsidiaries are subject to regulatory supervision, including the requirement to obtain prior consent when a person holds, acquires or increases a qualifying holding in those entities. See "Business of NUVEI—Regulatory Environment—Payment Services and Electronic Money Regulation" and "Description of share capital – Limitations on the Right to Own Securities". On the basis of these regulations, no person may hold or acquire, alone or together with others, a direct or indirect stake of 10% or more of our shares, 10% of the voting rights attached to our shares, or exercise, directly or indirectly, an equivalent degree of control in us (or increase an existing holding of 10% or more of our shares or the voting rights attached to our shares crossing a control threshold (20%, 30% or 50%)) without first obtaining the prior approval of the FCA and the Central Bank of Cyprus and a prior declaration of no objection from the Dutch Central Bank.

Non-compliance with those requirements constitutes an offense that may lead to criminal prosecution, as well a violation of applicable laws governing the payment services and electronic money industry in the relevant jurisdictions, which may lead to instructions, penalties and sanctions against the Company's regulated subsidiaries as well as the person seeking to hold, acquire or increase the qualifying holding (including, but not limited to, substantial fines and prison sentences), may subject the relevant transactions to cancellation or forced sale, and may result in increased regulatory compliance requirements or other potential regulatory restrictions on our business (including in respect of matters such as corporate governance, restructurings, mergers and acquisitions, financings and distributions), enforced suspension of operations, cancellation of corporate resolutions made on the basis such qualifying holding, restitution to customers, removal of board members, suspension of voting rights and variation, cancellation or withdrawal of licenses and authorizations. If any of this were to

occur, it could damage our reputation, limit our growth and materially and adversely affect our business, financial condition and results of operations.

In addition, uncertainty and inconvenience created by those requirements may discourage potential investors from acquiring 10% or more of our Subordinate Voting Shares, which may in turn reduce the value of the Subordinate Voting Shares.

If we fail to implement and maintain effective internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

Prior to the IPO, we were a private company with limited accounting personnel and other resources to address our internal control over financial reporting and procedures. Since the IPO, we have been subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), and the rules of the TSX. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. In order to meet such requirements, we have, among other things, established systems, implemented financial and management controls, reporting systems and procedures and hired qualified accounting and finance staff, and may be required to do so in the future. However, if we are unable to accomplish any necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the market price of our Subordinate Voting Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

We will incur significant expenses and devote other significant resources and management time as a result of being a public company, which may negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

We will incur significant legal, accounting, insurance and other expenses as a result of being a public company. The rules implemented by the AMF, the securities regulators in each of the other provinces and territories of Canada and the TSX, have required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations will substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. Moreover, the securities regulators in Canada and the TSX may adopt new rules and regulations relating to information disclosure, financial reporting and controls and corporate governance in the future, which could subject us to additional increases in legal, accounting and other compliance costs. The new obligations of being a public company will require attention from our senior management and could divert their attention away from the day-to-day management of our business. Given that most of the individuals who now constitute our management team have limited experience managing a publicly traded company and complying with the increasingly complex laws pertaining to public companies, initially, these new obligations could demand even greater attention.

We also expect these laws, rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board or as officers.

As a result of the foregoing, we expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Subordinate Voting Shares, fines, sanctions and other regulatory action and potentially civil litigation.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our Subordinate Voting Shares and our trading volume could decline.

The trading market for our Subordinate Voting Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or too few securities or industry analysts commence coverage of our company, the trading price for our Subordinate Voting Shares would likely be negatively affected. In the event that securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our Subordinate Voting Shares or publish inaccurate or unfavorable research about our business, the price of our Subordinate Voting Shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which might cause the price of our Subordinate Voting Shares and trading volume to decline.

Each of Novacap, CDPQ and our Chief Executive Officer beneficially owns a significant amount of our shares and may have interests that differ from, or may take actions that are not in the interests of, other shareholders.

Each of Novacap, CDPQ and our Chief Executive Officer holds approximately 39.88%, 23.04% and 37.08%, respectively, of our Multiple Voting Shares and 37.99%, 21.95% and 35.32%, respectively, of our outstanding voting rights. Novacap, CDPQ and our Chief Executive Officer will therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions. Novacap has the right to designate two (2) members to our Board, CDPQ has the right to designate one (1) member to our Board and our Chief Executive Officer has a seat on the Board and the right to designate one (1) additional member to our Board. Circumstances may occur in which the interests of Novacap, CDPQ and/or our Chief Executive Officer could be in conflict with the interests of other shareholders, and any of Novacap, CDPQ or our Chief Executive Officer would have significant influence to cause us to take actions that align with their interests.

Additionally, Novacap and CDPQ are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Novacap and CDPQ may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Our Audit Committee is responsible for reviewing all related party transactions for potential conflict of interest situations and approving all such transactions. Our Audit Committee consists of directors who are independent as required by applicable Canadian securities regulation and the TSX Company Manual, subject to the permitted phase-in period afforded by such rules. In addition, our code of ethics contains provisions designed to address conflicts of interest. However, such provisions may not be effective in limiting Novacap and CDPQ's significant influence over us.

The dual-class structure contained in our Articles has the effect of concentrating voting control and the ability to influence corporate matters with Novacap, CDPQ and our Chief Executive Officer.

Our Multiple Voting Shares have 10 votes per Multiple Voting Share and our Subordinate Voting Shares have one vote per Subordinate Voting Share. Shareholders who hold Multiple Voting Shares, including Novacap, CDPQ and, indirectly, our Chief Executive Officer, will together hold approximately 95.26% of the voting rights of our outstanding voting shares and therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions. In addition, the Principal Shareholders entered into the Investor Rights Agreement providing for certain director nomination rights and registration rights. See "Material contracts – Investor Rights Agreement."

In addition, because of the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares, the holders of our Multiple Voting Shares continue to control a majority of the combined voting rights of our voting shares although the Multiple Voting Shares represent a substantially reduced percentage of our total outstanding voting shares. The concentrated voting control of holders of our Multiple Voting Shares limits the ability of our subordinate voting shareholders to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amending our share capital, creating and issuing additional classes of shares, making significant

acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of Multiple Voting Shares have the ability to influence or control many matters affecting us and actions may be taken that our subordinate voting shareholders may not view as beneficial. The market price of our Subordinate Voting Shares could be adversely affected due to the significant influence and voting rights of the holders of Multiple Voting Shares. Additionally, the significant voting interest of holders of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Multiple Voting Shares.

Future transfers by holders of Multiple Voting Shares, other than permitted transfers to such holders' respective affiliates or direct family members or to other permitted holders, will result in those Multiple Voting Shares automatically converting to Subordinate Voting Shares, which will have the effect, over time, of increasing the relative voting rights of those holders who retain their Multiple Voting Shares. See "Description of share capital – Subordinate Voting Shares and Multiple Voting Shares – Conversion".

We do not anticipate paying any cash dividends in the foreseeable future.

We currently intend to retain our future earnings, if any, for the foreseeable future, to fund the operation of our business and future growth. We do not intend to pay any dividends to holders of our Subordinate Voting Shares for the foreseeable future. As a result, capital appreciation in the price of our Subordinate Voting Shares, if any, will be your only source of gain on an investment in our Subordinate Voting Shares.

Our by-laws provide that any derivative actions, actions relating to breach of fiduciary duties and other matters relating to our internal affairs will be required to be litigated in the Province of Québec, which could limit your ability to obtain a favorable judicial forum for disputes with us.

We have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of the Province of Québec, Canada and appellate Courts therefrom (or, failing such Court, any other "court" as defined in the CBCA having jurisdiction, and the appellate Courts therefrom), will be the sole and exclusive forum for: any derivative action or proceeding brought on our behalf; any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our Articles or by-laws; or any action or proceeding asserting a claim otherwise related to our "affairs" (as defined in the CBCA). Our forum selection by-law also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Québec and to service of process on their counsel in any foreign (non-Canadian) action initiated in violation of our by-law. Therefore, it may not be possible for securityholders to litigate any action relating to the foregoing matters outside of the Province of Québec.

Our forum selection by-law seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the United States and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of our forum selection by-law could be challenged and that a court could rule that such by-law is inapplicable or unenforceable. If a court were to find our forum selection by-law inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

Provisions of our Articles and by-laws and certain Canadian legislation could delay or deter a change of control, limit attempts by our shareholders to replace or remove our current senior management and affect the market price of our Subordinate Voting Shares.

Our Articles authorize our Board to issue an unlimited number of Preferred Shares without shareholder approval and to determine the rights, privileges, restrictions and conditions granted to or imposed on any unissued series of Preferred Shares. Those rights may be superior to those of our Subordinate Voting Shares and Multiple Voting Shares. For example, Preferred Shares may rank prior to Subordinate Voting Shares and Multiple Voting Shares as to dividend rights, liquidation preferences or both, may have full or limited voting rights and may be convertible into Subordinate Voting Shares. If we were to issue a significant number of Preferred Shares, these issuances could deter or delay an attempted acquisition of us or make the

removal of management more difficult. Issuances of Preferred Shares, or the perception that such issuances may occur, could cause the trading price of our Subordinate Voting Shares to drop.

We may issue additional Subordinate Voting Shares and Multiple Voting Shares and such issuance will result in immediate dilution to existing shareholders.

Our Articles permit us to issue an unlimited number of Subordinate Voting Shares and Multiple Voting Shares. We anticipate that we will, from time to time, issue additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares, including pursuant to the exercise of stock options. Subject to the requirements of the TSX, we will not be required to obtain the approval of shareholders for the issuance of additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares. Although the rules of the TSX generally prohibit us from issuing additional Multiple Voting Shares, there may be certain circumstances where additional Multiple Voting Shares may be issued, including pursuant to the exercise of the subscription rights attached to the Multiple Voting Shares described under “Description of share capital – Subordinate Voting Shares and Multiple Voting Shares – Subscription Rights”. Any further issuances of Subordinate Voting Shares, Multiple Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares or Multiple Voting Shares will result in immediate dilution to existing shareholders. Furthermore, issuances of a substantial number of additional Subordinate Voting Shares, Multiple Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares or Multiple Voting Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price for the Subordinate Voting Shares. Additionally, any further issuances of Multiple Voting Shares may significantly lessen the combined voting rights of our Subordinate Voting Shares due to the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares.

DIVIDEND POLICY

We have not declared or paid any cash dividends on our securities in Fiscal 2018, Fiscal 2019 and Fiscal 2020 and do not currently anticipate paying any cash dividends on our securities, including the Subordinate Voting Shares, in the foreseeable future. We currently intend to reinvest our earnings to finance the growth of our business. Any future determination to declare cash dividends on our securities will be made at the discretion of our Board, subject to applicable Canadian laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our Board may deem relevant. See “Risk factors – ***We do not anticipate paying any cash dividends in the foreseeable future.***”.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes certain provisions contained in our articles of amalgamation (as amended) (the “Articles”) and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our Articles and by-laws.

Authorized Share Capital

Our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, of which 45,924,637 were issued and outstanding as of December 31, 2020, (ii) an unlimited number of Multiple Voting Shares, of which 92,247,808 were issued and outstanding as of December 31, 2020 and (iii) an unlimited number of Preferred Shares, issuable in series, none of which were outstanding as of December 31, 2020. The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable securities laws in Canada.

Subordinate Voting Shares and Multiple Voting Shares

Except as described herein, the Subordinate Voting Shares and the Multiple Voting Shares have the same rights, are equal in all respects and are treated by Nuvei as if they were one class of shares.

Rank

The Subordinate Voting Shares and Multiple Voting Shares rank pari passu with respect to the payment of dividends, return of capital and distribution of assets in the event of the liquidation, dissolution or winding up of the Company. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Subordinate Voting Shares and the

holders of Multiple Voting Shares are entitled to participate equally, share-for-share, in the remaining property and assets of the Company available for distribution to the holders of shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares, subject to the rights of the holders of any Preferred Shares.

Dividends

The holders of outstanding Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends on a share-for-share basis at such times and in such amounts and form as our Board may from time to time determine, but subject to the rights of the holders of any Preferred Shares, without preference or distinction among or between the Subordinate Voting Shares and the Multiple Voting Shares. We are permitted to pay dividends unless there are reasonable grounds for believing that: (i) we are, or would after such payment be, unable to pay our liabilities as they become due; or (ii) the realizable value of our assets would, as a result of such payment, be less than the aggregate of our liabilities and stated capital of all classes of shares. In the event of a payment of a dividend in the form of shares, Subordinate Voting Shares shall be distributed with respect to outstanding Subordinate Voting Shares and Multiple Voting Shares shall be distributed with respect to outstanding Multiple Voting Shares.

Voting Rights

The holders of outstanding Subordinate Voting Shares are entitled to one vote per share and the holders of Multiple Voting Shares are entitled to 10 votes per share. As of December 31, 2020, the Subordinate Voting Shares collectively represented approximately 33.24% of our issued and outstanding shares and approximately 4.74% of the voting power attached to all of our issued and outstanding shares, and the Multiple Voting Shares collectively represented approximately 66.76% of our issued and outstanding shares and approximately 95.26% of the voting power attached to all of our issued and outstanding shares.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that a Multiple Voting Share shall be held by a Person (as defined below) other than by a Permitted Holder (as defined below), the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Multiple Voting Share into a fully paid and non-assessable Subordinate Voting Share, on a share-for-share basis.

In addition:

- all Multiple Voting Shares held by the Fayer Group Permitted Holders (as defined below) will convert automatically into Subordinate Voting Shares at such time that the Fayer Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding Shares (as defined below).
- all Multiple Voting Shares held by the Novacap Group Permitted Holders (as defined below) will convert automatically into Subordinate Voting Shares at such time that the Novacap Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding Shares.
- all Multiple Voting Shares held by the CDPQ Group Permitted Holders (as defined below) will convert automatically into Subordinate Voting Shares at such time that the CDPQ Group Permitted Holders no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding Shares.

For the purposes of the foregoing:

“Affiliate” means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such specified Person;

“CDPQ Group Permitted Holders” means CDPQ and any of its Affiliates;

“Fayer Group Permitted Holders” means (i) Mr. Philip Fayer and any Members of the Immediate Family of Mr. Philip Fayer, and (ii) any Person controlled, directly or indirectly, by one or more Persons referred to in clause (i) above;

“Members of the Immediate Family” means with respect to any individual, each parent (whether by birth or adoption), spouse, or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the *Income Tax Act* (Canada) as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

“Novacap Group Permitted Holders” means Novacap TMT IV, L.P., Novacap International TMT IV, L.P., NVC TMT IV, L.P., Novacap TMT V, L.P., Novacap International TMT V, L.P., Novacap TMT V-A, L.P., NVC TMT V, L.P., NVC TMT V-A, L.P. and Novacap TMT V Co-Investment (Nuvei), L.P. and any of their Affiliates;

“Permitted Holders” means any of (i) the Fayer Group Permitted Holders, (ii) the Novacap Group Permitted Holders, and (iii) the CDPQ Group Permitted Holders;

“Person” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company; and

A Person is “controlled” by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; (ii) in the case of a Person that is an unincorporated entity other than a limited partnership, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; or (iii) in the case of a limited partnership, the other Person is the general partner of such limited partnership; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

Subscription Rights

Pursuant to our Articles, in the event of any distribution or issuance, including by way of a share dividend (a “Distribution”) of voting shares of the Company (other than Subordinate Voting Shares issued upon the conversion of Multiple Voting Shares or voting shares issued pursuant to the exercise of a right attached to any security of the Company issued prior to the Distribution) (the “Subject Voting Shares”) or of securities convertible or exchangeable into Subject Voting Shares or giving the right to acquire Subject Voting Shares (other than options or other securities issued under compensatory plans or other plans to purchase Subject Voting Shares or any other securities in favour of the management, directors, employees or consultants of the Company) (the “Convertible Securities” and, together with the Subject Voting Shares, the “Distributed Securities”), the Company shall issue to the holder(s) of Multiple Voting Shares rights to subscribe for that number of Multiple Voting Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, mutatis mutandis (except for the ultimate underlying securities which shall be Multiple Voting Shares), as those stipulated in the Convertible Securities, that number of Multiple Voting Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully-diluted basis) associated with the then outstanding Multiple Voting Shares (the “Rights to Subscribe”).

The Rights to Subscribe shall be issued to the holder(s) of Multiple Voting Shares in a proportion equal to their respective holdings of Multiple Voting Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities

underlying such Rights to Subscribe (the “Subscription Securities”) shall be issued and must be paid for concurrently with the completion of the Distribution and payment to the Company of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Subordinate Voting Shares, the price at which Subordinate Voting Shares are then being issued or distributed; (ii) if the Distributed Securities are Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are Subject Voting Shares other than Subordinate Voting Shares, the higher of (a) the weighted average price of the transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be) for the 20 trading days preceding the Distribution of such Subject Voting Shares or (b) the weighted average price of transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such Subject Voting Shares.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Multiple Voting Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Multiple Voting Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Multiple Voting Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.

The right to receive Rights to Subscribe as described above, and the legal or beneficial ownership of the Rights to Subscribe, may be assigned in whole or in part among Permitted Holders, provided that written notice of any such assignment shall be sent promptly to the other holders of Multiple Voting Shares and the Company.

Subordinate Voting Shares have no pre-emptive or subscription rights to purchase any securities of the Company. An issuance of participating (equity) securities will not be rendered invalid due to a failure by the Company to comply with the foregoing.

Subdivision or Consolidation

No subdivision or consolidation of the Subordinate Voting Shares or the Multiple Voting Shares may be carried out unless, at the same time, the Multiple Voting Shares or the Subordinate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Certain Class Votes

Except as required by CBCA, applicable Canadian securities laws or our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. Under the CBCA, certain types of amendments to our Articles are subject to approval by special resolution of the holders of our classes of shares voting separately as a class, including amendments to:

- add, change or remove the rights, privileges, restrictions or conditions attached to the shares of that class;
- increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of Subordinate Voting Shares or Multiple Voting Shares to vote separately as a class, neither the holders of the Subordinate Voting Shares nor the holders of the Multiple Voting Shares shall be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment to (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class, which rights are otherwise provided for in paragraphs (a) and (e) of subsection 176(1) of the CBCA. Pursuant to our Articles, neither holders of our Subordinate Voting Shares nor holders of our Multiple Voting Shares will be entitled to vote separately as a class on a proposal to amend our Articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to Section 176(1)(b) of the CBCA unless such exchange, reclassification or

cancellation: (a) affects only the holders of that class; or (b) affects the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable Canadian laws or our Articles in respect of such exchange, reclassification or cancellation.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the CBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Take-Over Bid Protection

Under applicable Canadian laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, the holders of Multiple Voting Shares have entered into a customary coattail agreement with Nuvei and a trustee, which we refer to as the "Coattail Agreement". The following is a summary of the material attributes and characteristics of the Coattail Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Coattail Agreement is available under our profile on SEDAR at www.sedar.com

The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not prevent a sale by Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- offers a price per Subordinate Voting Share at least as high as the highest price per share paid or required to be paid pursuant to the take-over bid for the Multiple Voting Shares;
- provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares to a Permitted Holder, provided such transfer is not or would not constitute a take-over bid or, if so, is exempt or would be exempt from the formal bid requirements (as defined in applicable securities legislation). The conversion of Multiple Voting Shares into Subordinate Voting Shares shall not, in of itself constitute a sale of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on Nuvei or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may require. No holder of Subordinate Voting Shares will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails

to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

The Coattail Agreement provides that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada and (b) the approval of at least 66 2/3% of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held directly or indirectly by holders of Multiple Voting Shares, their affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms that would constitute a sale for purposes of the Coattail Agreement other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

The Preferred Shares are issuable in series. Each series of Preferred Shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by our Board prior to the issuance thereof. Holders of Preferred Shares, except as otherwise provided in the terms specific to a series of Preferred Shares or as required by Canadian laws, will not be entitled to vote at meetings of holders of shares, and will not be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment of the kind referred to in paragraph (a), (b) or (e) of subsection 176(1) of the CBCA. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the Preferred Shares will be entitled to preference over the Subordinate Voting Shares, Multiple Voting Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over Subordinate Voting Shares, Multiple Voting Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series.

The issuance of Preferred Shares and the terms selected by our Board could decrease the amount of earnings and assets available for distribution to holders of our Subordinate Voting Shares and Multiple Voting Shares or adversely affect the rights and powers of the holders of our Subordinate Voting Shares and Multiple Voting Shares without any further vote or action by the holders of our Subordinate Voting Shares and Multiple Voting Shares.

We have no current intention to issue any Preferred Shares.

Limitations on the Right to Own Securities

In addition to the limitations applicable to all businesses under applicable law (such as the *Investment Canada Act*, the *Competition Act* (Canada) and similar competition/antitrust legislation), the right to own our securities is subject to limitations imposed due to the nature of the products and services that we offer, as summarized below. Any shareholder seeking to acquire 10% or more of our shares or the voting rights attached to our shares or acquiring the power to exercise, directly or indirectly, an equivalent degree of control in us should carefully consider the regulatory framework within which we operate and the formalities that must be complied with. See sections of this AIF entitled “Business of NUVEI—Regulatory Environment—Payment Services and Electronic Money Regulation” and “Risk factors—

Limitations imposed by the FCA, the Central Bank of Cyprus and the Dutch Central Bank on the right to own our securities may result in sanctions being imposed on our regulated subsidiaries and an acquiror of such securities in the event of non-compliance by such acquiror, and may reduce the value of our Subordinate Voting Shares..”

As a result of the acquisition of SafeCharge and the acquisition of Smart2Pay, certain of our subsidiaries, specifically SafeCharge Financial, SafeCharge Limited and Smart2Pay, are subject to various regulatory requirements deriving from PSD2 (in the United Kingdom (“U.K.”) and the Netherlands) and the Electronic Money Laws of 2012 and 2018 (implementing the Electronic Money Directive in Cyprus) and the Payment Services and Access to Payment Systems Laws of 2018 and 2019 (implementing PSD2 in Cyprus).

As such, each person who, alone or together with others, holds, acquires or increases a qualifying holding/control in any of these regulated subsidiaries, directly or indirectly (including by way of investment in Nuvei), as a result of which certain thresholds are reached or passed, will require prior approval or a declaration of no objection from the relevant regulator (the FCA in the U.K., the Central Bank of Cyprus in Cyprus, and the Dutch Central Bank in the Netherlands) prior to obtaining such qualifying holding/control. This requirement to obtain prior approval or a declaration of no objection for qualifying holdings/changes in control in the regulated subsidiaries implements the requirements relating to qualifying holdings in payment services providers as set out in PSD2 and the Cyprus Electronic Money Institution (“EMI”), respectively.

A “qualifying holding” or “an acquisition of control” in U.K. terms, is a direct or indirect holding of 10% or more of the issued share capital of SafeCharge, SafeCharge Limited and/or Smart2Pay Regco, the ability to exercise directly or indirectly 10% or more of the voting rights in such regulated subsidiary, or the power to exercise, directly or indirectly, an equivalent degree of control in such regulated subsidiary.

Holders of such qualifying holdings or “controllers” in U.K. terms, will also be subject to certain additional notification requirements where the size of such holdings increase beyond or fall below certain thresholds, as required by Article 6 of PSD2 (as implemented in the U.K. and the Netherlands) and Article 3 of the EMI (as implemented in Cyprus).

Local laws, regulations and guidelines, including the EU Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector (JC/GL/2016/01), shall be taken into account in assessing a qualifying holding/control (e.g., the voting rights of any other shareholders with whom a person is acting in concert are also relevant in determining a person’s voting rights).

MARKET FOR SECURITIES

Trading Price and Volume

Our Subordinate Voting Shares are listed for trading on the TSX in Canadian dollars under the symbol “NVEI” and in U.S. dollars under the symbol “NVEI.U”. The following table sets forth the price ranges and volumes of our Subordinate Voting Shares traded on the TSX under the symbol “NVEI.U” each month of Fiscal 2020 during which our shares traded on the TSX.

2020	NVEI.U			NVEI		
	High (\$)	Low (\$)	Volume (#)	High (C\$)	Low (C\$)	Volume (#)
September	42.22	26.00	15,750,095	56.02	\$ 34.23	7,098,713
October	42.84	37.16	3,436,182	57.50	\$ 49.25	3,869,716
November	47.00	39.44	3,002,808	60.61	\$ 50.83	3,690,795
December	60.30	45.96	2,102,931	77.99	\$ 59.50	4,226,938

None of our other securities were listed for trading or quoted on any exchange or market, however, as described further above, our Multiple Voting Shares can be converted into Subordinate Voting Shares on a one-for-one basis at any time, at the option of the holder thereof.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The table below shows the number of securities that are, to the Company’s knowledge, subject to a contractual restriction on transfer as at December 31, 2020.

Designation of Class	Number of Securities that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Multiple Voting Shares	92,247,808(1)	100%
Subordinate Voting Shares	13,868,212(2)	30.20%

- (1) In connection with the completion of the IPO, each of the Principal Shareholders, and each of their respective associates and affiliates holding securities of the Company, entered into voluntary lock-up agreements, pursuant to which an aggregate of 92,247,808 Multiple Voting Shares were locked up commencing on the closing date of the IPO, being September 22, 2020, for a 180-day period, ending on March 21, 2021.
- (2) In connection with the completion of the IPO, each of the Company's directors, executive officers and other current shareholders, and each of their respective associates and affiliates holding securities of the Company, entered into voluntary lock-up agreements, pursuant to which an aggregate of 7,156,289 Subordinate Voting Shares were locked up commencing on the closing date of the IPO, being September 22, 2020, for a 180-day period, ending on March 21, 2021. In addition, in connection with the completion of the Smart2Pay Transaction, Coöperatieve Vereniging Smart2Pay Holding U.A., and each of its associates and affiliates holding securities of the Company, entered into voluntary lock-up agreements, pursuant to which an aggregate of 6,711,923 Subordinate Voting Shares were locked up commencing on the closing date of the IPO, being September 22, 2020, for a 180-day period, ending on March 21, 2021.

DIRECTORS AND EXECUTIVE OFFICERS

The following tables set out, for each of our directors and executive officers, the person's name, province or state and country of residence, age, position with us, principal occupation and, if a director, the date on which the person became a director. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of shareholders. Executive officers are appointed by the Board to serve, subject to the discretion of the Board, until their successors are appointed. As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 34,205,100 Multiple Voting Shares and a total of 1,152,037 Subordinate Voting Shares, representing respectively 37.08% and 2.51% of each such class of shares outstanding as at December 31, 2020.

Directors

<u>Name and Province or State and Country of Residence</u>	<u>Age</u>	<u>Position(s) / Title</u>	<u>Director Since</u>	<u>Principal Occupation</u>
Philip Fayer Québec, Canada	43	Chair, CEO and Director	2017	Chair and Chief Executive Officer of Nuvei
Michael Hanley ⁽¹⁾⁽²⁾ Québec, Canada	55	Lead Director	2020	Corporate Director
David Lewin ⁽³⁾⁽⁴⁾ Québec, Canada	41	Director	2017	Senior Partner of TMT Group, Novacap
Daniela Mielke California, United States	55	Director	2020	North American CEO of RS2 Inc. and Managing Partner of Commerce Technology Advisors, LLC
Pascal Tremblay ⁽²⁾⁽⁴⁾ Québec, Canada	51	Director	2017	President and Chief Executive Officer of Novacap Management Inc. and Managing Partner of TMT Group, Novacap

- (1) Chair of the Audit Committee.
(2) Member of the GHRC Committee.
(3) Chair of the GHRC Committee.
(4) Member of the Audit Committee.

Each of the foregoing individuals has held his or her present principal occupation or other executive offices with the same company or its predecessors or affiliates (including Nuvei) for the past five years.

Executive Officers

<u>Name and Province or State and Country of Residence</u>	<u>Age</u>	<u>Position</u>
Philip Fayer Québec, Canada	43	Chair of the Board and Chief Executive Officer
Philip Atherton United Kingdom	56	Global Compliance Officer
Max Attias Israel	45	Chief Operating Officer, Digital Payments
Keith Birdsong Texas, United States	56	Chief Technology Officer
Mordechay (Motie) Bring United Kingdom	47	Chief Commercial Officer, Digital Payments
Neil Erlick Québec, Canada	41	Chief Corporate Development Officer
Jocelyne Gagnon Québec, Canada	72	Vice President, Human Resources
Edward (Ed) Garcia Arizona, United States	53	Chief Operating Officer, North America
Edi Kadashev Israel	42	Chief Information Officer, Digital Payments
Shemer Katz Israel	54	Senior Vice President Human Resources and Managing Director, SafeCharge Israel
Allan Lacoste California, United States	42	Executive Vice President, Partnership Group, North America
Craig Ludwig Arizona, United States	54	Senior Vice President, Products
Praful Morar United Kingdom	55	Chief Strategy Officer, Digital Payments
Ofer Nissim Israel	51	Chief Information Security Officer, Digital Payments
Mark Pyke Kentucky, United States	60	President, North America
Amy Satov Québec, Canada	52	Senior Legal Counsel
David Schwartz Québec, Canada	51	Chief Financial Officer and Corporate Secretary
Yuval Ziv Bulgaria	44	Managing Director, Digital Payments

Each of the foregoing individuals has held his or her present principal occupation or other executive offices with the same company or its predecessors or affiliates (including Nuvei) for the past five years with the following exceptions:

Max Attias has been Chief Operating Officer, Digital Payments, since November 2019, after having joined SafeCharge in September 2018 as its Chief Information Officer. Prior to joining SafeCharge, Mr. Attias held the position of Chief Information Officer Site Manager at TCS (TATA Consulting Services) from September 2017 to September 2018. Prior to joining TCS, Mr. Attias was the Research & Development Site Manager at the Israel Development and Engineering Center for Barclays Bank from September 2011 to September 2017.

Prior to joining Nuvei, Moredechay Bring was General Manager, EMEA Global Enterprise eCommerce at WorldPay since December 2018. Prior to that, Mr. Bring was the General Manager (United Kingdom) at WorldPay from August 2017 to December 2018, Vice President Gambling and Digital from April 2017 to August 2017 and Vice President Gambling from 2013 until April 2017.

Edi Kadashev is CIO of SafeCharge since November 2019 and has previously held the positions of Vice-President Information Technology from September 2018 to November 2019 and Global IT Manager from November, 2015 to September, 2018.

Shemer Katz is the Senior Vice President, Human Resources at SafeCharge, a position he has held since November 2017. Mr. Katz has also served as the Managing Director of SafeCharge's Israeli subsidiary since February 2014.

Mr. Lacoste is the Executive Vice-President, Partnership Group, North America of Nuvei, a position he has held since October 2018. Mr. Lacoste also served as Nuvei's Senior Vice-President of Sales & Marketing from December 2017 to October 2018. Prior to that, Allan Lacoste served as ISO Director at Total Merchant Services from September 2015 to April 2017.

Prior to joining Nuvei, Craig Ludwig was Chief Strategy Officer of iMobile3 between 2017 and 2018, and prior to that, spent 18 years at TSYS Merchant Solutions.

Prior to joining Nuvei, Mr. Morar was Executive Vice President Corporate Development & Strategy at SafeCharge Group from May 2014 to October 2018.

Prior to joining Nuvei, Mr. Nissim held the position of Information Security Manager at Discount Bank between May 2019 and May 2017. Between 2011 and 2017 Mr. Nissim was the Chief Technology Officer and Cyber Security Leader of Enterprise Service in Hewlett Packard Enterprise (HPE) Israel.

Prior to joining Nuvei, Mark Pyke provided various strategic consulting services following his departure from Total System Services (TSYS) where he was president of the Merchant Segment between 2010 and 2016.

Prior to joining the Company, Amy Satov was Chief Executive Officer for Litron Distributors Ltd. between February 2012 and October 2018 and of BL Solutions Inc. (acquirer of Litron) from November 2018 to March 2020. Ms. Satov was Executive Vice President, Distribution, Legal and Compliance & Corporate Secretary at Dundee Wealth between July 1999 and May 2011.

From 2010 to 2018, David Schwartz was a senior executive of The Aldo Group, ultimately being appointed Chief Financial Officer in 2015.

Mr. Ziv is the Managing Director, Digital Payments and has held this role since October 2019 after first joining SafeCharge in January 2008. During his tenure at SafeCharge, Mr. Ziv has held the positions of Chief Operating Officer from April 2014 to October 2019, Chief Commercial Officer from October 2018 to October 2019, Managing Director from April 2012 to October 2019 and Vice President Business Development from August 2010 to April 2012.

Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, none of our directors or executive officers or shareholder holding a sufficient number of securities in Nuvei to materially affect the control of Nuvei is, as at the date hereof, or has been, within the 10 years prior to the date hereof: (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (b) was subject to an order

that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Pascal Tremblay was a director of Ryma Technology Solutions Inc. between August 30, 2005 and June 12, 2012. On June 13, 2012, the Superior Court of Québec issued an order pursuant to Section 243 of the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to the property and assets of Ryma Technology Solutions Inc.

Amy Satov was a director and officer of Litron Distributors Ltd., a small privately-held company, which declared bankruptcy on March 19, 2019.

Individual Bankruptcies

None of our directors or executive officers or shareholder holding a sufficient number of securities in Nuvei to materially affect the control of Nuvei has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold assets of that individual.

Penalties or Sanctions

None of our directors, executive officers or shareholders holding a sufficient number of our shares to materially affect our control has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To our knowledge, there are no known existing or potential conflicts of interest between us and our directors and executive officers, except that certain of our directors and officers also serve as directors or officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

AUDIT COMMITTEE

Audit Committee Charter

The Board has adopted a written charter describing the mandate of the Audit Committee that establishes, *inter alia*, the committee’s purpose and responsibilities. Within the purview of its mandate, the Audit Committee is responsible for overseeing the accounting and financial reporting practices of Nuvei and audits of Nuvei’s financial statements. The Audit Committee’s responsibilities also include the selection, recommendation and oversight of Nuvei’s independent auditor, as well as the oversight of its internal audit process and system of internal controls over financial reporting and disclosure. The text of the charter of the Audit Committee is reproduced in its entirety as Exhibit A.

Composition of the Audit Committee

The Audit Committee is currently comprised of Michael Hanley, David Lewin and Pascal Tremblay. Mr. Hanley is the chair of the committee. Each of the members of the Audit Committee has an understanding of the accounting principles used to prepare the Company’s financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

It is the Board's determination that each of the members of the Audit Committee is financially literate within the meaning of NI 52-110. A director is "financially literate" within the meaning of NI 52-110 if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Nuvei's financial statements.

Additionally, it is the Board's determination that each of the members of the Audit Committee is independent within the meaning of NI 52-110. Subject to certain exceptions, a director is "independent" within the meaning of NI 52-110 if he or she has no direct or indirect material relationship with the issuer. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Michael Hanley, Lead Director

Mr. Hanley is a Corporate Director with over 25 years of experience in senior management roles and corporate governance. He is the lead director and chairs the audit committee of BRP Inc. in addition to sitting on the board of directors and audit committee of ShawCor Ltd. and Lyondell Basell Industries N.V. and is a member of LyondellBasell's Health, Safety, Environment and Operations Committee. He is also a member of the board of directors of ExCellThera Inc. Previously, Mr. Hanley was on the board of directors, the audit committee and the human resources and compensation committee of Industrial Alliance Insurance and Financial Services Inc. from 2015 to 2019. He was also on the board of directors and the audit committee of Le Groupe Jean Coutu (PJC) Inc. from 2016 until the company was acquired by Metro Inc. in 2018. Prior to that, Mr. Hanley held senior management positions for several years. He was Senior Vice-President, Operations and Strategic Initiatives at National Bank of Canada. He also held a number of positions at Alcan Inc., including Executive Vice-President and Chief Financial Officer, and President and CEO of the Global Bauxite and Alumina business group. He was also Chief Financial Officer of two other Canadian public companies, Gaz Métro (now Énergir) and St-Laurent Paperboard Inc. Mr. Hanley is a chartered professional accountant and has been a member of the *Ordre des comptables professionnels agréés du Québec* (CPA) since 1987.

David Lewin, Director

Mr. Lewin is a Senior Partner of the TMT Group of Novacap, and board member of Nuvei since September 2017. Mr. Lewin has extensive board experience having sat on the board of directors of numerous private companies including Eddyfi-NDT Inc., PKWare, Inc., Firmex Inc., Onstream Pipeline Inspection Service Inc., Syntax Systems Limited, and Intelrad Medical Systems Inc. Prior to joining Novacap in 2011, Mr. Lewin was a Manager at PSP Investments in Montreal where he was involved in the evaluation and execution of private equity transactions. Mr. Lewin additionally worked in investment banking at National Bank Financial Markets where he focused on the technology, media and telecom section. Mr. Lewin holds a Master of Business Administration from McGill University and a Bachelors in Business and Administration from HEC Montreal.

Pascal Tremblay, Director

Mr. Tremblay is the President and Chief Executive Officer of Novacap Management Inc. and the Managing Partner of the TMT Group of Novacap. Mr. Tremblay has been involved in funding, managing and developing technology companies for over 25 years. Prior to joining Novacap, Mr. Tremblay was a Partner at Argo Global Capital, a venture capital firm where he participated in numerous investments in technology and telecommunications companies in North America, Europe and Asia. His prior experience also includes working in the private equity division at CDP Capital (Caisse de dépôt et placement du Québec), one of Canada's largest fund managers and private equity investors. Prior to entering the private equity field, Mr. Tremblay was Founder and CEO of Laserpro, an award-winning manufacturing and distribution company of printing and computer equipment. Mr. Tremblay also serves as Chair of the audit committee and a member of the Board of Directors of Stingray Group Inc.

Mr. Tremblay studied corporate finance at UConn (University of Connecticut), and he holds a Bachelor in Business Administration, Finance and Accounting from the University of Sherbrooke, Québec and an MBA in finance and international business from McGill University, Montreal, Québec.

Pre-Approval Procedures for Non-Audit Services

The Audit Committee is responsible for the pre-approval of all non-audit services to be provided to Nuvei by its independent auditor. At least annually, the Audit Committee shall review and confirm the independence of the independent auditor by obtaining statements from the independent auditor describing all relationships with Nuvei, including with respect to any non-audit services.

Independent Auditor's Fees

For Fiscal 2019 and Fiscal 2020, our Company incurred the following fees by our external auditor:

Services Retained	Fees billed in Fiscal 2020	Fees billed in Fiscal 2019
Audit fees(1)	\$ 1,839,432	\$ 674,858
Audit-related fees(2)	\$ 103,846	\$ 0
Tax fees(3)	\$ 183,399	\$ 78,133
All other fees(4)	\$ 0	\$ 0
Total	\$ 2,126,677	\$ 752,991

(1) Fees for audit service, including quarterly reviews and prospectus-related fees.

(2) Fees related to translation services.

(3) Fees for tax compliance.

(4) Not applicable.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are from time to time involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our financial condition or results of operations.

We are not aware of penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during Fiscal 2020. No other penalties or sanctions have been imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. The Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority during Fiscal 2020.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this AIF, the Company's audited consolidated financial statements and notes for Fiscal 2020 and Management's Discussion and Analysis for Fiscal 2020, no director or executive officer of Nuvei, and to the knowledge of the directors and executive officers of Nuvei, (i) no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of Nuvei's voting shares, (ii) nor any of such persons' or companies' associates or affiliates, (iii) nor any associates or affiliates of any director or executive officer of Nuvei, has had a material interest, direct or indirect, that has materially affected or is reasonably expected to materially affect the Company within the three most recently completed financial years or during the current financial year.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our Multiple Voting Shares and Subordinate Voting Shares is AST Trust Company (Canada) at its principal office in Montreal, Québec.

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which we have entered into since the beginning of the last financial year ended December 31, 2020, or entered into prior to such date, but which are still in effect and that are required to be filed with Canadian securities regulatory authorization in accordance with Section 12.2 of National Instrument 51-102-*Continuous Disclosure Obligations*.

Investor Rights Agreement

On September 22, 2020, we entered into an investor rights agreement with Novacap, CDPQ and Fayer Holdco (collectively, the “Principal Shareholders”) with respect to certain rights of these holders of Multiple Voting Shares, including director nomination rights and registration rights (the “Investor Rights Agreement”).

This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. The Investor Rights Agreement is available on SEDAR at www.sedar.com.

Nomination Rights

Fayer Holdco is entitled to designate two members of the Board and will continue to be entitled to designate such number of directors for so long as it holds more than 50% of the number of Multiple Voting Shares it held upon completion of the IPO. Fayer Holdco will be entitled to designate one member of the Board for so long as it holds more than 25% of the number of Multiple Voting Shares it held upon completion of the IPO. In the event that Fayer Holdco holds 25% or less of the number of Multiple Voting Shares it held upon completion of the IPO and Mr. Philip Fayer is no longer acting as our Chief Executive Officer, Fayer Holdco will lose the right to designate a member of the Board.

Novacap is entitled to designate two members of the Board and will continue to be entitled to designate such number of directors for so long as it holds more than 50% of the number of Multiple Voting Shares it held upon completion of the IPO. Novacap will be entitled to designate one member of the Board for so long as it holds more than 25% of the number of Multiple Voting Shares it held upon completion of the IPO. In the event that Novacap holds 25% or less of the number of Multiple Voting Shares it held upon completion of the IPO, it will lose the right to designate a member of the Board.

CDPQ will initially be entitled to designate one member of the Board and will continue to be entitled to designate one member of the Board for so long as it holds more than 25% of the number of Multiple Voting Shares it held upon completion of the IPO. In the event that CDPQ holds 25% or less of the number of Multiple Voting Shares it held upon completion of the IPO, it will lose the right to designate a member of the Board. The nominee of CDPQ designated under the Investor Rights Agreement must be independent within the meaning of NI 52-110.

The Investor Rights Agreement also provides that, should the Company grant additional nomination rights in the future to an investor other than the Principal Shareholders, the Company will cause such other investor to exercise all voting rights under its control to vote in favour of the nominees of the Principal Shareholders, provided that such other investor may withhold from voting in favour of such nominees.

Registration Rights

The Investor Rights Agreement provides for demand registration rights in favour of the Principal Shareholders that will enable them, under certain circumstances, to require the Company to qualify by prospectus in Canada all or any portion of the shares held by them for a distribution to the public, provided that the Company will not be obliged to effect (i) more than four demand registrations in any 12-month period or (ii) any demand registration where the value of the shares offered under such demand registration is less than \$25.0 million.

The Investor Rights Agreement also provides for incidental or “piggy-back” registration rights allowing the Principal Shareholders to include their shares in certain public offerings of our Subordinate Voting Shares, subject to certain underwriters’ cutback rights.

Restrictive Covenant

The Investor Rights Agreement limits the Company's ability to prejudice the maintenance within the Province of Québec of its head office. Such restrictive covenant will continue to apply until the occurrence of the earliest of (i) CDPQ ceasing to hold at least 15% of our issued and outstanding shares (on a non-diluted basis), (ii) Philip Fayer ceasing to be the Chief Executive Officer of the Company (subject to the restrictive covenant below) or (iii) five years following the completion of the IPO.

In the event that Philip Fayer ceases to be the Chief Executive Officer of the Company, the consent of CDPQ will no longer be required if the Company wishes to transfer the Company's head office outside of the Province of Québec as long as the following three conditions are met: (i) the Chairman of the Board principally resides or is based in the Province of Québec, (ii) the Company does not implement any material downsize in its Québec operations, and (iii) at least one of the following executive functions of the Company is fulfilled by an individual that principally resides or is based in the Province of Québec: Chief Executive Officer, Chief Financial Officer or Chief Legal Officer. Such restrictive covenant will continue to apply until the occurrence of the earliest of (i) CDPQ ceasing to hold at least 15% of our issued and outstanding shares (on a non-diluted basis) or (ii) five years following the completion of the IPO.

Coattail Agreement

On September 22, 2020, we entered into a Coattail Agreement with the holders of Multiple Voting Shares. See "Description of share capital—Take-Over Bid Protection", for a summary of the Coattail Agreement.

Registration Rights Agreement

On November 2, 2020, we entered into a registration rights agreement with Coöperatieve Vereniging Smart2Pay Holding U.A. relating to the Smart2Pay Transaction in order to confer registration rights to Coöperatieve Vereniging Smart2Pay Holding U.A. For more information with respect to the Smart2Pay Transaction, see "General development of NUVEI's business—Three-Year Business Development History".

Copies of the above-listed material are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Our independent auditor, PricewaterhouseCoopers LLP, reported on the consolidated financial statements for Fiscal 2020, which were filed with the securities regulatory authorities. PricewaterhouseCoopers LLP has confirmed that it is independent with respect to the Company within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

ADDITIONAL INFORMATION

Additional information about Nuvei is available on our website at www.nuvei.com and on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans will be contained in our management information circular that will be filed in connection with our next annual meeting of shareholders. Once filed, the circular will be available on our website at www.nuvei.com and at www.sedar.com.

Additional financial information is provided in our audited consolidated financial statements and notes for Fiscal 2020 and Management's Discussion and Analysis for Fiscal 2020, available on our website at www.nuvei.com and at www.sedar.com.

References to our website in this AIF or any documents that are incorporated by reference in this AIF do not incorporate by reference the information on such website into this AIF, and we disclaim any such incorporation by reference.

GLOSSARY OF TERMS

The following is a glossary of certain industry and other defined terms used in this AIF:

“AML” means anti-money laundering;

“API” means application programming interface, a set of clearly defined methods of communication between different software components, which enables developers and resellers to create applications that can easily connect and integrate with payment processing technology platform;

“Audit Committee” means the audit committee of the Board;

“Board” means the board of directors of the Company;

“CBCA” means the *Canada Business Corporations Act*, as amended from time to time;

“CCPA” means the California Consumer Privacy Act of 2018;

“CDPQ” means CDP Investissements Inc., a wholly owned subsidiary of Caisse de dépôt et placement du Québec;

“CFPB” means the U.S. Consumer Financial Protection Bureau;

“CFPOA” means the Corruption of Foreign Public Officials Act;

“Code” means the Code of Conduct for the Credit and Debit Card Industry in Canada adopted by the Financial Consumer Agency of Canada;

“eCommerce” means internet commerce;

“EEA” means European Economic Area;

“ERP” means enterprise resource planning;

“Fayer Holdco” means Whiskey Papa Fox Inc. (formerly known as 4218868 Canada Inc.), a holding company controlled by Philip Fayer, our Chair and Chief Executive Officer;

“FCA” means the Financial Conduct Authority;

“FCPA” means the U.S. Foreign Corrupt Practices Act;

“Fiscal 2018” means the fiscal year ended December 31, 2018;

“Fiscal 2019” means the fiscal year ended December 31, 2019;

“Fiscal 2020” means the fiscal year ended December 31, 2020;

“FSMA” means the Financial Services and Markets Act 2000, as amended;

“FTC” means the U.S. Federal Trade Commission;

“gateway” means an online application that connects an eCommerce point of sale to the payment processor enabling online payment transactions;

“GDPR” means General Data Protection Regulation;

“GHRC Committee” means the governance and human resources committee of the Board;

“IFRS” means the International Financial Reporting Standards;

“INTERAC” means the national Canadian debit card service;

“IPO Joint Active Bookrunners” means Goldman Sachs Canada Inc., Credit Suisse Securities (Canada), Inc., BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc;

“ISO” means independent sales organization;

“KYC” means know your customer;

“MSB” means a money services business;

“NI 52-110” means National Instrument 52-110 – *Audit Committees*, as amended from time to time;

“Novacap” means, collectively, Novacap TMT IV, L.P., Novacap International TMT IV, L.P., NVC TMT IV, L.P., Novacap TMT V, L.P., Novacap International TMT V, L.P., Novacap TMT V-A, L.P., NVC TMT V, L.P., NVC TMT V-A, L.P. and Novacap TMT V Co-Investment (Nuvei), L.P;

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of the Treasury;

“PCI” means Payment Card Industry;

“PCMLTFA” means the Proceeds of Crime (Money Laundering) and Terrorist Financing Act;

“PIPEDA” means the Personal Information Protection and Electronic Documents Act;

“POS” means a point of sale where a transaction is completed;

“SafeCharge” means SafeCharge International Group Limited, a subsidiary of the Company;

“SafeCharge Financial” means SafeCharge Financial Services Limited, a subsidiary of the Company;

“SafeCharge Limited” means SafeCharge Limited, a subsidiary of the Company;

“Smart2Pay” means Smart2Pay Global Services B.V.;

“Smart2Pay Regco” means Smart2Pay Global Services B.V., a subsidiary of Smart2Pay;

“TSX” means the Toronto Stock Exchange;

“UDAP” means Unfair and Deceptive Acts and Practices;

“VAR” means value-added reseller.

EXHIBIT A
AUDIT COMMITTEE CHARTER

See attached.



AUDIT COMMITTEE CHARTER

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I. PURPOSE

The purpose of the Audit Committee is to assist the Board of Directors (the “**Board**”) of Nuvei Corporation (the “**Corporation**”) in its oversight of:

- A. the integrity of the financial statements, the financial reporting process and related information;
- B. the independence, qualifications and appointment and performance of the Corporation’s external auditor (the “**External Auditor**”);
- C. compliance with applicable legal and regulatory requirements;
- D. disclosure, internal controls and audit procedures (internal and external);
- E. enterprise risk management processes, treasury, tax, hedging, and financial strategies and policies; and
- F. whistleblower policy and processes.

In addition, the Audit Committee provides an avenue for communication between the External Auditor, management, and other employees of the Corporation, as well as the Board, concerning accounting and auditing matters.

The composition and meetings of the Audit Committee are subject to the requirements set forth in the articles and by-laws of the Corporation, as well as in any investor rights agreement or similar agreements which may exist from time to time between the Corporation and certain shareholders (the “**Investor Agreements**”), as well as in applicable laws and the rules of the Toronto Stock Exchange (the “**TSX**”). The present charter is not intended to limit, enlarge or change in any way the responsibilities of the Audit Committee as determined by such articles, by-laws, Investor Agreements, applicable laws and the rules of the TSX.

II. DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. The Audit Committee shall have the following duties and responsibilities:

A. FINANCIAL REPORTING AND CONTROL

- 1. Review and discuss with management and the External Auditor the following:
 - a. major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation’s selection or application of accounting principles, and issues as to the adequacy of the Corporation’s internal controls and any special audit steps adopted in light of material control deficiencies;

- b. analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the adoption of all major accounting policies and practices, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
 - c. the effect of regulatory and accounting developments, as well as any off-balance sheet arrangements, on the financial statements of the Corporation;
 - d. the type and presentation of information to be included in earnings press releases (including any use of pro-forma or non-IFRS information as well as the presentation of future oriented financial information);
 - e. any corporate governance issues which could significantly affect the financial statements; and
 - f. all matters required to be communicated to the Audit Committee under accounting policies, auditing standards or other applicable requirements.
2. Review and discuss with management and the External Auditor, report and, where appropriate, provide recommendations to the Board on the following, prior to its public disclosure:
- a. the annual and interim consolidated financial statements and the related “Management’s Discussion and Analysis”, Annual Information Forms, earnings press releases, the whole in accordance with the Corporation’s Disclosure Policy, and the integrity of the financial reporting of the Corporation;
 - b. any audit issues raised by the External Auditor and management’s response thereto, including any restrictions on the scope of the activities of the External Auditor or access to requested information and any significant disagreements with management; and
 - c. to the extent not previously reviewed by the Audit Committee, all financial statements included in any prospectus, business acquisition report or offering memoranda and all other financial reports required by regulatory authorities and/or requiring approval by the Board.
3. Review and discuss reports from the External Auditor on:
- a. all critical accounting policies and practices used by the Corporation;
 - b. all material selections of accounting policies when there is a choice of policies available under IFRS that have been discussed with management,

- including the ramifications of the use of such alternative treatment and the alternative preferred by the External Auditor;
- c. other material written communications between the External Auditor and management, and discuss such communications with the External Auditor; and
 - d. the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the financial statements.

B. OVERSIGHT OF THE EXTERNAL AUDITOR

1. Recommend to the Board the External Auditor to be nominated for the purpose of preparing the External Auditor's report as well as the External Auditor's compensation for doing so.
2. Oversee the work of the External Auditor and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required, and review, report and, provide recommendations to the Board on the appointment, terms and review of engagement, removal, independence and proposed fees of the External Auditor.
3. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the External Auditor to the Corporation and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required.
4. Pre-approve all engagements for permitted non-audit services provided by the External Auditor to the Corporation and any consolidated subsidiary, and to this effect, establish policies and procedures as appropriate for the engagement of the External Auditor to provide non-audit services.
5. Establish policies for the hiring of partners, employees and former partners and employees of the External Auditor in order to protect the independence of the External Auditor.
6. At least annually, consider, assess, and report to the Board on:
 - a. the independence of the External Auditor, including that the External Auditor's performance of permitted non-audit services does not impair the External Auditor's independence;
 - b. the External Auditor's written statement (i) delineating all relationships between the External Auditor and the Corporation; (ii) assuring that lead audit partner rotation is carried out, as required by law; and (iii)

- delineating any other relationships that may adversely affect the independence of the External Auditor; and
 - c. the evaluation of the lead audit partner, taking into account the opinions of management.
7. At least annually, obtain and review a report by the External Auditor describing:
 - a. the External Auditor's internal quality-control procedures; and
 - b. any material issues raised by the most recent internal quality-control review, or peer review of the External Auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor firm, and any steps taken to deal with any such issues.
 8. Resolve any disagreement between management and the External Auditor regarding financial reporting.
 9. Review the annual audit plan with the External Auditor.
 10. At least quarterly and when required, meet with the External Auditor in the absence of management.

C. COMPLIANCE WITH LEGAL AND ACCOUNTING REQUIREMENTS

1. Review and discuss with management, legal counsel and the External Auditor, monitor, report and, when appropriate, provide recommendations to the Board on the adequacy of the Corporation's processes for complying with laws, regulations and applicable accounting standards.
2. Review, on a periodic basis with legal counsel, the Corporation's legal compliance with respect to: (a) the legal and regulatory matters which may have a material effect on the Corporation and/or its financial statements, including with respect to pending or threatened material litigations; and (b) corporate compliance policies and codes of conduct.

D. OVERSIGHT OF THE CORPORATION'S INTERNAL CONTROL SYSTEM

1. Review and discuss with management (including the internal audit team) and the External Auditor, monitor, report and, where appropriate, provide recommendations to the Board on the following:
 - a. the Corporation's systems of internal controls over financial reporting, including information technology security and control, and any weakness, deficiency, significant finding or recommendation in relation therewith;

- b. compliance with the policies and practices of the Corporation relating to business ethics;
 - c. compliance by directors, officers and other management personnel with the Corporation's Disclosure Policy; and
 - d. the relationship of the Audit Committee with other committees of the Board, management and the Corporation's consolidated subsidiaries' audit and other committees, as appropriate.
2. Review and discuss with the Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO", and together with the CEO and the other executive officers, as appropriate, the "Executive Officers") of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
 3. Review, monitor, report, and, where appropriate, provide recommendations to the Board on the Corporation's disclosure controls and procedures.
 4. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submissions by employees regarding questionable accounting or auditing matters.

E. OVERSIGHT OF THE CORPORATION'S RISK MANAGEMENT

1. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management including the following:
 - a. the Corporation's processes for identifying, assessing and managing risks;
 - b. the Corporation's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Corporation has taken to monitor and control such exposures;
 - c. the Corporation's major security risks and security trends, including cybersecurity risks, that may impact the Corporation's operations and business; and
 - d. the Corporation's business continuity plans, including work stoppage and disaster recovery plans.
2. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's compliance with internal policies and practices regarding risk assessment and risk management and the Corporation's progress in remedying any material deficiencies thereto.

3. When appropriate, ensure that the Corporation and its consolidated subsidiaries establish risk assessment and risk management policies, and review and report thereon to the Board.
4. Review with management the credit worthiness, liquidity and important treasury matters including financial plans and strategies of the Corporation.
5. Review the corporation's tax strategy, including its tax planning and compliance with applicable tax laws.
6. Review with management any hedging strategy that may be in place from time to time, including with respect to foreign exchange and interest rate hedging, financial or physical, intended to manage, mitigate or eliminate risks relation to foreign exchange and interest rate fluctuations.
7. Review all related party transactions and actual or potential conflicts of interest.

F. INTERNAL AUDIT FUNCTION

1. Review and approve the charter, nature, scope of work and organizational structure of the internal audit function as well as the annual audit plan and any major changes thereon.
2. Ensure that the internal audit function has the necessary resources to fulfill its mandate and responsibilities.
3. Periodically review the audit plan status, including a progress report on the internal audit mandates and a follow-up on past due recommendations.
4. Review internal audit reports, including management responses, and ensure that the necessary steps are taken to follow up on important report recommendations.
5. Review with the assistance of the Executive Officers the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
6. Ensure the independence and effectiveness of the internal audit function, including by requiring that the function be free of any influence that could adversely affect its ability to objectively assume its responsibilities, by ensuring that it reports to the Audit Committee, and by meeting regularly with the lead of the internal audit function, without management being present in order to discuss, among others, the questions they raise regarding the relationship between the internal audit function and management and access to the information required.

G. WHISTLEBLOWER, ETHICS, CONDUCT AND INTERNAL CONTROLS COMPLAINT PROCEDURES

In accordance with the terms of the Whistleblower Policy, ensure that the Corporation has in place adequate procedures for:

7. The receipt, retention and treatment of complaints received by the Corporation.
8. The confidential, anonymous submission of concerns regarding questionable matters or circumstances (including allegations with respect to fraud, accounting misconduct, harassment, violence, retaliation, etc.).

III. EVALUATION OF THE AUDIT COMMITTEE AND REPORT TO BOARD

9. The Audit Committee shall evaluate and review with the Board, on an annual basis, the performance of the Audit Committee as a whole, as well as the performance of each individual member while taking into account: (i) in the case of the Audit Committee as a whole, the present Charter, and (ii) in the case of an individual member, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Audit Committee.
10. The Audit Committee shall evaluate and assess, on an annual basis, the financial literacy of the members of the Audit Committee.
11. The Audit Committee shall report to the Board periodically on the Audit Committee's activities.

IV. OUTSIDE ADVISORS

The Audit Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Audit Committee in the performance of its functions. The Corporation shall provide appropriate compensation for such advisors as determined by the Audit Committee.

V. MEMBERSHIP

The Audit Committee shall consist of such number of directors, in no event to be less than three, as the Board may from time to time by resolution determine. The members of the Audit Committee shall meet the independence test and other membership requirements (including the financial literacy requirements pursuant to National Instrument 52-110 - *Audit committees*) under applicable laws, rules and regulations and listing requirements as determined by the Board.

VI. AUDIT COMMITTEE CHAIR POSITION DESCRIPTION

The Audit Committee Chair shall be appointed by the Board. The Audit Committee Chair leads the Audit Committee in all aspects of its work and is responsible for effectively managing the affairs of the Audit Committee and ensuring that it is properly organized and functions efficiently. More specifically, the Audit Committee Chair shall:

- A. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;

- B. Ensure that there is an effective relationship between management and the members of the Audit Committee;
- C. Chair meetings of the Audit Committee;
- D. In consultation with the Board Chair, the Lead Director, the Corporate Secretary, the Executive Officers, determine the frequency, dates and locations of meetings of the Audit Committee;
- E. In consultation with the Executive Officers, review the annual work plan and the meeting agendas to ensure all required business is brought before the Audit Committee to enable it to efficiently carry out its duties and responsibilities;
- F. Ensure, in consultation with the Board Chair and Lead Director, that all items requiring the Audit Committee's approval, are appropriately tabled;
- G. Ensure the proper flow of information to the Audit Committee and review, with the Executive Officers and the Corporate Secretary the adequacy and timing of materials in support of management's proposals;
- H. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board following any meeting of the Audit Committee; and
- I. Carry out any special assignments or any functions as requested by the Board.

VII. TERM

The members of the Audit Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of the shareholders, or until their successors are so appointed.

VIII. PROCEDURES FOR MEETINGS

Meetings of the Audit Committee may be called by any member of the Audit Committee or the External Auditor. The Audit Committee shall fix its own procedure at meetings and for the calling of meetings. The Audit Committee will meet at least each quarter and otherwise as necessary. The Audit Committee shall meet separately in an "in-camera" session, in the absence of management and the External Auditor, at each regularly scheduled meeting. The Audit Committee will also meet with the External Auditor without management being present.

The Audit Committee may invite any directors, officers or employees of the Corporation or any other person to attend meetings of the Audit Committee to assist in the discussion and examination of the matters under consideration by the Audit Committee. The External Auditor shall receive notice of and attend, at the expense of the Corporation, each meeting of the Audit Committee.

IX. QUORUM AND VOTING

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Audit Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

X. SECRETARY

Unless otherwise determined by resolution, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Audit Committee.

XI. VACANCIES

Vacancies at any time occurring shall be filled by resolution of the Board.

XII. LIMITATION ON DUTIES

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present charter is intended to require the Audit Committee to ensure the Corporation's compliance with applicable laws or regulations.

In contributing to the Audit Committee's discharge of its duties under this charter, each member shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this charter is intended or may be construed as imposing on any member a standard of care or diligence that is in any way more onerous or extensive than the standard to which the member of the Board are subject.

The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. The terms contained herein are not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

XIII. RECORDS

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

XIV. ACCESS TO INFORMATION AND AUTHORITY

The Audit Committee will be granted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the members of the Audit Committee. The Audit

Committee also has the authority to communicate directly with the External Auditor, the CFO, the lead of the internal audit function as well as any other employee of the Corporation as it deems necessary.

XV. REVIEW OF CHARTER

The Audit Committee will annually review and assess the adequacy of this Charter and recommend to the Board any proposed changes for consideration. The Board may amend this Charter, as required.

Nuvei Corporation

Consolidated Financial Statements

Years ended December 31, 2020 and 2019

(in thousands of US dollars)



Independent auditor's report

To the Shareholders of Nuvei Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Nuvei Corporation and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of profit or loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

PwC refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of intangible assets acquired in the Smart2Pay Technology & Services B.V. (Smart2Pay) business combination</p> <p><i>Refer to note 2 – Basis of preparation and note 4 – Business acquisitions to the consolidated financial statements.</i></p> <p>On November 2, 2020, the Company acquired Smart2Pay for a total cash consideration of \$81.9 million, subject to closing adjustments, and 6,711,923 Subordinate Voting Shares issued from the Company's treasury at a fair value of \$37.95 per share, which is based on the quoted price of the Subordinate Voting Shares on the Toronto Stock Exchange (TSX) on the closing date. The fair value of the intangible assets acquired included \$103.5 million of partner and merchant relationships and \$63.1 million of technologies. Management applied critical judgment in determining the fair value of the intangible assets.</p> <p>To estimate the fair value of the intangible assets, management used the excess earnings method to value partner and merchant relationships and the royalty relief method to value technologies using discounted cash flow models. Management developed significant assumptions related to revenue and gross margin forecasts, partner and merchant attrition rates, royalty rates and discount rates.</p>	<p>Our approach to address the matter included the following procedures, among others:</p> <ul style="list-style-type: none">· Tested how management estimated the fair value of the intangible assets, which included the following:<ul style="list-style-type: none">– Read the purchase agreement.– Evaluated the appropriateness of management's excess earnings and royalty relief methods and discounted cash flow models and tested the mathematical accuracy thereof.– Tested the underlying data used by management in the discounted cash flow models.– Evaluated the reasonableness of assumptions developed by management related to revenue and gross margin forecasts and attrition rates by considering the past performance of Smart2Pay and similar prior acquisitions made by the Company.– Evaluated the reasonableness of assumptions used by management related to royalty rates by comparing to similar prior acquisitions made by the Company and industry data.



Key audit matter

How our audit addressed the key audit matter

We considered this a key audit matter due to the critical judgment applied by management in estimating the fair value of the intangible assets, including the development of assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the significant assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.

Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of management's excess earnings and royalty relief methods and discounted cash flow models, as well as certain assumptions such as discount rates.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michel Larouche.

/s/ PricewaterhouseCoopers LLP

Montréal, Quebec
March 9, 2021

Nuvei Corporation
Consolidated Statements of Financial Position
As at December 31, 2020 and 2019

(in thousands of US dollars)

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash	28	180,722	60,072
Trade and other receivables	5	32,055	32,765
Inventory	6	80	709
Prepaid expenses		4,727	2,268
Income taxes receivable	18	6,690	—
Current portion of advances to third parties	9	8,520	8,901
Current portion of contract assets		1,587	1,720
Total current assets before segregated funds		234,381	106,435
Segregated funds		443,394	200,612
Total current assets		677,775	307,047
Non-current assets			
Advances to third parties	9	38,478	42,584
Property and equipment	7	16,537	15,272
Intangible assets	8	524,232	408,380
Goodwill	8	969,820	768,497
Contract assets		1,300	1,426
Processor deposits		13,898	12,478
Other non-current assets		1,944	3,088
Total Assets		<u>2,243,984</u>	<u>1,558,772</u>
Liabilities			
Current liabilities			
Trade and other payables	10	64,779	51,258
Income taxes payable	18	7,558	2,866
Current portion of loans and borrowings	12	2,527	2,874
Other current liabilities	11	7,132	9,875
Liability classified common shares	17	—	58,262
Liability classified preferred shares	17	—	39,967
Total current liabilities before due to merchants		81,996	165,102
Due to merchants		443,394	200,612
Total current liabilities		525,390	365,714
Non-current liabilities			
Loans and borrowings	12	212,726	722,166
Deferred tax liabilities	18	46,320	12,976
Other non-current liabilities	11	1,659	4,875
Unsecured convertible debentures due to shareholders	14	—	109,022
Total Liabilities		<u>786,095</u>	<u>1,214,753</u>
Equity			
Equity attributable to shareholders			
Share capital	17	1,625,785	450,523
Contributed surplus		11,966	1,603
Deficit		(211,042)	(104,812)
Accumulated other comprehensive income (loss)		22,470	(10,385)
		1,449,179	336,929
Non-controlling interest		8,710	7,090
Total Equity		<u>1,457,889</u>	<u>344,019</u>
Total Liabilities and Equity		<u>2,243,984</u>	<u>1,558,772</u>
Contingencies	19		

Approved by the Board of Directors

(signed) Philip Fayer

Chair of the Board

(signed) Michael Hanley

Chair of the Audit Committee

The accompanying notes are an integral part of these consolidated financial statements.

Nuvei Corporation

Consolidated Statements of Profit or Loss and Comprehensive Loss

For the years ended December 31, 2020 and 2019

(in thousands of US dollars, except for share and per share amounts)

	Note	2020 \$	2019 \$
Revenue	16	375,046	245,816
Cost of revenue	16	69,255	40,758
Gross profit		<u>305,791</u>	<u>205,058</u>
Selling, general and administrative expenses	16	241,690	193,770
Operating profit		<u>64,101</u>	<u>11,288</u>
Finance income	15	(5,427)	(5,188)
Finance costs	15	170,111	90,640
Net finance costs		<u>164,684</u>	<u>85,452</u>
Loss before income tax		<u>(100,583)</u>	<u>(74,164)</u>
Income tax expense (recovery)	18	3,087	(4,699)
Net loss		<u>(103,670)</u>	<u>(69,465)</u>
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss Foreign operations – foreign currency translation differences		32,855	(9,225)
Total comprehensive loss		<u>(70,815)</u>	<u>(78,690)</u>
Net income (loss) attributable to:			
Common shareholders of the Company		(106,230)	(70,502)
Non-controlling interest		2,560	1,037
		<u>(103,670)</u>	<u>(69,465)</u>
Comprehensive income (loss) attributable to:			
Common shareholders of the Company		(73,375)	(79,727)
Non-controlling interest		2,560	1,037
		<u>(70,815)</u>	<u>(78,690)</u>
Net loss per share	22		
Net loss per share attributable to common shareholders of the Company (basic and diluted)		(1.08)	(1.15)
Weighted average number of common shares outstanding (basic and diluted)		98,681,060	61,483,675

The accompanying notes are an integral part of these consolidated financial statements.

Nuvei Corporation
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019

(in thousands of US dollars)

	Note	2020 \$	2019 \$
Cash flows from (used in) operating activities			
Net loss		(103,670)	(69,465)
Adjustments for:			
Depreciation of property and equipment	7	5,121	3,682
Amortization of intangible assets	8	64,552	47,443
Amortization of contract assets		2,114	2,323
Share-based payments	24	10,407	994
Net finance costs	15	164,684	85,452
Impairment on disposal of a subsidiary	13	338	—
Write-down of inventory to net realizable value	6	513	134
Income tax expense (recovery)	18	3,087	(4,699)
Changes in non-cash working capital items	26	10,061	2,667
Interest paid		(43,788)	(43,197)
Net realized loss on foreign currency exchange		(5,937)	—
Income taxes paid		(14,223)	(2,629)
		<u>93,259</u>	<u>22,705</u>
Cash flows from (used in) investing activities			
Business acquisitions, net of cash acquired	4	(67,537)	(780,196)
Decrease (increase) in other non-current assets		(1,683)	1,158
Proceeds from the sale of a subsidiary, net of cash	13	19,045	—
Sale of equity investments	21	—	28,600
Net decrease (increase) in advances to third parties	9	9,401	(14,531)
Acquisition of property and equipment	7	(3,395)	(1,825)
Acquisition of intangible assets	8	(14,448)	(8,595)
		<u>(58,617)</u>	<u>(775,389)</u>
Cash flows from (used in) financing activities			
Transaction costs related to loans and borrowings	12	(3,380)	(28,833)
Repayment of unsecured convertible debentures due to shareholders	14	(93,384)	(100,500)
Issuance of Subordinate Voting Shares	17	758,447	—
Equity issuance fees	17	(42,966)	—
Issuance of common shares	17	150	187,295
Proceeds from loans and borrowings	12	110,000	629,509
Repayment of loans and borrowings	12	(642,786)	(157,496)
Payment of lease liabilities	12	(946)	(939)
Dividend paid to non controlling interest		(940)	(360)
Redemption of preferred shares	17	—	(2,299)
Issuance of preferred shares	17	—	81,240
Issuance of unsecured convertible debentures due to shareholders	14	—	199,000
		<u>84,195</u>	<u>806,617</u>
Effect of movements in exchange rates on cash		<u>1,813</u>	<u>69</u>
Net increase in cash		<u>120,650</u>	<u>54,002</u>
Cash – Beginning of year		<u>60,072</u>	<u>6,070</u>
Cash – End of year		<u><u>180,722</u></u>	<u><u>60,072</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Nuvei Corporation
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019

(in thousands of US dollars)

	Note	Attributable to shareholders of the Company				Non-controlling interest \$	Total equity \$
		Share capital \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive income (loss) \$		
Balance as at December 31, 2018		168,203	609	(34,310)	(1,160)	—	133,342
Contributions and distributions							
Share issuance	17	282,320	—	—	—	—	282,320
Equity-settled share-based payment	24	—	994	—	—	—	994
Business acquisition		—	—	—	—	6,413	6,413
Dividend paid to non-controlling interest		—	—	—	—	(360)	(360)
Net income (loss) and comprehensive income (loss)		—	—	(70,502)	(9,225)	1,037	(78,690)
Balance as at December 31, 2019		<u>450,523</u>	<u>1,603</u>	<u>(104,812)</u>	<u>(10,385)</u>	<u>7,090</u>	<u>344,019</u>
Contributions and distributions							
Share issuance	17	920,525	(44)	—	—	—	920,481
Share redemption	17	(1)	—	—	—	—	(1)
Equity-settled share-based payment	24	—	10,407	—	—	—	10,407
Business acquisition		254,738	—	—	—	—	254,738
Dividend paid to non-controlling interest		—	—	—	—	(940)	(940)
Net income (loss) and comprehensive income (loss)		—	—	(106,230)	32,855	2,560	(70,815)
Balance as at December 31, 2020		<u>1,625,785</u>	<u>11,966</u>	<u>(211,042)</u>	<u>22,470</u>	<u>8,710</u>	<u>1,457,889</u>

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands of US dollars, except for share and per share amounts)

1 Reporting entity and reorganization

Nuvei Corporation (“Nuvei” or the “Company”) is a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America and is domiciled in Canada with its registered office located at 1100 René-Lévesque Blvd, 9th floor, Montreal, Quebec, Canada. Nuvei is the ultimate parent of the group and was incorporated on September 1, 2017 under the Canada Business Corporations Act (“CBCA”) under the name 10390461 Canada Inc. and changed its name to Pivotal Development Corporation Inc. on September 21, 2017 and to Nuvei Corporation on November 27, 2018.

On September 21, 2017, through a series of transactions, Nuvei acquired 100% of Pivotal Holdings Ltd.

On September 22, 2020, the Company was amalgamated with its subsidiary Nuvei Holdings Corporation (“NHC”), previously known as Pivotal Holdings Corporation (“PHC”).

Also on September 22, 2020, the Company completed an initial public offering (“IPO”) and its shares began trading on the Toronto Stock Exchange (“TSX”) under the symbols “NVEI” and “NVEI.U”.

2 Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements for the years ended December 31, 2020 and 2019 were authorized for issue by the Company’s Board of Directors on March 8, 2021.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for:

- Advances to third parties (note 9), contingent considerations and put option liability (note 11), and investments, which are measured at fair value; and
- Share-based compensation transactions, which are measured pursuant to IFRS 2, *Share-based Payment* (note 24).

Use of judgments and estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(in thousands of US dollars, except for share and per share amounts)

Estimates, judgments and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Judgments

Critical judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements include the following:

- Revenue recognition (note 3):

The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocations between identified performance obligations, the use of appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligations satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgment and use of assumptions. In addition, the Company has applied judgment in assessing the principal versus agent considerations for its transaction and processing services.

- Determining the fair value of identifiable intangible assets following a business combination (note 4)

The Company uses valuation techniques to determine the fair value of identifiable intangible assets acquired in a business combination, which are generally based on a forecast of total expected future net discounted cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the related assets and the discount rate applied as it would be assumed by a market participant.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

- Estimating the recoverable amount of goodwill (note 8);
- Estimating the provision for losses on merchant accounts (note 11);
- Estimating the recoverable amount of tax balances for recognition of tax assets (note 18); and
- Estimating the fair value of share-based payment transactions (note 24).

COVID-19 impact on judgments, assumptions and estimation uncertainties

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict.

(in thousands of US dollars, except for share and per share amounts)

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we do business. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. Accordingly, there is a higher level of uncertainty with respect to management's judgments, assumptions and estimates.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Company's subsidiaries, unless otherwise indicated.

Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in US dollars, which is also the Company's functional currency.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are recognized in profit or loss.

Foreign operations

The assets and liabilities of foreign operations whose functional currency is not the US dollar, including goodwill and fair value adjustments arising on acquisition, are translated to US dollars at the exchange rates at the reporting date. The revenue and expenses of foreign operations are translated into US dollars at the average exchange rate for the period.

Foreign currency differences are recognized in other comprehensive income (loss) in the cumulative translation reserve (accumulated other comprehensive income (loss)), except to the extent that the translation difference is allocated to the non-controlling interest.

(in thousands of US dollars, except for share and per share amounts)

Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, and any liability and equity interests issued by the Company on the date control of the acquired company is obtained. The consideration transferred includes the fair value of any asset or a liability resulting from a contingent consideration arrangement. Contingent consideration is subsequently remeasured at fair value, with any resulting gain or loss recognized and included in the consolidated statements of profit or loss and comprehensive loss. Contingent consideration that is payable contingent upon key employees' continued employment with the Company is expensed over the service period. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are generally measured initially at their fair values at the acquisition date. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in the consolidated statements of profit or loss and comprehensive loss as a gain from a bargain purchase.

Transaction costs, other than those associated with the issue of debt or equity securities, and other direct costs of a business combination are not considered part of the business acquisition transaction and are expensed as incurred.

Basis of consolidation*Subsidiaries*

Subsidiaries are all entities over which the Company has control. Control exists when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company's principal subsidiaries, their jurisdiction of incorporation and the Company's percentage ownership share of each are as follows:

Subsidiary	Jurisdiction of incorporation	Ownership percentage
SafeCharge International Group Limited	Guernsey	100%
Nuvei Technologies Corp.	Canada	100%
Nuvei Technologies Inc.	United States	100%
Loan Payment Pro	United States	60%
Smart2Pay Technology & Services B.V.	Netherlands	100%

(in thousands of US dollars, except for share and per share amounts)

Non-controlling interest

In the case of a business combination involving less than 100% of ownership interests, a non-controlling interest is measured either at fair value or at the non-controlling interest's share of the identifiable net assets of the acquiree. The basis of measurement is determined on a transaction-by-transaction basis. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized revenue and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Revenue from contracts with customers

Performance obligations and revenue recognition policies

Revenues are recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for these goods and services. The following describes the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Merchant transaction and processing services

Revenue from the Company's merchant transaction and processing services revenues are derived primarily from retail point-of-sale and e-commerce payment processing services, and stem from relationships with individual merchants. Additionally, transaction and processing services revenues stem from contracts with financial institutions and other merchant acquirers, the terms of which generally range from three to five years. The contracts stipulate the types of services and set forth how fees will be incurred and calculated. Merchant transaction and processing services revenues are generated from processing electronic payment transactions for merchants.

The Company's transaction and processing revenues primarily comprise (a) fees calculated based on a percentage of monetary value of transactions processed; (b) fees calculated based on number of transactions processed; (c) service fees; or (d) some combination thereof that are associated with transaction and processing services.

The Company's promise to its customers is to stand ready to process transactions the customer requests on a daily basis over the contract term. The Company has determined that the merchant transaction and processing services represent a stand-ready series of distinct days of service that are substantially the same and have the same pattern of transfer to the customer. As a result, the Company has determined that merchant arrangements for transaction and processing services represent one performance obligation. Substantially all of the Company's revenues are recognized over time as a daily series over the term of the contracts.

(in thousands of US dollars, except for share and per share amounts)

To provide the transaction and processing services, the Company routes and clears each transaction, and obtains authorization for the transaction and requests funds settlement from the card issuing financial institution, through the applicable payment network. When third parties are involved in the transfer of goods or services to a customer, the Company considers the nature of each specific promised good or service and applies judgment to determine whether it controls the good or service before it is transferred to a customer or whether it is acting as an agent of the third party. To determine whether or not it controls the good or service before it is transferred to the customer, the Company assesses a number of indicators including whether it or the third party is primarily responsible for fulfillment and which party has discretion in determining pricing for the good or service. Based on the Company's assessment of these indicators, it has concluded that its promise to the customer to provide transaction and processing services is distinct from the services provided by the card issuing financial institutions and payment networks in connection with payment transactions. When the Company does not have the ability to direct the use of and obtain substantially all of the benefits of the services provided by the card issuing financial institutions and payment networks before these services are transferred to the customer, and on that basis, it does not control these services prior to being transferred to the customer, the Company presents revenues net of the interchange fees charged by the card issuing financial institutions and the fees charged by the payment networks. In all other instances, the transaction and processing services revenue is reported on a gross basis, as the Company has determined it is the principal in the arrangement.

Since the timing and quantity of transactions to be processed by the Company is not determinable in advance, and the consideration received is contingent upon the customers' uses (e.g. a percentage of the transaction value or a fixed fee per transaction, number of payment transactions processed, or number of cards on file), the total transaction price is variable. The Company has determined that the performance obligation to provide merchant transaction and processing services meets the allocation of variable consideration exception criteria in that (a) the terms of the variable payment relate specifically to the entity's efforts to satisfy the performance obligation or transfer the distinct service and (b) allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service is consistent with the allocation objective when considering all of the performance obligations and payment terms in the contract. As a result, the Company allocates and recognizes variable consideration in the period it has the contractual right to invoice the customer.

Other revenues

The Company may sell hardware ("point-of-sale equipment") as part of its contracts with customers. Hardware consists of terminals or gateway devices. The Company does not manufacture hardware but purchases hardware from third-party vendors and holds the hardware in inventory until purchased by a customer. The Company accounts for sales of hardware as a separate performance obligation and recognizes the revenue at its stand-alone selling price when a customer obtains control of the hardware, which is generally when the hardware is shipped.

Segregated funds and due to merchants

Segregated funds represent amounts held in segregated bank accounts, which are held on behalf of merchants where the Company is in the flow of funds in the settlement transaction cycle. A corresponding liability (due to merchants) is recognized for the amounts to be settled to merchants. The segregated bank accounts are held with the Company's banks and are segregated from operating funds. Both the segregated funds and the due to merchants are derecognized when the transaction is settled.

Nuvei Corporation

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(in thousands of US dollars, except for share and per share amounts)

Contract assets

Contract assets consist of costs to obtain contracts with customers, including employee sales commissions and fees to third party agents. At contract inception, the Company capitalizes such costs that it expects to recover and that would not have been incurred if the contract had not been obtained.

Consistent with the basis of transfer of the processing services to the customer, contract assets are amortized on a straight-line basis, over the expected period of contract benefit (ranging from three to five years), beginning when the accounts are activated and producing revenues. Amortization of contract assets is recorded in selling, general and administrative expense in the Company's consolidated statement of profit or loss and comprehensive loss. Costs to obtain a contract with an expected period of benefit of one year or less are recognized as an expense when incurred.

Contract assets are evaluated for impairment by comparing, on a pooled basis, the expected future net cash flows underlying customer contracts to the carrying amount of the capitalized contract costs.

Inventory

Inventory consists of point-of-sale terminals and is measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out method. Net realizable value is defined as the estimated selling price in the ordinary course of business, less selling expenses.

Property and equipment*Recognition and measurement*

Property and equipment are recorded at cost, less accumulated depreciation and accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognized in profit or loss as follows:

Assets	Period
Terminals	3 to 5 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	Lease term – 5 to 10 years
Right-of-use assets – Buildings	Lease term – 2 to 10 years

(7)

(in thousands of US dollars, except for share and per share amounts)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill represents the excess of the purchase price over the fair values of the net assets of entities acquired at their respective dates of acquisition. Goodwill is carried at cost less accumulated impairment losses.

Research and development of software

The Company develops software that is used in providing processing services to customers.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is carried at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets

Other intangible assets, including trademarks, technologies and partner and merchant relationships, that are acquired by the Company and have finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in profit or loss. Goodwill is not amortized.

(in thousands of US dollars, except for share and per share amounts)

The estimated useful lives for current and comparative periods are as follows:

Assets	Period
Development costs – Computer software	3-5 years
Trademarks	3-15 years
Technologies	3-15 years
Partner and merchant relationships	5-15 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and are adjusted if appropriate.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets 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 for impairment annually on October 1 and whenever an impairment trigger is identified.

For impairment testing purposes, assets that cannot be tested individually are grouped to form the smallest group of assets generating cash inflows that are largely independent of the cash inflows from other assets or groups of assets ("cash-generating units" or "CGUs"). Goodwill is allocated to the CGU or CGU group that is expected to benefit from the synergies resulting from the business combination. Each unit or group of units to which goodwill is allocated is not to be larger than an operating segment.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third party independent appraisals, as considered necessary. To estimate value in use, management estimates future cash flows from each asset or CGU, which are then discounted using a pre-tax discount rate that reflects current market appraisals of the time value of money and of risks of the specific asset. The data used for the impairment tests are directly related to the most recent forecast approved by the Company and are adjusted as needed to exclude the impact of future restructuring and improvements to assets.

Impairment losses are recognized in profit and loss. When recognized as CGUs, impairment losses are first allocated to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis on the basis of the carrying amount of each asset in the CGU.

Goodwill impairment losses are not reversed. Impairment losses on non-financial assets other than goodwill are assessed at each reporting date for any indications that the loss has decreased or has been eliminated. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recorded.

(in thousands of US dollars, except for share and per share amounts)

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

Provision for losses on merchant accounts

Disputes between a cardholder and a merchant arise periodically, primarily as a result of customer dissatisfaction with merchandise quality or merchant services. Such disputes may not be resolved in the merchant's favor. In these cases, the transaction amount is refunded to the customer by the card issuing financial institution, but the financial institution is refunded by the Company. The Company then charges back to the merchant the amount refunded to the financial institution. As such, the Company is exposed to credit risk in relation to the merchant since the Company assumes the repayment to the merchant's customer for the full amount of the transaction even if the merchant has insufficient funds to reimburse the Company.

A provision for losses on merchant accounts is maintained to absorb chargebacks for merchant transactions that have been previously processed and on which revenues have been recorded. The provision for losses on merchant accounts specifically comprises identifiable provisions for merchant transactions for which losses can be estimated. Management evaluates the risk for such transactions and estimates the loss for disputed transactions based primarily on historical experience and other relevant factors. Management analyzes the adequacy of its provision for losses on merchant accounts in each reporting period.

The net charge for the provision for merchant losses is included in selling, general and administrative expenses in the consolidated statement of profit or loss and comprehensive loss.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets are presented within property and equipment.

(in thousands of US dollars, except for share and per share amounts)

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. Lease terms range from zero to ten years for facilities. 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 Company's incremental borrowing rate unless the interest rate implicit in the lease can be readily determined.

Lease payments included in the measurement of the lease liability comprise:

- 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; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

At commencement or on modification of a contract that contains a lease component, the Company has elected not to separate non-lease components and instead to account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

(in thousands of US dollars, except for share and per share amounts)

Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

Financial instruments are classified into the following specified categories: amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition. The Company’s financial instruments have been classified as follows:

Financial instruments	Classification
<i>Financial assets</i>	
Cash	Amortized cost
Segregated funds	Amortized cost
Trade and other receivables	Amortized cost
Advances to third parties	FVTPL
Processor deposits	Amortized cost
Investments	FVTPL
<i>Financial liabilities</i>	
Trade and other payables	Amortized cost
Due to merchants	Amortized cost
Loans and borrowings	Amortized cost
Put option liability and contingent consideration	FVTPL
Unsecured convertible debentures due to shareholders	Amortized cost
Liability classified common shares	Amortized cost
Liability classified preferred shares	Amortized cost

Financial assets classified and measured at amortized cost are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured using the effective interest method, less any impairment loss if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

Interest income or expense is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Financial assets that do not meet the above conditions are classified and measured at FVTPL and any transaction costs are expensed as incurred.

(in thousands of US dollars, except for share and per share amounts)

A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value are measured at fair value and net gains and losses, including interest expense, are recognized in profit or loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes 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 recognized 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 recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statements of financial position only when the Company has a legal right to set off the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of non-derivative financial assets

At each reporting date, the Company recognizes loss allowances for expected credit losses (“ECL”) on financial assets carried at amortized cost.

The Company’s trade and other receivables are accounts receivable with no financing component and have maturities of less than 12 months, and as such the Company applies the simplified approach for ECLs. As a result, the Company does not track changes in credit risk related to its trade and other receivables, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For other financial assets subject to impairment, the Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(in thousands of US dollars, except for share and per share amounts)

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company uses the provision matrix as a practical expedient to measure ECLs on accounts receivable, based on days past due for groupings of receivables with similar loss patterns. Accounts receivable are grouped based on their nature. The provision matrix is based on historical and experience observed loss rates over the expected life of the receivables with merchants and processors, and is adjusted for forward-looking estimates. The Company also considers collection experience and makes estimates regarding collectability based on trends and aging.

Share capital

Common shares

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of tax effects.

Prior to the IPO on September 22, 2020, certain Class A common shares, Series A, for which a holder had a put option to require the Company to purchase all or part of the common shares at any time at fair value in exchange for cash were classified as financial liabilities.

Preferred shares

Prior to the IPO on September 22, 2020, the Company had preferred shares outstanding.

Redeemable preferred shares were classified as financial liabilities because they were redeemable in cash by the holders. Any dividends thereon were recognized as interest expense in profit or loss as they were accrued.

Non-redeemable preferred shares were classified as equity because they bore discretionary dividends, did not contain any obligations to deliver cash or other financial assets and did not require settlement in a variable number of the Company's equity instruments.

Share-based payment arrangements

The grant date fair value of equity-settled share-based arrangements granted to directors, officers, employees and consultants is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards with which the related service is expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service at the vesting date.

(in thousands of US dollars, except for share and per share amounts)

When share-based arrangements have been communicated and service inception date is deemed to have occurred but a shared understanding of the terms and conditions of the arrangement has not been reached, an expense, with a corresponding increase in equity, is recognized over the vesting period of the awards based on the best estimate of fair value at grant date. A shared understanding of the terms and conditions is not met if the outcome of the arrangement is based primarily on subjective factors. The fair value at grant date will be revised at every reporting period until the uncertainty is resolved or lapses.

Net loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing net loss attributable to common shareholders of the Company, adjusted as necessary for the impact of potentially dilutive securities, by the weighted average number of common shares outstanding during the year and the impact of securities that would have a dilutive effect on loss per share.

Income taxes

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

The Company recognizes the tax benefit from an uncertain tax position only if it is probable that the tax position will be sustained based on its technical merits. The Company measures and records the tax benefits from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company's estimated liabilities related to these matters are adjusted in the period in which the uncertain tax position is effectively settled, the statute of limitations for examination expires or when additional information becomes available.

Current income taxes

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 in respect of previous years.

(in thousands of US dollars, except for share and per share amounts)

Deferred income taxes

Deferred tax is recognized 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 recognized for the following temporary differences: 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, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for 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 the entities intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Investment tax credits and other government grants

Government grants, consisting of grants and investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met or will meet the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

The Company incurs research and development expenditures which are eligible for scientific research and experimental development (SR&ED) tax credits. Refundable investment tax credits are recorded as SR&ED tax credits in the consolidated statements of profit or loss and comprehensive loss when there is reasonable assurance that the credits will be realized. Non-refundable SR&ED tax credits, which are deductible against income taxes otherwise payable, are recorded in income as a reduction of the related research and development expenses when there is reasonable assurance that the credits will be realized.

The SR&ED tax credits recorded are based on management's best estimate of amounts expected to be recovered and are subject to audit by taxation authorities. To the extent that actual SR&ED tax credits differ from the estimate, those differences are recorded in the period of assessment by taxation authorities as an adjustment of the items to which they relate.

(in thousands of US dollars, except for share and per share amounts)

New accounting standards and interpretations adopted

A number of amendments to existing standards issued by the IASB have been applied in preparing these consolidated financial statements.

Amendments to references to conceptual framework in IFRS standards

On March 29, 2018, the IASB issued a revised version of its *Conceptual Framework*, which included the following main improvements:

- New concepts on measurement, including factors to be considered when selecting a measurement basis;
- New concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income;
- New guidance on when assets and liabilities are removed from financial statements;
- Updated definitions of an asset and liability;
- Updated criteria for including assets and liabilities in financial statements; and
- Clarifications of prudence, stewardship, measurement uncertainty and substance over form.

The amendments had no material impact on these consolidated financial statements.

Definition of a business (amendments to IFRS 3, Business Combinations)

On January 1, 2020, the Company adopted amendments to IFRS 3, *Business Combinations* that seek to clarify whether an acquisition results in a business acquisition or a group of assets. The amended definition of a business will have a narrow scope, stating that the process must be substantial, and that the inputs and the process must together have the capacity to contribute significantly to the creation of outputs. In addition, the definition of output will be reduced to the concept of goods and services to customers, whereas the previous definition emphasized returns in the form of dividends. The amendments will also include an optional fair value concentration test that simplifies the assessment of whether an acquisition results in a business acquisition or a group of assets.

The amendments had no material impact on these consolidated financial statements.

Definition of material (amendments to IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)

On October 31, 2018, the IASB clarified the definition of materiality. Following this amendment, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

This amendment had no material impact on these consolidated financial statements.

(in thousands of US dollars, except for share and per share amounts)

IFRS 16 – COVID-19-related rent concessions

On May 28, 2020, the IASB published an amendment to IFRS 16, *Leases*, that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification.

This amendment had no impact on these consolidated financial statements.

New accounting standards and interpretations issued but not yet adopted

A number of amendments to existing standards issued by the IASB are mandatory but not yet effective for the year ended December 31, 2020. The Company is still assessing the impact of these amendments, if any, on its consolidated financial statements.

Amendments to references to conceptual framework in IFRS Standards

This amendment replaces references to the 2010 Conceptual Framework for Financial Reporting with references to the 2018 Conceptual Framework for Financial Reporting in order to determine what constitutes an asset or liability in a business combination, add a new exception for certain liabilities and contingent liabilities to refer to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, rather than to the 2018 Conceptual Framework, and clarify that an acquirer should not recognize contingent assets at the acquisition date. The amendments are effective for business combinations occurring in reporting periods starting on or after January 1, 2022. Earlier application is permitted.

Amendments to liability classification

On January 23, 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* (the amendments), to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- * The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists;
- * Management expectations about events after the consolidated statement of financial position date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant; and
- * The amendments clarify the situations that are considered settlement of a liability.

The amendments are applicable to annual periods beginning on or after January 1, 2023.

(in thousands of US dollars, except for share and per share amounts)

4 Business acquisitions

Transaction for the year ended December 31, 2020

a) Smart2Pay Technology & Services B.V. (“Smart2Pay”)

On November 2, 2020, the Company acquired Smart2Pay, a payment services provider headquartered in the Netherlands. The fair value of the consideration transferred consisted of cash paid of €70,900 (\$81,927), subject to closing adjustments, and 6,711,923 Subordinate Voting Shares issued from the Company’s treasury at a fair value of \$37.95 per share, which is based on the quoted price of the Subordinate Voting Shares on the TSX on the closing date.

To estimate the fair value of the intangible assets, management used the excess earnings method to value partner and merchant relationships and the royalty relief method to value technologies using discounted cash flow models. Management developed assumptions related to revenue and gross margin forecasts, partner and merchant attrition rates, royalty rates and discount rates.

Smart2Pay contributed revenues of \$9,753 and net income of \$2,029 to the Company for the period from the acquisition date to December 31, 2020. The net income contribution includes the amortization of identifiable intangible assets acquired. Acquisition costs of \$4,044 have been expensed and recorded under selling, general and administrative expenses in the consolidated statement of profit or loss and comprehensive loss for the year ended December 31, 2020.

(in thousands of US dollars, except for share and per share amounts)

The following table summarizes the preliminary amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value \$
Assets acquired	
Cash	14,390
Segregated funds	25,534
Trade and other receivables	89
Prepays	88
Other assets	96
Property and equipment	276
Right-of-use asset	95
Intangible assets:	
Technologies	63,093
Partner and merchant relationships	103,503
Goodwill (not deductible for income tax purposes)	198,439
	<u>405,603</u>
Liabilities assumed	
Trade and other payables	(1,026)
Due to merchants	(25,534)
Lease liabilities	(97)
Income tax payable	(631)
Deferred income taxes	(41,650)
	<u>336,665</u>
Total cash consideration paid	<u>81,927</u>
Subordinate Voting Shares issued	<u>254,738</u>
Total	<u><u>336,665</u></u>

Goodwill arising from this acquisition mainly consists of future growth, expected synergies and assembled workforce, which were not recorded separately since they do not meet the recognition criteria for identifiable intangible assets.

To finance a portion of the cash consideration noted above, on November 2, 2020, the Company also increased its credit facility (see note 12) by amending its credit agreement to add a term loan of \$10,000.

Transactions for the year ended December 31, 2019

b) SafeCharge International Group Limited (“SafeCharge”)

On August 1, 2019, the Company acquired SafeCharge, a European-based payment service company, for a total cash consideration of \$872,491. SafeCharge provides global omni-channel payment services from card acquiring and issuing to payment processing and checkout. Prior to the transaction, SafeCharge had been listed on the AIM market of the London Stock Exchange.

(in thousands of US dollars, except for share and per share amounts)

SafeCharge contributed revenues of \$55,853 and net income of \$11,643 to the Company for the period from the acquisition date to December 31, 2019. The net income contribution includes the amortization of identifiable intangible assets acquired. Acquisition costs of \$11,425 have been expensed and recorded under selling, general and administrative expenses in the consolidated statement of profit or loss and comprehensive loss for the year ended December 31, 2019.

The following table summarizes the final recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value \$
Assets acquired	
Cash	96,343
Segregated funds	162,177
Trade and other receivables	6,518
Other assets	44,362
Property and equipment	6,651
Right-of-use asset	4,645
Intangible assets:	
Development costs—Computer software	14,862
Trademarks	2,654
Technologies	190,435
Partner and merchant relationships	113,857
Goodwill (not deductible for income tax purposes)	439,554
	<u>1,082,058</u>
Liabilities assumed	
Trade and other payables	(30,969)
Due to merchants	(162,177)
Lease liabilities	(4,721)
Deferred income taxes	(11,700)
	<u>872,491</u>
Total cash consideration paid	<u><u>872,491</u></u>

Goodwill arising from this acquisition mainly consists of future growth and expected synergies, which were not recorded separately since they do not meet the recognition criteria for identifiable intangible assets.

To finance the SafeCharge acquisition noted above, on August 1, 2019:

- (i) The Company issued 81.2 million preferred shares at \$1 per share for a total consideration of \$81,240;
- (ii) The Company increased its credit facility (see note 12) by amending its credit agreement and entering into a further second lien agreement increasing its total available credit facilities to \$845,000. An amount of \$614,777 was drawn down to finance the SafeCharge acquisition; and
- (iii) The Company issued debentures for a total consideration of \$199,000 (note 14).

(in thousands of US dollars, except for share and per share amounts)

c) Loan Payment Pro (“LPP”)

On January 31, 2019, the Company acquired a 60% interest in LPP. The purchase price for this business acquisition totalled \$11,461, of which \$4,061 was paid in cash, including an amount of \$600 placed in escrow in connection with adjustments to the purchase price or indemnification as per the purchase agreement. The remainder consists of a contingent consideration with an initial fair value of \$7,400 whose payment is contingent upon meeting certain performance metrics (see notes 11 and 21). The acquisition was financed from existing facilities. LPP offers payment processing solutions specifically for the debt repayment industry.

LPP contributed revenues of \$1,334 and a net loss of \$961 to the Company for the period from the acquisition date to December 31, 2019. The net income contribution includes the amortization of identifiable intangible assets acquired. During the year ended December 31, 2019, acquisition costs of \$107 were expensed and recorded under selling, general and administrative expenses in the consolidated statement of profit or loss and comprehensive loss.

The following table summarizes the final recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value \$
Assets acquired	
Cash	13
Trade and other receivables	100
Processor deposits	3
Property and equipment	2
Intangible assets	
Technologies	1,450
Partner and merchant relationships	2,165
Goodwill (not deductible for tax purposes)	<u>15,383</u>
	19,116
Liabilities assumed	
Trade and other payables	(55)
Put option liability	(1,187)
Non-controlling interests, based on its fair value	<u>(6,413)</u>
	11,461
Total consideration	
Cash consideration paid	4,061
Contingent consideration	<u>7,400</u>
	<u>11,461</u>

Goodwill arising from this acquisition mainly consists of the assembled workforce, which was not recorded separately since it does not meet the recognition criteria for identifiable intangible assets.

Nuvei Corporation

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(in thousands of US dollars, except for share and per share amounts)

5 Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	26,657	28,870
Investment tax credits	805	1,667
Other receivables	4,593	2,229
	<u>32,055</u>	<u>32,765</u>

A discussion of the Company's exposure to credit and market risks and impairment losses for trade receivables is presented in note 20.

6 Inventory

For the year ended December 31, 2020, the cost of revenue includes inventory costs of \$2,778 (2019 – \$4,703) and a write-down to net realizable value of \$513 (2019 – \$134).

(in thousands of US dollars, except for share and per share amounts)

7 Property and equipment

	Note	Terminals \$	Office equipment \$	Computer equipment \$	Furniture and fixtures \$	Leasehold improvements \$	Right-of-use assets – Buildings \$	Total \$
Cost								
Balance as at December 31, 2018		1,767	20	925	316	975	3,669	7,672
Acquisitions		448	—	1,370	7	—	347	2,172
Acquisition through business combinations	4	37	—	3,298	766	2,552	4,645	11,298
Effect of movements in exchange rates		126	1	(15)	53	57	15	237
Balance as at December 31, 2019		<u>2,378</u>	<u>21</u>	<u>5,578</u>	<u>1,142</u>	<u>3,584</u>	<u>8,676</u>	<u>21,379</u>
Acquisitions		541	—	2,725	47	82	3,176	6,571
Disposal		—	—	(3,401)	(72)	(74)	—	(3,547)
Acquisition through business combinations	4	—	—	164	43	69	95	371
Effect of movements in exchange rates		30	—	(270)	—	4	47	(189)
Balance as at December 31, 2020		<u>2,949</u>	<u>21</u>	<u>4,796</u>	<u>1,160</u>	<u>3,665</u>	<u>11,994</u>	<u>24,585</u>
Accumulated depreciation								
Balance as at December 31, 2018		540	14	402	74	339	915	2,284
Depreciation		535	—	1,936	84	313	814	3,682
Effect of movement in exchange rates		34	7	63	17	10	10	141
Balance as at December 31, 2019		<u>1,109</u>	<u>21</u>	<u>2,401</u>	<u>175</u>	<u>662</u>	<u>1,739</u>	<u>6,107</u>
Depreciation		556	—	1,959	159	286	2,161	5,121
Disposal		—	—	(3,108)	(28)	(28)	—	(3,164)
Effect of movement in exchange rates		(1)	—	—	—	—	(15)	(16)
Balance as at December 31, 2020		<u>1,664</u>	<u>21</u>	<u>1,252</u>	<u>306</u>	<u>920</u>	<u>3,885</u>	<u>8,048</u>
Carrying amounts								
At December 31, 2019		1,269	—	3,177	967	2,922	6,937	15,272
At December 31, 2020		<u>1,285</u>	<u>—</u>	<u>3,544</u>	<u>854</u>	<u>2,745</u>	<u>8,109</u>	<u>16,537</u>

(in thousands of US dollars, except for share and per share amounts)

8 Intangible assets and goodwill

a) Intangible assets

	Notes	Development costs – Computer software \$	Trademarks \$	Technologies \$	Partner and merchant relationships \$	Total \$
Cost						
Balance as at December 31, 2018		11,391	6,865	5,071	135,206	158,533
Acquisitions – internally developed		8,595	—	—	—	8,595
Acquisition through business combinations	4	14,862	2,654	191,885	116,022	325,423
Effect of movements in exchange rates		2,182	—	—	—	2,182
Balance as at December 31, 2019		<u>37,030</u>	<u>9,519</u>	<u>196,956</u>	<u>251,228</u>	<u>494,733</u>
Acquisitions – internally developed		14,448	—	—	—	14,448
CreditGuard disposal	13	(3,957)	(152)	(3,122)	(2,458)	(9,689)
Disposal		(226)	(44)	(145)	(114)	(529)
Acquisition through business combinations	4	—	—	63,093	103,503	166,596
Effect of movements in exchange rates		820	—	3,220	5,173	9,212
Balance as at December 31, 2020		<u>48,115</u>	<u>9,323</u>	<u>260,002</u>	<u>357,332</u>	<u>674,772</u>
Accumulated amortization						
Balance as at December 31, 2018		4,230	2,141	1,479	31,060	38,910
Amortization		6,243	2,443	7,692	31,065	47,443
Balance as at December 31, 2019		<u>10,473</u>	<u>4,584</u>	<u>9,171</u>	<u>62,125</u>	<u>86,353</u>
Amortization		10,861	3,216	13,454	37,021	64,552
Disposal		—	(54)	(182)	(143)	(379)
Effect of movement in exchange rates		—	—	1	13	14
Balance as at December 31, 2020		<u>21,334</u>	<u>7,746</u>	<u>22,444</u>	<u>99,016</u>	<u>150,540</u>
Carrying amounts						
At December 31, 2019		26,557	4,935	187,785	189,103	408,380
At December 31, 2020		<u>26,781</u>	<u>1,577</u>	<u>237,558</u>	<u>258,316</u>	<u>524,232</u>

Nuvei Corporation

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(in thousands of US dollars, except for share and per share amounts)

b) Goodwill

Impairment test

For the years ended December 31, 2020 and 2019, the Company performed its annual impairment test of goodwill. For the purposes of impairment testing, goodwill has been allocated to the Company's CGUs, which represent the lowest level within the Company at which goodwill is monitored for internal management purposes, as follows:

	Notes	Nuvei Corporation ¹ \$	Digital Payments ² \$	Credit Guard \$	Loan Payment Pro \$	Total \$
Balance at December 31, 2018		313,560	—	—	—	313,560
Acquisitions through business combinations	4	—	431,890	7,664	15,383	454,937
Balance at December 31, 2019		313,560	431,890	7,664	15,383	768,497
Disposal of subsidiary	13	—	—	(7,664)	—	(7,664)
Acquisitions through business combinations	4	—	198,439	—	—	198,439
Effect of movements in exchange rates		—	10,548	—	—	10,548
Balance at December 31, 2020		<u>313,560</u>	<u>640,877</u>	<u>—</u>	<u>15,383</u>	<u>969,820</u>

1. Represents the acquisition of Pivotal Holdings Ltd. by Nuvei in 2017
2. Includes the acquisitions of SafeCharge (except for CreditGuard) and Smart2Pay (see note 4)

The recoverable amount of the CGUs was based on fair value less costs of disposal, estimated using a market approach. The Company concluded that the recoverable amount of the CGUs subject to the annual test was greater than their carrying amount. As such, no impairment charge was recorded during 2020 and 2019.

The Company determined the recoverable amounts of the CGUs based on the fair value less costs of disposal method. The fair values were based on a multiple applied to forecasted adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) for the next year, which takes into account financial forecasts approved by senior management. The key assumptions for the fair value less costs of disposals method include estimated sales volumes, input costs, and selling, general and administrative expenses in determining future forecasted adjusted EBITDA, as well as the multiple applied to forecasted adjusted EBITDA. The adjusted EBITDA multiple was obtained by using market data for comparable companies. The values assigned to the key assumptions represent management's assessment of future trends and have been based on historical data from external and internal sources. No reasonably possible change in the key assumptions used in determining the recoverable amount would result in any impairment of goodwill.

(in thousands of US dollars, except for share and per share amounts)

9 Advances to third parties

Advances to third parties comprise the following:

	2020 \$	2019 \$
Advances to a third party independent sales organization	46,680	51,175
Other	318	310
	<u>46,998</u>	<u>51,485</u>
Current portion	8,520	8,901
Long-term portion	<u>38,478</u>	<u>42,584</u>
	<u>46,998</u>	<u>51,485</u>

Commencing in 2018, the Company has entered into various agreements with a single third party independent sales organization to acquire the rights to future cash flows from a portfolio of merchant contracts. In 2020, rights were acquired for an aggregate cash consideration of \$3,240 (2019 – \$20,995). Under the agreements, the Company is entitled to receive payments, equivalent to a specified percentage of the processing fee, directly from financial institutions when a merchant uses the payment processing services of the third party independent sales organization. The agreements provide for minimum guaranteed payments for the first three years of the arrangement, which is achieved by the third party independent sales organization providing for merchant replacements in order to meet those minimum guaranteed payments. Subsequent to three years, the portfolio of merchants is fixed, and the cash flows are no longer guaranteed. The Company has accounted for the transaction in two parts: 1) the acquisition of a loan portfolio, which will be settled through merchant residuals over the first three years of the agreement; and 2) a deposit paid on the right to acquire a fixed portfolio of merchant contracts at the end of the third year. Both components of this acquisition are recognized initially at fair value and are subsequently accounted for at FVTPL with the fair value of each unit of account being determined by calculating the present value of the future estimated cash flows over the term of the agreements using an appropriate market discount rate. The future cash flows are estimated based on historical experience and expected attrition using known information as well as current and forecasted economic conditions.

(in thousands of US dollars, except for share and per share amounts)

The movement in the advances to a third party independent sales organization is as follows:

	2020 \$	2019 \$
Balance – Beginning of year	51,175	35,435
Acquisition	3,240	20,995
Fair value true-up	(513)	1,228
Interest on advances to third parties	5,427	5,188
Merchant residuals received	<u>(12,649)</u>	<u>(11,671)</u>
Balance – End of year	<u>46,680</u>	<u>51,175</u>

10 Trade and other payables

Trade and other payables comprise the following:

	2020 \$	2019 \$
Trade payables	20,307	15,288
Accrued bonuses and other compensation related liabilities	13,541	8,397
Sales tax	6,073	4,887
Interest payable	1,212	2,792
Due to processors	3,644	2,823
Due to merchants not related to the segregated funds	14,823	14,923
Other accrued liabilities	<u>5,179</u>	<u>2,148</u>
	<u>64,779</u>	<u>51,258</u>

Information about the Company's exposure to currency and liquidity risk is included in note 20.

(in thousands of US dollars, except for share and per share amounts)

11 Other liabilities

a) Other current liabilities

Other current liabilities comprise the following:

	Note	2020 \$	2019 \$
Provision for losses on merchant accounts		6,694	3,736
LPP contingent consideration	4(c), 21	—	6,000
Other		438	139
		<u>7,132</u>	<u>9,875</u>

The movements in the provision for losses on merchant accounts are as follows:

	2020 \$	2019 \$
Balance – Beginning of year	3,736	3,145
Provision made during the year	4,342	3,299
Provision used or reversed during the year	(1,384)	(2,708)
Balance – End of year	<u>6,694</u>	<u>3,736</u>

b) Other non-current liabilities comprise the following:

	Note	2020 \$	2019 \$
Other contingent consideration	21	—	2,470
LPP put option liability	4(c)	1,036	1,453
Other		623	952
		<u>1,659</u>	<u>4,875</u>

The other contingent consideration is repayable 30 days following the approval of the 2020 and 2019 consolidated financial statements by the Board of Directors contingent on specified performance criteria of the acquired business.

(in thousands of US dollars, except for share and per share amounts)

The LPP put option liability obligates the Company, under certain circumstances and on demand after January 2022, to purchase a number of units held by the non-controlling interest (“NCI”) unitholders equal to (but not less than) (i) the product of the total number of units held by the NCI unitholders multiplied by (ii) the total number of units in the capital of the NCI unitholders held by the concerned NCI unitholder divided by (iii) the total issued and outstanding units of NCI unitholders. If the put option is exercised, the purchase price of the units to be purchased by the Company from the NCI unitholders pursuant to the exercise of the put option shall be equal to 100% of the fair value.

12 Loans and borrowings

The terms and conditions of the Company’s loans and borrowings are as follows:

	Note 12	2020		2019	
		Facility \$	Carrying amount \$	Facility \$	Total \$
Amended and Restated Credit Facility	(a)				
First lien term loan facilities					
US term loan		54,786	53,463	155,000	145,026
Canadian term loan		157,185	153,018	465,000	413,613
Revolving credit facility		100,000	—	50,000	4,727
Second lien Canadian term loan facility		—	—	225,000	154,435
Total credit facilities			<u>206,481</u>		<u>717,801</u>
Lease liabilities	(c)		<u>8,772</u>		<u>7,239</u>
			<u>215,253</u>		<u>725,040</u>
Current portion of loans and borrowings			<u>(2,527)</u>		<u>(2,874)</u>
Loans and borrowings			<u><u>212,726</u></u>		<u><u>722,166</u></u>

Loans and borrowings are presented net of unamortized transaction costs. Transaction costs relating to the issuance of loans and borrowings are amortized over the term of the debt using the effective interest rate method.

Information about the Company’s exposure to interest rate, foreign currency and liquidity risks is included in note 20.

(in thousands of US dollars, except for share and per share amounts)

a) Amended and restated credit facility

- (i) The US term loan bears interest at the ABR¹ plus 3.00% or the adjusted eurocurrency² rate plus 4.00%. As at December 31, 2020, the interest rate was 4.75% (2019 – 6.8%).
- (ii) The Canadian first lien term loan facility bears interest at the Canadian prime rate plus 3.00% or banker's acceptance rate plus 4.00%. As at December 31, 2020, the interest rate was 4.75% (2019 – 6.8%).
- (iii) The existing revolving facility bears interest at 7.25% (2019 – 9.25%) and matures on September 28, 2023. In 2019, a \$50,000 cash bridge loan bearing interest at 9.25% was added and fully repaid.
- (iv) A subsidiary of the Company has also entered into a Canadian second lien term loan facility totalling \$225,000 bearing interest at 11.20% and maturing on September 28, 2026. The facility was fully repaid in 2020. As at December 31, 2019, the interest rate was 10.80%.

In 2019, in connection with the SafeCharge acquisition, the credit facility was amended and restated to increase the total financing capacity available under that facility from \$315,000 to \$895,000 in the form of term loans and a \$50,000 revolving credit facility. This amendment resulted in a \$4,830 loss on modification. The Amended and Restated Credit Facility is secured by both present and future property and assets of the Company and has an original maturity date of September 28, 2025.

On August 6, 2019, borrowings under the Amended and Restated Credit Facility were used to acquire SafeCharge. Refer to note 4 (b).

In 2020, the net proceeds from the IPO were used to reduce loans and borrowing by repaying \$615,600 aggregate principal amount of term loans under the first lien credit facilities and second lien credit facility. Due to the partial repayment of the first lien term loan facilities and full repayment of the second lien term loan facility, \$24,491 of unamortized transaction costs were recognized as early repayment in finance costs for the year ended December 31, 2020.

Also in 2020, the Company modified its amended and restated credit facility to add term loans of \$110,000 and to increase its revolving credit facility from \$50,000 to \$100,000. Additionally, the interest rate associated with the first lien term loan facility was reduced to LIBOR plus 4.00% or Canadian prime rate plus 3.00%, as applicable. This amendment did not result in any gain or loss on debt modification.

b) Guarantees and covenants

Borrowings under the facilities are secured by all current and future assets of the Company and its existing and future subsidiaries. As at December 31, 2020, the Company had letter of credit facilities issued totalling \$30,100 which represent usage on the revolving credit facility.

¹ The Alternate Base Rate is defined as a rate per annum equal to the higher of a) Federal funds effective rate + 0.5%; b) LIBOR plus 1%; c) Prime rate; and d) 1.75%.

² The adjusted Eurocurrency rate is defined as an interest rate per annum equal to the greater of: a) the Eurocurrency rate multiplied by the Statutory Reserve rate and b) 0.75%.

(in thousands of US dollars, except for share and per share amounts)

The continued availability of the first lien credit facilities is subject to the Company's ability to maintain a total leverage ratio of less than or equal to 8.00 : 1.00 for the year ended December 31, 2020; 8.50 : 1.00 for the year ended December 31, 2019 with a decrease year over year, as well as other customary affirmative and negative covenants. The total leverage ratio considers the Company's total debt, calculated as long-term debt less unrestricted cash. The Company is in compliance with all applicable covenants as at and for the years ended December 31, 2020 and 2019.

c) Lease liabilities

The Company entered into lease arrangements for the use of office space. The incremental borrowing rates used to discount the leases vary between 1.10% and 8.47% (2019 – 4.40% and 7.00%).

In 2020, a lease related to a right-of-use asset of an office space was renewed having the effect to increase property and equipment by \$3,176 with a corresponding lease liability being recorded.

Amounts recognized in the consolidated statements of profit or loss and comprehensive loss:

	<u>Leases under IFRS 16</u>	
	<u>2020</u>	<u>2019</u>
	\$	\$
Interest expense on lease liabilities	384	522
Foreign exchange loss	259	103
Variable lease payments	1,891	1,747
	<u>2,534</u>	<u>2,372</u>

13 Disposal of subsidiary

In May 2020, the Company disposed of CreditGuard, a wholly owned subsidiary of the Company, to the MAX group, for \$21,108 including adjustments at \$1,108. The measurement of the assets and liabilities of CreditGuard at fair value less cost to sell resulted in an impairment of \$338 being recognized in selling, general and administrative expenses.

(in thousands of US dollars, except for share and per share amounts)

Assets and liabilities sold comprise the following:

	\$
Goodwill	7,664
Intangible assets	9,689
Trade and other receivables	1,673
Other assets	1,864
Assets disposed	<u>20,890</u>
Accounts payable and accrued liabilities	779
Other liabilities	728
Liabilities disposed	<u>1,507</u>
Cash proceeds received, net of \$2,063 in cash	<u>19,045</u>

14 Unsecured convertible debentures due to shareholders

The IPO net proceeds were used to repay in full the principal amount, outstanding original issue discount and accrued interest, on the unsecured convertible debenture due to shareholders in the amount of \$93,384. As part of the Offering, \$30,180 in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company.

As part of the SafeCharge acquisition (see note 4(b)), unsecured convertible debentures of \$199,000 were issued by the Company to certain of its shareholders. The original issue discount ("OID") was capitalized and amortized using the effective interest rate method.

The debentures accrued interest annually at a fixed rate of 15%, payable in cash at the earlier of (i) maturity; and (ii) repayment of the debentures. They had a maturity date of 11 years from the date of issuance (in 2030). After 10 years, holders representing at least 15% of the debentures could instruct the Company to engage in a process to (i) enter into an Initial Public Offering ("IPO") (with proceeds used to repay the debentures for cash on a priority basis); or (ii) sell the Company to third parties. Immediately prior to an IPO, the holder may convert the principal amount of debentures, plus any accrued and unpaid interest, into Class A common shares at a conversion price per share equal to the IPO offering price. The Company concluded that the fair value of the conversion feature was nil as at December 31, 2019.

In the event of a breach of any second lien debt covenants (see note 12), which resulted in the exercise of any of the permissible remedies by the second lien lenders, the debentures would have been repaid in full.

The Company could have repaid the principal amount (plus any accrued unpaid interest) of all outstanding debentures at any time subject to the payment of the early repayment penalty. On December 11, 2019, the Company made an early repayment of the principal and the accrued interests of \$102,498 to shareholders and the early repayment penalty was waived.

(in thousands of US dollars, except for share and per share amounts)

The movement in the unsecured convertible debentures due to shareholders is as follows:

	2020 \$	2019 \$
Balance – Beginning of year	109,022	—
Issuance	—	199,000
Interest capitalized on unsecured debentures	15,503	12,520
Conversion to Class A common shares, Series C	(30,180)	—
Cash repayment	(93,384)	(102,498)
Other	(961)	—
Balance – End of year	<u>—</u>	<u>109,022</u>

15 Net finance costs

	2020 \$	2019 \$
Finance income		
Interest on advances to third parties	(5,427)	(5,188)
Finance costs		
Net loss (gain) on foreign currency exchange	11,020	(15,300)
Interest on loans and borrowings (excluding lease liabilities)	42,024	46,152
Change in redemption amount of liability classified Class A common shares	73,429	34,447
Change in redemption amount of subsidiary's preferred shares	3,009	4,255
Change in redemption amount of Company's preferred shares	—	4,548
Gain on redemption amount of subsidiary's preferred shares	—	(1,506)
Interest on unsecured debentures	15,503	12,520
Interest expense on lease liabilities	384	522
Loss on debt modification or early repayment	24,491	4,830
Other interest expense	251	172
	—	—
	<u>170,111</u>	<u>90,640</u>
Net finance costs	<u>164,684</u>	<u>85,452</u>

(in thousands of US dollars, except for share and per share amounts)

16 Revenue and expenses by nature

	2020 \$	2019 \$
Revenue		
Merchant transaction and processing services revenue	367,123	236,814
Other revenue	7,923	9,002
	<u>375,046</u>	<u>245,816</u>
Cost of revenue		
Processing cost	64,106	33,753
Cost of goods sold	5,149	7,005
	<u>69,255</u>	<u>40,758</u>
Selling, general and administrative		
Commissions	67,410	65,490
Depreciation and amortization	69,673	51,125
Employee compensation	57,509	42,367
Transaction losses	4,182	3,308
Professional fees	15,493	21,127
Share-based payments	10,407	994
Contingent consideration adjustment	(2,470)	(2,330)
Net loss on foreign currency exchange	7,898	3,620
Other	11,588	8,069
	<u>241,690</u>	<u>193,770</u>

Selling, general and administrative expenses are net of investment tax credits and other government grants of \$995 for the year ended December 31, 2020 (2019 – \$388).

17 Share capital

The Company has authorized the following classes of share capital:

- Multiple Voting shares – voting rights at 10 votes per share, entitled to receive dividends on a share-for-share basis from time to time as approved by the board, and convertible on a share-for-share basis into subordinate voting share
- Subordinate Voting shares – voting rights at 1 vote per share, entitled to receive dividends on a share-for-share basis from time to time as approved by the board, non-convertible into any other class of shares
- Preferred shares – non-voting, entitled to preference over Subordinate Voting Shares, Multiple Voting Shares and any other shares with respect to payment of dividends and distribution of assets

(in thousands of US dollars, except for share and per share amounts)

Prior to the IPO on September 22, 2020, the Company had the following classes of share capital authorized:

a) Common shares

Class A common shares – Voting, right to receive dividends, participating, without par value. The Company is authorized to issue an unlimited number of Class A common shares. There are four series of Class A common shares, with specific features applying to each series discussed below:

- Series A: voting rights at 1.0000001 votes per Class A common share, Series A, can be issued for consideration in cash or property. As per the shareholder agreement, there exists a put option on a portion of the issued and outstanding Class A common shares, Series A. This put option allows the holder to require that the Company purchase all or a part of the common shares at any time for fair value, in exchange for cash.
- Series B: voting rights at 1 vote per Class A common share, Series B, can be issued for consideration paid in cash.
- Series C: voting rights at 1 vote per Class A common share, Series C, can be issued for consideration paid in cash, right to exchange the shares for Class A common shares, Series B at a rate of 1:1.
- Series D: voting rights at 1.0000002 vote per Class A common share, Series D, can be issued for consideration in cash or property.

Class B common shares – Non-voting, right to receive dividends, participating, without par value. The Company is authorized to issue an unlimited number of Class B common shares.

b) Preferred shares

Class A preferred shares – The Company is authorized to issue 1,000 Class A preferred shares. Non-voting, non-participating, right to exchange as per the provisions of the shareholder agreement for Class A common shares, Series A. As per the shareholder agreement, there exists a put option on all of the issued and outstanding Class A preferred shares in the Company in the event of a sale of the Company. This put option, then exercisable at the discretion of the holder, allows the holders to receive compensation from other shareholders of the Company.

Class B preferred shares – The Company is authorized to issue 89,239,939 Class B preferred shares. Non voting, non-participating, right to exchange as per the provisions of the shareholder agreement for Class A common shares, Series A, B, C, or D, redeemable on demand at the right of the Company and mandatorily redeemable by the Company 10 years from its issuance. Redemption value equal to \$1.00 per share plus an amount equal to 15% of the initial value on an annual basis.

(in thousands of US dollars, except for share and per share amounts)

c) Capital shares in subsidiary (Nuvei Holdings Corporation)

A subsidiary of the Company has issued preferred shares directly to shareholders of the Company as part of the shareholder agreement, which are authorized as follows:

- Class A preferred shares – Non-voting, participating, redeemable on demand at the right of the subsidiary or the shareholder. Redemption value equal to \$1.00 per share plus an amount equal to 10% of the initial value on an annual basis.
- Class B preferred shares – Non-voting, participating, right to exchange as per the provisions of the shareholder agreement for Class B common shares in the subsidiary, redeemable on demand at the right of the subsidiary or the shareholder. Redemption value equal to \$1.00 per share plus an amount equal to 10% of the initial value on an annual basis.
- Class C preferred shares – Non-voting, participating, no right to receive dividends. No shares have been issued.
- Class D preferred shares – Non-voting, non-participating, redeemable on demand at the option of the Company and mandatorily redeemable by the Company at the earliest of the occurrence of certain types of events or 10 years from its issuance. Redemption value equal to \$1.00 per share.

The Company has issued the following share capital

On November 2, 2020, the Company issued 6,711,923 Subordinate Voting Shares for the acquisition of Smart2Pay (note 4(a)).

The IPO consisted of an offering of 29,171,050 Subordinate Voting Shares issued from treasury, payable on closing of the Offering for aggregate net proceeds to the Company totalling \$715,481 after deduction of \$42,966 of issuance fees payable by the Company.

Immediately prior to the completion of the Offering, the Company completed the following transactions (the “Reorganization”):

- a) The share capital of the Company was modified to consist of an unlimited number of Multiple Voting Shares, Subordinate Voting Shares and Class A preferred shares, issuable in series, and 1,000 Class B preferred shares;
- b) An amount of \$30,180 in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company;
- c) The outstanding Class A common shares (all series) and Class B common shares of the Company were converted into Subordinate Voting Shares on a 2.8-for-1 basis;
- d) The outstanding Class B preferred shares of NHC were converted into Subordinate Voting Shares on a 2.8-for-1 basis;
- e) The outstanding Class A common shares, Class B common shares, Class A preferred shares and Class D preferred shares of NHC held by the Company were cancelled without consideration;

(in thousands of US dollars, except for share and per share amounts)

- f) The outstanding Class A preferred shares of the Company were converted into Class B preferred shares on a 1-for-1 basis. Certain shareholders then purchased all the Class B preferred shares. Subsequently, the Company redeemed the shares. The share capital of the Company was then amended pursuant to articles of amendment under the CBCA to remove the Class B preferred shares from the Company's authorized share capital and redesignate the Class A preferred shares as the "preferred shares"; and
- g) The Subordinate Voting Shares held by certain shareholders were exchanged for an equal number of Multiple Voting Shares pursuant to share exchange agreements entered into between the Company and certain shareholders.

On December 11, 2019, the Company completed a \$282,320 common equity financing and issued 67,233,795 Class A common shares and 1,457,358 Class B common shares at \$4.11 per share. As part of this financing, 22,830,305 Class A common shares were issued in exchange for 89,239,939 Class B preferred shares and a portion of the financing proceeds was used to make an early repayment of debentures (note 14).

In August 2019, the Company issued 89,239,939 Class B preferred shares for \$89,240 as part of the SafeCharge acquisition (note 4(b)). An amount of \$8,000 of the Class B preferred shares issued were exchanged with preferred shares in a subsidiary of the Company.

On April 1, 2019, the Company purchased 5,148,590 Class A preferred shares held in a subsidiary of the Company for a value of \$5,859 including interest. In addition, on the same day, the Company purchased 53,832,077 Class D preferred shares held in a subsidiary of the Company for a value of \$53,832. These shares were purchased from shareholders and represent all the outstanding Class A and Class D preferred shares issued by a subsidiary of the Company. The purchase of the Class A and Class D preferred shares was satisfied by the repayment of advances to shareholders of \$63,391 and cash of \$2,299, net of an amount of \$5,982 payable to shareholders.

(in thousands of US dollars, except for share and per share amounts)

Classification as equity and liabilities

The outstanding share capital of the Company, its subsidiary and related put options are classified as equity or liabilities as follows and changes to the Company's share capital were as follows:

Classified as liabilities

Type of share	2020		2019	
	Quantity	Value \$	Quantity	Value \$
Company's share capital				
Class A common shares, Series A				
Balance – Beginning of year	14,175,549	58,262	14,175,549	23,815
Conversion into Subordinate Voting Shares	(14,175,549)	(131,691)	—	—
Changes in the redemption amount accounted as financing costs	—	73,429	—	34,447
Balance – End of year	—	—	14,175,549	58,262
Class B preferred shares				
Balance – Beginning of year	—	—	—	—
Issuance of shares	—	—	89,239,939	89,240
Changes in the redemption amount accounted as financing costs	—	—	—	4,548
Exchanged for Class A common shares	—	—	(89,239,939)	(93,788)
Balance – End of year	—	—	—	—
Subsidiary's share capital				
Class A preferred shares				
Balance – Beginning of year	—	—	5,148,590	5,859
Purchased by the parent company	—	—	(5,148,590)	(5,859)
Balance – End of year	—	—	—	—
Class B preferred shares				
Balance – Beginning of year	32,000,000	39,967	40,000,000	45,218
Conversion into Subordinate Voting Shares	(32,000,000)	(42,976)	—	—
Purchased by the parent company	—	—	(8,000,000)	(9,506)
Changes in the redemption amount accounted as financing costs	—	3,009	—	4,255
Balance – End of year	—	—	32,000,000	39,967
Class D preferred shares				
Balance – Beginning of year	—	—	53,832,077	53,832
Purchased by the parent company	—	—	(53,832,077)	(53,832)
Balance – End of year	—	—	—	—
Total	—	—	46,175,549	98,229

(in thousands of US dollars, except for share and per share amounts)

Classified as equity

Type of share	2020		2019	
	Quantity	Value \$	Quantity	Value \$
Company's share capital				
Class A common shares, Series A				
Balance – Beginning of year	68,032,894	103,271	56,702,197	56,702
Issuance of shares	—	—	11,330,697	46,569
Conversion into Subordinate Voting Shares	(68,032,894)	(103,271)	—	—
Balance, end of year	—	—	68,032,894	103,271
Class A common shares, Series B				
Balance – Beginning of year	66,739,698	86,145	60,500,000	60,500
Issuance of shares	—	—	6,239,698	25,645
Conversion into Subordinate Voting Shares	(66,739,698)	(86,145)	—	—
Balance – End of year	—	—	66,739,698	86,145
Class A common shares, Series C				
Balance – Beginning of year	56,259,910	72,618	51,000,000	51,000
Issuance of shares	—	—	5,259,910	21,618
Issuance of shares – Unsecured convertible debenture conversion	3,250,206	30,180	—	—
Conversion into Subordinate Voting Shares	(59,510,116)	(102,798)	—	—
Balance – End of year	—	—	56,259,910	72,618
Class A common shares, Series D				
Balance – Beginning of year	44,403,491	182,498	—	—
Issuance of shares	—	—	44,403,491	182,498
Conversion into Subordinate Voting Shares	(44,403,491)	(182,498)	—	—
Balance – End of year	—	—	44,403,491	182,498
Class B common shares				
Balance – Beginning of year	1,457,360	5,990	—	—
Issuance of shares	89,286	193	1,457,360	5,990
Conversion into Subordinate Voting Shares	(1,546,646)	(6,183)	—	—
Balance – End of year	—	—	1,457,360	5,990
Class A preferred shares				
Balance – Beginning of year	1,000	1	1,000	1
Conversion into Class B preferred shares	(1,000)	(1)	—	—
Balance – End of year	—	—	1,000	1
Class B preferred shares				
Balance – Beginning of year	—	—	—	—
Issuance of shares – Class A preferred shares conversion	1,000	1	—	—
Redemption of shares	(1,000)	(1)	—	—
Balance – End of year	—	—	—	—
Subordinate Voting Shares				
Balance – Beginning of year	—	—	—	—
Issuance of shares	—	—	—	—
Conversion of Class A common shares, series A, B, C, and D	90,307,767	606,403	—	—
Conversion of Class B common and preferred shares and convertible debentures	11,980,945	49,159	—	—
Issuance of shares	760	4	—	—
Issuance under IPO	29,171,050	758,447	—	—
Issuance for Smart2Pay acquisition	6,711,923	254,738	—	—
Conversion into multiple voting shares	(92,247,808)	(486,062)	—	—
Issuance fees	—	(42,966)	—	—
Balance – End of year	45,924,637	1,139,723	—	—

Nuvei Corporation

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

(in thousands of US dollars, except for share and per share amounts)

Type of share	2020		2019	
	Quantity	Value \$	Quantity	Value \$
Multiple voting shares				
Balance – Beginning of year	—	—	—	—
Issuance of shares	92,247,808	486,062	—	—
Balance – End of year	92,247,808	486,062	—	—
Total	138,172,445	1,625,785	236,894,353	450,523

18 Income taxes

Variations of income tax recovery from the basic Canadian federal and provincial combined tax rates applicable to income before income taxes are as follows:

	2020		2019	
	\$	%	\$	%
Loss before income taxes	(100,583)		(74,164)	
Statutory tax rates		26.50		26.50
Income taxes at statutory rate	(26,655)		(19,653)	
Add (deduct) effect of				
Permanent difference items	21,324		5,921	
Rate differential	(3,773)		(1,679)	
Prior year adjustments	2,148		(2,848)	
Change in unrecognized deductible temporary differences	11,283		12,910	
Other	(1,240)		650	
Total tax expense (recovery)	<u>3,087</u>		<u>(4,699)</u>	

The details of income tax expense (recovery) are as follows:

	2020 \$	2019 \$
Income tax expense (recovery)		
Current	13,491	4,754
Deferred	(10,404)	(9,453)
	<u>3,087</u>	<u>(4,699)</u>

(in thousands of US dollars, except for share and per share amounts)

The components of current income tax expense (recovery) are as follows:

	2020 \$	2019 \$
Current income tax expense (recovery)		
Current	13,732	4,754
Adjustment of prior year income tax recovery	(241)	—
	<u>13,491</u>	<u>4,754</u>

The components of deferred income tax expense (recovery) are as follows:

	2020 \$	2019 \$
Deferred income tax recovery		
Origination and reversal of temporary differences	(25,281)	(9,453)
Change in unrecognized deductible temporary differences	14,877	—
	<u>(10,404)</u>	<u>(9,453)</u>

The details of changes of deferred income taxes are as follows for the year ended December 31, 2020:

	Balance as at December 31, 2019 \$	Recognized in net loss \$	Business combination and other \$	Balance as at December 31, 2020 \$
Net operating tax losses carried forward	2,009	277	—	2,286
Property and equipment	1,332	(2,105)	—	(773)
Intangible assets	(17,534)	10,132	(43,748)	(51,150)
Deferred costs	(408)	16	—	(392)
Accrued liabilities	2,834	(1,024)	—	1,810
Unrealized foreign exchange losses	(1,806)	1,806	—	—
Other	597	1,302	—	1,899
	<u>(12,976)</u>	<u>10,404</u>	<u>(43,748)</u>	<u>(46,320)</u>

(in thousands of US dollars, except for share and per share amounts)

The details of changes of deferred income taxes are as follows for the year ended December 31, 2019:

	Balance as at December 31, 2018 \$	Recognized in net loss \$	Business combination \$	Balance as at December 31, 2019 \$
Net operating tax losses carried forward	529	1,480	—	2,009
Property and equipment	(764)	2,096	—	1,332
Intangible assets	(11,868)	6,034	(11,700)	(17,534)
Deferred costs	(339)	(69)	—	(408)
Accrued liabilities	1,484	1,350	—	2,834
Unrealized foreign exchange losses	—	(1,806)	—	(1,806)
Other	229	368	—	597
	<u>(10,729)</u>	<u>9,453</u>	<u>(11,700)</u>	<u>(12,976)</u>

As at December 31, 2020, net deferred tax assets of \$2,286 (2019 – \$2,009) have been recognized on approximately \$131,815 (2019 – \$72,123) tax loss carry-forwards. These tax loss carry-forwards remain available for use until 2039.

The Company has not recognized deferred tax liabilities for the undistributed earnings of its subsidiaries in the current or prior years since the Company does not expect to sell or repatriate funds from those investments, in which case the undistributed earnings may become taxable. Upon distribution of these earnings in the form of dividends or otherwise, the Company may be subject to corporate and/or withholding taxes.

19 Contingencies

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. Management does not expect that the resolution of those matters, either individually or in the aggregate, will have a material effect upon the Company's consolidated financial statements.

20 Financial instruments

The Company's main financial risk exposure is detailed as follows:

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is therefore exposed to liquidity risk with respect to all of the financial liabilities recognized on the consolidated statements of financial position.

(in thousands of US dollars, except for share and per share amounts)

The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The following are the contractual maturities of financial liabilities, including estimated interest payments, as at December 31, 2020:

	Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1 to 5 years
	\$	\$	\$	\$
Trade and other payables	58,709	58,709	58,709	—
Due to merchants	443,394	443,394	443,394	—
Credit facilities	206,481	260,552	10,069	250,483
Lease liabilities	8,772	8,772	2,384	6,388
Other liabilities	8,791	8,791	7,132	1,659
	<u>726,147</u>	<u>780,218</u>	<u>521,688</u>	<u>258,530</u>
Segregated funds	<u>(443,394)</u>	<u>(443,394)</u>	<u>(443,394)</u>	<u>—</u>
	<u>282,753</u>	<u>336,824</u>	<u>78,294</u>	<u>258,530</u>

As at December 31, 2020, the Company had \$180,722 of cash and unused credit facilities of \$69,900.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash, trade and other receivables, advances to third parties and processor deposits. The carrying amounts of these financial assets represent the maximum credit exposure.

Impairment losses on financial assets recognized in profit or loss were as follows:

	2020	2019
	\$	\$
Balance – Beginning of year	2,602	2,945
Written off against reserve	(2,806)	(1,860)
Net remeasurement of loss allowance	836	1,517
Balance – End of year	<u>632</u>	<u>2,602</u>

The credit risk associated with cash and processor deposits is limited because they are maintained only with large financial institutions.

(in thousands of US dollars, except for share and per share amounts)

Trade receivables

The Company provides credit to its customers in the normal course of business. The Company evaluates the creditworthiness of the corresponding counterparties at least at the end of each reporting period and on a specific circumstance basis. The Company's extension of credit to customers involves considerable judgment and is based on an evaluation of each customer's financial condition and payment history. The Company has established various internal controls designed to mitigate credit risk, including credit limits and payment terms that are reviewed and approved by the Company.

The following table provides information regarding the exposure to credit risk and expected credit loss for trade receivables as at December 31, 2020:

	Weighted- average loss rate %	Gross carrying amount \$	Loss allowance \$
Current (not past due)	0.2	25,836	44
1-30 days past due	8.3	446	37
31-60 days past due	17.9	140	25
More than 60 days past due	60.7	867	526
		<u>27,289</u>	<u>632</u>

The following table provides information regarding the exposure to credit risk and expected credit loss for trade receivables as at December 31, 2019:

	Weighted- average loss rate %	Gross carrying amount \$	Loss allowance \$
Current (not past due)	0.3	28,050	82
1-30 days past due	16.8	750	126
31-60 days past due	52.9	242	128
More than 60 days past due	93.3	2,430	2,266
		<u>31,472</u>	<u>2,602</u>

The impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

There is a significant concentration of credit risk as of December 31, 2020, with respect to the Company's receivables from its main processors, which represented approximately 39% (2019 – 59%) of trade and other receivables.

Advances to third parties

The credit risk associated with the advances to third parties is limited because the advances are repaid by financial institutions when the Company becomes entitled to payment under the agreements.

(in thousands of US dollars, except for share and per share amounts)

c) Market risks

Market risk is the risk that the Company will incur losses arising from adverse changes in underlying market factors, including interest and foreign currency exchange rates.

i) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the US dollar. Fluctuations related to foreign exchange rates could cause unforeseen fluctuations in the Company's operating results.

Approximately 46% of the Company's revenues and approximately 30% of its expenses are in currencies other than the US dollar. The Company does not enter into arrangements to hedge its foreign currency risk.

The following table provides an indication of the Company's significant foreign exchange currency exposures as stated in US dollars at the following dates:

	CAD \$	EUR \$	GBP \$	Other \$	Total \$
December 31, 2020					
Cash	128	19,031	8,569	13,385	41,113
Trade and other receivables	7,645	5,317	1,222	3,509	17,693
Trade and other payables	(16,374)	(17,530)	(1,170)	(13,989)	(49,063)
Lease liabilities	—	(79)	(108)	(3,516)	(3,703)
Net financial position exposure	(8,601)	6,739	8,513	(611)	6,040
December 31, 2019					
Net financial position exposure	(6,840)	2,940	4,907	239	1,246

A 10% strengthening of the above currencies against the US dollar would have affected the measurement of financial instruments denominated in these currencies and affected equity and net loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Nuvei Corporation

Notes to Consolidated Financial Statements

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(in thousands of US dollars, except for share and per share amounts)

	CAD \$	EUR \$	GBP \$	Other \$	Total \$
2020					
Increase (decrease) on equity and net loss	<u>(860)</u>	<u>674</u>	<u>851</u>	<u>(61)</u>	<u>604</u>
2019					
Increase (decrease) on equity and net loss	<u>(684)</u>	<u>294</u>	<u>491</u>	<u>24</u>	<u>125</u>

A 10.0% weakening of the foreign currencies against the US dollar would have an equal but opposite effect.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to interest rate risk as at December 31, 2020 and 2019 is as follows:

Cash	Non-interest bearing
Segregated funds	Non-interest bearing
Trade and other receivables	Non-interest bearing
Advances to third parties	Note 9
Processor deposits	Variable interest rate
Other non-current assets	Non-interest bearing
Trade and other payables	Non-interest bearing
Due to merchants	Non-interest bearing
Loans and borrowings	Note 12
Other liabilities	Note 11
Unsecured convertible debentures due to shareholders	Note 14
Liability classified common and preferred shares	Note 17

The Company does not account for any fixed interest-rate financial assets or financial liabilities at FVTPL.

All other loans and borrowings bear interest at floating rates, and the Company is therefore exposed to the cash flow risk resulting from interest rate fluctuations.

Based on currently outstanding loans and borrowings at floating rates, an increase (decrease) of 100 basis points in interest rates at the reporting date would have resulted in a decrease (increase) of \$2,119 in profit or loss in 2020 (2019 – \$7,448). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(in thousands of US dollars, except for share and per share amounts)

21 Determination of fair values

Certain of the Company’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes using the following methods.

Financial assets and financial liabilities

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- * Level 1: defined as observable inputs such as quoted prices in active markets.
- * Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- * Level 3: defined as inputs that are based on little or no observable market data, therefore requiring entities to develop their own assumptions.

The Company has determined that the carrying amounts of its current financial assets and financial liabilities approximate their fair value given their short-term nature.

The fair value of the variable interest rate non-current liabilities approximates the carrying amount as the liabilities bear interest at a rate that varies according to the market rate.

The fair value of fixed interest rate non-current unsecured convertible debentures due to shareholders approximate their carrying amounts at the reporting dates.

As at December 31, 2020 and 2019, financial instruments measured at fair value in the consolidated statements of financial position are as follows:

	Note	Fair value hierarchy	2020 \$	2019 \$
Advances to a third party independent sales organization	9	Level 3	46,680	51,175
LPP put option liability	11b)	Level 3	1,036	1,453
Investments		Level 3	1,148	1,148
Investments		Level 1	1,093	954
LPP contingent consideration	11a)	Level 3	—	6,000
Other contingent consideration	11b)	Level 3	—	2,470

(in thousands of US dollars, except for share and per share amounts)

The following table presents the changes in level 3 items for the years ended December 31, 2020 and December 31, 2019:

	Advance to third party	LPP put option liability	Investments	LPP contingent consideration	Other contingent consideration
Balance at December 31, 2018	35,435	—	—	—	4,800
Acquisition	20,995	1,187	29,748	6,000	—
Disposals	—	—	(28,600)	—	—
Merchant residuals received, net of interest on advances to third parties	(6,483)	—	—	—	—
Fair value true-up	1,228	266	—	—	(2,330)
Balance at December 31, 2019	51,175	1,453	1,148	6,000	2,470
Acquisition	3,240	—	—	—	—
Payment	—	—	—	(6,000)	—
Merchant residuals received, net of interest on advances to third parties	(7,222)	—	—	—	—
Fair value true-up	(513)	(417)	—	—	(2,470)
Balance at December 31, 2020	46,680	1,036	1,148	—	—

Below are the assumptions and valuation methods used in the level 3 fair value measurements:

- * the fair value assumptions and method used for the advances to a third party independent sales organization are disclosed in note 9;
- * the fair value assumptions for the LPP put option liability are determined using the Black-Scholes method; the main assumption is the fair value of the units in LPP, which has been determined to be \$9,846 as at December 31, 2020;
- * the fair value of the investments is determined using the estimated selling price, which has been confirmed by subsequent sales to third parties for most of them; and
- * the fair values of the LPP and other contingent considerations are determined using the calculations in the agreements. The main assumption is the forecast of expected future cashflows. The LPP contingent consideration was fully paid as at March 31, 2020.

(in thousands of US dollars, except for share and per share amounts)

Varying the discount rate for advances to a third party independent sales organization to reflect a 2% increase would have the following effects on the carrying balance.

	<u>December 31, 2020</u>	
	<u>Increase</u>	<u>Decrease</u>
	\$	\$
Effect in change in assumption on		
Advances to third party independent sales organization	(2,895)	3,225
	<u>December 31, 2019</u>	
	<u>Increase</u>	<u>Decrease</u>
	\$	\$
Effect in change in assumption on		
Advances to third party independent sales organization	(1,355)	1,311

22 Net loss per share

Previous to the IPO, the Company had three categories of potential dilutive securities: convertible liability-classified shares, unsecured convertible debentures due to shareholders, and stock options. Since the IPO, only stock options and DSUs are considered to be potentially dilutive.

Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive. As a result of net losses incurred for the years ended December 31, 2020 and 2019, the potential dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive; therefore, basic and diluted number of shares used in the calculation is the same for those periods.

Stock options and DSUs could potentially dilute earnings per share in the future.

	<u>2020</u>	<u>2019</u>
	\$	\$
Net loss attributable to common shareholders of the Company (basic and diluted)	(106,230)	(70,502)
Net loss per share attributable to common shareholders of the Company (basic and diluted)	(1.08)	(1.15)
Weighted average number of common shares outstanding (basic and diluted)*	98,681,060	61,483,675

* The weighted average number of common shares outstanding previous to the IPO has been adjusted to take into consideration the Reorganization discussed in note 17.

(in thousands of US dollars, except for share and per share amounts)

23 Operating segments

The Company has one reportable segment, the provision of technology solutions to merchants and partners in the North American and international payment processing markets.

Geographic information

The Company provides payment processing services in Canada, the United States of America, the European Union, the United Kingdom and the rest of the world.

In presenting the geographic information, revenue has been based on the geographic location of merchants and non-current assets were based on the geographic location of the assets.

	2020 \$	2019 \$
Non-current assets		
Canada	1,107,229	1,120,264
United States	56,488	62,534
European Union	342,208	3,330
United Kingdom	284	439
Rest of the world	5,681	7,008
	<u>1,511,890</u>	<u>1,193,575</u>

Non-current assets exclude financial assets and deferred tax assets, when applicable.

	2020 \$	2019 \$
Revenue		
Canada	27,617	29,887
United States	155,006	160,341
European Union	132,006	34,407
United Kingdom	32,826	9,663
Rest of the world	27,591	11,518
	<u>375,046</u>	<u>245,816</u>

(in thousands of US dollars, except for share and per share amounts)

24 Share-based payment arrangements*Stock-option plan (equity-settled)*

In connection with the IPO, on September 22, 2020, the Board of Directors of the Company closed participation in its long-term incentive stock plan (the "Legacy Option Plan") to directors, officers, employees, consultants and any members of the Company. In its place, a new long-term incentive (the "Omnibus Incentive Plan") was authorized.

Legacy Option Plan

On September 21, 2017, the Board of Directors of the Company authorized the Legacy Option Plan which provides for the grant of stock options to directors, officers, employees, consultants and any members of the Company. All options are to be settled by the physical delivery of shares. The shares subject to the Legacy Option Plan shall be the Class B common shares of the Company. Under the Legacy Option Plan, the Company authorized for issuance the maximum of 11,704,100 stock options.

The options expire 10 years after the date of grant and are subject to possible earlier exercise and termination under certain circumstances. Under the Legacy Option Plan unless otherwise decided by the Board of Directors of the Company, options vest in equal instalments over five years and the expense is recognized following the accelerated method as each instalment is fair valued separately and recorded over the respective vesting periods.

i) Final grant

On March 16, 2020, 1,000,000 stock options (357,143 post conversion) were granted. The weighted average grant date fair value of stock options granted was \$1.55 (\$4.34 post conversion). Fair value was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Share price	\$6.15 (\$17.22 post conversion)
Exercise price	\$6.15 (\$17.22 post conversion)
Risk-free interest rate	0.49%
Expected volatility	27.6%
Dividend yield	—
Expected term	5 years

(in thousands of US dollars, except for share and per share amounts)

ii) IPO Conversion:

As part of the Reorganization described in note 17 to these consolidated financial statements, the Legacy Option Plan conditions were modified as follows:

- all stock options granted prior to November 20, 2019 vested and became exercisable, at the option of the holder, on a net basis for Subordinate Voting Shares;
- all stock options granted on or after November 20, 2019 continue to vest in accordance with their existing vesting schedules, and are exercisable for Subordinate Voting Shares;
- no further awards will be made under the Legacy Option Plan;
- the clawback provision was removed as it is no longer possible that such stock options will be fully clawed back; and
- the number of shares and the exercise price underlying each outstanding stock option of the Company were adjusted, on a 2.8-to-1 basis. As such, upon completion of the Reorganization, there was 3,621,323 stock options to acquire Subordinate Voting Shares outstanding.

The Company entered into certain option agreements governed by the Legacy Option Plan. However, other than the characteristics described above, the options under these agreements include a clause by which the Company can claw back any of the instruments, in order to meet the maximum number of stock options authorized for issuance, in the event that the Company grants options to other employees. Because of the clawback provision, grant date for these options is not achieved until the provision is voided.

Prior to the IPO, the Company did not recognize any compensation expense for stock options with a clawback provision as it was expected that these options would be fully clawed back. At the IPO and after adjusting for the Reorganization, there were 205,666 stock options outstanding with a clawback provision which vested and became exercisable. In the year ended December 31, 2020, the Company recognized compensation expense of \$4,587 as a result of these options becoming vested and the clawback provision being voided. Fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	\$ 26.00
Exercise price (weighted average)	\$ 3.75
Risk-free interest rate	0.26%
Expected volatility	31.0%
Dividend yield	—
Expected term	5 years

The risk-free interest rate is based on the yield of a zero coupon US government security with a maturity equal to the expected life of the option from the date of the grant. The assumption of expected volatility is based on the average historical volatility of comparable companies for the period immediately preceding the option grant. The Company does not anticipate paying any cash dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero in the option-pricing model.

(in thousands of US dollars, except for share and per share amounts)

Omnibus Incentive Plan

In connection with the IPO, the Company granted to certain executive officers and employees up to 3,000,000 options to acquire Subordinate Voting Shares having an exercise price equal to the IPO offering price of \$26.00. These options will vest in successive annual periods over a period of five years after they are granted and will have a term of ten years. The Omnibus Incentive Plan permits the Board to make awards of options, Restricted Share Units, Performance Share Units and Deferred Share Units (DSU) to eligible participants.

The Company recognized compensation expense for Omnibus Incentive Plan stock options of \$3,613 for the year ended December 31, 2020.

The weighted average grant date fair value of stock options granted during the year ended December 31, 2020 was \$8.30. Fair value was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions, determined on the same basis as described above:

Share price	\$ 28.71
Exercise price	\$ 28.71
Risk-free interest rate	0.29%
Expected volatility	31.4%
Dividend yield	—
Expected term	5.2 years

The table below summarizes the changes in the outstanding stock options as adjusted for the Reorganization:

	2020		2019	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding – Beginning of year	3,659,375	4.00	4,180,039	3.18
Clawed back by the Company	(357,143)	3.75	(796,935)	3.21
Forfeited	(94,836)	24.57	(587,535)	4.55
Granted	3,795,757	27.62	1,384,296	9.08
Exercised	(32,648)	4.70	(520,490)	11.51
Outstanding – End of year	<u>6,970,505</u>	<u>14.59</u>	<u>3,659,375</u>	<u>4.00</u>
Options exercisable – End of year	<u>3,132,644</u>	<u>3.71</u>	<u>842,363</u>	<u>3.13</u>

(in thousands of US dollars, except for share and per share amounts)

The following table summarizes information about stock options outstanding and exercisable as at December 31, 2020 as adjusted for the Reorganization:

Exercise price \$	Options outstanding		Options exercisable	
	Number of options	Weighted average remaining contractual term (in years)	Number of options	Weighted average remaining term (in years)
2.80	1,535,416	7.14	1,535,416	7.14
3.42 – 4.00	1,036,323	7.72	1,036,323	7.72
4.70 – 6.30	419,644	8.07	419,644	8.07
11.51 – 17.22	628,966	9.03	141,261	8.66
26.00 – 47.21	3,350,156	9.75	—	—
	<u>6,970,505</u>	<u>8.71</u>	<u>3,132,644</u>	<u>7.52</u>

Of the options outstanding as at December 31, 2020, a total of 3,123,204 (2019 – 2,944,899) are held by key management personnel.

The table below summarizes the changes in the outstanding DSUs:

	2020	
	Number of DSUs	Weighted average exercise price \$
Outstanding – Beginning of year	—	—
Granted	3,076	26.00
Outstanding – End of year	<u>3,076</u>	<u>26.00</u>

Expense recognized in profit or loss

The Company recognized compensation expense for stock options granted to employees of \$10,407 for the year ended December 31, 2020 (2019 – \$994). This amount is included in selling, general and administrative in the consolidated statements of profit or loss and comprehensive loss.

As at December 31, 2020, the Company had \$22,450 (2019 – \$1,800) of unrecognized compensation expense related to unvested stock options that is expected to be recognized over a weighted-average period of 1.9 years (2019 – 1.9 years).

(in thousands of US dollars, except for share and per share amounts)

25 Related party transactions

Transactions with key management personnel

Key management personnel compensation comprises the following:

	2020 \$	2019 \$
Salaries and short-term employee benefits	4,369	3,764
Share-based payments	5,955	620
	<u>10,324</u>	<u>4,384</u>

Other related party transactions

	Note	Transaction values		Balance outstanding December 31,	
		2020 \$	2019 \$	2020 \$	2019 \$
Expenses – Travel	(i)	1,907	964	—	—
Unsecured convertible debentures due to shareholders	(ii)	15,503	12,520	—	109,022
		<u>17,410</u>	<u>13,484</u>	<u>—</u>	<u>109,022</u>

- i) In the normal course of operations, the Company receives services from a company owned by a shareholder of the Company. The services received consist of travel services.

In August 2019, unsecured convertible debentures were issued by the Company to shareholders.

- ii) As part of the IPO in September 2020, an amount of \$30,180 in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company, and the remaining balance was repaid with the cash proceeds of the IPO (see note 14).

(in thousands of US dollars, except for share and per share amounts)

26 Supplementary cash flow disclosure

	2020 \$	2019 \$
Changes in non-cash working capital items:		
Trade and other receivables	(875)	(58)
Inventory	115	122
Prepaid expenses	(2,371)	(1,277)
Contract assets	(1,853)	(543)
Trade and other payables	21,004	568
Other current and non-current liabilities	(5,959)	3,855
	<u>10,061</u>	<u>2,667</u>

27 Capital disclosures

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions, while maintaining a strong credit profile and a capital structure that maintains total leverage ratio within the limits set in the Company's credit facilities. The capital management objectives remain the same as the prior year.

The Company's capital is composed of net debt and shareholders' equity. Net debt consists of interest-bearing debt less cash. The Company's use of capital is to finance working capital requirements, capital expenditures and business acquisitions. The Company funds those requirements out of its internally generated cash flows and funds drawn from its long-term credit facilities.

The primary measure used by the Company to monitor its financial leverage is its total leverage ratio, defined as the ratio of consolidated net debt outstanding to consolidated adjusted EBITDA, calculated in accordance with the terms of the agreement. Under its first lien credit facilities (note 12), the Company must maintain a total leverage ratio of less than or equal to 8.00 : 1.00. As at December 31, 2020, the Company was in compliance with this requirement.

In order to maintain or adjust its capital structure, the Company may issue or repay loans and borrowings, issue shares, repurchase shares or undertake other activities as deemed appropriate in specific circumstances.

The Company does not currently pay dividends. Currently, the Company's general policy on dividends is to retain cash to finance future growth.

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28 Subsequent events

On January 1, 2021, the Company acquired substantially all of the assets of Base Commerce LLC (“Base”), a technology-driven payment processing company specializing in bank card and Automated Clearing House payment processing solutions. The purchase price for this acquisition totalled \$96,675, of which \$89,674 was paid with cash held in escrow as at December 31, 2020, including an amount of \$6,186 placed in escrow in connection with adjustments to the purchase price or indemnification per the purchase agreement. The remaining amount consists of a contingent consideration of \$7,001 whose payment is contingent upon meeting certain performance metrics. The following table summarizes the preliminary amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value \$
Assets acquired	
Cash	711
Segregated funds	133,354
Trade and other receivables	11,136
Property and equipment	1,335
Prepaid expenses	190
Intangible assets:	
Technologies	8,643
Partner and merchant relationships	47,422
Goodwill	32,209
	<u>235,000</u>
Liabilities assumed	
Trade and other payables	(4,971)
Due to merchants	(133,354)
	<u>96,675</u>
Total consideration	
Cash paid	89,674
Contingent consideration	7,001
	<u>96,675</u>

To finance the cash consideration noted above, as at December 31, 2020, the Company also increased its credit facility (see note 12) by amending its credit agreement to add a term loan of \$100,000

Goodwill arising from this acquisition mainly consists of assembled workforce and expected synergies, which were not recorded separately since they did not meet the recognition criteria for identifiable intangible assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020

As used in this management's discussion and analysis of financial condition and results of operations ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "Nuvei", "we", "us" or "our" refer to Nuvei Corporation together with our subsidiaries, on a consolidated basis.

This MD&A dated March 10, 2021 should be read in conjunction with the Company's audited annual Consolidated Financial Statements, along with the related notes thereto. The financial information presented in this MD&A is derived from the Company's audited Consolidated Financial Statements for the year ended December 31, 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in U.S. dollars except where otherwise indicated. Additionally, tables included in this MD&A are presented in 000's of U.S. dollars, unless otherwise indicated. This MD&A is presented as of the date of the audited Consolidated Financial Statements and is current to that date unless otherwise stated.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable securities laws, including Nuvei's outlook on total volume, revenue and Adjusted EBITDA for the three months ending March 31, 2021 and the year ending December 31, 2021. Nuvei's outlook on revenue and Adjusted EBITDA also constitutes "financial outlook" within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company's financial performance and measuring progress toward management's objectives and the reader is cautioned that it may not be appropriate for other purposes. Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to those described under "Risks Factors". Forward-looking information is based on management's beliefs and assumptions and on information currently available to management. Particularly, management's assessments of, and outlook for, total volume, revenue and Adjusted EBITDA set out herein are generally based on the following assumptions: (a) Nuvei's results of operations will continue as expected, (b) the Company will continue to effectively execute against its key strategic growth priorities, despite the current COVID-19 pandemic and measures taken to contain the virus, (c) the Company will continue to retain and grow its existing customer base while adding new customers, (d) the Company will not complete any acquisitions or divestitures, (e) economic conditions will remain relatively stable throughout the period, (f) the industries Nuvei operates in will continue to grow consistent with past experience, (g) there will be no fluctuations in currency exchange rates and volatility in financial markets, (h) there will be no changes in legislative or regulatory matters that negatively impact Nuvei's business, and (i) current tax laws will remain in effect and will not be materially changed. Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, you are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this MD&A is provided as of the date of this MD&A, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Overview

We are a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. We believe we are differentiated by our proprietary technology platform, which is purpose-built for high-growth mobile commerce and eCommerce markets. Our focus on technology, innovation and security enables us to design and develop solutions that are tailored for these markets. Our solutions span the entire payments stack and include a fully integrated payments engine with global processing capabilities, a turnkey solution for frictionless checkout experiences and a broad suite of data-driven business intelligence tools and risk management services. Through a single integration, we believe our technology platform makes it simple for merchants and partners to securely accept payments in over 200 markets and nearly 150 currencies, and for their customers to transact using 455 alternative payment methods (“APMs”). We leverage our deep industry expertise and thought leadership in mobile commerce and eCommerce payments to serve merchants of all sizes, from small-and-medium sized businesses (“SMBs”) to large enterprises, operating in some of the most complex verticals across multiple geographic markets.

We are a single source provider of a comprehensive suite of payment solutions. Our solutions are designed to support the entire lifecycle of a transaction across mobile or in-app, online (via Application Programming Interface (“API”) or multi-feature cashier), unattended and in-store channels while providing what we believe is a superior payments experience. Our solutions include:

- End-to-end processing including multi-currency authorization and settlement;
- Global gateway that is acquirer- and processor-agnostic;
- Turnkey checkout solution designed to increase sales conversions and simplify checkout for consumers;
- Smart routing technology to maximize payment authorization rates;
- Localization capabilities allowing acceptance of nearly 150 currencies and 455 APMs and support of 28 languages (including multiple regional varieties of English);
- Dynamic currency management solutions;
- Risk and chargeback management and fraud prevention tools;
- Flexible and rapid merchant enrollment, underwriting and onboarding platform;
- Enhanced reconciliation tools that simplify merchants’ cash flow management; and
- Unified reporting regardless of payment type or geographic market.

We sell and distribute our solutions globally through three primary channels: direct sales, indirect sales and strategic platform integrations. Our approach to distribution is designed to enable us to efficiently market our payments and technology solutions at scale and is customized by both region and vertical to optimize sales. By relying on our local sales teams and indirect partners who act as trusted technology providers to our merchants, we believe we are able to serve more merchants globally and grow with them as they grow their businesses and expand into new markets.

Our revenue is primarily sales volume and transaction-based, generated from merchants’ daily sales and through various fees for value-added services provided to our merchants. We also generate subscription revenue from our business intelligence tools, merchant dashboards and other technology solutions, for which we typically charge flat subscription fees monthly. Our revenue is largely recurring in nature due to the mission-critical nature of our product and service offerings and deep integration of our payments technology into our merchants’ Enterprise Resource Planning (ERP) systems. Additionally, our model has delivered rapid growth in mobile commerce and eCommerce revenue. We believe the depth and breadth of our payment capabilities help merchants establish and expand their presence in emerging commerce channels across many markets. This enables us to develop long-standing relationships with our merchants, which in turn drive strong retention and significant cross-selling opportunities.

Initial Public Offering (“IPO”) and Base Shelf Prospectus

On September 22, 2020, the Company filed a prospectus with the securities regulatory authorities in each of the provinces and territories of Canada in connection with an IPO of 29,171,050 Subordinate Voting Shares at the

offering price of \$26.00 per Subordinate Voting Share in the capital of the Company. The net proceeds of \$715.5 million were used to repay in full the principal amount, outstanding original issue discount and accrued interest, on the unsecured convertible debenture due to shareholders in the amount of \$93.4 million and to deleverage the Company's financial position by repaying \$615.6 million aggregate principal amount of term loans.

On December 7, 2020, Nuvei filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. The base shelf prospectus will allow Nuvei and certain of its security holders to qualify the distribution by way of prospectus in Canada of up to US \$850.0 million of subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, during the 25-month period that the base shelf prospectus is effective.

Acquisitions

On August 1, 2019, the Company acquired SafeCharge International Group Limited ("SafeCharge"), a European based payment service company for \$5.55 in cash for each SafeCharge share, which valued the fully diluted share capital of SafeCharge at approximately \$872.5 million. SafeCharge was an attractive business with one of the leading positions in the high growth eCommerce payments market. The acquisition of SafeCharge, referred to as the "SafeCharge acquisition", provided many benefits to us including:

- broadening our merchant portfolio to include large enterprises operating in high growth verticals, such as regulated online gaming and regulated financial services;
- expanding our presence in some of the most attractive and high-growth international markets with increasing adoption of APMs; and
- augmenting our technology platform, adding global acquiring, global pay-out capabilities and proprietary back-end processing.

On November 2, 2020, the Company acquired Smart2Pay Technology & Services B.V. ("Smart2Pay"), a payment services provider headquartered in the Netherlands for a total consideration of \$336.6 million. We believe that the Smart2Pay acquisition further positions us as a leader in eCommerce payments by:

- expanding our network of distribution partners to include payment service providers and financial institutions and large enterprises in Europe;
- enhancing our vertical expertise in social gaming and online marketplaces;
- expanding our presence in some of the most attractive and high-growth international markets with increasing adoption of APMs; and
- expanding our global footprint and allowing us to reach and serve more merchants of varying sizes in different regions of the world.

On January 1, 2021, Nuvei closed its previously announced acquisition of substantially all the assets of Base Commerce, LLC ("Base Commerce"). Management believes that the Base Commerce acquisition further positions us as a leader in eCommerce payments by:

- expanding Nuvei's product capabilities with a proprietary automated clearing house ("ACH") processing platform;
- further diversifying its acquiring portfolio;
- enhancing sponsor bank coverage; and
- enlarging the Company's distribution network

Impact of COVID-19 on our Operations

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response, many governments, states, cities and other geographic regions implemented preventive or protective actions such as temporary closures of businesses, quarantines or shelter-in-place orders. As a result, in March 2020, our year-over-year volume growth (on a combined basis including SafeCharge as if the SafeCharge acquisition had occurred on

January 1, 2019) began to slow. However, our eCommerce merchants continued to perform as compared to the prior year.

In response to the COVID-19 pandemic, we adopted a “people-first” approach, prioritizing the health and safety of our employees and local communities and quickly deploying all employees to a “work from home” model. There were no employee layoffs or furloughs because of the COVID-19 pandemic. We implemented our business continuity plan, which included merchant portfolio management (enhanced review and monitoring of merchants in affected industries; amended billing process from monthly to daily) and supply chain management (outreach to ensure continuity of service or supply; negotiated discounts where applicable).

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict. The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we participate. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. Accordingly, there is a higher level of uncertainty with respect to management’s judgments, assumptions and estimates. Please refer to “Risks Relating to Our Business and Industry – The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, could materially impact our business and future results of operations and financial condition”, for additional detail on how COVID-19 may impact our future results.

Non-IFRS Measures

Nuvei’s annual Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this MD&A includes non-IFRS financial measures, namely Adjusted EBITDA, Adjusted net income, Adjusted net income per share, and Adjusted net income per diluted share. These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. Adjusted EBITDA and Adjusted net income are used to provide investors with a supplemental measure of the Company’s operating performance and thus highlight trends in Nuvei’s core business that may not otherwise be apparent when relying solely on IFRS measures. The Company’s management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Nuvei’s management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. The Company’s management believes Adjusted EBITDA and Adjusted net income are important supplemental measures of Nuvei’s performance, primarily because they and similar measures are used widely among others in the payments industry as a means of evaluating a company’s underlying operating performance. Adjusted EBITDA is defined as net income (loss) before finance costs, finance income, depreciation and amortization, income taxes expense/recovery, acquisition, integration and severance costs, share-based payments, net gain/loss on foreign currency exchange, and other. Adjusted net income is defined as net income (loss) before acquisition, integration and severance costs, share-based payments, net gain/loss on foreign currency exchange, amortization of certain intangible assets created by business combinations, and the related income tax expense or recovery for these items. Adjusted net income also excludes change in redemption value of liability-classified common and preferred shares and accelerated amortization of deferred transaction costs and loss on debt modification.

Reconciliation of Adjusted EBITDA to net income (loss)

Adjusted EBITDA is defined as net income (loss) before finance costs, finance income, depreciation and amortization, income taxes expense (recovery), acquisition, integration and severance costs, share-based payments, net loss (gain) on foreign currency exchange, and other.

The following table reconciles Adjusted EBITDA to net income (loss) for the periods indicated:

(In thousands of U.S. dollars)	Three months ended		Year ended December 31	
	December 31		2020	2019
	2020	2019	2020	2019
	\$	\$	\$	\$
Net income (loss)	22,577	(3,077)	(103,670)	(69,465)
Finance cost (recovery)	(1,257)	19,254	170,111	90,640
Finance income	(1,257)	(1,130)	(5,427)	(5,188)
Depreciation and amortization	18,410	17,041	69,673	51,125
Income tax expense (recovery)	(892)	(4,160)	3,087	(4,699)
Acquisition, integration and severance costs (a)	4,673	2,785	9,970	19,914
Share-based payments (b)	3,200	227	10,407	994
Net loss (gain) on foreign currency exchange (c)	4,780	1,018	7,898	3,620
Legal settlement costs and other (d)	1,079	(16)	933	259
Adjusted EBITDA(e)	51,313	31,942	162,982	87,200
Advance from third party—merchant residual received(f)	2,946	4,303	12,469	11,671

(a) These expenses relate to:

- (i) professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities during the period and our IPO, which were \$5,669 and \$10,852 for the three months and year ended December 31, 2020, respectively (December 31, 2019—\$2,328 and \$19,881, respectively). These costs are presented in the professional fees line item of selling, general and administrative expenses.
- (ii) acquisition-related compensation, which was \$80 and \$803 for the three months and year ended December 31, 2020, respectively (December 31, 2019 – \$241 and \$964, respectively). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
- (iii) change in deferred purchase consideration for previously acquired businesses, which was a gain of \$1,200 and \$2,470 for the three months and year ended December 31, 2020, respectively (December 31, 2019—\$117 and \$2,415, respectively). These adjustments are presented in selling, general and administrative expenses.
- (iv) severances, which were \$121 and \$741 for the three months and year ended December 31, 2020, respectively (December 31, 2019 – \$296 and \$1,187, respectively), and integration expenses. Severance costs are presented in the employee compensation line item of selling, general and administrative expenses.

(b) These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.

(c) This includes losses on foreign currency exchange included in selling, general and administration expenses.

(d) This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, which were \$203 and \$589 for the three months and year ended December 31, 2020 (December 31, 2019—\$292 and \$716), as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.

(e) Adjusted EBITDA is a non-IFRS measure that the Company uses to assess its operating performance and cash flows.

(f) Commencing in 2018, the Company entered into various agreements with a single third-party independent sales organization to acquire the rights to future cash flows from a portfolio of merchant contracts.

Reconciliation of Pro Forma Transaction Adjusted Revenue to Revenue

(In thousands of U.S. dollars)	Three months ended		Year ended December 31	
	December 31		December 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue	115,881	79,327	375,046	245,816
SafeCharge Revenue (prior to SafeCharge acquisition)(a)	—	—	—	92,293
Adjustments(a)(b)	—	—	—	(26,345)
Smart2Pay Revenue (prior to Smart2Pay acquisition)	3,619	8,580	31,515	30,187
Pro Forma Transaction Adjusted Revenue	119,500	87,907	406,561	341,951

- (a) Refer to “Selected Consolidated Financial Information” in the Company’s supplemented prep prospectus dated September 16, 2020.
- (b) Eliminates interchange fees from SafeCharge revenue to show revenue on a net basis, consistent with Nuvei’s revenue recognition policy. Prior to the SafeCharge acquisition, SafeCharge recorded revenue on a gross basis, including interchange fees. In contrast, Nuvei records revenue on a net basis, with interchange fees recorded as a reduction of revenue.

Reconciliation of Adjusted net income to net income (loss)

Adjusted net income is defined as net income before acquisition, integration and severance costs, share-based payments, net gain/loss on foreign currency exchange, amortization of acquisition-related intangible assets, and the related income tax expense or recovery for these items. Adjusted net income also excludes change in redemption value of liability-classified common and preferred shares and accelerated amortization of deferred transaction costs / loss on debt modification.

The following table reconciles Adjusted net income to net income (loss) for the periods indicated:

(In thousands of U.S. dollars except for per share amounts)	Three months ended		Year ended	
	December 31		December 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
Net income (loss)	22,577	(3,077)	(103,670)	(69,465)
Change in redemption value of liability-classified common and preferred shares (a)	—	3,616	76,438	41,744
Accelerated amortization of deferred transaction costs / loss on debt modification(b)	—	—	24,491	4,830
Amortization of acquisition-related intangible assets (c)	16,008	14,612	59,219	42,846
Acquisition, integration and severance costs (d)	4,673	2,785	9,970	19,914
Share-based payments (e)	3,200	227	10,407	994
Net loss (gain) on foreign currency exchange (f)	1,029	(10,725)	18,918	(11,680)
Legal settlement costs and other (g)	1,079	(16)	933	259
Adjustments	25,989	10,499	200,376	98,907
Income tax expense related to adjustments ^h	(2,074)	(2,058)	(7,720)	(7,096)
Adjusted net income (loss) (i)	46,492	5,364	88,986	22,346
Adjusted net income per share attributable to common shareholders of the Company				
(j)				
Basic	0.34	0.06	0.88	0.35
Diluted	0.33	0.06	0.84	0.33

- (a) This line item represents change in redemption value related to shares classified as liabilities prior to the IPO. As part of the IPO, the shares were converted into equity as Subordinate Voting Shares. These expenses are included in finance costs.
- (b) With the repayment of long-term debt from the IPO proceeds, the associated deferred transaction costs were recognized in finance costs on an accelerated pro-rata basis. Additionally, in 2019 a loss on debt modification was recognized because of the incremental debt taken to fund the SafeCharge acquisition.
- (c) This line item relates to amortization expense taken on intangible assets created from the purchase price adjustment process on acquired companies and businesses and from the acquisition of all the outstanding shares of Pivotal Holdings Ltd. by Nuvei in September 2017, and excludes amortization expense related to capitalized development costs incurred in the normal course of operations.
- (d) These expenses relate to
 - (i) professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities during the period and our IPO, which were \$5,669 and \$10,852 for the three months and year ended December 31, 2020, respectively (December 31, 2019—\$2,328 and \$19,881, respectively). These costs are presented in the professional fees line item of selling, general and administrative expenses.
 - (ii) acquisition-related compensation, which was \$80 and \$803 for the three months and year ended December 31, 2020, respectively (December 31, 2019 – \$241 and \$964, respectively). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
 - (iii) change in deferred purchase consideration for previously acquired businesses, which was a gain of \$1,200 and \$2,470 for the three months and year ended December 31, 2020, respectively (December 31, 2019—\$117 and \$2,415, respectively). These adjustments are presented in selling, general and administrative expenses.
 - (iv) severances, which were \$121 and \$741 for the three months and year ended December 31, 2020, respectively (December 31, 2019 – \$296 and \$1,187, respectively), and integration expenses. Severance costs are presented in the employee compensation line item of selling, general and administrative expenses.
- (e) These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.
- (f) This includes gains or losses on foreign currency exchange included in finance costs and selling, general and administration expenses.
- (g) This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, which were \$203 and \$589 for the three months and year ended December 31, 2020 (December 31, 2019—\$292 and \$716), as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.
- (h) This line item reflects income tax expense on taxable adjustments using the tax rate of the applicable jurisdiction.
- (i) Adjusted net income is a non-IFRS measure that the Company uses to further assess its operating performance.
- (j) Adjusted net income per diluted share is calculated using stock options outstanding at the end of each period on a fully diluted basis if they were in-the-money at that time.

Key Performance Indicator

We monitor the following key performance indicator to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicator may be calculated in a manner that differs from similar key performance indicators used by other companies.

Total Volume: We believe total volume is an indicator of performance of our business. Total volume and similar measures are used widely among others in the payments industry as a means of evaluating a company's performance. We define total volume as the total dollar value of transactions processed in the period by merchants under contractual agreement with us. Total volume does not represent revenue earned by us. Total volume encompasses both acquiring volume, where we are in the flow of funds in the settlement transaction cycle, and gateway/technology volume, where we provide our gateway/technology services but are not in the flow of funds in the settlement transaction cycle. Since our revenue is primarily sales volume and transaction-based, generated from merchants' daily sales and through various fees for value-added services provided to our merchants, fluctuations in total volume will generally impact our revenue.

Outlook

Nuvei anticipates total volume, revenue and adjusted EBITDA to be in the following ranges:

(In U.S. dollars)	<u>Three months ending</u> <u>March 31, 2021</u>	<u>Year ending</u> <u>December 31, 2021</u>
	\$	\$
Total Volume (in billions)	19 - 20	81 - 87
Revenue (in millions)	136 - 142	570 - 600
Adjusted EBITDA (in millions)	60 - 63	252 - 265

The above financial outlook is based on a number of assumptions as described under “Forward-Looking Information” in this MD&A.

Summary of Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below and in the “Risks Relating to Our Business and Industry” section.

Growth with our Existing Merchants. Our success is directly correlated with our merchants’ success. We focus on the high-growth mobile and eCommerce markets and we will grow alongside our existing merchants as they grow their business and expand into new markets. In addition, our existing customers represent a significant opportunity to cross-sell and up-sell products and services with limited incremental sales and marketing expenses. As our merchants increase their business volume, we can offer more solutions from our Native Commerce Platform. Our future revenue growth and achieving and maintaining profitability is dependent upon our ability to maintain existing customer relationships and to continue to expand our customers’ use of our comprehensive suite of solutions.

Ability to Acquire New Merchants and Partners. Our future revenue growth will also largely depend upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We have significant sales and marketing experience in capturing and serving SMBs in North America and large enterprises in Europe. We intend to leverage this experience and enable merchant base expansion by targeting large enterprises in North America, with a focus in the mobile commerce and eCommerce channels. We also plan to expand and deepen our footprint in geographies where we have an emerging presence today, such as Asia Pacific and Latin America. Key to our success in achieving merchant base expansion is continued investment in our direct sales team and further leveraging our broad and diversified network of distribution partners.

Investment in our Technology and Product Portfolio. We believe our technology-first culture enables us to enhance our offerings to remain at the forefront of payments innovation. Specifically, our Native Commerce Platform enables us to deliver comprehensive payments and technology solutions to power a convenient and secure transaction experience for our merchants and their customers. Further investment in this platform is necessary to expand and keep technologically current our portfolio of services to our merchants. Close collaboration with our merchants through ongoing communication and feedback loop is also key, as it enables a better design and delivery of solutions that meet their specific and evolving needs.

Ability to Maintain and Add to our Acquiring Banks Relationships. We have built strong relationships with acquiring banks in North America. The maintenance and/or expansion of these relationships and strong collaboration on maintaining adequate procedures in monitoring the risk profile of our merchant base will be a key enabler in the pursuit of our growth strategies.

Adapt to Regulatory Changes. The nature of our product and services offerings necessitates that we adhere to strict regulatory regimes in the countries that we operate. Our operational teams are fully versed in the varying regulatory requirements. As regulations change, we will continue to upskill and modify, as appropriate, our merchant underwriting, risk management, Know Your Client and Anti Money Laundering capabilities, in as seamless as possible a manner to minimize disruption to our merchants' businesses.

Successful Execution on Recent and Future Acquisitions. We intend to augment our organic growth with strategic and tactical acquisitions. Critical to our success is continuing to be highly disciplined in integrating recent acquisitions, such as SafeCharge, Smart2Pay and the Base Commerce acquisition, and future acquisitions into our Company in a manner that allows us to fulfill the potential that these acquisitions bring.

Economic conditions and resulting consumer spending trends. Changes in macro-level consumer spending trends, including COVID-19, could affect the total volume processed on our platform, thus resulting in fluctuations to our revenue.

Key Components of Results of Operations

Revenue

Merchant Transaction and Processing Services. Revenue from the Company's merchant transaction and processing services revenue are derived primarily from eCommerce and retail point-of-sale payment processing services, and stem from relationships with individual merchants. Additionally, transaction and processing services revenue stem from contracts with financial institutions and other merchant acquirers, the terms of which generally range from three to five years. The contracts stipulate the types of services and set forth how fees will be incurred and calculated. Merchant transaction and processing services revenue are generated from processing electronic payment transactions for merchants.

The Company's transaction and processing revenue is primarily comprised of (a) fees calculated based on a percentage of monetary value of transactions processed; (b) fees calculated based on number of transactions processed; (c) service fees; or (d) some combination thereof that are associated with transaction and processing services.

The Company presents revenue net of the interchange fees charged by the card issuing financial institutions and the fees charged by the payment networks.

Other Revenue. The Company may sell hardware ("point-of-sale equipment") as part of its contracts with customers. Hardware consists of terminals or gateway devices. The Company does not manufacture hardware but purchases hardware from third party vendors and holds the hardware in inventory until purchased by a customer.

For more information on our revenue recognition policies, refer to Note 3 of the Consolidated Financial Statements.

Cost of Revenue

Processing costs. Processing fees consist of fees paid to processing suppliers. When we are the primary obligor providing payment processing services, we record processing fees paid to processing suppliers as a cost of revenue. If we are not the primary obligor providing payment processing services, processing fees are netted from the revenue recorded for such transaction and we do not record separate processing fees as a cost of revenue.

Costs of goods sold. Costs of goods sold consist primarily of costs associated with selling point-of-sale equipment, such as the cost of acquiring the equipment, including purchase price, expenses associated with a third-party fulfillment company, shipping and handling and inventory adjustments.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses primarily represent the amounts associated with (i) commissions, (ii) depreciation and amortization, and (iii) employee compensation.

Commissions. Commissions are comprised of incentives paid to third party agents for referring merchants.

Depreciation. Depreciation consists of depreciation of property and equipment, primarily terminals, office and computer equipment, furniture and fixtures, leasehold improvements and right of use assets over buildings. We calculate depreciation using the straight-line method over the useful life of the relevant asset or over the remaining lease term, as applicable.

Amortization. Amortization consists primarily of amortization of intangible assets, which consist of internally generated and externally purchased software that is used in providing processing services to customers. It also includes trademarks, technologies and partner and merchant relationships, that are acquired by the Company. These intangible assets are amortized on a straight-line basis over the course of the relevant asset's useful life.

Employee compensation. Employee compensation consists of salaries and compensation paid to our employees except for share-based payments. The employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, operations, as well as various business support functions.

Selling, general and administrative expenses also consist of transaction losses, professional fees, share-based payments, contingent consideration adjustment, net (gain) loss on foreign currency exchange, and other.

We anticipate increases in general and administrative expenses as we incur the costs of compliance associated with being a public company, including increased accounting and legal expenses. See "Risks Relating to Regulation" section.

Net Finance Costs

Net finance costs primarily represent amounts associated with:

Net (gain) loss on foreign currency exchange. Our Canadian subsidiary, which has Canadian dollars as its functional currency, has U.S.-denominated debt. This debt is translated into the Canadian functional currency using the exchange rates prevailing at the date of the transactions or when items are re-measured at the end of the reporting period. The resulting gains and losses subsequently being recognized are recorded in finance costs.

Interest on loans and borrowings Interest expense consists primarily of interest incurred on the (i) term loans outstanding under the Credit Facilities and (ii) unsecured convertible debenture issued by the Company to certain of its shareholders as part of the SafeCharge acquisition, which were partially redeemed in December 2019 and the remainder converted into shares or redeemed with the IPO proceeds.

Change in redemption amount of liability classified common and preferred shares. The Company and a subsidiary of the Company issued common and preferred shares that were redeemable, under certain conditions, at a fixed price plus an amount equal to 10% to 15% of the initial value calculated on an annual basis or at fair value. The change in redemption amount of the liability classified shares issued by the Company and the Company's subsidiary was recognized in the statement of profit or loss and comprehensive loss using the effective interest rate. These shares were converted into Subordinate Voting Shares as part of the IPO process.

Interest income on advances to third parties. Commencing in Fiscal 2018, the Company issued advances to a third-party independent sales organization. Under the agreements with the third-party independent sales organization, the Company acquired the rights to cash flows from a portfolio of merchant contracts. The agreements provide for minimum guaranteed payments for the first three years. After the first three years, the portfolio of merchants is fixed,

and the cash flows are no longer guaranteed at which point the receipts will flow through the consolidated statement of profit or loss.

Income tax expense

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Results of Operations

The following table outlines our consolidated profit or loss and comprehensive loss information for the three months and year ended December 31, 2020 and 2019:

(In thousands of U.S. dollars except for share and per share amounts)	Three months ended December 31		Year ended December 31	
	2020 \$	2019 \$	2020 \$	2019 \$
Revenue	115,881	79,327	375,046	245,816
Cost of revenue	23,519	13,075	69,255	40,758
Gross profit	92,362	66,252	305,791	205,058
Selling, general and administrative expenses	73,191	55,365	241,690	193,770
Operating profit	19,171	10,887	64,101	11,288
Finance income	(1,257)	(1,130)	(5,427)	(5,188)
Finance costs (recovery)	(1,257)	19,254	170,111	90,640
Net finance costs	(2,514)	18,124	164,684	85,452
Income (loss) before income tax	21,685	(7,237)	(100,583)	(74,164)
Income tax expense (recovery)	(892)	(4,160)	3,087	(4,699)
Net income (loss)	22,577	(3,077)	(103,670)	(69,465)
Other comprehensive income (loss)				
Foreign operations – foreign currency translation differences	18,394	(10,068)	32,855	(9,225)
Total comprehensive income (loss)	40,971	(13,145)	(70,815)	(78,690)
Net income (loss) attributable to:				
Common shareholders of the Company	21,726	(3,587)	(106,230)	(70,502)
Non-controlling interest	851	510	2,560	1,037
	22,577	(3,077)	(103,670)	(69,465)
Comprehensive income (loss) attributable to:				
Common shareholders of the Company	40,120	(13,655)	(73,375)	(79,727)
Non-controlling interest	851	510	2,560	1,037
	40,971	(13,145)	(70,815)	(78,690)
Weighted average number of common shares outstanding^(a)				
Basic	135,837,128	75,751,716	98,681,060	61,483,675
Diluted	139,929,183	75,751,716	98,681,060	61,483,675
Net income (loss) per share attributable to common shareholders of the Company				
Basic	0.16	(0.05)	(1.08)	(1.15)
Diluted	0.16	(0.05)	(1.08)	(1.15)

(a) The weighted average number of common shares outstanding previous to the IPO has been adjusted to take into consideration the Reorganization discussed in Note 17 of the Consolidated Financial Statements.

Results of Operations for the Three Months Ended December 31, 2020 and 2019

Revenue

(In thousands of U.S. dollars, except for percentages)	Three months ended December 31		Change \$	Change %
	2020	2019		
Revenue	115,881	79,327	36,554	46

For the three months ended December 31, 2020, revenue increased by \$36.6 million or 46% as compared to the three months ended December 31, 2019. The increase is due to total volume growth primarily driven by organic growth and partly due to the Smart2Pay acquisition in November 2020.

Total volume increased from \$9.1 billion in the three months ended December 31, 2019 to \$13.9 billion in the three months ended December 31, 2020, an increase of \$4.8 billion or 53%.

On a combined basis as if the SafeCharge and Smart2Pay acquisitions had occurred on January 1, 2019, total volume would have been \$14.1 billion in the three months ended December 31, 2020, compared to \$9.5 billion in the three months ended December 31, 2019, an increase of \$4.6 billion or 48%.

Assuming the SafeCharge acquisition and Smart2Pay acquisition had occurred on January 1, 2019, revenue would have been \$119.5 million for the three months ended December 31, 2020, compared to \$87.9 million for the three months ended December 31, 2019, an increase of \$31.6 million or 36%.

Cost of Revenue

(In thousands of U.S. dollars, except for percentages)	Three months ended December 31		Change	Change
	2020	2019		
Cost of revenue	\$ 23,519	\$ 13,075	\$10,444	80%
As a percentage of revenue	20.3%	16.5%		

For the three months ended December 31, 2020, cost of revenue increased by \$10.4 million or 80% as compared to the three months ended December 31, 2019 due to an increase of \$11.0 million or 98% in processing costs, partially offset by a decrease in cost of goods sold of \$0.6 million.

The increase in processing costs is primarily driven by organic growth and the inclusion of Smart2Pay as of November 2020. Cost of revenue as a percentage of revenue increased from 16.5% for the three months ended December 31, 2019 to 20.3% for the three months ended December 31, 2020 due to SafeCharge and Smart2Pay having a higher cost of revenue than Nuvei's operation in the North American market due to costs associated with its merchant servicing model.

Selling, General and Administrative expenses

	Three months ended December 31		Change \$	Change %
	2020 \$	2019 \$		
(In thousands of U.S. dollars, except for percentages)				
Selling, General and Administrative expenses				
Commissions	18,104	16,998	1,106	7
Depreciation and amortization	18,410	17,041	1,369	8
Employee compensation	14,662	13,987	675	5
Professional fees	8,054	2,784	5,270	189
Share-based payments	3,200	227	2,973	n.m.
Other	10,761	4,328	6,433	149
	<u>73,191</u>	<u>55,365</u>	<u>17,826</u>	<u>32</u>

For the three months ended December 31, 2020, selling, general and administrative expenses increased by \$17.8 million or 32% as compared to the three months ended December 31, 2019 primarily due to the following:

Commissions. During the three months ended December 31, 2020, commission expense increased by \$1.1 million or 7% as compared to the three months ended December 31, 2019. The increase was primarily due to an increase in volume subject to commission.

Depreciation and amortization. Depreciation of property and equipment expenses and amortization of intangible assets for the three months ended December 31, 2020 increased by \$1.4 million or 8% as compared to the three months ended December 31, 2019. The increase was primarily due to a higher amortization of technologies as well as partner and merchant relationships intangible assets related to the Smart2Pay acquisition.

Employee compensation. During the three months ended December 31, 2020, employee compensation increased by \$0.7 million or 5% as compared to the three months ended December 31, 2019. The inclusion of Smart2Pay resulted in an increase in headcount. The employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, human resources, and administration.

Professional fees. For the three months ended December 31, 2020, professional fees increased by \$5.3 million as compared to the three months ended December 31, 2019. The increase was primarily due to the acquisition and other transaction related costs related to the Smart2Pay acquisition in November 2020.

Share based payments. For the three months ended December 31, 2020, share-based payments increased by \$3.0 million as compared to the three months ended December 31, 2019. This was primarily driven by the accelerated vesting of the Legacy Option Plan stock options and options granted under the Omnibus Incentive Plan as part of the Company's IPO (refer to Note 24 of the Consolidated Financial Statements).

Other. For the three months ended December 31, 2020, other expenses increased by \$6.4 million compared to the three months ended December 31, 2019 primarily due to an increase in foreign exchange currency losses.

Net Finance Costs

(In thousands of U.S. dollars, except for percentages)	Three months ended December 31		Change \$	Change %
	2020 \$	2019 \$		
Net finance costs				
Finance income				
Interest on advances to third parties	(1,257)	(1,130)	(127)	11
Finance costs				
Interest on loans and borrowings and unsecured debentures	2,091	26,813	(24,722)	(92)
Change in redemption amount of shares	—	3,616	(3,616)	(100)
Net (gain) loss on foreign currency exchange	(3,751)	(11,743)	7,992	(68)
Other	403	568	(165)	(29)
	<u>(2,514)</u>	<u>18,124</u>	<u>(20,638)</u>	<u>(114)</u>

During the three months ended December 31, 2020, net finance costs decreased by \$20.6 million as compared to the three months ended December 31, 2019. The decrease was primarily due to the following items:

Interest on loans and borrowings and unsecured debentures. The decrease of \$24.7 million was mainly due to a decrease of \$17.3 million in interest expense on loans and borrowings and \$7.4 million on unsecured debentures. This was due to the accelerated repayment of the loans and borrowing and unsecured debentures in September 2020 following the IPO.

Change in redemption amount of shares. The decrease of \$3.6 million was primarily due to the redemption amount of liability classified Class A common shares in September 2020 following the IPO.

Net (gain) on foreign currency exchange. Foreign currency exchange gain included in the net finance costs for the three months ended December 31, 2020 was \$3.8 million as compared to a gain of \$11.7 million for the three months ended December 31, 2019. This was due to the accelerated repayment of the U.S. denominated debt held in our Canadian subsidiary in September 2020 following the IPO, which reduces the overall exposure.

Income Taxes

(In thousands of U.S. dollars, except for percentages)	Three months ended December 31		Change \$	Change %
	2020 \$	2019 \$		
Income tax expense (recovery)	(892)	(4,160)	3,268	(79)

Income tax recovery for the three months ended December 31, 2020 was \$0.9 million as compared to a recovery of \$4.2 million for the three months ended December 31, 2019.

Results of Operations for the Year Ended December 31, 2020 and 2019

Revenue

(In thousands of U.S. dollars, except for percentages)	Year ended December 31		Change \$	Change %
	2020	2019		
Revenue	375,046	245,816	129,230	53

For the year ended December 31, 2020, revenue increased by \$129.2 million or 53% as compared to the year ended December 31, 2019. The increase is driven by acquisition growth (SafeCharge acquisition in August 2019 and Smart2Pay in November 2020) as well as organic growth.

Total volume increased from \$24.6 billion in the year ended December 31, 2019 to \$43.2 billion in the year ended December 31, 2020, an increase of \$18.6 billion or 76%.

Assuming the SafeCharge acquisition and Smart2Pay acquisition had occurred on January 1, 2019, total volume would have been \$44.6 billion in the year ended December 31, 2020, compared to \$35.3 billion in the year ended December 31, 2019, an increase of \$9.3 billion or 26%.

Assuming the SafeCharge acquisition and Smart2Pay acquisition had occurred on January 1, 2019, revenue would have been \$406.6 million in the year ended December 31, 2020, compared to \$342.0 million in the year ended December 31, 2019, an increase of \$64.6 million or 19%.

Cost of Revenue

(In thousands of U.S. dollars, except for percentages)	Year ended December 31		Change	Change
	2020	2019		
Cost of revenue	\$ 69,255	\$ 40,758	\$28,497	70%
As a percentage of revenue	18.5%	16.6%		

For the year ended December 31, 2020, cost of revenue increased by \$28.5 million or 70% as compared to the year ended December 31, 2019 primarily due to an increase of \$30.4 million or 90% in processing costs.

The increase in processing costs is primarily attributable to the inclusion of SafeCharge costs for a complete year in 2020 and the acquisition of Smart2Pay. SafeCharge and Smart2Pay have a higher relative cost of revenue than Nuvei's operation in the North American market due to costs associated with its merchant servicing model. As a result, cost of revenue as a percentage of revenue increased from 16.6% for the year ended December 31, 2019 to 18.5% for the year ended December 31, 2020.

Selling, General and Administrative expenses

	Year ended December 31		Change \$	Change %
	2020 \$	2019 \$		
(In thousands of U.S. dollars, except for percentages)				
Selling, General and Administrative expenses				
Commissions	67,410	65,490	1,920	3
Depreciation and amortization	69,673	51,125	18,548	36
Employee compensation	57,509	42,367	15,142	36
Professional Fees	15,493	21,127	(5,634)	(27)
Share-based payments	10,407	994	9,413	n.m.
Other	21,198	12,667	8,531	67
	<u>241,690</u>	<u>193,770</u>	<u>47,920</u>	<u>25</u>

For the year ended December 31, 2020, selling, general and administrative expenses increased by \$47.9 million or 25% as compared to the year ended December 31, 2019 primarily due to the following:

Commissions. During the year ended December 31, 2020, commission expenses increased by \$1.9 million or 3% due to an increase of volume subject to commissions.

Depreciation and amortization. Depreciation of property and equipment expenses and amortization of intangible assets for the year ended December 31, 2020 increased by \$18.5 million or 36% as compared to the year ended December 31, 2019. The increase was primarily due to a higher amortization of intangible assets attributable to acquired technologies as well as partner and merchant relationships resulting from the SafeCharge acquisition, which had only a five-month impact for the period ended December 31, 2019, and the Smart2Pay acquisition, which occurred in November 2020.

Employee compensation. During the year ended December 31, 2020, employee compensation increased by \$15.1 million or 36% as compared to the year ended December 31, 2019. The inclusion of SafeCharge and Smart2Pay resulted in an increase in headcount. The employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, human resources and administration.

Professional fees. For the year ended December 31, 2020, professional fees decreased by \$5.6 million or 27% as compared to the year ended December 31, 2019. The decrease was primarily due to lower acquisition and other acquisition-related costs as 2019 included such costs related to the SafeCharge acquisition, a large acquisition resulting in higher fees compared to the Smart2Pay acquisition in November 2020.

Share-based payments. For the year ended December 31, 2020, share-based payments increased by \$9.4 million as compared to the year ended December 31, 2019. This was primarily driven by the accelerated vesting of the Legacy Option Plan stock options and options granted under the Omnibus Incentive Plan as part of the Company's IPO (refer to Note 24 of the Consolidated Financial Statements).

Other. For the year ended December 31, 2020, other expenses increased by \$8.5 million or 67% as compared to the year ended December 31, 2019 due to higher information technology expenses and losses on foreign currency exchange.

Net Finance Costs

	Year ended December 31		Change \$	Change %
	2020 \$	2019 \$		
(In thousands of U.S. dollars, except for percentages)				
Net finance costs				
Finance income				
Interest on advances to third parties	(5,427)	(5,188)	(239)	5
Finance costs				
Interest on loans and borrowings and unsecured debentures	57,527	58,672	(1,145)	(2)
Change in redemption amount of shares	76,438	41,744	34,694	83
Loss on debt modification or early repayment	24,491	4,830	19,661	n.m.
Net (gain) loss on foreign currency exchange	11,020	(15,300)	26,320	(172)
Other	635	694	(59)	(9)
	<u>164,684</u>	<u>85,452</u>	<u>79,232</u>	<u>93</u>

During the year ended December 31, 2020, net finance costs increased by \$79.2 million as compared to the year ended December 31, 2019. The increase was primarily due to the following items:

Interest on loans and borrowings and unsecured debentures. A decrease of \$1.1 million due to decrease in loans and borrowings following repayment from IPO proceeds.

Change in redemption amount of shares. The increase of \$34.7 million was primarily due to an increase in the redemption amount of liability classified Class A common shares, which is based on the fair value of the Class A common shares. Following the IPO in September 2020, there are no outstanding Class A common shares.

Loss on debt modification and early repayment. The increase of \$19.7 million was primarily due to the accelerated amortization of deferred financing fees resulting from the early repayment of the loans and borrowings following the IPO.

Net (gain) loss on foreign currency exchange. Foreign currency exchange loss included in the net finance costs for the year ended December 31, 2020 was \$11.0 million as compared to a gain of \$15.3 million for the year ended December 31, 2019. This was due to the strengthening of the Canadian dollar as compared to the U.S. dollar early in 2020 for the U.S. denominated debt held in our Canadian subsidiary, which was partially repaid with the proceeds from the IPO.

Income Taxes

	Year ended December 31		Change \$	Change %
	2020 \$	2019 \$		
(In thousands of U.S. dollars, except for percentages)				
Income tax expense (recovery)	3,087	(4,699)	7,786	(166)

Income tax expense for the year ended December 31, 2020 was \$3.1 million as compared to a recovery of \$4.7 million for the year ended December 31, 2019. The current income tax expense was \$13.5 million for the year ended December 31, 2020 compared to a current tax expense of \$4.8 million for the year ended December 31, 2019. The deferred income tax recovery was \$10.4 million for the year ended December 31, 2020 compared to a deferred income tax recovery of \$9.5 million for the year ended December 31, 2019 mainly driven by the amortization of acquisition-related intangible assets.

Selected Annual Information

(In thousands of U.S. dollars)	As at and for the year ended December 31,		
	2020	2019	2018
	\$	\$	\$
Revenue	375,046	245,816	149,726
Net loss	(103,670)	(69,465)	(30,962)
Net loss per share attributable to common shareholders of the Company (Basic and diluted)(a)	(1.08)	(1.15)	(0.52)
Total assets	2,243,984	1,558,772	577,572
Total non-current liabilities	260,705	849,039	344,477

- (a) The weighted average number of common shares outstanding previous to the IPO has been adjusted to take into consideration the Reorganization discussed in Note 17 of the Consolidated Financial Statements.

Year ended December 31, 2020 compared to Year ended December 31, 2019

Revenue

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations” for a more detailed discussion of the 2020-2019 year-over-year changes in revenue and net loss.

Total Assets

Total assets increased \$685.2 million or 44% from the year ended December 31, 2019 to December 31, 2020. The increase can be explained primarily by the increase of \$242.8 million in segregated funds related to increase in total volume, timing and the inclusion of Smart2Pay, the increase of \$201.3 million in goodwill, and \$115.9 million in intangible assets both related to the Smart2Pay acquisition, and the increase of \$120.7 million in cash.

Segregated funds represent amounts held in segregated bank accounts, which are held on behalf of merchants where the Company is in the flow of funds in the settlement transaction cycle. A corresponding liability (due to merchants) is recognized for the amounts to be settled to merchants. The segregated bank accounts are held with the Company’s banks and are segregated from operating funds. Both the segregated funds and the due to merchants are derecognized when the funds are settled to the merchant.

Total Non-Current liabilities

Total non-current liabilities decreased by \$588.3 million or 69% from the year ended December 31, 2019 to December 31, 2020. This is primarily due to a decrease of \$509.4 million in loans and borrowings, and a decrease of \$109.0 million in unsecured convertible debentures. In connection with the IPO, the Company made an early repayment of the loans and borrowings principal of \$615.6 million and debenture principal of \$93.4 million. In the three months ended December 31, 2020, the Company added term loans of \$110 million to finance the acquisition of Smart2Pay in November 2020 and Base Commerce in January 2021.

Revenue

For the year ended December 31, 2019, revenue increased by \$96.1 million or 64% as compared to the year ended December 31, 2018. The increase was due to the LPP acquisition in January 2019, the SafeCharge acquisition in August 2019 and organic growth.

Total volume increased from \$14.1 billion in the year ended December 31, 2018 to \$24.6 billion in the year ended December 31, 2019, an increase of \$10.5 billion or 74%.

Total Assets

Total assets increased by \$981.2 million from the year ended December 31, 2018 to December 31, 2019. The increase can be explained by the increase of segregated funds by \$200.6 million, intangible assets by \$288.8 million and goodwill by \$454.9 million resulting from the SafeCharge acquisition in 2019.

Total Non-Current liabilities

Total non-current liabilities increased by \$504.6 million from the year ended December 31, 2018 to December 31, 2019. This is due to an increase in loans and borrowings (net of repayment) of \$453.4 million, and unsecured convertible debenture of \$109.0 million. As part of the SafeCharge acquisition, additional term loan of \$580 million was obtained, and \$199 million of unsecured convertible debentures were issued by the Company to certain shareholders.

Summary of Quarterly Results and Trend Analysis

	Three months ended							
	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019	Jun. 30, 2019	Mar. 31, 2019
(In thousands of U.S. dollars except for per share amounts)	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	115,881	93,599	82,568	82,998	79,327	70,752	50,453	45,284
Cost of revenue	23,519	17,007	13,561	15,168	13,075	12,173	8,141	7,369
Gross profit	92,362	76,592	69,007	67,830	66,252	58,579	42,312	37,915
Selling, general and administrative expenses	73,191	61,398	53,267	53,834	55,365	62,689	40,975	34,741
Operating profit (loss)	19,171	15,194	15,740	13,996	10,887	(4,110)	1,337	3,174
Finance income	(1,257)	(1,375)	(1,449)	(1,346)	(1,130)	(1,532)	(1,404)	(1,122)
Finance costs	(1,257)	90,933	2,666	77,769	19,254	62,069	4,717	4,600
Net finance costs	(2,514)	89,558	1,217	76,423	18,124	60,537	3,313	3,478
Income (loss) before income tax	21,685	(74,364)	14,523	(62,427)	(7,237)	(64,647)	(1,976)	(304)
Income tax expense (recovery)	(892)	3,505	558	(84)	(4,160)	1,049	(575)	(1,013)
Net income (loss)	22,577	(77,869)	13,965	(62,343)	(3,077)	(65,696)	(1,401)	709
Net income (loss) per share attributable to common shareholders of the Company(a)								
Basic	0.16	(0.88)	0.16	(0.74)	(0.05)	(1.10)	(0.02)	0.01
Diluted	0.16	(0.88)	0.15	(0.74)	(0.05)	(1.10)	(0.02)	0.01
Adjusted EBITDA	51,313	40,991	37,390	33,288	31,942	25,767	15,359	14,131
Adjusted net income (loss)	46,492	16,455	16,259	9,780	5,364	2,192	7,816	6,973
Adjusted net income per share attributable to common shareholders of the Company(a)								
Basic	0.34	0.18	0.18	0.11	0.06	0.03	0.13	0.11
Diluted	0.33	0.17	0.18	0.11	0.06	0.03	0.12	0.11

- (a) The weighted average number of common shares outstanding previous to the IPO has been adjusted to take into consideration the Reorganization discussed in Note 17 of the Consolidated Financial Statements.

Quarterly Trend Analysis

The quarterly increase in revenue was due to total volume growth from acquisitions (SafeCharge for the three months ended September 30, 2019 and Smart2Pay for the three months ended December 31, 2020) and organic growth.

The quarterly increase in cost of revenue is primarily related to processing costs increase following the SafeCharge acquisition in August 2019 and Smart2Pay acquisition in November 2020. Furthermore, both SafeCharge and Smart2Pay have higher cost of revenue than Nuvei's North American operations due to costs associated with their merchant servicing models.

The quarterly increase in selling, general and administrative expenses is primarily related to the various acquisitions. Depreciation and amortization increased due to an increase in amortization of intangible assets attributable to the acquisitions of technologies as well as partner and merchant relationships resulting from the SafeCharge and Smart2Pay acquisitions. Employee benefits increased primarily due to the SafeCharge and Smart2Pay acquisition which resulted in an increase in headcount. Professional fees increased for the three months ended September 30, 2019 and the three months ended December 31, 2020 due to the costs related to the SafeCharge and Smart2Pay acquisitions, respectively.

Share based payment increased due to the accelerated vesting of the Legacy Option Plan stock options and options granted under the Omnibus Incentive Plan as part of the Company's IPO.

Liquidity and Capital Resources

Overview

Our financial condition and liquidity are and will continue to be influenced by a variety of factors, including:

- Our ability to generate cash flows from our operations;
- The level of our outstanding indebtedness and the interest we are obligated to pay on this indebtedness; and
- Our capital expenditure requirements.

The general objectives of our capital management strategy are to ensure sufficient liquidity to pursue our organic growth strategy and undertake selective acquisitions, while maintaining a strong credit profile and a capital structure that maintains total leverage ratio within the limits set in the credit facilities.

Our primary source of liquidity is cash from operations and debt and equity financing. Our principal liquidity needs include investment in our product and technology and selective acquisitions, as well as operations, selling and general and administrative expenses and debt service.

The Company's capital is composed of net debt and shareholders' equity. Net debt consists of interest-bearing debt less cash. The Company's use of capital is to finance working capital requirements, capital expenditures and business acquisitions. The Company funds those requirements out of its internally generated cash flows and funds drawn from its long-term credit facilities.

The primary measure used by the Company to monitor its financial leverage is its total leverage ratio, defined as the ratio of consolidated net debt outstanding to consolidated Adjusted EBITDA, calculated in accordance with the terms of the agreement. Under its first lien credit facilities, the Company must maintain a total leverage ratio of less than or equal to 8.00 : 1.00. As at December 31, 2020, the Company was in compliance with this requirement.

In addition to the cash balances, at December 31, 2020 the Company has a \$100.0 million revolving credit facility available to be drawn to meet ongoing working capital requirements. As at December 31, 2020 the Company had letters of credit facilities issued totaling \$30.1 million which represent usage on the revolving credit facility

On December 7, 2020, Nuvei filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. The base shelf prospectus will allow Nuvei and certain of its security holders to qualify the distribution by way of prospectus in Canada of up to US \$850.0 million of subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, during the 25-month period that the base shelf prospectus is effective.

We believe that our available cash, cash flows generated from operations, loans and borrowings available to us will be sufficient to meet our projected operating and capital expenditure requirements for at least the next 12 months.

Cash Flows

(In thousands of U.S. dollars, except for percentages)

	Year ended December 31		Change \$	Change %
	2020 \$	2019 \$		
Cash flow from (used in):				
Operating Activities	93,259	22,705	70,554	n.m.
Investing Activities	(58,617)	(775,389)	716,772	(92)
Financing Activities	84,195	806,617	(722,422)	(90)
Effect of foreign currency exchange on cash	1,813	69	1,744	n.m.
Net increase in cash	<u>120,650</u>	<u>54,002</u>	<u>66,648</u>	<u>123</u>
Cash—end of period	<u>180,722</u>	<u>60,072</u>	<u>120,650</u>	<u>201</u>

Cash Flows From Operating Activities

For the year ended December 31, 2020, \$93.3 million of cash flow was generated from operating activities compared to \$22.7 million for the year ended December 31, 2019. The increase was due to the total volume growth driven primarily by organic growth, the SafeCharge acquisition in August 2019 and the Smart2Pay acquisition in November 2020. Net income adjusted for non-cash items was \$147.1 million for the year ended December 31, 2020 compared to \$65.9 million for the year ended December 31, 2019, an increase of \$81.2 million. The interest and income taxes paid totalled \$58.0 million for 2020 compared to \$45.8 million for 2019, an increase of \$12.2 million.

Cash Flows From (Used in) Investing Activities

For the year ended December 31, 2020, \$58.6 million of cash flow was used in investing activities. This resulted primarily from a business acquisition of \$67.5 million (net of cash acquired) as well as new intangible assets of \$14.4 million and property and equipment of \$3.4 million. This was partially offset by proceeds from the sale of a subsidiary (net of cash acquired) of \$19.0 million, and cash from advances to third party of \$9.4 million.

For the year ended December 31, 2019, \$775.4 million of cash was used in investing activities. This resulted primarily from business acquisitions (net of cash acquired) of \$780.2 million, primarily related to the SafeCharge acquisition.

Cash Flows From (Used in) Financing Activities

For the year ended December 31, 2020, \$84.2 million of cash flow was generated from financing activities. This resulted primarily from the issuance of share capital from the IPO of \$715.5 million and additional loan and borrowings of \$110.0 million, which was offset by the repayment of loans and borrowings of \$642.8 million and the repayment of unsecured debentures of \$93.4 million.

For the year ended December 31, 2019, \$806.6 million of cash was generated from financing activities. This resulted primarily from the net proceeds of loans and borrowings of \$472.0 million, the net issuance of unsecured debenture and preferred shares of \$177.4 million, the issuance of share capital of \$187.3 million, offset by the payment of transaction costs related to loans and borrowings of \$28.8 million. The cash flow generated from financing activities was used primarily for the SafeCharge acquisition, as noted above.

Contractual Obligations

We have contractual obligations with a variety of expiration dates. The table below outlines our contractual obligations, including estimated interest payments, at December 31, 2020:

(In thousands of U.S. dollars)	Contractual cash flows			
	Carrying amount \$	Total \$	Less than 1 year \$	1 to 5 years \$
Trade and other payables	58,709	58,709	58,709	—
Due to merchants	443,394	443,394	443,394	—
Credit facilities	206,481	260,552	10,069	250,483
Lease liabilities	8,772	8,772	2,384	6,388
Other liabilities	8,791	8,791	7,132	1,659
	726,147	780,218	521,688	258,530
Segregated funds	(443,394)	(443,394)	(443,394)	—
	282,753	336,824	78,294	258,530

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements, other than the letter of credit facilities issued totaling \$30.1 million, which represents usage on the revolving credit facility.

We may, from time to time, be contingently liable with respect to litigation and claims that arise in the normal course of operations.

Related Party Transactions

We have no related party transactions, other than those noted in the Consolidated Financial Statements, which are reproduced as follows.

Transactions with Key Management Personnel

(In thousands of U.S. dollars)	Three months ended December 31		Year ended December 31	
	2020 \$	2019 \$	2020 \$	2019 \$
Salaries and short-term employee compensation	1,534	1,588	4,369	3,764
Share based payments	449	150	5,955	620
	1,983	1,738	10,324	4,384

Other Related Party Transactions

(In thousands of U.S. dollars)	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
Expense—Travel(a)	489	855	1,907	964
Unsecured convertible debentures due to shareholders(b)	—	8,630	15,503	12,520
	489	9,485	17,410	13,484

- (a) In the normal course of operations, the Company receives services from a company owned by a shareholder of the Company. The services received consist of travel services.
- (b) In August 2019, unsecured convertible debentures were issued by the Company to shareholders. As part of the IPO in September 2020, an amount of \$30.2 million in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company, and the remaining balance was repaid with the cash proceeds of the IPO.

Unsecured convertible debentures due to shareholders

The IPO proceeds were used to repay in full the principal amount, outstanding original issue discount and accrued interest, on the unsecured convertible debenture due to shareholders in the amount of \$93.4 million. As part of the IPO, \$30.2 million in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company.

Financial Instruments and Other Instruments

In the ordinary course of its business activities, the Company is exposed to various market risks that are beyond its control, including fluctuations in foreign exchange rates and interest rates, and that may have an adverse effect on the value of its financial assets and liabilities, future cash flows and profit. Its policy with respect to these market risks is to assess the potential of experiencing losses and the consolidated impact thereof, and to mitigate these market risks as is deemed appropriate. (Also refer to the “Risks Relating to Our Business and Industry” section.)

Credit and Concentration Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s cash, trade and other receivables, advances to third parties, segregated funds and processor deposits. The carrying amounts of these financial assets represent the maximum credit exposure.

Cash and processor deposits

The credit risk associated with cash, segregated funds and processor deposits is limited because they are maintained only with highly rated large financial institutions.

Trade and other receivables

The Company provides credit to its customers in the normal course of business. The Company evaluates the creditworthiness of the corresponding counterparties at least at the end of each reporting period and on a specific circumstance basis. The Company’s extension of credit to customers involves considerable judgment and is based on an evaluation of each customer’s financial condition and payment history. The Company has established various internal controls designed to mitigate credit risk, including credit limits and payment terms that are reviewed and

approved by the Company. Any impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

There is a concentration of credit risk as of December 31, 2020, with respect to the Company's receivables from its main processors, which represented approximately 39% (December 31, 2019– 59%) of trade and other receivables.

Advances to third parties

The credit risk associated with the advances to third parties is limited because the advances are repaid by financial institutions when the Company becomes entitled to payment under the agreements.

Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the U.S. dollar. Fluctuations related to foreign exchange rates could cause unforeseen fluctuations in the Company's operating results.

Approximately 46% of the Company's revenues and approximately 30% of its expenses are in currencies other than the U.S. dollar. The Company does not enter into arrangements to hedge its foreign currency risk.

The following table provides an indication of the Company's significant foreign exchange currency exposures as stated in U.S. dollars as at December 31, 2020:

(In thousands of U.S. dollars)	2020				Total \$
	CAD \$	EUR \$	GBP \$	Other \$	
Cash	128	19,031	8,569	13,385	41,113
Trade and other receivables	7,645	5,317	1,222	3,509	17,693
Trade and other payables	(16,374)	(17,530)	(1,170)	(13,989)	(49,063)
Lease liabilities	—	(79)	(108)	(3,516)	(3,703)
Net financial position exposure	(8,601)	6,739	8,513	(611)	6,040

A 10% strengthening of the above foreign currencies dollar against the US dollar would have affected the measurement of financial instruments denominated in these currencies and affected equity and net loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 10% weakening of the foreign currencies against the U.S. dollar would have an equal but opposite effect.

(In thousands of U.S. dollars)	2020				Total \$
	CAD \$	EUR \$	GBP \$	Other \$	
Impact on equity and net loss	(860)	674	851	(61)	604

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Refer to Note 20 of the Consolidated Financial Statements for the Company's exposure to interest rate risk as at December 31, 2020 and 2019.

The Company does not account for any fixed interest-rate financial assets or financial liabilities at FVTPL.

All loans and borrowings bear interest at floating rates, and the Company is therefore exposed to the cash flow risk resulting from interest rate fluctuations.

Based on December 31, 2020 outstanding loans and borrowings at floating rates, an immediate and sustained increase (decrease) in interest rates of 100 basis points over a twelve month period would have resulted in a decrease (increase) of \$2,1 million in profit or loss (2019 – \$7,4 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Fair value risk

Certain of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes using the following methods.

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring entities to develop their own assumptions.

The Company has determined that the carrying amounts of its current financial assets and financial liabilities approximate their fair value given their short-term nature.

The fair value of the variable interest rate non-current liabilities approximates the carrying amount as the liabilities bear interest at a rate that varies according to the market rate.

The fair value of fixed interest rate non-current unsecured convertible debentures due to shareholders approximate their carrying amounts at the reporting dates.

Refer to Note 21 of the Consolidated Financial Statements for additional information.

Critical Accounting Policies and Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, judgments and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Critical judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated Financial Statements include the following:

Revenue Recognition. The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocations between identified performance obligations, the use of appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligations satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgment and use of assumptions. In addition, the Company has applied judgment in assessing the principal versus agent considerations for its transaction and processing services.

Determining the fair value of identifiable intangible assets following a business combination. The Company uses valuation techniques to determine the fair value of identifiable intangible assets acquired in a business combination, which are generally based on a forecast of total expected future net discounted cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the related assets and the discount rate applied as it would be assumed by a market participant.

Recoverable Amount of Goodwill. For the years ended December 31, 2020 and 2019, the Company performed its annual impairment tests of goodwill. For the purposes of impairment testing, goodwill has been allocated to the Company's cash-generating units (CGUs), which represent the lowest level within the Company at which goodwill is monitored for internal management purposes (Refer to Note 8 of the Consolidated Financial Statements). The recoverable amount of the CGUs was based on fair value less costs of disposal, estimated using a market approach. The Company concluded that the recoverable amount of the CGUs subject to the annual test was greater than their carrying amount. As such, no impairment charge was recorded during 2020 and 2019. The Company determined the recoverable amounts of the CGUs based on the fair value less costs of disposal method. The fair values were based on a multiple applied to forecasted adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) for the next year, which takes into account financial forecasts approved by senior management. The key assumptions for the fair value less costs of disposals method include estimated sales volumes, input costs, and selling, general and administrative expenses in determining future forecasted adjusted EBITDA, as well as the multiple applied to forecasted adjusted EBITDA. The adjusted EBITDA multiple was obtained by using market data for comparable companies. The values assigned to the key assumptions represent management's assessment of future trends and have been based on historical data from external and internal sources. No reasonably possible change in the key assumptions used in determining the recoverable amount would result in any impairment of goodwill.

Provisions for Losses on Merchant Accounts. Disputes between a cardholder and a merchant arise periodically, primarily as a result of customer dissatisfaction with merchandise quality or merchant services. Such disputes may not be resolved in the merchant's favor. In these cases, the transaction amount is refunded to the customer by the card issuing financial institution, but the financial institution is refunded by the Company. The Company then charges back to the merchant the amount refunded to the financial institution. As such, the Company is exposed to credit risk in relation to the merchant since the Company assumes the repayment to the merchant's customer for the full amount of the transaction even if the merchant has insufficient funds to reimburse the Company. A provision for losses on merchant accounts is maintained to absorb chargebacks for merchant transactions that have been previously processed and on which revenues have been recorded. The provision for losses on merchant accounts specifically comprises identifiable provisions for merchant transactions for which losses can be estimated. Management evaluates the risk for such transactions and estimates the loss for disputed transactions based primarily on historical experience and other relevant factors. Management analyzes the adequacy of its provision for losses on merchant accounts in each reporting period.

Recoverable amount of tax balances for recognition of tax assets. Deferred income tax assets reflect management's estimate of operations of future fiscal years, timing of reversal of temporary differences and tax rates on the date of reversals, which may well change depending on governments' fiscal policies. Management must also assess whether it is more likely than not that deferred income tax assets will be realized and determine whether a valuation allowance is required on all or a portion of deferred income tax assets. Refer to Note 18 of the Consolidated Financial Statements for details.

Fair Value of Share-based Payment Transactions. The Company recognized compensation expense as a result of the options from the Legacy Option Plan becoming vested and the clawback provision being voided. Fair value was estimated using the Black-Scholes option pricing model (refer to Note 24 of the Consolidated Financial Statements for assumptions). The risk-free interest rate is based on the yield of a zero coupon U.S. government security with a maturity equal to the expected life of the option from the date of the grant. The assumption of expected volatility is based on the average historical volatility of comparable companies for the period immediately preceding the option grant. The Company does not anticipate paying any cash dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero in the option-pricing model.

Recently Issued Accounting Standards Not Yet Adopted

A number of amendments to existing standards issued by the IASB are mandatory but not yet effective for the year ended December 31, 2020. The Company is still assessing the impact of these amendments, if any, on the Consolidated Financial Statements.

Amendments to references to conceptual frameworks of IFRS Standards

This amendment replaces references to the 2010 Conceptual Framework for Financial Reporting with references to the 2018 Conceptual Framework for Financial Reporting in order to determine what constitutes an asset or liability in a business combination, add a new exception for certain liabilities and contingent liabilities to refer to IAS 37 or IFRIC 21 rather than to the 2018 Conceptual Framework, and clarify that an acquirer should not recognize contingent assets at the acquisition date. The amendments are effective for business combinations occurring in reporting periods starting on or after January 1, 2022. Earlier application is permitted.

Amendments to liability classification

On January 23, 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements (the amendments), to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists;
- Management expectations about events after the statement of financial position date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant; and
- The amendments clarify the situations that are considered settlement of a liability.

The amendments are applicable to annual periods beginning on or after January 1, 2023.

Outstanding Share Data

The outstanding shares of the Company were as follows as at February 28, 2021:

	Quantity	Carrying Amount \$
Subordinated voting shares	45,924,637	1,139,723
Multiple voting shares	92,247,808	486,062
Total	<u>138,172,445</u>	<u>1,625,785</u>

Risks Relating to Our Business and Industry

The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, could materially impact our business and future results of operations and financial condition.

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict. It is even more difficult to predict the impact on the global economic market, which will depend upon the actions taken by governments, businesses and other enterprises in response to the pandemic. The pandemic has already caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. SMBs who rely on their physical storefronts in particular have been significantly impacted. The pandemic has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place or total lock-down orders, and business limitations and shutdowns. Such measures have significantly contributed to rising unemployment and negatively impacted consumer and business spending. The extent to which COVID-19 impacts the Company's financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the actions taken by governments to curtail or treat its impact, including shelter in place directives, business limitations and shutdowns, travel bans and restrictions, loan payment deferrals (whether government-mandated or voluntary), moratoriums on debt collection activities and other actions, which, if imposed or extended, may impact the economies in which the Company now, or may in the future, operate. Adverse market conditions resulting from the spread of COVID-19 could materially adversely affect our business and the value of our Subordinate Voting Shares.

Our merchants, particularly in industries most impacted by the COVID-19 pandemic, including the retail, restaurant, hotel, hospitality, consumer discretionary and travel industries and companies whose customers operate in impacted industries, may reduce or delay their technology-driven transformation initiatives, which could materially and adversely impact our business. Further, as a result of the COVID-19 pandemic, we have experienced, and may continue to experience, slowed growth or decline in new demand for our products and services and lower demand from our existing merchants for expansion within our products and services, as well as existing and potential merchants reducing or delaying purchasing decisions. We have experienced, and may continue to experience, an increase in prospective merchants seeking lower prices or other more favorable contract terms and current merchants attempting to obtain concessions on the terms of existing contracts, including requests for early termination or waiver or delay of payment obligations, all of which has adversely affected and could materially adversely impact our business, results of operations and overall financial condition in future periods. Further, we may face increased competition due to changes to our competitors' products or services, including modifications to their terms, conditions and pricing that could materially adversely impact our business, results of operations and overall financial condition in future periods.

The COVID-19 pandemic could cause our third-party service providers such as data center hosting facilities and cloud computing platform providers, which are critical to our infrastructure, to shut down their business, experience security incidents that impact our business, delay or disrupt performance or delivery of services or experience interference with the supply chain of hardware required by their systems and services, any of which could materially adversely affect our business. Further, the COVID-19 pandemic has resulted in our employees and those of many of our customers working from home and conducting work via the Internet, and if the network and infrastructure of Internet providers becomes overburdened by increased usage or is otherwise unreliable or unavailable, our employees' and our customers' employees' access to the Internet to conduct business could be negatively impacted. Limitations on access or disruptions to services or goods provided by or to some of our suppliers upon which our platform and business operations relies could interrupt our ability to provide our platform, decrease the productivity of our workforce and significantly harm our business operations, financial condition and results of operations. In addition, our technology platforms and the other systems or networks used in our business may experience an increase in attempted cyber-attacks, targeted intrusion, ransomware and phishing campaigns seeking to take advantage of shifts to employees working remotely using their household or personal Internet networks as a result of the COVID-19 pandemic. The success of any of these unauthorized attempts could substantially impact our technology platforms, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations, and ultimately our business. Any actual or perceived security incident also may cause us to incur increased expenses to improve our security controls and to remediate security vulnerabilities.

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we participate, which could negatively impact our business. In response to the COVID-19 pandemic, we have enabled our employees to work remotely, implemented travel restrictions for all non-essential business and shifted company events to virtual-only experiences, and we may deem it advisable to similarly alter, postpone or cancel additional events in the future. There is no certainty that the measures we have taken will be sufficient to mitigate the risks posed by the virus. If the COVID-19 pandemic worsens, especially in regions where we have offices, our business activities originating from affected areas could be adversely affected. Disruptive activities could include additional business closures in impacted areas, further restrictions on our employees' and service providers' ability to travel, impacts to productivity if our employees or their family members experience health issues and potential delays in hiring and onboarding of new employees. We may take further actions that alter our business operations as may be required by local, provincial, state or federal authorities or that we determine are in the best interests of our employees. Such measures could negatively affect our sales and marketing efforts, sales cycles, employee productivity or customer retention, any of which could harm our financial condition and business operations. Changes in internal controls due to remote work arrangements may result in control deficiencies and impact our financial reporting systems, which may also be material.

Additionally, diversion of management focus to address the impacts of the COVID-19 pandemic could potentially disrupt our operating plans. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; delays in vaccine rollout; the effectiveness of vaccines against the virus and its mutations; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. If we or our customers experience prolonged shutdowns or other business disruptions in the future, our ability to conduct our business in the manner and within planned timelines could be materially adversely impacted.

The Company submitted an application to the Government of Canada for the Canadian Emergency Wage Subsidy ("CEWS") for which it was eligible due to the COVID-19 pandemic for the periods of April 12 to May 9, 2020, May 10 to June 6, 2020. CEWS of \$1.0 million has been recorded principally as a reduction of employee costs in the Consolidated Financial Statements and notes for the year ended December 31, 2020.

To the extent that the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risks Relating to Our Business and Industry" section.

If we cannot keep pace with rapid developments and change in our industry and continue to acquire new merchants and partners rapidly, the use of our services could decline, reducing our revenue.

The electronic payments market in which we compete is subject to rapid and significant changes. This market is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing client needs, consolidation and the entrance of non-traditional competitors. In order to remain competitive and continue to acquire new merchants and partners rapidly, we are continually involved in a number of projects to develop new services and improve our existing services. These projects may not be successful and carry some risks, such as cost overruns, delays in delivery, performance problems and lack of client adoption, and may cause us to become subject to additional regulation. Moreover, the merchant base that we target is varied and non-geographically bound or restricted by scale, making it more challenging to predict demand for our offerings. Any inability to develop or delay in the delivery of new services or the failure to differentiate our services or to accurately predict and address market demand could render our services less desirable, or even obsolete, to our clients. Furthermore, in recent years, the market for APMs has grown significantly, and technology has become particularly important for payment processors looking to maintain a competitive edge in the industry. Many of the projects that we have spent time and resources on relate to APMs. Even though the market for APMs is growing, it may not continue to develop rapidly enough for us to recover the costs we have incurred in developing new services targeted at this market. In addition, many current or prospective customers may find competing services more attractive if we do not keep pace with market innovation or changes in response to COVID-19, and many may choose to switch to competing services even if we do our best to innovate and provide superior services.

We rely in part, and may in the future rely in part, on third parties, including some of our competitors and potential competitors, for the development of, and access to, new technologies. If we are unable to maintain these relationships, we may lose access to new technologies or may not have the speed-to-market necessary to successfully launch new offerings.

Our future success will depend on our ability to adapt to technological changes and evolving industry standards. We cannot predict the effects of technological changes on our business. If we are unable to adapt to technological changes or evolving industry standards on a timely and cost-effective basis by introducing new services and improving existing services, our business, financial condition and results of operations could be materially adversely affected.

Substantial and increasingly intense competition, both within our industry and from other payments methods, may harm our business.

The market for payment processing services is highly competitive. Other providers of payment processing services have established a sizable market share in the merchant acquiring sector. Our growth will depend on a combination of the continued growth of electronic payments and our ability to increase our market share.

Our competitors include traditional merchant acquirers such as financial institutions, affiliates of financial institutions and well-established payment processors and payment technology providers. In particular, we compete with these vendors to develop and offer innovative non-conventional payment services at competitive prices, including in-app services, eCommerce and mobile commerce services, digital banking, ERP, digital wallet account and prepaid card offerings. In certain of the countries in which we operate, primarily the United States and Canada, we do not have direct relationships with the payment networks, but rely on an acquiring bank. As some of our competitors are directly affiliated with financial institutions, those competitors may not incur the same sponsorship costs that we incur for registration with the payment networks in these countries. Furthermore, in the countries where we rely on an acquiring bank to access the payment networks, our ability to control our costs is limited, because we do not have a direct relationship with those payment networks.

Many of our competitors, in particular those affiliated with large financial institutions, also have substantially greater financial, technological, operational and marketing resources than we have. Accordingly, these competitors may be able to offer their products and services at more competitive prices. As a result, we may need to reduce our fees or otherwise modify the terms of use of our products and services in order to retain existing clients and attract new ones. If we are required to materially reduce our fees in order to remain competitive, we will need to aggressively control our costs in order to maintain our profit margins, and our revenue may be adversely affected. Our risk management team monitors our client relationships and we have at times terminated, and may continue to terminate, client relationships that may no longer be profitable to us due to such pricing pressure. Moreover, our competitors may have the ability to devote significantly more financial and operational resources than we can to the development of new products, services or new technologies or to acquire other companies or technology so that they can provide improved operating functionality and features to their existing service offerings. If successful, their efforts in this regard could render our products or services less desirable to clients, resulting in the loss of existing clients, an inability to obtain new clients or a reduction in the fees we could generate from our offerings. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We derive a significant portion of our revenue from payments services. Our efforts to expand our product portfolio and market reach may not succeed and may reduce our revenue growth.

We derive the majority of our revenue from transaction fees we collect in connection with payments services, primarily core credit card processing. While we intend to continue to broaden the scope of products and services we offer, such as through expanded alternative payment solutions and continuing support for mobile wallets, and to penetrate additional high-growth verticals, primarily eCommerce channels by expanding our direct and indirect sales channels, we may not be successful in deriving the revenue from these efforts that we expect. Failure to broaden the scope of products and services that are attractive to our clients or penetrate additional verticals may inhibit the growth of repeat business and harm our business, as well as increase the vulnerability of our core payments business to competitors offering a broader suite of products and services. Furthermore, we may have limited or no experience with new offerings and these offerings may present new and difficult technology, regulatory, operational and other challenges. If we experience service disruptions, failures or other issues with any such new offerings, our business may be materially and adversely affected. Our newer activities may not recoup our investments

in a timely manner or at all. If any of this were to occur, it could damage our reputation, limit our growth and materially and adversely affect our business, financial condition and results of operations.

We may face challenges in expanding into new geographic regions outside of the European Union, the United States, the U.K. and Canada and continuing our growth within these markets.

The substantial majority of our revenues in 2020 were generated in Europe, the United States, the U.K. and Canada. We plan to expand in geographic regions outside Europe, the United States, the U.K. and Canada, and we will face challenges associated with entering and expanding in markets in which we have limited or no experience and in which we may not be well-known. Offering our products and services in new geographic regions requires substantial expenditures and takes considerable time, and we may not recover our investments in new markets in a timely manner or at all. For example, we may be unable to attract a sufficient number of merchants and partners, fail to anticipate competitive conditions or fail to adapt and tailor our products and services to different markets.

The development of our products and services globally exposes us to risks relating to staffing and managing cross-border operations, increased costs and difficulty protecting intellectual property and sensitive data, tariffs and other trade barriers, differing and potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, lack of acceptance of our products and services, challenges caused by distance, language, and cultural differences, exchange rate risk and exposure to political instability. Accordingly, our efforts to develop and expand the geographic footprint of our operations may not be successful, which could limit our ability to grow our business.

Our growth depends on our ability to retain existing clients, increase sales to existing clients and attract new clients.

Our future growth and profitability depend upon our ability to retain existing clients, increase sales to existing clients and attract new clients in the face of intense competition in the electronic payments industry. While we generally have longstanding relationships with our clients, whether they are merchants or partners, their contracts can typically be terminated upon reasonable notice. As a result, they typically have no obligation to continue to use our products and services. Our clients' payment processing activity with us may decrease for a variety of reasons, including client satisfaction with our products and services, the effectiveness of our support services, our pricing and terms, the pricing, terms and quality of competing products or services, the effects of global economic conditions or reductions in the spending levels of our clients' customers. We may also experience client attrition as a result of business closures or account closures that we initiate due to heightened risks relating to contract breaches by merchants or a reduction in same-store sales or regulatory risks. We cannot predict the level of attrition in the future and higher than expected attrition could lead to a decrease in transaction volumes processed and a decline in revenue. In addition, the growth of our business depends in part on existing clients expanding their use of our products and services. If we are unable to encourage clients to broaden their use of our services, our growth may slow or stop. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, it is difficult to attract new clients because of potential complications associated with switching payment processing vendors, such as early termination fees, software integration costs and other transition costs, business disruption and loss of accustomed functionality. For potential clients, switching from one vendor of core processing or related software and services (or from an internally developed system) to a new vendor is a significant undertaking, and as a result, potential clients may resist changing vendors. We seek to overcome these factors by making investments to enhance the functionality of our software and differentiate our services. However, there can be no assurance that our efforts will be successful, and this resistance may adversely affect our growth.

If we fail to manage our growth effectively, our business could be harmed.

In order to manage our growth effectively, we must continue to strengthen our existing infrastructure, develop and improve our processes and internal controls, create and improve our reporting systems, and timely address issues as they arise. As we continue to strengthen our existing infrastructure and systems, we will also be required to hire additional personnel. These efforts may require substantial financial expenditures, commitments of resources, developments of our processes, and other investments and innovations. Furthermore, we encourage employees to quickly develop and launch new features for our

products and services. As we grow, we may not be able to execute as quickly as smaller, more efficient organizations. In addition, as we grow, we may not be able to maintain our entrepreneurial company culture, which fosters innovation and talent. If we do not successfully manage our growth, our business may be adversely affected.

Our revenue growth rate is likely to slow as our business matures.

We have experienced periods of high revenue growth since we were founded in 2003, but we do not expect to be able to maintain the same rate of revenue growth as our business matures. Moreover, we have experienced revenue growth due to acquisitions. To the extent we do not continue to grow our business organically or through acquisitions, our future revenue growth may not be consistent with historic trends. We have encountered, and expect to continue to encounter, risks and difficulties frequently experienced by growing companies, including challenges in financial forecasting accuracy, determining appropriate investments and developing new products and features, among others. Any evaluation of our business and prospects should take into account the risks and uncertainties inherent in investing in growing companies.

Historically our business has generated net losses and we may continue to generate net losses as we continue to make significant investments in our business.

Since our founding in 2003, we have made significant investments in the growth of our business. As a result of these investments, we have historically generated net losses. We intend to continue to make investments in our business, including with respect to our employee base, sales, distribution and marketing; development of new products, services and features; expansion of office space and other infrastructure; and development of international operations and general administration, including legal, finance and other compliance expenses related to being a public company. If we are unable to generate adequate revenue growth and manage our expenses, our results of operations and operating metrics may fluctuate and we expect to continue to incur net losses, which could cause the market price of our Subordinate Voting Shares to decline. We cannot assure you that our increased investment in the business will result in corresponding revenue growth.

Our indebtedness could adversely affect our business, financial condition and results of operations.

As of December 31, 2020, we had \$206.5 million of outstanding indebtedness pursuant to our credit facilities. Our credit facilities contain covenants and events of default that may limit our financial flexibility and ability to undertake certain types of transactions. For instance, we are subject to negative covenants that restrict some of our activities, including restrictions on: incurring additional debt; creating liens; paying dividends or making other distributions; entering into certain types of agreements; making certain investments; consolidating, merging or transferring assets, or making other fundamental changes; entering into transactions with affiliates; entering into sale and lease-back transactions; and maintaining certain leverage ratios. Our current level of debt as well as the restrictions our existing debt places on us could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under our existing and future debt;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our credit facilities, which event of default could result in all of the debt outstanding under our credit facilities becoming immediately due and payable;
- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under our existing and future debt. In addition, certain loans that we take out under our credit facilities are subject to variable interest rates and we had \$206.5 million of outstanding indebtedness

subject to variable interest rates as of December 31, 2020. As a result, any increase in interest rates may also materially adversely affect our liquidity, financial condition and results of operations.

Our ability to meet our payment and other obligations under our existing and future debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under our credit facilities and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital, which may have an adverse impact on our business, financial condition and results of operations.

Any future acquisitions, partnerships or joint ventures that we make or enter into could disrupt our business and harm our financial condition.

Acquisitions, partnerships and joint ventures are an integral part of our growth strategy, and in recent years, we have consummated a number of acquisitions in addition to the SafeCharge acquisition and the Smart2Pay acquisition. We evaluate, and expect in the future to evaluate, potential strategic acquisitions of, and partnerships or joint ventures with, businesses providing services or technologies that are complementary to our existing services and technologies. However, we may not be successful in identifying acquisition, partnership and joint venture targets or we may use estimates and judgments to evaluate the operations and future revenue of a target that turn out to be inaccurate. In addition, we may not be able to successfully finance or integrate a particular business, service or technology that we acquire or with which we form a partnership or joint venture, and we may not achieve the anticipated benefits of such project or we may lose merchants as a result. Furthermore, the integration of any acquisition, partnership or joint venture may divert management's time and resources from our existing business and disrupt our operations. Certain acquisitions, partnerships and joint ventures we have and may in the future make may prevent us from competing for certain clients or in certain lines of business and may lead to a loss of clients to the extent we acquire businesses with non-competes or exclusivity provisions in their agreements with clients. Certain acquisitions may also enmesh us in outstanding or unforeseen legal, regulatory, contractual, employee or other issues. As a result of any of the foregoing, we may spend time and money on projects that do not increase our revenue or profitability. Moreover, our competitors may be willing or able to pay more than us for acquisitions, which may cause us to lose certain acquisitions that we would otherwise desire to complete. Even if we successfully compete for a certain acquisition, partnership or joint venture, we may finance the project with cash on hand, equity or debt, or a combination thereof, which could decrease our cash reserves, dilute our shareholders, including you, or significantly increase our level of indebtedness or place other restrictions on our operations. We cannot ensure that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

A significant number of our merchants are SMBs, which can be more difficult and costly to retain than larger enterprises and may increase the impact of economic fluctuations on us.

SMBs comprise a significant percentage of our number of merchants. To continue to grow our revenue, we must add merchants, sell additional services to existing merchants and encourage existing merchants to continue doing business with us. However, retaining SMBs can be more difficult than retaining large enterprise merchants as SMB merchants:

- often have higher rates of business failure and more limited resources;
- are typically less sophisticated in their ability to make technology-related decisions based on factors other than price;
- may have decisions related to the choice of payment processor dictated by their affiliated parent entity; and
- are more able to change their payment processors than larger enterprise merchants dependent on our services.

SMBs are typically more susceptible to the adverse effects of economic fluctuations. If we do not continue to diversify our merchant base and adverse changes in the economic environment or business failures of our SMB merchants increase, we

may need to attract and retain new merchants at an accelerated rate or decrease our expenses to reduce negative impacts on our business, financial condition and results of operations.

SMBs have been disproportionately affected by the COVID-19 pandemic and the related measures taken by governments and private industry to protect the public health such as stay-at-home orders. Many SMBs are experiencing reduced sales and are processing fewer payments with us, which has had a negative impact on our results of operations. If they cease to operate, they will stop using our products and services altogether. SMBs frequently have limited budgets and limited access to capital, and they may choose to allocate their spending to items other than our financial or marketing services, especially in times of economic uncertainty or in recessions. In addition, if more of our merchants cease to operate, this may have an adverse impact not only on the growth of our payments services but also on our transaction and advance loss rates, and the success of our other services. For example, if merchants processing payments with us receive chargebacks after they cease to operate, we may incur additional losses.

We have a certain degree of concentration of customers and customer sectors.

Some of our largest merchants provide significant contributions to our revenue. Large merchants typically have arrangements with multiple payment service providers, primarily in order to mitigate against risks such as downtime, delayed response time or default by a payment service provider, and as a result can readily shift their business from us to other providers. For the twelve month period ended December 31, 2020, our top 10 merchants represented approximately 15% of our gross profit, with our largest merchant representing approximately 2% of our gross profit.

In addition, the mix of customer sectors that we service has an impact on our revenue. For example, a portion of our revenue is derived from the online retail sector, in which chargeback ratios tend to be higher than physical retail. The online retail sector is also particularly subject to discretionary spending by customers, which increases our exposure from fluctuations in economic conditions. This concentration, particularly if it were to increase, could have a material adverse effect on our business financial condition and results of operations. A substantial portion of our revenue is also derived from the gaming and sports betting and the foreign exchange trading sectors, each of which is highly regulated. Gaming and sports betting in particular are subject to intense public scrutiny regarding the societal effects of such activities, with changing public attitudes potentially decreasing transaction volumes. Regulatory changes that cause a decrease in regulated gaming and sports betting or foreign exchange trading overall could harm the business of our merchants, decrease their transaction volumes and lead to a decline in our revenue. In addition, in response to public pressure about the effects of regulated gaming and sports betting or otherwise, the payment networks may change the terms of use of their networks by regulated gaming and sports betting companies, which could reduce their use of formal payment channels. Moreover, we depend on our acquiring banks in certain jurisdictions to process transactions for these clients. If any of our acquiring banks refuse to process these transactions, we may have difficulty finding other acquiring banks to process these transactions. Any of the foregoing could reduce the volume of payments that we process for our regulated gaming and sports betting and foreign exchange trading merchants and the revenue we earn from it, and could also harm our reputation and brand.

If we lose a major merchant, experience a material change in the mix of customer sectors that we service or otherwise experience a decline in the use of our products in one of the key sectors that we service, we could also experience a material loss of revenue, which could have a material adverse effect on our business, financial condition and results of operations.

If we fail to comply with the applicable requirements of Visa, Mastercard or any other payment networks, those payment networks could seek to fine us, suspend us or terminate our registrations.

We rely on payment networks to process our transactions, and a significant source of our revenue comes from processing transactions through Visa, Mastercard, American Express, UnionPay, Discover and other payment networks. The payment networks routinely update and modify their requirements. Changes in their requirements may impact our ongoing cost of doing business and we may not, in every circumstance, be able to pass through such costs to our clients or associated participants. Furthermore, if we or our merchants do not comply with the payment networks' requirements (e.g., their rules, bylaws and charter documentation), the payment networks could seek to fine us, suspend us or terminate our registrations that allow us to process transactions on their networks. In the ordinary course of our business, we receive on occasion notices of non-compliance and fines, which typically relate to transactional or messaging requisites, as well as excessive chargebacks by

a merchant or data security failures on the part of a merchant. If we are unable to recover amounts relating to fines from, or pass through costs to, our merchants, partners or other associated participants, we would experience a financial loss. The termination of our registration due to failure to comply with the applicable requirements of Visa, Mastercard, American Express, UnionPay, Discover or other payment networks, or any changes in the payment network rules that would impair our registration, could require us to stop providing payment services through Visa, Mastercard, American Express, UnionPay, Discover or other payment networks, which could have a material adverse effect on our business, financial condition and results of operations.

Moreover, as payment networks become more dependent on proprietary technology, modify their technological approach or operating practices and seek to provide value added services to issuers and merchants, there is heightened risk that rules and standards may be governed by their own self-interest, or the self-interest of third parties with influence over them, which could materially impact our business, financial condition and results of operations.

We may incur losses when our merchants refuse to or cannot reimburse chargebacks resolved in favor of their customers or if they are not in compliance with the rules and regulations of the payment networks.

We are currently, and will continue to be, exposed to risks associated with chargebacks in connection with payment card fraud or relating to the goods or services provided by our merchants. In the event that a billing dispute between a cardholder and a merchant is not resolved in favor of the merchant, including in situations in which the merchant is engaged in fraud, the transaction is typically “charged back” to the merchant and the purchase price is credited or otherwise refunded to the cardholder. If we are unable to collect chargebacks from the merchant’s account, or if the merchant refuses or is unable to reimburse us for a chargeback due to closure, bankruptcy or other reasons, we may bear the loss for the amounts paid to the cardholder. Our financial results would be adversely affected to the extent these merchants do not fully reimburse us for the related chargebacks. We do not typically collect and maintain reserves from our merchants to cover these potential losses, and to the extent we do maintain such reserves, they may not be adequate to cover our actual losses. Historically, chargebacks have occurred more frequently in online transactions than in in-person transactions. Moreover, chargebacks typically increase during economic downturns due to merchants becoming insolvent and bankrupt and therefore unable to fulfill their commitments for goods or services. Consequently, in certain industries, chargebacks have risen, and may continue to rise, as a result of the economic downturn caused by the current COVID-19 pandemic. If we are unable to maintain our losses from chargebacks at acceptable levels, the payment card networks could fine us, increase our transaction-based fees, or terminate our ability to process payment cards. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We have bank accounts with banks in multiple territories and rely on our banking partners to maintain those accounts.

We have bank accounts with banks in multiple territories in the day-to-day operations of our core businesses and are reliant upon our banking partners that provide those accounts. The loss of any key banking relationships, whether through the failure of our banking partners or their terminating our partnership based on our own conduct or other circumstances, could have a material impact on our financial condition and results of operations. In addition, a banking partner could default on its obligations to us, thereby exposing us to credit risk. We may have to repay certain costs, such as transaction fees or breakage costs, if we terminate these arrangements. Any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

The United Kingdom’s departure from the European Union could adversely affect our ability to execute on our expansion plans.

The U.K. has one of the largest economies in Europe, and the United States and other European countries are substantial trading partners of the U.K. On January 31, 2020, the U.K. separated from the E.U. (“Brexit”). Brexit has introduced, and may continue to introduce, significant uncertainties and instability in the financial markets. At present the political and economic long-term consequences of Brexit are uncertain, including whether Brexit will have an overall negative impact on the U.K. or the broader global economy or the value of the British pound. On December 24, 2020, the U.K. and E.U. entered into the E.U.-U.K. Trade and Cooperation Agreement. The agreement was provisionally applicable beginning January 1, 2021 and sets new rules and arrangements between the U.K. and E.U. in areas such as the trade of goods and services, intellectual

property, transportation. As a result of the agreement, the U.K. will no longer be considered a member of the E.U. Single Market and Customs Union and will exit all E.U. policies and trade agreements. Although the agreement has mitigated a portion of the risk that arose due to the U.K.'s withdrawal from the E.U., the overall impact caused on the Company's operations is still being evaluated, including in the volatility of the British pound. We have significant operations in the U.K. and the E.U. Such a withdrawal from the E.U. is unprecedented, and it is unclear how the U.K.'s access to the European single market for goods, capital, services and labor within the European Union and the wider commercial, legal and regulatory environment, will impact our U.K. operations. We may also face new regulatory costs and challenges as a result of Brexit that could have an adverse effect on our operations and development programs, consumer and investor confidence and the level of consumer discretionary purchases, thereby impacting the use of our payments services by merchants. There may continue to be economic uncertainty surrounding the consequences of Brexit, which could negatively impact our financial condition, results of operations and cash flows. Brexit could have significant implications for our business and could lead to economic and legal uncertainty, including significant volatility in global stock markets and currency exchange rates, and increasingly divergent laws, regulations, and licensing requirements for the Company. Any of these effects of Brexit, among others, could adversely affect our operations and financial results.

A decline in the use of electronic payment methods could have a materially adverse effect on our business, financial condition and results of operations.

A significant portion of our revenue is generated by payments with credit, debit and prepaid cards. We believe future growth in the use of credit, debit and prepaid cards and other electronic payments, including APMs, will be driven by the cost, ease-of-use and quality of services offered to consumers. If consumers reduce or discontinue their use of credit, debit or prepaid cards or other electronic payment methods as a payment mechanism for their transactions, it could have a material adverse effect on our business, financial condition and results of operations. Moreover, if there is an adverse development in the payments industry, such as new legislation or regulation that makes it more difficult or onerous for our clients to do business or utilize such payment mechanisms, or renders our services less desirable or even obsolete to our clients, our business, financial condition and results of operations may be adversely affected.

Our results of operations may be adversely affected by changes in foreign currency exchange rates.

Our financial results are reported in U.S. dollars and a substantial portion of our sales and operating costs are transacted in other currencies, primarily Euros, Sterling, Bulgarian lev, Israeli shekels and Canadian dollars. We have not historically entered into arrangements to hedge foreign currency risk. In situations where we are not hedged, either through hedging arrangements or through a natural hedging resulting from an offset in such currencies, our results of operations will be affected by movements in these currencies against the U.S. dollar. Significant fluctuations in relative currency values against the U.S. dollar could thus have a significant impact on our results of operations.

A deterioration in the quality of the products and services we offer, including support services, could adversely impact our ability to attract and retain merchants and partners.

Our clients expect a consistent level of quality in the provision of our products and services. The support services that we provide are also a key element of the value proposition to our clients. The products and services we deliver are designed to process complex transactions and provide reports and other information concerning those transactions, all at high volumes and processing speeds. If the reliability, functionality or speed of our products and services is compromised or the quality of those products or services is otherwise degraded, or if we fail to continue to provide a high level of support and quickly detect and remediate any performance issues, we could experience significant processing or reporting errors. This in turn, could lead us to lose existing clients and find it harder to attract new merchants and partners. In addition, if we are unable to scale our support functions to address the growth of our merchant and partner network, the quality of our support may decrease, which could adversely affect our ability to attract and retain merchants and partners.

If we lose key personnel, our business, financial condition and results of operations may be adversely affected.

The success of our business strategy is dependent upon the ability and experience of a number of key personnel who have substantial experience with our operations, the rapidly changing payment processing industry and the markets in which we offer our services. Many of our key personnel have worked for us for a significant amount of time or were recruited by us specifically due to their industry experience. In particular, we are highly dependent on the contributions of our founder and Chief Executive Officer, Philip Fayer, as well as other members of our management team. The loss of the services of one or a combination of our senior executives and key managers, including our Chief Executive Officer, could have a material adverse effect on our business, financial condition and results of operations.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. The market for qualified personnel is competitive, and we may not succeed in recruiting and retaining additional personnel or we may fail to effectively replace departing personnel with qualified or effective successors. Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition and results of operations. Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability.

Our balance sheet includes significant amounts of intangible assets and goodwill. The impairment of a significant portion of these assets would negatively affect our business, financial condition and results of operations.

As of December 31, 2020, our balance sheet included intangible assets that amounted to \$524.2 million and goodwill that amounted to \$969.8 million. These assets consisted primarily of identified intangible assets associated with merchant and partner relationships, technologies and goodwill associated with recent acquisitions. We also expect to engage in additional acquisitions, which may result in our recognition of additional intangible assets and goodwill. Under current accounting standards, we are required to amortize certain intangible assets over the useful life of the asset, while certain other intangible assets are not amortized. On at least an annual basis, we assess whether there have been impairments in the carrying value of certain intangible assets. If the carrying value of the asset is determined to be impaired, then it is written down to fair value by a charge to earnings. An impairment of a significant portion of intangible assets and/or goodwill could have a material adverse effect on our business, financial condition and results of operations.

If we cannot pass increases in fees from payment networks, including assessment, interchange, transaction and other fees, along to our merchants, our operating margins will decline.

We rely on issuing and acquiring banks and payment networks to process our transactions, and we pay assessment, interchange and/or other fees set by the payment networks for transactions we process. From time to time, the issuing and acquiring banks or payment networks may increase the assessment, interchange, transaction and other fees that they charge payment processors. Under certain of our existing contracts with merchants, we are generally permitted to pass these fee increases along to our merchants through corresponding increases in our processing fees. If we are unable to pass through these and other fees in the future due to contractual or regulatory restrictions, competitive pressures or other considerations, it could have a material adverse effect on our business, financial condition and results of operations.

We are subject to economic and political risk, the business cycles and credit risk of our clients and volatility in the overall level of consumer, business and government spending.

The electronic payments industry depends heavily on the overall level of consumer, business and government spending. This spending depends on worldwide economic and geopolitical conditions. Key international economies have experienced cyclical downturns from time to time in which economic activity was impacted by falling supply or demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies, pandemics such as COVID-19 and overall economic uncertainty. We are exposed to general economic conditions that affect consumer confidence, consumer spending, consumer discretionary income or changes

in consumer purchasing habits. The current deterioration in general economic conditions, including the rise in unemployment rates and any increases in interest rates, particularly in Europe, the United States, the U.K. and Canada, may adversely affect our financial performance by reducing consumer confidence and, as a result, the number or average purchase amount of transactions made using electronic payments. If our merchants make fewer sales of their products and services using electronic payments or people spend less money per transaction, we will have fewer transactions to process and lower overall volume, resulting in lower revenue.

In addition, a recessionary economic environment could affect our merchants through a higher rate of bankruptcy filings, in particular for our SMB clients, which could result in higher merchant attrition and decrease our revenue. As of December 31, 2020, we recorded an allowance for receivables of \$0.6 million relating to estimated losses on doubtful accounts. Any of the foregoing risks would negatively impact our business, financial condition and results of operations.

The uncertainty caused by the COVID-19 outbreak continues with the duration and severity of the pandemic and the overall impact on supply and consumer demand still unknown. Even after the COVID-19 pandemic has subsided, we may experience material and adverse impacts to our business as a result of the virus's global economic impact. There are no comparable recent events that provide guidance as to the effect the COVID-19 pandemic may have, and we are unable to forecast the full impact on our business; however, this represents a known area of uncertainty and the impacts from the COVID-19 pandemic and the related economic disruption will have a material and adverse impact on our business, results of operations, financial condition and cash flows.

We rely on third-party partners such as independent sales organizations (“ISOs”) and value added resellers (“VARs”) to market and sell some of our products and services.

We rely on indirect sales channels consisting of third-party partners such as ISOs and VARs to market and sell our products and services to merchants, in particular SMBs. We do not fully control the activities of our partners with respect to the marketing and sale of our products and services, and they may make decisions that may be contrary to our interests, including decisions to compete against us or to favor products and services of our existing or future competitors. Therefore, their reputation and performance, their ability and willingness to market and sell our products and services and their ability to expand their business and their sales channels will have a direct and material impact on our future growth and profitability. The loss of a number of our partners or a substantial decrease in the volume of business generated by a major partner or a group of partners could have a material adverse effect on our business, financial condition and results of operations.

Misappropriation of end-user transaction funds by our employees may harm our business and create legal exposure.

We receive end-user transaction funds from acquiring banks, payment networks and APMs for many of our clients, depending on the jurisdiction in which they are located. A substantial portion of these funds is held on behalf of merchants in dedicated merchant client bank accounts with banks. The nature of this arrangement entails a possibility that third party funds could be misappropriated by our employees in breach of our internal policies, which may create negative publicity, harm our relationship with merchants and result in a violation of applicable laws, any of which could have a material adverse effect on our business, financial condition and results of operations.

Fraud by merchants, their customers or others could have a material adverse effect on our business, financial condition and results of operations.

We offer our products and services to a large number of clients, and we are responsible for vetting and monitoring these clients and determining whether the transactions we process for them are lawful and legitimate. If our products and services are used to process illegitimate transactions, and we settle those funds to merchants and are unable to recover them, we may suffer losses and incur liability. Examples of merchant fraud include when a merchant or other party knowingly uses a stolen or counterfeit credit, debit or prepaid card, card number or other credentials to record a false sales transaction, processes an invalid card or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Moreover, criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting and fraud. Identity thieves and those committing fraud using stolen or fabricated credit card or bank account numbers or other deceptive or

malicious practices, may steal significant amounts of money from our merchants, which may negatively impact their businesses, including forcing them to close. This in turn could lead to a decrease in our transaction volumes and have an adverse effect on our business. The highly automated nature of, and liquidity offered by, our payments services make us a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering and terrorist financing. We expect incidents of fraud or other illegitimate transactions to increase in the future. In configuring our payments services, we face an inherent trade-off between security and client convenience. Failure to effectively manage risk and prevent fraud could increase our chargeback liability or expose us to governmental or regulatory sanctions or other liabilities. Moreover, if we are unable to maintain our losses from fraud at permissible levels, the payment networks could fine us, increase our transaction fees or terminate our ability to process payment cards. Increase in chargebacks or other liabilities as a result of any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our insurance policies may not be sufficient to cover all claims.

Our insurance policies, including policies for data security, privacy liability and cyber-attacks, may not adequately cover all risks to which we are exposed and may not be adequate for all liabilities actually incurred or indemnification claims against us. A significant claim not covered by our insurance, in full or in part, may result in significant expenditures by us. Moreover, we may not be able to maintain insurance policies in the future at reasonable costs, on acceptable terms or at all, which may adversely affect our business and the trading price of our Subordinate Voting Shares. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, financial condition and results of operations.

Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, which could expose us to losses and liability and otherwise harm our business.

We operate in a rapidly changing industry and we have experienced significant change in recent years, including in connection with certain acquisitions. Accordingly, our risk management policies and procedures may not be fully effective at identifying, monitoring and managing our risks. Some of our risk evaluation methods depend upon information provided by third parties regarding markets, clients or other matters that are otherwise inaccessible to us. In some cases, however, that information may not be accurate, complete or up-to-date. Our risk management policies, procedures, techniques and processes may not be effective at identifying all of the risks to which we are exposed or enabling us to mitigate the risks we have identified. In addition, when we introduce new services, focus on new business types or begin to operate in markets in which we have a limited history of fraud loss, we may be less able to forecast and reserve accurately for new risks. If our risk management policies and processes are ineffective, we may suffer large financial losses, we may be subject to civil and criminal liability and our business, financial condition and results of operations may be materially and adversely affected.

Our services must integrate and interoperate with a variety of operating systems, software, hardware, web browsers and networks.

We are dependent on the ability of our products and services to integrate with a variety of operating systems, software, hardware, networks and web browsers that we do not control. Any changes in these systems or networks that degrade the functionality of our products and services, impose additional costs or requirements on us or give preferential treatment to competitive services could materially and adversely affect usage of our products and services. In the event that it is difficult for our merchants to access and use our products and services, our business may be materially and adversely affected. We also rely on bank platforms and others, including issuing and acquiring banks, to process our transactions. If there are any issues with, or service interruptions in, these bank platforms, users may be unable to complete their transactions, which would seriously harm our business, financial condition and results of operations.

In addition, our solutions, including hardware and software, interoperate with mobile networks offered by telecom operators and mobile devices developed by third parties. Changes in these networks or in the design of these mobile devices may limit the interoperability of our solutions with such networks and devices and require modifications to our solutions. If we are unable to ensure that our hardware and software continue to interoperate effectively with such networks and devices, or if doing so is costly, our business, financial condition and results of operations may be materially and adversely affected.

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

We are, and may be in the future, party to legal, arbitration and administrative investigations, inspections and proceedings arising in the ordinary course of our business or from extraordinary corporate, tax or regulatory events that involve us or our associated participants, particularly with respect to civil, tax and labor claims.

Our indemnities and insurance may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, there is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending or future litigation or investigation significantly exceed our indemnity rights, they could have a material adverse effect on our business, financial condition and results of operations and the price of our Subordinate Voting Shares. Further, even if we adequately address issues raised by an inspection conducted by an agency or successfully defend our case in an administrative proceeding or court action, we may have to set aside significant financial and management resources to respond and settle issues raised by such proceedings, which could adversely affect our business.

We may be subject to claims that we have wrongfully hired an employee from a competitor, or that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of our employees, consultants and advisors, or individuals that may in the future serve as our employees, consultants and advisors, are currently or were previously employed at companies that are our competitors or are potential competitors. We may be subject to claims that we, our employees, consultants or independent contractors or advisors have, inadvertently or otherwise, used or disclosed confidential or proprietary information, trade secrets or know-how of these third parties. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to secure financing on favorable terms, or at all, to meet our future capital needs.

We have funded our operations since inception primarily through equity financings, bank credit facilities and financing arrangements, including our credit facilities. We do not know if our operations will continue to generate sufficient cash to fund our operations going forward. In the future, we may require additional capital to respond to business opportunities, refinancing needs, acquisitions or unforeseen circumstances and we may not be able to secure additional debt or equity financing or refinancing on favorable terms, in a timely manner, or at all. Our ability to secure any additional debt financing may also be subject to restrictions contained in our existing or future indebtedness, including our credit facilities; which contain customary limitations on the incurrence of certain indebtedness and liens. Any debt financing obtained by us in the future could also include restrictive covenants relating to our capital-raising activities or other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited. We are aware that the impacts of the COVID-19 outbreak have led to reduced availability and attractiveness of external funding sources, and we expect that until financial market conditions stabilize, accessing financing could be challenging or at elevated costs. We intend to continue focusing on our long-term business initiatives and believe that our available funds are sufficient to meet our liquidity needs for the foreseeable future. We are carefully monitoring and managing our cash position in light of ongoing conditions and levels of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources”.

Our operating results are subject to seasonal fluctuations, which could result in variations in our quarterly results.

We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our revenue as a result of consumer spending patterns. Historically, we have marketed our products and services primarily to SMBs, many of which host seasonal retail events. As a result, our revenue have historically been strongest during the last quarter of the year as a result of higher sales by our merchants during the holiday season. Any negative economic conditions that occur during these months could have a disproportionate effect on our results of operations for the entire fiscal year. As a result of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance.

We are subject to the risks associated with less than full control rights of some of our subsidiaries and investments.

We own less than 100% of the equity interests or assets of certain of our subsidiaries, namely LoanPaymentPro, LLC and SafeCharge Payments Mexico S.A. de C.V. and do not hold a controlling interest in Yello Company Limited (Guernsey). As a result, we do not receive the full amount of any profit or cash flow from these non-wholly owned entities and those who hold a controlling interest may be able to take actions that bind us. We may be adversely affected by this lack of full control and we cannot provide assurance that management of our subsidiaries or other entities will possess the skills, qualifications or abilities necessary to profitably operate such businesses.

Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect our financial condition and results of operations.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Future changes in accounting standards, pronouncements or interpretations could require us to change our policies and procedures. The materiality of such changes is difficult to predict, and such changes could materially impact how we record and report our financial condition and results of operations.

Additionally, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including, but not limited to, revenue recognition, impairment of long-lived assets, leases and related economic transactions, intangibles, self-insurance, income taxes, property and equipment, litigation and equity-based compensation are highly complex and involve many subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us (i) could require us to make changes to our accounting systems to implement these changes that could increase our operating costs and (ii) could significantly change our reported or expected financial performance.

An occurrence of a natural disaster, widespread health epidemic, pandemic or other outbreaks could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, such as fires or floods, the outbreak of a widespread health epidemic, pandemic, such as COVID-19, or other events, such as wars, acts of terrorism, power shortages or communication interruptions. In addition to previously identified risks associated with the current COVID-19 pandemic, the occurrence of a disaster or similar event could materially disrupt our business and operations. These events could also cause us to close our operating facilities temporarily, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. In addition, our net sales could be materially reduced to the extent that a natural disaster, health epidemic, such as COVID-19, or other major event harms the economies of the countries in which we operate. Our operations could also be severely disrupted if our merchants, partners and other third-party providers or other participants were affected by natural disasters, health epidemics, such as COVID-19, or other major events.

Our holding company structure makes us dependent on the operations of our subsidiaries.

We are a corporation under the CBCA. Our material assets are our direct and indirect equity interests in our subsidiaries, including our international subsidiaries. We are, therefore, dependent upon payments, dividends and distributions from our subsidiaries for funds to pay our holding company's operating and other expenses and to pay future cash dividends or distributions, if any, to holders of our Subordinate Voting Shares, and we may have tax costs in connection with any dividend or distribution.

Risks Relating to Intellectual Property and Technology

Accidental or unauthorized access to or disclosure, loss, destruction or modification of data, through cybersecurity breaches, computer viruses or otherwise, human error, natural or man-made disasters, or disruption of our services could expose us to liability, protracted and costly litigation and damage to our reputation.

In connection with the various services we provide to our merchants, we collect, store, process and transmit the personal data of our merchants and, in some cases through providing services to our merchants, their customers as well as other end users of payment services (e.g., payers, receivers, cardholders and those who may hold funds and balance in merchants' accounts), including but not limited to names, addresses, identification numbers, credit or debit card numbers and expiration dates and/or bank account numbers.

Cybersecurity incidents are increasing in frequency and evolving in nature and include, but are not limited to, installation of malicious software, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse, unauthorized access to data and other electronic security breaches. Threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Concerns about security increase when we transmit information (including personal data). Electronic transmissions can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and spread rapidly over the Internet and could infiltrate our systems or those of our merchants, distribution partners, payment networks and other associated participants. Infiltration of our systems or those of our associated participants has in the past led to, and could in the future lead to, disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential or otherwise protected information (including personal data) and the corruption of data.

An increasing number of organizations, including large enterprises merchants and businesses, other large technology companies, financial institutions and government institutions, have disclosed breaches of their information technology systems, some of which have involved sophisticated and highly targeted attacks, including on portions of their websites or infrastructure. Given the unpredictability of the timing, nature and scope of information technology disruptions, there can be no assurance that any security procedures and controls that we or our associated participants have implemented will be sufficient to prevent security incidents from occurring. Furthermore, because there are many different security breach techniques and such techniques continue to evolve and are generally not detected until after an incident has occurred, we may be unable to anticipate attempted security breaches or other security incidents, react in a timely manner, determine the nature or scope of an incident, or implement adequate preventive measures.

As a defense, in connection with our IT security program, we maintain a disaster recovery plan and have implemented controls over unauthorized access, including remediation strategies and controls to prevent future attacks. Our Chief Technology Security Officer and Chief Information Security Officer, with the oversight of management, oversee and implement our cybersecurity risk mitigation strategy. Our defensive measures, however, have not in the past prevented and may not prevent future access or protect us against use of sensitive data or against other cybersecurity related incidents. Furthermore, we cannot be certain that these measures will be successful and will be sufficient to counter all current and emerging technology threats that are designed to breach our systems. While we maintain insurance coverage that may cover certain aspects of cyber risks and incidents, our insurance coverage may be insufficient to cover all losses resulting from a cybersecurity incident.

In connection with the services we provide, we share information with our associated participants who collect, process, store and transmit sensitive data. Given the rules established by payment network processors such as Visa and Mastercard, and applicable regulations, we may be held responsible for any failure or cybersecurity breaches attributed to our associated participants as they relate to the information we share with them. The accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data of the end users of payment services (e.g., payers, receivers, cardholders, merchants and those who may hold funds and balance in their accounts, among others) by us or our associated participants or through systems we provide could result in significant fines, penalties, orders, sanctions and proceedings or actions against us by the payment networks, governmental bodies and other regulatory authorities, end users or third parties, or loss of our PCI accreditation, which could have a material adverse effect on our business, financial condition and results of operations. Any such proceeding or action, and any related indemnification obligation, could damage our reputation, force us to incur significant expenses in defense of these proceedings, distract our management, increase our costs of doing business or result in the imposition of financial liability.

Our security measures or those of our associated participants could be insufficient and breached as a result of third-party action, human (including employee) errors, technological limitations, defects or vulnerabilities in our offerings or those of our third-party service providers, natural or man-made disasters, malfeasance or otherwise. In addition, although we generally have agreements relating to cybersecurity and data privacy in place with our associated participants, we do not have agreements in place with all of our associated participants. Where we do have agreements in place, they are limited in nature and we cannot assure you that such agreements will prevent the accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data (including personal data) or enable us to obtain reimbursement from associated participants in the event we should suffer any such incidents. In addition, many of our merchants are SMBs that have limited competency regarding data security and handling requirements and may thus experience data losses. Because we do not control our associated participants and our ability to monitor their data security is limited, we cannot ensure the security measures they take will be sufficient to protect data (including personal data).

Any accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data, cybersecurity breach or other security incident that we or our associated participants have in the past experienced, and in the future could experience, or the perception that one has occurred or may occur, could harm our reputation, reduce the demand for our products and services and disrupt normal business operations. In addition, it may require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents, expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations or damages for contract breach, and cause us to incur significant costs, any of which could materially adversely affect our business, financial condition and results of operations. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could have a substantial adverse effect on the price of our Subordinate Voting Shares. A significant cybersecurity breach of our systems or communications could also result in payment networks prohibiting us from processing transactions on their networks, which could materially impede our ability to conduct business, materially impact the reputation of our business and lead to a decline in demand for our products and services. In addition, our remediation efforts may not be successful. While no security incidents in the past have had a material adverse effect on our business, financial condition or results of operations, we cannot predict the impact of any such future events. These risks may increase as we continue to grow and collect, process, store and transmit increasingly large amounts of data.

Our systems and our third-party providers' systems may fail, including due to factors beyond our control, which could interrupt our service, cause us to lose business and increase our costs.

We depend on the efficient and uninterrupted operation of numerous systems, including our computer systems, our software and that of third parties and telecommunications networks, as well as data centers and other systems of third parties. Our systems and operations or those of our associated participants could be exposed to interruptions, delays or outages from, among other things, fire, natural disaster, power loss, telecommunications failure, unauthorized entry and computer viruses. Our systems or those of third parties may also contain undetected errors or other performance problems or may fail due to human error. Although we maintain insurance policies specifically for property and business interruptions, these policies may not be adequate to cover losses arising as a result of any such interruptions. Defects in our systems or those of third parties, errors or delays in the processing of payment transactions, telecommunications failures or other difficulties could result in:

- loss of revenue;
- loss of clients;
- loss or breach of merchant or consumer data;
- loss of membership with Visa, Mastercard or other payment networks, leading to loss of our ability to access their networks;
- fines imposed by payment networks and other issues relating to non-compliance with applicable payment network requirements;
- fines imposed by regulators, including the FCA, the Central Bank of Cyprus and the Dutch Central Bank;
- harm to our business or reputation resulting from negative publicity;
- exposure to fraud losses or other liabilities;
- additional operating and development costs;
- diversion of technical and other resources; and/or
- breach of contractual obligations, such as guarantees to maintain performance levels at certain levels given to many of our clients, which could harm client relationships and cause us to issue credits to clients or incur other additional liability.

Our business is also dependent on the continued growth and maintenance of the Internet's infrastructure. There can be no assurance that the Internet's infrastructure will continue to be able to support the demands placed on it by sustained growth in the number of users and amount of traffic. To the extent that the Internet's infrastructure is unable to support the demands placed on it, the business of merchants, and thus our business, may be impacted. We may also be disadvantaged by the adverse effect of any delays or cancellations of private sector or government initiatives designed to expand broadband access. We, and our merchants, may be impacted by a reduction in the growth of, or a decline in, access to broadband and Internet.

We are particularly reliant on our acquiring banks to access the payment networks in the United States and Canada; on Lusion S.A. and Worldnet International for front-end processing services, on Total System Services Inc., for certain logistics and back-end processing services and on The Phoenix Group for sourcing our terminals, which are often our first point of contact with customers, as well as terminal services and deployment. We also rely on third-party data centers to host aspects of our platform and solutions, including Tango and Nuvei Gateway, among others, primarily in Montreal, Toronto, London and Amsterdam. Any interruptions, delays or outages in the services provided by these providers, or a deterioration of our relationships with them, could impact the use of, and our clients' satisfaction with, our products and services and could harm our business and reputation. Moreover, to the extent any of these providers begins offering its services to other payment processors or others, the frequency of interruptions, delays or outages in service availability may increase. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We have business systems that do not have full redundancy.

While much of our processing infrastructure is located in multiple redundant data centers, we have some core business systems, such as our customer relationship management systems, that are located in only one facility and do not have redundancy. An adverse event, such as damage or interruption from natural disasters, power or telecommunications failures, cybersecurity breaches, criminal acts and similar events, with respect to such systems or the facilities in which they are located could impact our ability to conduct business and perform critical functions, which could negatively impact our business, financial condition and results of operations.

If we are unable to successfully obtain, maintain, protect, enforce or otherwise manage our intellectual property and proprietary rights, we may incur significant expenses and our business may be adversely affected.

Our success depends in part, and we place considerable emphasis, on obtaining, maintaining, protecting and enforcing relevant intellectual property and proprietary rights, which may include patent, design, utility model, trademark, copyright and trade secret protection, as well as regulatory exclusivity periods and confidentiality agreements (collectively, "IP Rights"). We cannot be sure that our means of obtaining, maintaining and enforcing our IP Rights in the United States or abroad will be adequate to protect such rights against infringement, misappropriation or other violation. We may not receive protection for pending or future applications relating to IP Rights owned by or licensed to us, and the scope of protection granted under any

issued or registered IP Rights may not be sufficiently broad to protect our technology, products, services, systems, brands, trademarks or information. Also, because of the rapid pace of technological change in our industry, aspects of our business and our products and services rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all. Moreover, the laws of certain jurisdictions, including emerging countries, do not protect IP Rights to the same extent as the laws of the United States. If we cannot adequately obtain, maintain, protect or enforce our IP Rights, third parties may be able to compete more successfully against us and develop and commercialize substantially identical products, services or technologies, which could have a material adverse effect on our business, financial condition or results of operations.

Third parties may challenge, invalidate, circumvent, infringe or misappropriate our IP Rights, and such IP Rights may be lost or no longer sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain service offerings or other competitive harm. Others, including our competitors, may independently develop similar technology, duplicate our products and services or design around our IP Rights, and in such cases, we could not assert our IP Rights against such parties. Moreover, third parties may infringe, misappropriate or otherwise violate IP Rights owned or licensed by us and we may assert claims against such third parties to enforce, or determine the scope and enforceability of, our IP Rights, which could result in lengthy litigation or other proceedings and could cause a diversion of resources and may not prove successful. Such third parties could also counterclaim that any IP Rights we assert are invalid or unenforceable and if such counterclaims are successful, we could lose valuable IP Rights.

We rely heavily on trade secrets and proprietary know-how to protect our products, services and technology and their development and commercialization, and rely in part on confidentiality agreements with suppliers and other partners, employees, independent contractors and consultants. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our trade secrets. Moreover, these agreements may be breached, and we may not have or be able to enforce adequate remedies for any such breach. There is also no guarantee that these agreements or other precautions will provide sufficient protection against any unauthorized access, use or misuse, misappropriation, counterfeiting, cloning, reverse engineering or disclosure of any of our trade secrets, proprietary know-how and any other information or technology. Trade secrets can be difficult to protect and some courts inside and outside of the United States are unwilling or less willing to protect trade secrets as compared to other forms of intellectual property. Defending against unauthorized access, use or misuse, misappropriation, counterfeiting, cloning, reverse engineering or disclosure of our technology, trade secrets, proprietary know-how and other IP Rights and technology may result in lengthy and expensive litigation or other proceedings with uncertain outcomes and cause significant disruption to our business and operations. If we are unable to obtain, maintain, protect or effectively enforce our IP Rights, it could impact the development, manufacture and commercialization of our products, services and solutions and have a material adverse effect on our business, financial condition or results of operations.

Claims by others that we have infringed their proprietary technology or other IP Rights could harm our business.

Our success depends, in part, on our ability to develop and commercialize our services and technologies without infringing, misappropriating or otherwise violating the IP Rights of third parties. However, we may not be aware that our products, services, solutions or technologies are infringing, misappropriating or otherwise violating third-party IP Rights, and such third parties may bring claims alleging such infringement, misappropriation or violation. Third parties may have issued, or may eventually issue, patents that could be infringed by our services or technology. Any of these third parties could make a claim of infringement against us with respect to our services or technology. We may also be subject to claims by third parties for breach of copyright, trademark, license usage or other IP Rights. When any such claims are asserted against us, we may seek to license the third party's IP Rights, which could be expensive. We may be unable to obtain the necessary licenses on satisfactory terms, if at all. Any claim from third parties may result in a limitation on our ability to use the intellectual property subject to these claims or could prevent us from registering our brands as trademarks. Even if we believe that intellectual property-related claims are without merit, defending against such claims is time-consuming and expensive, and could result in the diversion of the time and attention of our management and employees. Claims of intellectual property infringement also might require us to redesign affected services, enter into costly settlement or license agreements, pay costly damage awards, change our brands or face a temporary or permanent injunction prohibiting us from importing, marketing, selling or operating certain of our services, using certain of our brands or operating our business as presently conducted. Even if we have an

agreement for indemnification against such costs, the indemnifying party, if any in such circumstances, may be unable to uphold its contractual obligations.

We may be subject to adverse publicity or reputational harm, even if claims against us are later shown to be unfounded or unsubstantiated. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of our Subordinate Voting Shares. The award of damages, including material royalty payments, or the entry of an injunction against the manufacture, import, marketing, sale or operation of some or all of our products or services, or our entry into any license or settlement agreement in connection with such claims could affect our ability to compete with third parties and have a material adverse effect on our business, financial condition and results of operations.

If we are unable to obtain or fail to comply with the required licenses to operate our business or experience disputes with licensors or disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We have entered into license agreements with third parties and may need to obtain additional licenses from our existing licensors and others to advance or allow commercialization of our solutions. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to expend significant time and resources to redesign our solutions or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected solutions, which could disrupt and adversely affect our business.

Disputes may arise regarding intellectual property, including software and data, that is subject to a licensing agreement, including the scope of rights granted under the license agreement and other interpretation-related issues. In addition, the agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement. If these events were to occur, we may lose the right to continue to use and exploit such licensed intellectual property or technology in connection with our operations and solutions, which could have a material adverse effect on our business, financial condition and results of operations.

Our use of open source software could negatively affect our ability to sell our solutions and subject us to possible litigation.

Our solutions incorporate and are dependent to some extent on the use and development of open-source software and we intend to continue our use and development of open-source software in the future. Such open-source software is generally licensed by its authors or other third parties under so-called “open source” licenses and is typically freely accessible, usable and modifiable.

Pursuant to such open source licenses, we may be subject to certain conditions, including requirements that we offer our proprietary software that incorporates the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software, that we license such modifications or derivative works under the terms of the particular open source license or that we grant other licenses to our intellectual property. We seek to ensure that our proprietary software is not combined with, and does not incorporate, open-source software in ways that would require the release of the source code of our proprietary software to the public. Certain components of our platform and products incorporate software that is licensed under an open-source license which would require release of proprietary code if such platform or products was released or distributed to third parties. We take steps to ensure that such platform or products are not released or distributed but we have co-located certain such platform or products on third parties’ premises.

If an author or other third party that uses or distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our solutions that contain or are dependent upon such open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our solutions. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our platform. As there is little or no legal precedent or judicial interpretation governing the interpretation of many of the terms of certain of these licenses, the potential impact of these terms on our business is uncertain and may result in unanticipated obligations regarding our solutions and technologies.

Any requirement to disclose our proprietary source code, in defending our use of open-source licenses or otherwise, the termination of open-source license rights or payments of damages for breach of contract could be harmful to our business, results of operations or financial condition, and could help our competitors develop products and services that are similar to or better than ours with lower development effort and time. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software.

In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software or remedies against the licensors, nor are there any guarantees of any updates to the open source software being released, which means that some open source software can be more susceptible to cybersecurity attacks than commercially available software. Many of the risks associated with usage of open-source software cannot be eliminated and could adversely affect our business.

It is possible that we may not be aware of all instances where open-source software has been incorporated into our proprietary software or used in connection with our solutions or our corresponding obligations under open-source licenses. We do not have open-source software usage policies or monitoring procedures in place. We rely on multiple software programmers to design our proprietary software and we cannot be certain that our programmers have not incorporated open-source software into our proprietary software that we intend to maintain as confidential or that they will not do so in the future. To the extent that we are required to disclose the source code of certain of our proprietary software developments to third parties, including our competitors, in order to comply with applicable open-source license terms, such disclosure could harm our intellectual property position, competitive advantage, results of operations and financial condition. In addition, to the extent that we have failed to comply with our obligations under particular licenses for open-source software, we may lose the right to continue to use and exploit such open-source software in connection with our operations and solutions, which could disrupt and adversely affect our business.

Risks Relating to Regulation

We are subject to costs and risks associated with new or changing laws and regulations and governmental action affecting our business.

We operate in a complex regulatory and legal environment and are subject to a wide variety of laws and regulations in the jurisdictions in which we operate. Some of the laws and regulations in Europe, the United States, the U.K. and Canada and other jurisdictions in which we operate that affect or may affect us include: those relating to anti-money laundering and cross-border and domestic money transmission; those relating to consumer products, product liability and consumer protection; those relating to foreign exchange trading and gaming and sports betting; those relating to the manner in which we advertise, market and sell products; labor and employment laws, including wage and hour laws; tax laws or interpretations thereof; bank secrecy laws; data protection and privacy laws and regulations; and securities and exchange laws and regulations. The laws and regulations specifically applicable to us may also change on the basis of a change in the nature of our products or services, or a change in the jurisdictions in which those products or services are being offered, including, but not limited to, as a result of acquisitions. There can be no guarantee that we will have sufficient resources to comply with new laws, regulations or government action, or to successfully compete in the context of a shifting regulatory environment. Moreover, these laws and regulations may change, sometimes significantly, as a result of political, economic and social events.

We also generate a significant portion of our revenue from merchants operating in the regulated gaming and sports betting and foreign exchange trading sectors. Regulations in the gaming and sports betting and foreign exchange trading sectors vary significantly among different countries and localities. In many cases, they may be unclear and may also change, sometimes dramatically. Due to the borderless nature of online gaming and sports betting and foreign exchange trading, a merchant properly licensed in its home jurisdiction may still provide services to consumers in other jurisdictions, including jurisdictions where regulations are ambiguous or where gaming, sports betting and/or foreign exchange trading are prohibited. We have policies and procedures in place that are designed to ensure that we comply with applicable local laws and regulations regarding card brands, regulated verticals and bank sponsor requirements. However, these policies and procedures may not always be effective. If we provide services, intentionally or unintentionally, to gaming and sports betting and foreign exchange trading companies that do not have proper regulatory authorizations, we could be subject to fines, penalties, reputational harm or other negative consequences. Furthermore, European Union laws, regulations and directives are sometimes incompatible with local laws in place in European Union member countries, which introduces additional uncertainty around licensing and ongoing compliance obligations into the regulatory framework. Regulators may also seek to place greater emphasis on payment service providers who provide services to gaming and sports betting and foreign exchange trading companies, which could increase these risks. Moreover, we face increased risk of liability in jurisdictions in which we have an on the ground presence, assets, personnel or funds, such as through maintaining a bank account. Violations or changes in these or other laws and regulations that we are subject to may have a material adverse effect on our business, financial condition and results of operations.

Changes in laws or regulations relating to privacy and data protection, or any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligation relating to, privacy and data protection could adversely affect our business.

We receive, generate and store significant and increasing volumes of sensitive information, such as personal data of our employees, our merchants and any end users of payment services (e.g., payers, receivers, cardholders, merchants and those who may hold funds and balance in their accounts). As we seek to build a trusted and secure platform for commerce, and as we expand our network of clients and facilitate their transactions and interactions with one another, we are and will increasingly be subject to a variety of laws, directives and regulations, as well as contractual obligations, relating to the collection, use, retention, security, disclosure, transfer, destruction, de-identification and other processing of sensitive information in the jurisdictions in which we operate. The regulatory framework for privacy, data protection and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Applicable privacy laws and court decisions could impact our ability to transfer personal data internationally. For example, the Court of Justice of the European Union, the European Union's highest court, concluded in July 2020 that the European Union-U.S. Privacy Shield (a mechanism for the transfer of personal data from the European Union to the U.S.) is invalid. As a result of this decision, organizations transferring personal data from the European Union to a third country, such as the United States, are now required to carry out a transfer risk assessment in order to determine whether the recipient country offers the same level of protection than the one offered in the European Union. If the recipient country offers the same level of protection, the organization implements transfer tools (e.g. standard contractual clauses). If the recipient country fails to offer the same level of protection, however, supplementary measures are required to be taken, and without such measures, the transfers may be prohibited.

We publicly post documentation regarding our data privacy practices. Although we endeavor to comply with our published policies, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies that provide promises and assurances about privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Any failure, real or perceived, by us to comply with our posted privacy policies or with any regulatory requirements, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us could cause merchants to reduce their use of our products and services and could materially and adversely affect our business. In many jurisdictions, enforcement actions and consequences for noncompliance can be significant and are rising.

The U.S. federal and various state government bodies and agencies have adopted or are considering adopting laws and regulations limiting or otherwise regarding the collecting, distribution, use, disclosure, storage and security of personal information. For example, in June 2018, California passed the California Consumer Privacy Act ("CCPA"), which became effective on January 1, 2020 and imposes stringent data privacy and data protection requirements for the data of California residents. Enforcement of the CCPA by the California Attorney General began on July 1, 2020. Among other things, it requires

covered companies to provide new disclosures to California consumers and afford such consumers new data protection rights, including the ability to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase the likelihood of, and risks associated with, data breach litigation. The effects of this legislation are potentially far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

California voters also passed a new privacy law, the California Privacy Rights Act (“CPRA”), in the November 2020 election. The CPRA significantly modifies the CCPA, including by imposing additional obligations on covered companies and expanding consumers’ rights with respect to certain sensitive personal information, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply prior to the 2023 effective date. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. Aspects of the CCPA, the CPRA, and other laws and regulations relating to data protection, privacy and information security, as well as their enforcement, remain unclear, and we may be required to modify our practices in an effort to comply with them.

The CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States. The CCPA has prompted a number of proposals for federal and state privacy legislation that, if passed, could increase our potential liability, add layers of complexity to compliance in the U.S. market, increase our compliance costs and adversely affect our business.

Privacy laws inspired by the CCPA have also been introduced in a number of other states. Internationally, laws and regulations in many jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, Internet Protocol, or IP addresses. For example, we are subject to Canada’s PIPEDA, and the analogous provincial laws, which similarly impose data privacy and security obligations on our processing of personal data. In December 2019, Canadian Ministers were mandated to draft and implement a new bill to reform PIPEDA providing expressly for the establishment of new rights related to privacy, such as personal data portability, the ability to remove, delete and erase personal data and the ability to withdraw consent to the exchange or sale of personal data, notably.

We are also subject to Québec’s Act respecting the protection of personal information in the private sector (the “Private Sector Act”). On June 12, 2020, the Government of Québec tabled Bill 64, an Act to modernize legislative provisions as regards the protection of personal information (“Bill 64”), which proposes major amendments to the Private Sector Act, notably, to impose new obligations on Québec businesses while significantly increasing the powers of its supervisory authority. Should Bill 64 pass, the Québec privacy regime for private companies would become more onerous, as new proposed penal provisions would introduce fines of either up to \$25,000,000 or 4% of worldwide turnover for the preceding fiscal year, whichever sum is greater. Additionally, the proposed amendments include organizations’ duty to adopt corporate governance rules regarding the protection of personal information, organizations’ duty to report and log “confidentiality incidents”, requirements to assess privacy-related factors with regard to information systems and electronic service delivery projects, and many others.

The European Parliament and the Council of the European Union in 2016 adopted the European Union’s GDPR, which came into effect in May 2018, superseding the European Union Data Protection Directive, and imposing more stringent data privacy and data protection requirements. The GDPR introduced numerous privacy-related changes for companies whose processing is subject to the GDPR, including greater control for data subjects (such as the “right to be forgotten”), increased data portability for data subjects and increased fines. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. Further, while the U.K. enacted the Data Protection Act 2018 in May 2018 that supplements the GDPR and has publicly announced that it will continue to regulate the protection of personal data in the same way post-Brexit, Brexit has created uncertainty with regard to the future of regulation of data protection in the U.K. Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of delivering our platform.

Complying with CCPA, PIPEDA, the Private Sector Act and the GDPR or other laws, regulations or other obligations relating to privacy, data protection, data transfers, data localization, or information security may cause us to incur substantial operational costs or require us to modify our data practices. Non-compliance could result in proceedings against us by

governmental entities or others, could result in substantial fines or other liability, and may otherwise adversely affect our business, financial condition and results of operations.

Additionally, some statutory requirements, both in the United States and abroad include obligations for companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or our service providers. For example, laws in all 50 U.S. states require businesses to provide notice to customers whose personal data has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. States are also frequently amending existing laws, requiring attention to frequently changing regulatory requirements. The GDPR also contains data breach notification requirements. Any actual or perceived security breach could harm our reputation and brand, expose us to potential liability, result in a fine from payment networks or loss of PCI accreditation or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections.

In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply, or facilitate our merchants' compliance, with such standards. Additionally, our customers and prospective customers have required, and may in the future require, us to comply with certain privacy, data protection and information security standards, including with respect to our data encryption practices, and we may undertake contractual commitments to adhere to such standards. We expect that there will continue to be new proposed laws and regulations and guidance concerning privacy, data protection and information security, and we cannot yet determine the impact such future laws, regulations, standards and guidance may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, industry standards, guidance, contractual obligations, customer expectations and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of laws, standards, contractual obligations and other obligations relating to privacy and data protection are still uncertain, it is possible that these obligations may be interpreted and applied in a manner that varies by jurisdiction and/or that is inconsistent with our data privacy policies and procedures, including with respect to our data encryption practices, or the features of our platform. If so, we may face fines, lawsuits, regulatory investigations, imprisonment of company officials and public censure, other claims and penalties, significant costs for remediation and damage to our reputation. We could also be required to fundamentally change our business activities and practices, which could adversely affect our business. We may be unable to make such changes and modifications in a commercially reasonable manner, or at all. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, policies and guidance that are applicable to the businesses of our merchants may limit the use and adoption of, and reduce the overall demand for, our services. Any inability to adequately address privacy, data protection, or information security-related concerns, even if unfounded, or to successfully negotiate related contractual terms with merchants, or to comply with applicable laws, regulations, policies, standards and guidance relating to privacy, data protection and information security, including those with which we elect to comply, could result in additional cost and liability to us, harm our reputation and brand, damage our relationship with important providers and adversely affect our business, financial condition and results of operations.

Our business is subject to complex and evolving requirements and oversight related to our provision of payments services and other financial services.

The laws, rules and regulations that govern our business include, or may in the future include, those relating to banking, deposit-taking, cross-border and domestic money transmission, payment card networks, currency exchange, payments services (such as payment processing and settlement services), consumer financial protection, commercial electronic messaging, anti-money laundering, terrorist financing, escheatment and other standards or requirements imposed by regulators or the payment networks. For example, the payment networks require compliance with the PCI Data Security Standard, a set of industry requirements designed to ensure that companies that process, store, or transmit payment card information maintain a secure environment to protect cardholder data, as well as, in Canada, the Code. These laws, rules, regulations, standards and requirements are enforced by multiple authorities, governing bodies and organizations in Europe, the United States, the U.K. and Canada and the other jurisdictions in which we operate. As our business continues to develop and expand, we may become subject to additional requirements, which may limit or change how we conduct our business.

Our activities in the European Union are subject to the PSD2, implemented in both the U.K. in 2017 (by the Payment Services Regulations 2017) and the Republic of Cyprus in 2018 with a view to bringing regulation up to date with developments in the payment services industry, to promote further innovation and to improve consumer protection. SafeCharge Limited, a wholly-owned subsidiary of SafeCharge, is an Electronic Money Institution authorized and regulated by the Central Bank of Cyprus and has obtained permission under the U.K. FCA's Temporary Permissions Regime to continue providing payment services to merchants in the U.K. following the end of the transitional period for the U.K.'s withdrawal from the European Union on December 31 2020. In addition, SafeCharge Financial, another wholly-owned subsidiary of SafeCharge, is authorized by the U.K. FCA as a Payment Institution. The authorization allows SafeCharge Financial to provide payments services in the U.K. in accordance with the Payment Services Regulations 2017. Regulatory reform in either jurisdiction could increase the cost of our operations or deny access to certain territories in the provision of certain services. As a result of the U.K.'s withdrawal from the European Union and the absence of an agreement between the U.K. and European Union with respect to financial services, SafeCharge Financial's cross-border passporting rights, which allowed it to provide payment services throughout the European Union, ceased to be available from the end of 2020.

The Smart2Pay Transaction entailed the acquisition of its regulated subsidiary, Smart2Pay Regco, which is licensed as a payment services provider by the Dutch Central Bank to provide payment services 3 and 5 as referred to in PSD2. Continued compliance with the Dutch Central Bank's rules entails additional costs and regulatory reform in the Netherlands could further increase the cost of our operations in that jurisdiction.

We believe that our activities in the United States and Canada do not require a charter or license from federal, state, or provincial financial regulatory authorities to conduct our activities in the United States or Canada. However, in 2018, the Canadian federal government restated its intent to introduce legislation to implement a new federal retail payments oversight framework (similar to PSD2). If implemented, the framework would require payment service providers to establish sound operational risk management practices and to protect users' funds against losses, plus registration, which would represent a significant development in the Canadian payments landscape and require additional time and effort be spent to develop, implement and monitor such practices in Canada.

If we are found to have engaged in financial services activities requiring a charter or a license without having obtained such charter or license, we could be subject to civil and criminal fines, penalties, costs, legal fees, reputational damage or other negative consequences. For example, we could be required to change our business practices in order to comply with additional laws and regulations, including those related to anti-money laundering and terrorist financing, or could be forced to cease engaging in such regulated activity entirely. This could adversely affect our business, financial condition and results of operations.

The Payment Networks Act (Canada) has been enacted with a view to regulating national payment networks and their commercial practices. While this act refers to acquirers, it does not apply directly to them. However, it does contain various regulatory powers which have not yet been carried out, as the Code was adopted in lieu of regulations and relies on voluntary compliance. Canadian payment networks, issuers and acquirers abide by it mainly as a result of payment network rules. The stated purpose of the Code is to ensure that merchants are fully aware of the costs associated with accepting credit and debit card payments, provide merchants with increased pricing flexibility to encourage consumers to choose the lowest-cost payment option, and allow merchants to freely choose which payment options they will accept. There are 13 policy elements included in the Code, including requirements that merchant-acquirer agreements and monthly statements include a sufficient level of detail and are easy to understand, that merchants will receive a minimum of 90 days' notice of any fee increases or the introduction of a new fee related to any credit or debit card transactions, or a reduction in applicable interchange rates, and that following notification of a fee increase or the introduction of a new fee, or a reduction in applicable interchange rates not passed on to merchants, merchants will be allowed to cancel their contracts without penalty.

The U.S. CFPB is the U.S. federal financial regulator with authority over the provision of consumer financial products and services (including many offered by our merchants or partners). Although we are not directly subject to the CFPB's supervisory authority, the rules issued by the CFPB that apply to our merchants or partners may require us to adjust our activities and may increase our compliance costs. In addition, because we provide data processing services to banks and other financial institutions, we are or may become subject to indirect inquiries from the CFPB or from federal or state banking regulators. To comply with their regulatory obligations, these banks and other financial institutions may be required to perform appropriate

due diligence on us and our activities, evaluate our risk management, information security, and information management systems, and conduct ongoing monitoring of our performance and our ability to deliver services.

In addition, all persons engaged in commerce in the United States, including, but not limited to, us, our merchants and our bank partners, are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices, or UDAP. The Federal Trade Commission, or FTC, has authority to take action against nonbanks that engage in UDAP. We are also subject to various other consumer protection laws and related regulations in the markets in which we operate, and we may be subject to lawsuits from time to time relating to such laws and regulations. If we are subject to similar suits in the future or are found to have breached any consumer protection laws or regulations in any such market, this could have an adverse effect on our reputation, business, financial condition or results of operations.

We may be subject to fines or other penalties levied by regulators in one or more jurisdictions for failing to comply with applicable rules and regulations. In addition we could be subject to significant criminal and civil lawsuits, forfeiture of significant assets or other enforcement actions, including loss of licensure in a given jurisdiction. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Moreover, any perceived or actual breach of compliance by us with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing clients, prevent us from obtaining new clients, require us to expend significant funds to remedy problems caused by breaches and to avert further breaches and expose us to legal risk and potential liability.

Failure to comply with the CFPOA, the U.S. FCPA, anti-money laundering economic and trade sanctions regulations, and similar laws and regulations could subject us to penalties and other adverse consequences.

We operate our business in several countries where companies often engage in business practices that are prohibited by Canadian, U.S. and other laws and regulations applicable to us. We are subject to anti-corruption laws and regulations, including the CFPOA, the FCPA, the U.K. Bribery Act, the USA PATRIOT Act of 2001 and other laws that prohibit the making or offering of improper payments, including anti-bribery provisions in the Criminal Code of Canada and those enforced by the U.S. Department of Justice. These laws prohibit improper payments or offers, including payments to governments, officials and business entities for the purpose of obtaining or retaining business. There can be no assurance that our employees, consultants and agents, including those that may be based in or from countries where practices that violate Canadian, U.S. or other laws may be customary or commonplace, will not take actions in violation of our policies for which we may be ultimately responsible.

In addition, we are subject to certain anti-money laundering laws and regulations. In some jurisdictions, we are directly subject to these regulations. In other cases, we are contractually required to comply with certain laws and regulations to which our bank partners are subject. These laws and regulations, including the Canadian PCMLTFA and its related regulations, and the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, typically require businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records.

We are also subject to certain economic and trade sanctions programs that are administered by the Special Economic Measures Act in Canada and the U.S. Treasury Department's OFAC, which prohibit or restrict transactions to or from or dealings with specified countries, their governments, and in certain circumstances, their nationals, and with individuals and entities that are specially designated nationals of those countries, narcotics traffickers, and terrorists or terrorist organizations. Similar anti-money laundering and sanctions laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified in lists maintained by the country equivalents to OFAC lists in several other countries and entail specific data retention obligations to be observed by intermediaries in the payment process. Our businesses in those jurisdictions are subject to those data retention obligations.

Failure to comply with any of these laws or regulations or changes in the legal or regulatory environment, including changing interpretations and implementations of new or varying regulatory requirements, may result in significant financial or other penalties. We may also face significant criminal and civil lawsuits, forfeiture of significant assets or other enforcement actions, including loss of licensure in a given jurisdiction, or reputational damage, which could cause us to lose existing clients or prevent us from obtaining new clients or otherwise adversely affect our business, financial condition or results of operations.

We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Changes in tax laws and regulations or trade rules may impact our effective tax rate and may adversely affect our business, financial condition and operating results.

We operate on a global basis and have business operations in a number of different tax jurisdictions. Changes in our tax profile due to acquisitions or changes in tax legislation and rates in jurisdictions in which we operate may adversely affect our business, financial condition and operating results. Additionally, there is uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between countries. Major developments in tax policy or trade relations, such as the Canada-United States-Mexico Agreement (the “CUSMA”) which came into effect on July 1, 2020, the disallowance of tax deductions for imported merchandise or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our growth opportunities, business and results of operations. Regarding the CUSMA, in April 2020 all three countries provided formal notification that their respective internal ratification processes were complete. Since July 1, 2020, the CUSMA replaced the North American Free Trade Agreement. The impact of CUSMA on our business and operations remains uncertain.

We previously have participated in government programs in Canada that provide investment tax credits based upon qualifying research and development expenditures. If taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, our historical operating results could be adversely affected.

We currently conduct activities through our subsidiaries pursuant to transfer pricing arrangements. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm’s length. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arm’s length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us.

Risks Relating to Our Subordinate Voting Shares

If our Subordinate Voting Share price fluctuates, you could lose a significant part of your investment.

The stock market in general has experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our Subordinate Voting Shares, regardless of our operating performance. In the past, following periods of volatility in the market price of certain companies’ securities, securities class action litigation has been instituted against these companies. This litigation, if instituted against us, could adversely affect our financial condition or results of operations. If a market does not develop or is not maintained, the liquidity and price of our Subordinate Voting Shares could be seriously harmed.

Sales of substantial amounts of our Subordinate Voting Shares in the public market, or the perception that these sales may occur, could cause the market price of our Subordinate Voting Shares to decline.

Sales of substantial amounts of our Subordinate Voting Shares in the public market could occur at any time after the expiration of the 180-day contractual lock-up period described in the paragraph below. These sales, or the market perception that these sales may occur, could cause the market price of our Subordinate Voting Shares to decline. This could also impair our ability to raise additional capital through the sale of our equity securities.

Under our Articles, we are authorized to issue an unlimited number of Multiple Voting Shares and Subordinate Voting Shares, of which 92,247,808 Multiple Voting Shares and 45,924,637 Subordinate Voting Shares are outstanding. In connection with the completion of the IPO, we, each of our directors, executive officers and other current shareholders, and their respective

associates and affiliates holding securities of the Company entered into a lock-up agreement pursuant to which we agreed not to offer, sell, or dispose of any shares of our share capital or securities convertible into or exchangeable or exercisable for any shares of our share capital during the 180-day period following the date of the IPO (the “Lock-Up Agreements”). The IPO Joint Active Bookrunners, however, may, in their sole discretion, permit us, our directors, executive officers and current shareholders who are subject to these Lock-up Agreements to sell shares prior to the expiration of the Lock-up Agreements. Following the expiration of the 180-day period, these shares will be available for sale in the public markets subject to restrictions under applicable securities laws. In addition, as of the date hereof, there are outstanding options to acquire our Subordinate Voting Shares. The Subordinate Voting Shares subject to these options will, to the extent permitted by any applicable vesting requirements, lock-up agreements and restrictions under applicable securities laws, also become eligible for sale in the public market. We also granted registration rights to our Principal Shareholders (as defined herein) pursuant to the Investor Rights Agreement. If a large number of our Subordinate Voting Shares or securities convertible into our Subordinate Voting Shares are sold in the public market after they become eligible for sale, or there is a perception that such sales could occur, the trading price of our Subordinate Voting Shares could decline and impede our ability to raise future capital. Further, we cannot predict the size of future issuances of our shares or the effect, if any, that future sales and issuances of shares would have on the market price of our Subordinate Voting Shares.

Limitations imposed by the FCA, the Central Bank of Cyprus and the Dutch Central Bank on the right to own our securities may result in sanctions being imposed on our regulated subsidiaries and an acquiror of such securities in the event of non-compliance by such acquiror, and may reduce the value of our Subordinate Voting Shares.

Several of the Company’s indirect subsidiaries are subject to regulatory supervision, including the requirement to obtain prior consent when a person holds, acquires or increases a qualifying holding in those entities. On the basis of these regulations, no person may hold or acquire, alone or together with others, a direct or indirect stake of 10% or more of our shares, 10% of the voting rights attached to our shares, or exercise, directly or indirectly, an equivalent degree of control in us (or increase an existing holding of 10% or more of our shares or the voting rights attached to our shares crossing a control threshold (20%, 30% or 50%)) without first obtaining the prior approval of the FCA and the Central Bank of Cyprus and a prior declaration of no objection from the Dutch Central Bank.

Non-compliance with those requirements constitutes an offense that may lead to criminal prosecution, as well a violation of applicable laws governing the payment services and electronic money industry in the relevant jurisdictions, which may lead to instructions, penalties and sanctions against the Company’s regulated subsidiaries as well as the person seeking to hold, acquire or increase the qualifying holding (including, but not limited to, substantial fines and prison sentences), may subject the relevant transactions to cancellation or forced sale, and may result in increased regulatory compliance requirements or other potential regulatory restrictions on our business (including in respect of matters such as corporate governance, restructurings, mergers and acquisitions, financings and distributions), enforced suspension of operations, cancellation of corporate resolutions made on the basis such qualifying holding, restitution to customers, removal of board members, suspension of voting rights and variation, cancellation or withdrawal of licenses and authorizations. If any of this were to occur, it could damage our reputation, limit our growth and materially and adversely affect our business, financial condition and results of operations.

In addition, uncertainty and inconvenience created by those requirements may discourage potential investors from acquiring 10% or more of our Subordinate Voting Shares, which may in turn reduce the value of the Subordinate Voting Shares.

If we fail to implement and maintain effective internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

Prior to the IPO, we have been a private company with limited accounting personnel and other resources to address our internal control over financial reporting and procedures. Since the IPO, we are subject to reporting and other obligations under applicable Canadian securities laws, including NI 52-109, and the rules of the TSX. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. In order to meet such requirements, we have, among other things, established systems, implemented financial and management controls, reporting systems and procedures and hired qualified accounting and finance staff, and may be required to do so in the future. However,

if we are unable to accomplish any necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the market price of our subordinate voting shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

We will incur significant expenses and devote other significant resources and management time as a result of being a public company, which may negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

We will incur significant legal, accounting, insurance and other expenses as a result of being a public company. The rules implemented by the AMF, the securities regulators in each of the other provinces and territories of Canada and the TSX, have required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations will substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. Moreover, the securities regulators in Canada and the TSX may adopt new rules and regulations relating to information disclosure, financial reporting and controls and corporate governance in the future, which could subject us to additional increases in legal, accounting and other compliance costs. The new obligations of being a public company will require attention from our senior management and could divert their attention away from the day-to-day management of our business. Given that most of the individuals who now constitute our management team have limited experience managing a publicly traded company and complying with the increasingly complex laws pertaining to public companies, initially, these new obligations could demand even greater attention.

We also expect these laws, rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board or as officers.

As a result of the foregoing, we expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Subordinate Voting Shares, fines, sanctions and other regulatory action and potentially civil litigation.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our Subordinate Voting Shares and our trading volume could decline.

The trading market for our Subordinate Voting Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or too few securities or industry analysts commence coverage of our company, the trading price for our Subordinate Voting Shares would likely be negatively affected. In the event that securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our Subordinate Voting Shares or publish inaccurate or unfavorable research about our business, the price of our Subordinate Voting Shares would likely decline. If one or more of

these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which might cause the price of our Subordinate Voting Shares and trading volume to decline.

Each of Novacap, Caisse and our Chief Executive Officer beneficially owns a significant amount of our shares and may have interests that differ from, or may take actions that are not in the interests of, other shareholders.

Each of Novacap, Caisse and our Chief Executive Officer (the “Principal Shareholders”) holds approximately 39.88%, 23.04% and 37.08%, respectively, of our Multiple Voting Shares and 37.99%, 21.95% and 35.32%, respectively, of our outstanding voting rights. Novacap, Caisse and our Chief Executive Officer will therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions. Novacap has the right to designate two (2) members to our Board, Caisse has the right to designate one (1) member to our Board and our Chief Executive Officer has a seat on the Board and the right to designate one (1) additional member to our Board. Circumstances may occur in which the interests of Novacap, Caisse and/or our Chief Executive Officer could be in conflict with the interests of other shareholders, and any of Novacap, Caisse or our Chief Executive Officer would have significant influence to cause us to take actions that align with their interests.

Additionally, Novacap and Caisse are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Novacap and Caisse may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Our Audit Committee is responsible for reviewing all related party transactions for potential conflict of interest situations and approving all such transactions. Our Audit Committee consists of directors who are independent as required by applicable Canadian securities regulation and the TSX Company Manual, subject to the permitted phase-in period afforded by such rules. In addition, our code of ethics contains provisions designed to address conflicts of interest. However, such provisions may not be effective in limiting Novacap and Caisse’s significant influence over us.

The dual-class structure contained in our Articles has the effect of concentrating voting control and the ability to influence corporate matters with Novacap, Caisse and our Chief Executive Officer.

Our Multiple Voting Shares have 10 votes per Multiple Voting Share and our Subordinate Voting Shares have one vote per Subordinate Voting Share. Shareholders who hold Multiple Voting Shares, including Novacap, Caisse and, indirectly, our Chief Executive Officer, will together hold approximately 95.26% of the voting rights of our outstanding voting shares and therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions. In addition, the Principal Shareholders entered into the Investor Rights Agreement providing for certain director nomination rights and registration rights.

In addition, because of the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares, the holders of our Multiple Voting Shares continue to control a majority of the combined voting rights of our voting shares although the Multiple Voting Shares represent a substantially reduced percentage of our total outstanding voting shares. The concentrated voting control of holders of our Multiple Voting Shares limits the ability of our subordinate voting shareholders to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amending our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of Multiple Voting Shares have the ability to influence or control many matters affecting us and actions may be taken that our subordinate voting shareholders may not view as beneficial. The market price of our Subordinate Voting Shares could be adversely affected due to the significant influence and voting rights of the holders of Multiple Voting Shares. Additionally, the significant voting interest of holders of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Multiple Voting Shares.

Future transfers by holders of Multiple Voting Shares, other than permitted transfers to such holders’ respective affiliates or direct family members or to other permitted holders, will result in those Multiple Voting Shares automatically

converting to Subordinate Voting Shares, which will have the effect, over time, of increasing the relative voting rights of those holders who retain their Multiple Voting Shares.

We do not anticipate paying any cash dividends in the foreseeable future.

We currently intend to retain our future earnings, if any, for the foreseeable future, to fund the operation of our business and future growth. We do not intend to pay any dividends to holders of our Subordinate Voting Shares for the foreseeable future. As a result, capital appreciation in the price of our Subordinate Voting Shares, if any, will be your only source of gain on an investment in our Subordinate Voting Shares.

Our by-laws provide that any derivative actions, actions relating to breach of fiduciary duties and other matters relating to our internal affairs will be required to be litigated in the Province of Québec, which could limit your ability to obtain a favorable judicial forum for disputes with us.

We have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of the Province of Québec, Canada and appellate Courts therefrom (or, failing such Court, any other “court” as defined in the CBCA having jurisdiction, and the appellate Courts therefrom), will be the sole and exclusive forum for: any derivative action or proceeding brought on our behalf; any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us; any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our Articles or by-laws; or any action or proceeding asserting a claim otherwise related to our “affairs” (as defined in the CBCA). Our forum selection by-law also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of Québec and to service of process on their counsel in any foreign (non-Canadian) action initiated in violation of our by-law. Therefore, it may not be possible for securityholders to litigate any action relating to the foregoing matters outside of the Province of Québec.

Our forum selection by-law seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the United States and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of our forum selection by-law could be challenged and that a court could rule that such by-law is inapplicable or unenforceable. If a court were to find our forum selection by-law inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

Provisions of our Articles and by-laws and certain Canadian legislation could delay or deter a change of control, limit attempts by our shareholders to replace or remove our current senior management and affect the market price of our Subordinate Voting Shares.

Our Articles authorize our Board to issue an unlimited number of Preferred Shares without shareholder approval and to determine the rights, privileges, restrictions and conditions granted to or imposed on any unissued series of Preferred Shares. Those rights may be superior to those of our Subordinate Voting Shares and Multiple Voting Shares. For example, Preferred Shares may rank prior to Subordinate Voting Shares and Multiple Voting Shares as to dividend rights, liquidation preferences or both, may have full or limited voting rights and may be convertible into Subordinate Voting Shares. If we were to issue a significant number of Preferred Shares, these issuances could deter or delay an attempted acquisition of us or make the removal of management more difficult. Issuances of Preferred Shares, or the perception that such issuances may occur, could cause the trading price of our Subordinate Voting Shares to drop.

We may issue additional Subordinate Voting Shares and Multiple Voting Shares and such issuance will result in immediate dilution to existing shareholders.

Our Articles permit us to issue an unlimited number of Subordinate Voting Shares and Multiple Voting Shares. We anticipate that we will, from time to time, issue additional Subordinate Voting Shares or other securities convertible or

exercisable for Subordinate Voting Shares, including pursuant to the exercise of stock options. Subject to the requirements of the TSX, we will not be required to obtain the approval of shareholders for the issuance of additional Subordinate Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares. Although the rules of the TSX generally prohibit us from issuing additional Multiple Voting Shares, there may be certain circumstances where additional Multiple Voting Shares may be issued, including pursuant to the exercise of the subscription rights attached to the Multiple Voting Shares. Any further issuances of Subordinate Voting Shares, Multiple Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares or Multiple Voting Shares will result in immediate dilution to existing shareholders. Furthermore, issuances of a substantial number of additional Subordinate Voting Shares, Multiple Voting Shares or other securities convertible or exercisable for Subordinate Voting Shares or Multiple Voting Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price for the Subordinate Voting Shares. Additionally, any further issuances of Multiple Voting Shares may significantly lessen the combined voting rights of our Subordinate Voting Shares due to the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares.

Additional Information

Additional information relating to the Company, including the Company's most recent annual and quarterly reports is available on SEDAR at www.sedar.com.

Certification of Disclosure

Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with the securities regulatory authorities are recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company's management to ensure timely decisions regarding required disclosure. Management regularly reviews disclosure controls and procedures; however, they cannot provide an absolute level of assurance because of the inherent limitations in control systems to prevent or detect all misstatements due to error or fraud. The CEO and the CFO, along with Management, have evaluated and concluded that the Company's disclosure controls and procedures were effective as at December 31, 2020.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal controls over financial reporting. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have been advised that the control framework the Chief Executive Officer and the Chief Financial Officer used to design the Company's internal controls over financial reporting is recognized by the Committee of Sponsoring Organizations of the Treadway Commission. The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to its internal controls over financial reporting during the period ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting. No such changes were identified through their evaluation. The Chief Executive Officer and Chief Financial Officer, together with management, have evaluated and concluded that, to the best of their knowledge, the Company's internal controls over financial reporting were effective as at December 31, 2020.

Limitations of Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the reality judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Limitation on Scope of Design

The scope of design of internal controls over financial reporting and disclosure controls and procedures excluded the controls, policies, and procedures of Smart2Pay which was acquired on November 2, 2020. Smart2Pay's contribution to our Consolidated Statements of Loss and Comprehensive Loss for Fiscal 2020 was approximately 3% of total revenues and approximately (3%) of total net loss. Additionally, as at December 31, 2020, Smart2Pay's current assets and current liabilities were approximately 7% and 6% of consolidated current assets and current liabilities, and non-current assets, which includes intangible assets and goodwill from acquisition, were approximately 23% of consolidated non-current assets. The amounts recognized for the assets acquired and liabilities assumed at the date of acquisition are described in Note 4 of the Consolidated Financial Statements for the fiscal year ended Fiscal 2020.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Name and Address of Company

Nuvei Corporation (“Nuvei” or the “Company”)
1100 René-Lévesque Boulevard West, Suite 900
Montreal, Quebec
H3B 4N4

Item 2 – Date of Material Change

March 24, 2021

Item 3 – News Release

A news release was disseminated over Globe Newswire on March 24, 2021.

Item 4 – Summary of Material Change

On March 24, 2021, Nuvei closed a secondary offering on a bought deal basis by funds managed by Novacap Management Inc., Whiskey Papa Fox Inc., a holding company controlled by Philip Fayer, our Chair and Chief Executive Officer, CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec, and David Schwartz, our Chief Financial Officer (together the “Selling Shareholders”), of an aggregate of 9,169,387 subordinate voting shares of the Company at a purchase price of US\$60.22 per subordinate voting share for total gross proceeds to the Selling Shareholders of approximately US\$552 million (the “Offering”).

Item 5 – Full Description of Material Change**5.1 Full Description of Material Change**

On March 24, 2021, Nuvei closed a secondary offering on a bought deal basis by the Selling Shareholders, of an aggregate of 9,169,387 subordinate voting shares of the Company at a purchase price of US\$60.22 per subordinate voting share for total gross proceeds to the Selling Shareholders of approximately US\$552 million. The Offering includes the partial exercise by the underwriters of their over-allotment option, as described below.

Goldman Sachs Canada Inc., Credit Suisse, BMO Capital Markets and RBC Capital Markets acted as joint bookrunners for the Offering. CIBC World Markets Inc., National Bank Financial Inc., Scotiabank, Merrill Lynch Canada Inc., Citigroup Global Markets Canada Inc., Raymond James Ltd. and Stifel Nicolaus Canada Inc. also acted as underwriters for the Offering (collectively, the “Underwriters”).

As part of the Offering, the Selling Shareholders (except David Schwartz) granted the Underwriters an option, exercisable, in whole or in part, at any time until April 23, 2021, to purchase up to an additional 15% of the Offering at the offering price to cover over-allotments (the “Over-Allotment Option”). As indicated above, the Underwriters have partially exercised their Over-Allotment Option and purchased 969,387 additional subordinate voting shares.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 – Omitted Information

Not applicable.

Item 8 – Executive Officer

David Schwartz
Chief Financial Officer
(514) 313-1190

Item 9 – Date of Report

March 30, 2021.

NUVEI CORPORATION

**Notice of Annual
Meeting of Shareholders
and Management
Information Circular**

FISCAL YEAR ENDED
DECEMBER 31, 2020

APRIL 26, 2021

The logo for nuvei, featuring a teal circle above the lowercase letters 'nuvei' in a white, sans-serif font. The logo is positioned vertically on the right side of the cover, set against a dark background that shows a person's hands holding a tablet.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the shareholders of Nuvei Corporation (the “Company”):

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the “Meeting”) of the Company will be held virtually at <https://web.lumiagm.com/481634027>, password “nvei2021” (case sensitive), on May 28, 2021 at 10:00 a.m. (ET), for the purposes of:

1. receiving the consolidated financial statements of the Company for the fiscal year ended December 31, 2020, together with the auditors’ report thereon;
2. electing five directors for the ensuing year;
3. appointing auditors for the ensuing year and authorizing the directors to fix their remuneration;
4. transacting such other business as may properly come before the Meeting.

The accompanying management information proxy circular (the “Circular”) and a form of proxy accompany this notice.

The Company’s board of directors has fixed the close of business on April 23, 2021 as the record date for determining shareholders entitled to receive notice of, and to vote at, the Meeting, or any postponement or adjournment thereof. No person who becomes a shareholder of record after that time will be entitled to vote at the Meeting or any postponement or adjournment thereof.

Registered shareholders and duly appointed proxyholders will be able to participate in the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Circular. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to participate in the Meeting as guests, but guests will not be able to vote at the Meeting.

A shareholder may attend the Meeting and vote or may be represented and vote by proxy. If you are unable to attend the Meeting, please complete, date, sign and return the accompanying form of proxy enclosed herewith for use at the Meeting or any adjournment thereof. To be effective, the attached proxy must be received not later than May 26, 2021 at 10:00 a.m. (ET). These instructions include the additional step of registering such proxyholder with our transfer agent, AST Trust Company (Canada), after submitting the form of proxy or voting instruction form. **Failure to register the proxyholder with AST Trust Company (Canada) will result in the proxyholder not receiving a control number to participate in the virtual meeting and only being able to attend as a guest.**

If you have any questions about or require assistance in completing your form of proxy, or about the information contained in this Circular, please contact the Company’s Corporate Secretary by email at IR@nuvei.com.

Dated at Montréal, Québec, Canada, April 26, 2021.

By order of the Board of Directors,

(s) Philip Fayer

Philip Fayer

Founder, Chair of the Board and Chief Executive Officer

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INVITATION TO SHAREHOLDERS

Dear Shareholders:

On behalf of the Board and management of the Company, we are pleased to invite you to attend the annual meeting of shareholders that will be held virtually this year on May 28, 2021 at 10:00 a.m. (ET).

To join the virtual meeting, please login at <https://web.lumiagm.com/481634027> using the password “nvei2021” (case sensitive).

The Company’s subordinate voting shares are listed on the Toronto Stock Exchange in Canadian dollars under the symbol “NVEI” and in U.S. dollars under the symbol “NVEI.U”. As at April 26, 2021, there were 55,828,889 subordinate voting shares and 82,728,420 multiple voting shares of the Company issued and outstanding.

This annual meeting is your opportunity to vote on a number of important matters. The enclosed management proxy circular describes the business to be conducted at the meeting and provides information on the Company’s executive compensation and corporate governance practices.

Your participation in voting at the meeting is important to us. You can vote electronically during the virtual meeting, or alternatively by completing and returning the enclosed form of proxy or voting instruction form. Please refer to the “Voting and Proxies” section of this management proxy circular.

We look forward to welcoming you at the meeting and thank you for your continued support.

Sincerely,

Philip Fayer

MANAGEMENT INFORMATION CIRCULAR

This Management Proxy Circular is provided in relation to the solicitation of proxies by the management of Nuvei Corporation (“we”, “us”, “our”, “Nuvei” and the “Company”) for use at the annual meeting of shareholders (the “Meeting”) of the Company to be held on May 28, 2021 and at any adjournment or postponement thereof. The Meeting will be held as a completely virtual meeting, which will be conducted via live audio webcast. Shareholders will not be able to participate in the Meeting in person. A summary of the information shareholders will need to participate in the Meeting online is provided below.

Unless otherwise indicated, the information provided in this Management Proxy Circular is provided as of April 26, 2021.

All references in this Circular to dollars, “\$” or “US\$” are to United States dollars and all references to Canadian dollars and “C\$” are to Canadian dollars.

VOTING AND PROXIES

Voting at the Meeting

Registered shareholders and duly appointed proxyholders will be able to attend the Meeting and vote in real time, provided they are connected to the internet and follow the instructions below. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as guests but will not be able to vote at the virtual Meeting.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend the virtual Meeting) must carefully follow the instructions below and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, AST Trust Company (Canada) (“AST”), after submitting the form of proxy or voting instruction form. Failure to register the proxyholder with AST will result in the proxyholder not receiving a control number to participate in the virtual Meeting and only being able to attend as a guest. Guests will be able to listen to the virtual Meeting but will not be able to vote.

To vote by online ballot through the live webcast platform, follow the below instructions:

1. Log in at <https://web.lumiagm.com/481634027> on your browser at least 15 minutes before the Meeting starts
2. Click on “Control # / No. de contrôle”
3. Enter your control number
4. Enter the password: “nvei2021” (case sensitive)
5. When the ballots have been opened, you will see them appear on your screen

If you use your control number to log in to the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the Meeting.

Proxyholders who have been duly appointed and registered with AST as described in the section titled “Appointment of Proxy” will receive a control number by email from AST no later than May 26, 2021 at 10:00 a.m. (ET).

Registered shareholders and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) that attend the Meeting online will be able to vote by completing a ballot online during the Meeting through the live platform.

It is your responsibility to ensure internet connectivity for the duration of the Meeting. You will need the latest versions of Chrome, Safari, Edge or Firefox (please do not use Internet Explorer as it is not compatible with the platform used for the Meeting). Please ensure your browser is compatible by signing in early. Internal network security protocols including firewalls and VPN connections may block access to the online platform. If you are experiencing any difficulty connecting to the Meeting, ensure your VPN setting is disabled or use a computer on a network not restricted to security settings of your organization.

Joining the Meeting as a Guest

Guests (including non-registered shareholders who have not duly appointed themselves as proxyholder) can log into the Meeting as set out below. Guests will be able to listen to the Meeting but will not be able to vote during the Meeting. Guests can also listen to the Meeting by following the instructions below:

1. Log in at <https://web.lumiagm.com/481634027> on your browser
2. Click on “GUEST”
3. Provide your name and email address (no password is required for guests)

Non-registered shareholders/Appointees obtaining a control number to vote during the Meeting:

You must complete the additional step of registering the proxyholder by either calling AST at 1-866-751-6315 (within North America) or 212-235-5754 (outside of North America) or by completing the electronic form available at <https://lp.astfinancial.com/ControlNumber> by no later than 10:00 a.m. (ET) on May 26, 2021. Failing to register your proxyholder online will result in the proxyholder not receiving a control number, which is required to vote at the Meeting. Non-registered shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest.

Solicitation of Proxies

This Circular is sent in connection with the solicitation by the management of the Company of proxies to be used at the Meeting, at the time, place and for the purposes set forth in the Notice of Annual Meeting of shareholders (the “Notice of Meeting”), and at any adjournment thereof. The solicitation is being made primarily by email, but proxies may also be solicited by telephone, facsimile or other personal contact by officers or other employees of the Company. The cost of the solicitation will be borne by the Company.

Appointment of Proxy

The individuals named in the accompanying form of proxy (the “Management Appointees”) are, for purposes of the Meeting, shareholders and officers and/or directors of the Company, as applicable. **A shareholder wishing to appoint some other person to represent such shareholder at the Meeting has the right to do so, either by inserting such person’s name in the blank space provided in the applicable form of proxy or by completing another proxy.**

A proxy will not be valid for the Meeting unless the completed form of proxy is delivered to AST: (i) by internet at www.astvotemyproxy.com; (ii) by email at proxyvote@astfinancial.com; (iii) by mail addressed to AST Trust Company (Canada) Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1; (iv) by fax to 1-416-368-2502 or toll free in Canada and the United States to 1-866-781-3111; or (v) by touch-tone phone toll-free at 1-888-489-7352, in all cases received not later than May 26, 2021 at 10:00 a.m. (ET).

Voting by Proxy at the Meeting

The person you appoint will need to contact AST by either calling 1-866-751-6315 (within North America) or 212-235-5754 (outside of North America) or by completing the electronic form available at <https://lp.astfinancial.com/ControlNumber> by no later than 10:00 a.m. (ET) on May 26, 2021 to request a control

number to be represented or vote at the Meeting. It is the responsibility of the shareholder or their proxy to contact AST to request a control number.

Without the control number, proxyholders will not be able to participate at the Meeting.

Revocation of Proxy

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it at any time before it is exercised, by instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited with AST: (i) by internet at www.astvotemyproxy.com; (ii) by email at proxyvote@astfinancial.com; (iii) by mail addressed to AST Trust Company (Canada) Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1; (iv) by fax to 1-416-368-2502 or toll free in Canada and the United States to 1-866-781-3111; or (v) by touch-tone phone toll-free at 1-888-489-7352, at any time up to 10:00 a.m. (ET) on May 26, 2021.

A proxy may also be revoked by filing a written notice with the Corporate Secretary of the Company at any time up to and including the last day preceding the day of the Meeting, or any adjournment or postponement thereof. If you have followed the process for participating in and voting at the Meeting online, casting your vote online during the Meeting will revoke your previous proxy.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote (or withhold from voting) the shares in respect of which they are appointed as proxies in accordance with the instructions of the shareholders appointing them. If a shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **If no instructions are given, the shares will be voted FOR the election of the nominees of the board of directors of the Company (the "Board") as directors and FOR the appointment of PricewaterhouseCoopers LLP as auditors. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to other business which may properly come before the Meeting or any adjournment thereof.** As of the date hereof, management of the Company knows of no such amendment, variation or other business to come before the Meeting. If any such amendment or other business properly comes before the Meeting, or any adjournment thereof, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgement.

Voting Shares and Principal Holders Thereof

As of April 26, 2021, there were 55,828,889 subordinate voting shares (the "Subordinate Voting Shares") and 82,728,420 multiple voting shares (the "Multiple Voting Shares") issued and outstanding. The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws in that they do not carry equal voting rights with the Multiple Voting Shares. Each Subordinate Voting Share entitles its holder to one vote with respect to the matters voted at the Meeting and each Multiple Voting Share entitles its holder to ten votes with respect to the matters voted at the Meeting. In aggregate, all of the voting rights associated with the Subordinate Voting Shares represented, as at April 26, 2021, 6.32% of the voting rights attached to all of the issued and outstanding shares of the Company.

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that a Multiple Voting Share shall be held by a person other than a Permitted Holder (as defined in the Company's articles), the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such multiple voting share into a fully paid and non-assessable Subordinate Voting Share.

In addition, all Multiple Voting Shares held by each of the Fayer Group Permitted Holders, the Novacap Group Permitted Holders and the CDPQ Group Permitted Holders (each term as defined in the Company's articles), will convert automatically into Subordinate Voting Shares at such time that the Fayer Group Permitted Holders, the

Novacap Group Permitted Holders or the CDPQ Group Permitted Holders, as applicable, no longer respectively beneficially own, directly or indirectly and in the aggregate, at least 5% of the issued and outstanding shares of the Company.

Under applicable Canadian securities laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the Toronto Stock Exchange (the “TSX”) designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, the holders of Multiple Voting Shares, being Novacap TMT IV, L.P., Novacap International TMT IV, L.P., NVC TMT IV, L.P., Novacap TMT V, L.P., Novacap International TMT V, L.P., Novacap TMT V-A, L.P. and NVC TMT V, L.P. (collectively, “Novacap”), Whiskey Papa Fox Inc. (“Fayer Holdco”) and CDP Investissements Inc. (“CDPQ”) have entered into a customary coattail agreement with Nuvei and a trustee (the “Coattail Agreement”). The Coattail Agreement contains provisions customary for dual-class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable Canadian securities laws to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares. Additional information regarding the Coattail Agreement can be found in the Company’s annual information form, available on Nuvei’s SEDAR profile at www.sedar.com and on the Company’s website at www.nuvei.com.

To the knowledge of the directors and executive officers of Nuvei, as of April 26, 2021, there are no persons who beneficially own, or exercise control or direction over, directly or indirectly, more than 10% of either class of Subordinate Voting Shares and Multiple Voting Shares other than the following:

<u>Name of Shareholder</u>	<u>Number of Subordinate Voting Shares</u>	<u>Percentage of Subordinate Voting Shares</u>	<u>Number of Multiple Voting Shares</u>	<u>Percentage of Multiple Voting Shares</u>	<u>Percentage of Outstanding Shares</u>	<u>Percentage of Total Voting Power⁽⁴⁾</u>
Novacap ⁽¹⁾	—	0%	33,231,979	40.17%	23.98% ⁽⁵⁾	37.63% ⁽⁵⁾
Philip Fayer ⁽²⁾	—	0%	30,297,828	36.62%	21.87% ⁽⁵⁾	34.31% ⁽⁵⁾
CDPQ ⁽³⁾	—	0%	19,198,613	23.21%	13.86% ⁽⁵⁾	21.74% ⁽⁵⁾

- (1) Shares held beneficially and of record by Novacap TMT IV, L.P., Novacap International TMT IV, L.P., NVC TMT IV, L.P., Novacap TMT V, L.P., Novacap International TMT V, L.P., Novacap TMT V-A, L.P. and NVC TMT V, L.P., as a group.
- (2) Shares held beneficially and of record by Whiskey Papa Fox Inc., a holding company controlled by Philip Fayer. Mr. Fayer is the Chair and Chief Executive Officer of the Company.
- (3) Shares held beneficially and of record by CDP Investissements Inc., a wholly-owned subsidiary of the Caisse de dépôt et placement du Québec.
- (4) Percentage of total voting power represents voting power with respect to all of our Subordinate Voting Shares and Multiple Voting Shares, as a single class. The holders of our Multiple Voting Shares are entitled to ten votes per share, and holders of our Subordinate Voting Shares are entitled to one vote per share.
- (5) Figure represents ownership on a non-diluted basis. On a fully-diluted basis, Novacap, Mr. Fayer and CDPQ own 22.85%, 20.84% and 13.20% of the issued and outstanding shares and hold 37.34%, 34.04% and 21.57% of the total voting power attached to all of the issued and outstanding shares, respectively

Non-Registered Shareholders

The Board has fixed the close of business on April 23, 2021 as the record date (the “Record Date”) for determining shareholders entitled to receive notice of, and to vote at, the Meeting, or any postponement or adjournment thereof. Only registered shareholders as of the close of business on the Record Date or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Subordinate Voting Shares and Multiple Voting Shares beneficially owned by a person (a “Non-Registered Holder”) are registered either: (i) in the name of an intermediary that the Non-Registered Holder deals with in respect of his or her Subordinate Voting Shares or Multiple Voting Shares (an “Intermediary”), such as securities dealers or brokers, banks, trust companies and trustees or administrators of self-administered RRSPs, TFSAs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with National Instrument 54-101 of the Canadian Securities Administrators entitled “Communication with Beneficial Owners of Securities of a Reporting Issuer”, the Company has distributed copies of the Notice of Meeting and this Circular (collectively, the “Meeting Materials”) to the clearing

agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company (such as Broadridge in Canada) for this purpose.

Non-Registered Holders will be provided with a computerized form (often called a “voting instruction form”) which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the internet or through a toll-free telephone number. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Subordinate Voting Shares or Multiple Voting Shares that they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company.

Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.

A Non-Registered Holder may revoke voting instructions that have been given to an Intermediary at any time by written notice to the Intermediary.

We are not sending proxy-related materials to beneficial owners who have declined to receive them in order to save mailing costs and abide by the instructions of its declining beneficial owners.

Non-Objecting Beneficial Owners (NOBOs)

Under applicable securities legislation, a beneficial owner of securities is a “non-objecting beneficial owner” (or “NOBO”) if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner’s behalf not objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with said legislation.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and Nuvei or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, Nuvei (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

If you are a NOBO and your name has been provided to AST, you can vote your shares by attending the Meeting in person by appointing yourself as proxyholder, or by appointing someone else as proxyholder to attend the Meeting and vote your shares for you, by following the instructions set out in your voting instruction form (refer to your control number shown on your voting instruction form).

Objecting Beneficial Owners (OBOs)

Under applicable securities legislation, a beneficial owner is an “objecting beneficial owner” (or “OBO”) if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner’s behalf objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with such legislation.

If you are an OBO, you received these materials from your intermediary or its agent (such as Broadridge), and your intermediary is required to seek your instructions as to how to vote your Subordinate Voting Shares. Nuvei has agreed to pay for intermediaries to deliver to OBOs the proxy-related materials and the relevant voting instruction form. The voting instruction form that is sent to an OBO by the intermediary or its agent should contain an explanation as to how

you can exercise your voting rights, including how to attend and vote directly at the Meeting. Please provide your voting instructions to your intermediary as specified in the enclosed voting instruction form.

BUSINESS OF THE MEETING

Financial Statements and Auditor's Report

The consolidated financial statements and the auditor's report thereon, for the fiscal year ended December 31, 2020 ("Fiscal 2020"), have been sent to all shareholders who requested them and are available under Nuvei's SEDAR profile at www.sedar.com.

Election of Directors

Under our articles of amalgamation (as amended) (the "Articles"), the Board is to consist of a minimum of 3 and a maximum of 12 directors as determined from time to time by the directors. Currently, the Board consists of five directors: Philip Fayer, Michael Hanley, David Lewin, Daniela Mielke and Pascal Tremblay, all of whom are standing for election at this Meeting. Under the *Canada Business Corporations Act* ("CBCA"), a director may be removed with or without cause by a resolution passed by a majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors are appointed at the annual general meeting of shareholders and the term of office for each of the directors will expire at the time of our next annual shareholders meeting. Under the CBCA, at least one quarter of our directors must be resident Canadians as defined in the CBCA. Our Articles provide that, between annual general meetings of shareholders, the directors may appoint one or more additional directors so appointed, but the number of additional directors so appointed may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors.

Nomination Process

The process to nominate the Company's directors is described in the section entitled "Nomination of Directors—Corporate Governance" of this Circular.

Nominees

The following tables set forth the name and province or state and country of residence of each individual proposed to be nominated at the Meeting for election as a director of Nuvei, as well as each individual's position within Nuvei (where applicable), their period of service as director, information relating to committee membership, independence, meeting attendance, principal occupation within the five preceding years and the number of securities of Nuvei beneficially owned or controlled, directly or indirectly, by each such individual.



Québec, Canada

Age: 43

Director since: 2017

Not Independent (Management)

Mr. Fayer is the founder of Nuvei and its Chair and Chief Executive Officer. In this capacity, he is responsible for the general direction and management of the Company as well as the development of Nuvei's growth strategy. A seasoned entrepreneur, Mr. Fayer has over 20 years of experience in the electronic payments industry. Mr. Fayer founded Pivotal Payments (now Nuvei) in 2003. Under his leadership and direction, the Company expanded organically and through strategic acquisitions. With the acquisition of SafeCharge in 2019, Nuvei grew its geographic footprint and broadened its technology and service offering to large scale merchants in over 200 global markets. In 2020, Nuvei was named one of Deloitte Canada's Best Managed Companies. Mr. Fayer's business skills, industry knowledge and leadership are broadly recognized. In 2009, he was named one of Canada's Top 40 Under 40™ and in 2019, he was awarded the Ernst & Young Entrepreneur Of The Year® for Québec in the FinTech category. Mr. Fayer attended Concordia University, in Montreal, Québec. Through a foundation with his wife, Mr. Fayer devotes time for several charities, including with respect to youth unemployment and cancer research.

Board/Committee Membership	Attendance Record for Fiscal 2020		Public Board Memberships	
Board of Directors	5 of 5	100%	—	
Securities Held				
As at	Number of Subordinate Voting Shares	Number of Multiple Voting Shares	Number of DSUs	Number of Options
April 26, 2021	—	30,297,828(1)	—	241,771

(1) Shares held beneficially and of record by Whiskey Papa Fox Inc., a holding company controlled by Philip Fayer.



Québec, Canada

Age: 55

Director since: 2020

Independent

Mr. Hanley is a Corporate Director with over 25 years of experience in senior management roles and corporate governance. He is the lead director and chairs the audit committee of BRP Inc. in addition to sitting on the board of directors and audit committee of ShawCor Ltd. and Lyondell Basell Industries N.V. where he is also the chair of the audit committee and a member of the Health, Safety, Environment and Operations Committee. He is also a member of the board of directors of ExCellThera Inc. Previously, Mr. Hanley was on the board of directors, the audit committee and the human resources and compensation committee of Industrial Alliance Insurance and Financial Services Inc. from 2015 to 2019. He was also on the board of directors and the audit committee of Le Groupe Jean Coutu (PJC) Inc. from 2016 until the company was acquired by Metro Inc. in 2018. Prior to that, Mr. Hanley held senior management positions for several years. He was Senior Vice-President, Operations and Strategic Initiatives at National Bank of Canada. He also held a number of positions at Alcan Inc., including Executive Vice-President and Chief Financial Officer, and President and CEO of the Global Bauxite and Alumina business group. He was also Chief Financial Officer of two other Canadian public companies, Gaz Métro (now Énergir) and St-Laurent Paperboard Inc. Mr. Hanley is a chartered professional accountant and has been a member of the Ordre des comptables professionnels agréés du Québec (CPA) since 1987.

Board/Committee Membership	Attendance Record for Fiscal 2020⁽¹⁾		Public Board Memberships
Board of Directors (Lead Director)	3 of 3	100%	BRP Inc., ShawCor Ltd., LyondellBasell Industries N.V.
Audit Committee (Chair)	2 of 2	100%	
GHRC Committee	2 of 2	100%	

Securities Held				
As at	Number of Subordinate Voting Shares	Number of Multiple Voting Shares	Number of DSUs	Number of Options
April 26, 2021	38,460	—	1,582	—

(1) Mr. Hanley was appointed on August 28, 2020.



Québec, Canada

Age: 41

Director since: 2017

Independent

Mr. Lewin is a Senior Partner of the TMT Group of Novacap, and board member of Nuvei since September 2017. Mr. Lewin has extensive board experience having sat on the board of directors of numerous private companies including Eddyfi-NDT Inc., PKWare, Inc., Firmex Inc., Onstream Pipeline Inspection Service Inc., Syntax Systems Limited, and Intelrad Medical Systems Inc. Prior to joining Novacap in 2011, Mr. Lewin was a Manager at PSP Investments in Montreal where he was involved in the evaluation and execution of private equity transactions. Mr. Lewin additionally worked in investment banking at National Bank Financial Markets where he focused on the technology, media and telecom section. Mr. Lewin holds a Master of Business Administration from McGill University and a Bachelors in Business and Administration from HEC Montreal.

Board/Committee Membership	Attendance Record for Fiscal 2020		Public Board Memberships	
Board of Directors	5 of 5	100%	—	
Audit Committee	2 of 2	100%		
GHRC Committee (Chair)	2 of 2	100%		
Securities Held				
As at April 26, 2021	Number of Subordinate Voting Shares	Number of Multiple Voting Shares	Number of DSUs	Number of Options
	—	—	1,595	—



California, United States

Age: 55

Director since: 2020

Independent

Ms. Mielke is Managing Partner of Commerce Technology Advisors, LLC, a privately held firm which she founded in April 2016, and which provides consulting services to technology, financial services and private equity companies on organic and inorganic growth strategies including building payment businesses and using artificial intelligence. From 2018 to December 2020, Ms. Mielke served as the North American CEO of RS2 Inc., one of the leading providers of payment processing services in Europe and Asia Pacific, with the mandate to launch RS2 in the US market. From 2013 to 2016 Ms. Mielke was Chief Strategy and Product Officer at Vantiv, Inc., which was at the time the largest merchant acquirer in the US. From 2010 to 2013 Ms. Mielke was the VP, Head of Global Strategy and Market Intelligence for PayPal Inc. From 2002 to 2007 Ms. Mielke successively served as VP of Product and SVP of Strategy and Market Intelligence at Visa International. From 1998-2002 to Ms. Mielke was an Engagement Manager for McKinsey & Company, a worldwide management consulting firm. She also served as a member of the Board of GCPS, a multinational joint venture of commercial card issuing banks from 2005 to 2007. She currently serves as a member of the board of The Bancorp, a Nasdaq listed US bank and of Finca International, a global NGO dedicated to alleviating poverty. Ms. Mielke holds a Master's of Business Administration in International Management from the IMD Business School, a Master's of Science in Economics from the University of Fribourg as well as a Bachelor's degree in Hotel and Restaurant Management from the École hôtelière de Lausanne.

Board/Committee Membership	Attendance Record for Fiscal 2020(1)		Public Board Memberships	
Board of Directors	3 of 3	100%	The Bancorp, Inc.	
Securities Held				
<u>As at</u> April 26, 2021	<u>Number of Subordinate Voting Shares</u>	<u>Number of Multiple Voting Shares</u>	<u>Number of DSUs</u>	<u>Number of Options</u>
	17,135	—	1,519	—

(1) Ms. Mielke was appointed on August 28, 2020.



Québec, Canada

Age: 51

Director since: 2017

Independent

Mr. Tremblay is the President and Chief Executive Officer of Novacap Management Inc. and the Managing Partner of the TMT Group of Novacap. Mr. Tremblay has been involved in funding, managing and developing technology companies for over 25 years. Prior to joining Novacap, Mr. Tremblay was a Partner at Argo Global Capital, a venture capital firm where he participated in numerous investments in technology and telecommunications companies in North America, Europe and Asia. His prior experience also includes working in the private equity division at CDP Capital (Caisse de dépôt et placement du Québec), one of Canada's largest fund managers and private equity investors. Prior to entering the private equity field, Mr. Tremblay was Founder and CEO of Laserpro, an award-winning manufacturing and distribution company of printing and computer equipment. Mr. Tremblay also serves as Chair of the audit committee and a member of the Board of Directors of Stingray Group Inc. Mr. Tremblay studied corporate finance at UConn (University of Connecticut), and he holds a Bachelor in Business Administration, Finance and Accounting from the University of Sherbrooke, Québec and an MBA in finance and international business from McGill University, Montreal, Québec.

Board/Committee Membership	Attendance Record for Fiscal 2020		Public Board Memberships
Board of Directors	5 of 5	100%	Stingray Group Inc.
Audit Committee	2 of 2	100%	
GHRC Committee	2 of 2	100%	

As at April 26, 2021	Securities Held			
	Number of Subordinate Voting Shares	Number of Multiple Voting Shares	Number of DSUs	Number of Options
	—	—	1,574	—

Corporate Cease Trade Orders and Bankruptcies

To the knowledge of the Company and based upon information provided by the proposed director nominees, other than as set out below, none of our directors or executive officers or shareholders holding a sufficient number of securities in Nuvei to materially affect the control of Nuvei is, as at the date hereof, or has been, within the 10 years prior to the date hereof: (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Pascal Tremblay was a director of Ryma Technology Solutions Inc. between August 30, 2005 and June 12, 2012. On June 13, 2012, the Superior Court of Québec issued an order pursuant to Section 243 of the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to the property and assets of Ryma Technology Solutions Inc.

Individual Bankruptcies

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of our proposed director nominees has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold assets of that individual.

Penalties or Sanctions

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of our proposed director nominees has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To our knowledge, there are no known existing or potential conflicts of interest between us and our proposed director nominees and executive officers, except that certain of our directors and officers also serve as directors or officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

Appointment of Auditors

PricewaterhouseCoopers LLP (“PwC”), chartered accountants, has served as auditors of the Company since the fiscal year ended on December 31, 2003. The Board proposes that PwC be reappointed as auditor of the Company to hold office until the next annual meeting of shareholders and that its remuneration be recommended by the Audit Committee and fixed by the Board.

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons designated in the enclosed form of proxy or voting instruction form intend to vote FOR the reappointment of PwC, as auditors of the Company, to hold office until the close of the next annual meeting of shareholders at such remuneration as may be recommended by the Audit Committee and fixed by the Board.

EXECUTIVE COMPENSATION

Introduction

The following section describes the significant elements of Nuvei’s executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer, the Chief Financial Officer and the Company’s other three most highly compensated executive officers (collectively, the “Named Executive Officers” or “NEOs”). The NEOs are:

- Philip Fayer, Chair and Chief Executive Officer;
- David Schwartz, Chief Financial Officer;
- Yuval Ziv, Managing Director, Digital Payments;
- Mark Pyke, President, North America; and
- Edward (Ed) Garcia, Chief Operating Officer, North America.

Overview and GHRC Committee

The Board has established the Governance, Human Resources and Compensation Committee of the Board (the “GHRC Committee”) which is comprised of David Lewin, Michael Hanley and Pascal Tremblay, all of whom are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”). David Lewin is the chair of the GHRC Committee.

The Board has adopted a written charter for the GHRC Committee that establishes, *inter alia*, the GHRC Committee's purpose and responsibilities with respect to executive compensation. Within the purview of its mandate, the GHRC Committee shall, among other things:

- consider and recommend for approval by the Board: (i) the appointment of the Company's executive officers; and (ii) a succession plan with respect to each executive officer, as may be required;
- review the Chief Executive Officer's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession of each executive officer and to report on this matter to the Board;
- review and assess the performance of the executive officers against pre-set specific corporate and individual goals and objectives approved by the GHRC Committee;
- review the annual performance assessments of the executive officers and report to the Board annually on these assessments;
- oversee and recommend for approval by the Board the executive compensation principles, policies, programs, grants of equity-based incentives and processes based on the principles that the Company's executive compensation should be designed to nurture an entrepreneurial and performance-oriented culture that promotes outstanding service and support to our business partners;
- consider and recommend annually or as required for approval by independent directors of the Board all forms of compensation for the executive officers;
- review the "compensation discussion and analysis" and related executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations; and
- review, monitor, report and where appropriate, provide recommendations to the Board on the Company's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk.

Compensation Discussion and Analysis

Compensation Objectives and Philosophy

Our compensation practices are designed to nurture an entrepreneurial and performance-oriented culture that promotes outstanding service and support to our business partners. To best serve our partners, we aim to hire top talent in a rapidly-evolving industry and provide competitive compensation and benefits to executive officers. To achieve these objectives, we intend to design our executive officer compensation program to reflect the following key principles:

- attracting, motivating and retaining leaders that will continue to grow our business;
- achieving long-term business success and deliver strong returns to our shareholders;
- paying our executive officers in line with their performance against our business objectives;
- aligning our executive officers' interests with those of our shareholders;
- continuing to foster an entrepreneurial and results-driven culture; and
- providing the appropriate balance of short and long-term incentives to ensure prudent risk taking and decision making.

We will continue to evaluate our philosophy and compensation program as circumstances require and intend to review compensation on an annual basis. As part of this review process, we expect to be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to us if we were required to find a replacement for a key employee.

Benchmarking

We have not yet established a benchmark group as part of our executive compensation review. We intend to use the following selection criteria to determine the composition for this benchmark exercise:

- fall with the “Data Processing and Outsourced Services” and “Applications Software” GICS sub-industries;
- create value in a similar manner to Nuvei (e.g. similar service / product offerings, sales mix, strategic focus, etc.);
- have 1/3 to 3 times Nuvei’s revenue;
- have 1/5 to 5 times Nuvei’s market capitalization; and
- are publicly-traded.

Once the benchmark group is finalised, the GHRC Committee intends to periodically assess how competitive the Company’s executive compensation is in order to make compensation-related decisions.

Elements of Compensation

The Company’s compensation program for its NEOs consists primarily of the following elements: base salary, short-term incentives, long-term incentives, as well as benefit and perquisites programs.

Base Salary

Base salaries for NEOs are established based on the scope of their responsibilities, competencies and their prior relevant experience, taking into account compensation paid in the market for similar positions and the market demand for such NEOs. An NEO’s base salary is determined by taking into consideration the NEO’s total compensation package and the Company’s overall compensation philosophy.

Base salaries will be reviewed annually and may be increased for merit reasons, based on the NEO’s success in meeting or exceeding individual objectives. Additionally, base salaries may be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive’s role or responsibilities, as well as for market competitiveness.

Short-Term Incentives

Our compensation program for NEOs and other executive officers includes eligibility for annual cash bonuses or commission-based compensation depending on employee functions. Annual bonuses and commission plans are designed to motivate our executive officers to meet our business and financial objectives generally and our annual financial performance targets in particular.

The NEOs and other executive officers are entitled to earn an annual bonus based on a target percentage of base salary, 50% of which is based on the achievement of certain business and financial objectives, and 50% of which is based upon the achievement, by the NEO, of personalized goals and objectives.

For Fiscal 2020, the NEOs were entitled to the following target bonus percentages:

<u>Name and principal position</u>	<u>Target Bonus % (as a % of base salary)</u>
Philip Fayer, Chair and Chief Executive Officer	100%
David Schwartz, Chief Financial Officer	50%
Yuval Ziv, Managing Director, Digital Payments	100%
Mark Pyke, President, North America	100%
Edward (Ed) Garcia, Chief Operating Officer, North America	48%

The Board maintains the discretion at all times to grant discretionary bonuses or commissions, including in the context of acquisitions, to modify, amend or terminate short term incentive plans at all times, and to deviate from the plans or grant individual exceptions.

Long-Term Incentives

Equity-based awards are a variable element of compensation that allows us to reward our NEOs for their sustained contributions to the Company. Equity awards reward performance and continued employment by an NEO, with associated benefits to us of attracting and retaining employees. We believe that options and other equity-based compensation will provide NEOs with a strong link to long-term corporate performance and the creation of shareholder value. The GHRC Committee will determine the grant size and terms to be recommended to the Board.

Historically, the Company made equity-based awards to NEOs by issuing options under the Company's stock option plan dated September 21, 2017 (the "Legacy Option Plan"). In connection with our initial public offering completed on September 22, 2020 (the "IPO"), we amended the Legacy Option Plan such that it complies with the requirements of the TSX; no further awards were made under the Legacy Option Plan. In connection with the IPO, the Company adopted an omnibus incentive plan (the "Omnibus Incentive Plan"), which has been amended on February 3, 2021, for awards to eligible directors, officers, employees and consultants. The Omnibus Incentive Plan allows our Board to grant long-term equity-based awards to eligible participants. See "Long Term Incentive Plans". The Company therefore currently has two equity incentive plans in place, namely the Legacy Option Plan and the Omnibus Incentive Plan.

The Board, upon recommendation of the GHRC Committee, established the long-term incentive amounts to be awarded to each NEO based on proposed alignment with the market. The number of awards pursuant to the Omnibus Incentive Plan is determined based on the dollar amount of the long-term incentive compensation, divided by the calculated value of the applicable award under the Omnibus Incentive Plans.

On December 7, 2020, as part of their compensation for Fiscal 2020 and upon recommendation of the GHRC, Philip Fayer, David Schwartz and Yuval Ziv received grants of 138,936 options, 52,164 options and 63,514 options respectively, at an exercise price of US\$47.21 per option.

Benefits and Perquisites

The Company offers certain benefits to its employees, including its NEOs, based upon the regions in which they are located. The benefits can include coverage for, among other things, health, life and disability insurance by means of group insurance plans. Some benefits increase in proportion with salary and scope of responsibilities.

Messrs. Fayer and Schwartz are entitled to participate in the Company's group registered retirement savings plan ("RRSP") available to all Canadian employees while Messrs. Pyke and Garcia are entitled to participate in a U.S. 401(k) plan which is a benefit available to all eligible U.S. employees. The Company does not match any contributions made by NEOs to the aforementioned RRSP. However, the Company is required to pay to Mr. Schwartz an annual amount equal to Mr. Schwartz's maximum permissible RRSP contribution in addition to his base salary. The Company does match contributions made by NEOs to their 401(k). The Company matches the first 3% of contributions and 50%

of the next 2% of contributions, for a total of 4%, and until they reach their maximum allowed contribution for the year.

Compensation Risk Management

The Board and the GHRC Committee consider the implications of the risks associated with the Company's compensation policies and practices as part of their respective responsibilities to monitor the Company's exposure to risks related to its executive compensation policies and practices and identify compensation policies and practices that mitigate any such risk. In this regard, the Board and GHRC Committee review the Company's compensation policies and practices with a view to ensuring that they do not encourage an executive officer or an employee to take inappropriate or excessive risks.

The Company's Code of Ethics also prohibits all of directors, officers and employees of Nuvei and its subsidiaries from engaging in transactions that hedge, limit or otherwise change such individual's economic interest in and exposure to the full rewards and risks of ownership in Nuvei's securities. See "27Hedging/Anti-Hedging Policy".

Long Term Incentive Plans

Omnibus Incentive Plan

The Omnibus Incentive Plan is administered by the Board (which may delegate its authority to the GHRC Committee), and the Board has the authority to interpret the Omnibus Incentive Plan, including in respect of any award granted thereunder. The Omnibus Incentive Plan permits the Board to make awards of options, RSUs, PSUs and DSUs to eligible participants.

Shares Reserved for Issuance

The maximum number of Subordinate Voting Shares available for issuance under the Omnibus Incentive Plan will not exceed 10% of the Company's then issued and outstanding Subordinate Voting Shares and Multiple Voting Shares. All of the Subordinate Voting Shares covered by exercised, settled, expired, cancelled or forfeited awards become available Subordinate Voting Shares for the purposes of awards that may be subsequently granted under the Omnibus Incentive Plan.

Insider Participation Limit

The number of Subordinate Voting Shares that are issuable to insiders of the Company, at any time, under the Omnibus Incentive Plan or any other security based compensation arrangement of the Company (including the Legacy Option Plan), cannot exceed 10% of the Company's total issued and outstanding Subordinate Voting Shares and Multiple Voting Shares. In addition, the number of Subordinate Voting Shares issued to insiders of the Company, within any one year period, under the Omnibus Incentive Plan or any other security based compensation arrangement of the Company (including the Legacy Option Plan), cannot exceed 10% of the Company's total issued and outstanding Subordinate Voting Shares and Multiple Voting Shares.

Non-Employee Director Participation Limit

The aggregate number of Subordinate Voting Shares issuable to non-employee directors at any time under the Omnibus Incentive Plan or any other security based compensation arrangement of the Company may not exceed 1% of the issued and outstanding Subordinate Voting Shares and Multiple Voting Shares.

Options

All options granted under the Omnibus Incentive Plan have an exercise price determined and approved by our Board at the time of grant, which shall not be less than the closing price of the Subordinate Voting Shares on the TSX on the trading day immediately preceding the date of the granting of the option.

Subject to any vesting conditions set forth in a participant's grant agreement, options vest in successive annual periods over a period of up to five years after they are granted. Options are exercisable during a period established by our Board which may not be more than ten years from the grant of the option. The Omnibus Incentive Plan provides that the exercise period is automatically extended if the date on which it is scheduled to terminate falls during a blackout period. In such cases, the extended exercise period terminates ten business days after the last day of the blackout period. The Board may, in its discretion, provide for procedures to allow a participant to elect to undertake a "cashless exercise" or a "net exercise" in respect of options.

Share Units

Our Board is authorized to grant RSUs, PSUs and DSUs evidencing the right to receive Subordinate Voting Shares (issued from treasury or purchased on the open market), cash (based on the value of a Subordinate Voting Share) or a combination thereof, at some future time to eligible persons under the Omnibus Incentive Plan. Although DSUs may be available for grant to directors, executive officers, employees and consultants, the Company currently only intends to grant DSUs as a form of non-executive director compensation.

RSUs generally become vested, if at all, following a period of continuous employment. PSUs are similar to RSUs, but their vesting is, in whole or in part, conditioned on the attainment of specified performance metrics as may be determined by the Board. The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these awards will be set out in the participant's grant agreement.

Subject to the achievement of the applicable vesting conditions, the payout of an RSU or PSU will generally occur on the settlement date. The payout of a DSU will generally occur upon or following the participant ceasing to be a director, officer, employee or consultant of the Company, subject to satisfaction of any applicable conditions.

Adjustments

In the event of any subdivision, consolidation, reclassification, reorganization or any other change affecting the Subordinate Voting Shares, or any merger or amalgamation with or into another corporation, or any distribution to all security holders of cash, evidences of indebtedness or other assets not in the ordinary course, or any transaction or change having a similar effect, our Board shall in its sole discretion, subject to the required approval of any stock exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the participants in respect of awards under the Omnibus Incentive Plan, including, without limitation, adjustments to the exercise price, the number and kind of securities subject to unexercised awards granted prior to such change and/or permitting the immediate exercise of any outstanding awards that are not otherwise exercisable.

Trigger Events; Change of Control

The Omnibus Incentive Plan provides that certain events, including termination for cause, resignation, termination other than for cause, retirement, death or disability, may trigger forfeiture or reduce the vesting period, where applicable, of the award, subject to the terms of the participant's grant agreement.

A participant's grant agreement or any other written agreement between a participant and the Company may provide, where applicable, that unvested awards be subject to acceleration of vesting and exercisability in certain circumstances, including in the event of certain change of control transactions. Our Board may at its discretion accelerate the vesting, where applicable, of any outstanding awards notwithstanding the previously established vesting schedule, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration or, subject to applicable regulatory provisions and shareholder approval, extend the expiration date of any award, provided that the period during which an option is exercisable does not exceed ten years from the date such option is granted or that the period relating to RSUs and PSUs does not exceed three years.

Similarly, in the event of a change of control, our Board has the power, in its sole discretion, to modify the terms of the Omnibus Incentive Plan and/or the awards granted thereunder (including to cause the vesting of all unvested

awards) to assist the participants to tender into a take-over bid or any other transaction leading to a change of control. In such circumstances, our Board is entitled to, in its sole discretion, provide that any or all awards shall terminate, provided that any such outstanding awards that have vested shall remain exercisable until consummation of such change of control, and/or permit participants to conditionally exercise awards.

Amendments and Termination

Subject to the rules of the TSX, the Board may at any time or from time to time without shareholder approval alter, amend, vary, suspend, terminate or cancel the Omnibus Incentive Plan or amend any awards issued pursuant to the Omnibus Incentive Plan. The Board has the discretion to make amendments to the Omnibus Incentive Plan which it may deem necessary or desirable, without having to obtain shareholder approval. Such changes include, without limitation:

- any amendment to the vesting provisions, if applicable, or assignability provisions of awards;
- any amendment to the expiration date of an award that does not extend the terms of the award past the original date of expiration for such award;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment which accelerates the date on which any award may be exercised under the Omnibus Incentive Plan;
- any amendment to the definition of an eligible participant under the Omnibus Incentive Plan;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Omnibus Incentive Plan, correct or supplement any provision of the Omnibus Incentive Plan that is inconsistent with any other provision of the Omnibus Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Incentive Plan;
- any amendment regarding the administration of the Omnibus Incentive Plan;
- any amendment to add or amend provisions permitting for the granting of cash-settled awards, a form of financial assistance or clawback; and
- any other amendment that does not require the approval of the holders of Subordinate Voting Shares pursuant to the amendment provisions of the Omnibus Incentive Plan.

Nonetheless, and subject to any additional requirements of the rules of the TSX, the following changes to the Omnibus Incentive Plan or the awards require the approval of the Company's shareholder as well as the approval of the TSX:

- a reduction in the exercise price of an option held by an insider of the Company;
- an extension of the term of awards held by an insider of the Company;
- any amendment to remove or exceed the insider participation limits;
- any amendment to remove or exceed the non-employee director participation limits;
- an increase in the maximum number of Subordinate Voting Shares issuable pursuant to awards granted under the Omnibus Incentive Plan; and

- a change to the provisions regarding amendments to the Omnibus Incentive Plan.

For the first three points above, the votes attached to shares held directly or indirectly by insiders benefiting directly or indirectly from the amendment are to be excluded. In addition, with respect to the last point above, where the amendment will disproportionately benefit one or more insiders over other participants, the votes of shares held directly or indirectly by those insiders receiving the disproportionate benefit must be excluded.

Except as specifically provided in a grant agreement approved by the Board, awards granted under the Omnibus Incentive Plan generally are not transferable other than by will or the laws of succession.

We currently do not provide any financial assistance to participants under the Omnibus Incentive Plan.

Legacy Option Plan

Eligible participants under the Legacy Option Plan are the directors, officers, employees and consultants of the Company and its subsidiaries. Our Board is responsible for administering the Legacy Option Plan (subject to its right to delegate authority to a committee of the Board) and has the full and complete authority to interpret the Legacy Option Plan and to establish rules and regulations applying to it and to make all other determinations it deems necessary or useful for the administration of the Legacy Option Plan.

An option granted under the Legacy Option Plan is exercisable no later than ten years after the date of grant. In order to facilitate the payment of the exercise price of the options, the Legacy Option Plan allows for the participant to surrender options upon the occurrence of a change of control established by resolution of the Board or shareholders (which took place upon completion of the IPO) in order to “net exercise” such options, the whole, subject to the procedures set out in the Legacy Option Plan.

Summary Compensation Table

The following table sets out information concerning the compensation paid or awarded by the Company to the NEOs for the period between the closing of the IPO to December 31, 2020:

Name and principal position	Fiscal Year	Salary ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
Philip Fayer Chair and CEO	2020	173,574	—	2,187,500	173,077	—	—	1,324	2,535,475
David Schwartz CFO	2020	111,540	—	821,304	55,051	—	5,545	1,287	994,727
Yuval Ziv Managing Director, Digital Payments	2020	138,462	—	1,000,006	207,692	—	—	—	1,346,160
Mark Pyke President, North America	2020	110,769	—	—	55,385	—	—	5,384	171,538
Ed Garcia COO, North America	2020	74,769	—	—	18,000	—	2,842	6,060	101,671

(1) Represents base salary earned for the period between the closing of the IPO and December 31, 2020. Annualized amounts are as follows: Philip Fayer \$625,000, David Schwartz C\$524,800, Yuval Ziv \$500,000, Mark Pyke \$400,000 and Ed Garcia \$270,000. Compensation for David Schwartz is paid in Canadian dollars but has been converted for the table above at the exchange rate of C\$1.00 = US\$0.7675.

(2) Represents grants of options made to Messrs. Fayer, Schwartz, and Ziv under the Omnibus Incentive Plan. Amounts shown have been calculated using the Black Scholes method.

(3) Represents bonuses earned for the period between the closing of the IPO and December 31, 2020.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table indicates, for each of the NEOs, all awards outstanding as at December 31, 2020.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested \$(c)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Philip Fayer Chair and CEO	102,834	2.80	September 21, 2027	5,905,757	—	—	—
David Schwartz CFO	836,007	3.42	September 9, 2028	47,493,558	—	—	—
	51,416	4.70	March 14, 2029	2,855,130			
	52,164	47.21	December 7, 2030	679,175			
Yuval Ziv Managing Director, Digital Payments	108,620	11.51	August 1, 2029	5,291,966	—	—	—
	357,143	17.22	March 16, 2030	15,360,720			
	63,514	47.21	December 7, 2030	826,952			
Mark Pyke President, North America	1,254,011	2.80	February 26, 2028	72,017,852	—	—	—
	51,416	4.70	March 14, 2029	2,855,130			
Ed Garcia COO, North America	107,143	3.84	October 31, 2028	6,041,794	—	—	—

(1) The value of unexercised in-the-money options is calculated based on the difference between the strike price of the option and the closing price of the Subordinate Voting Shares on the TSX on December 31, 2020, namely \$60.23.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table indicates, for each of the NEOs, a summary of the value of option-based and share-based awards vested or of non-equity incentive plan compensation earned during the period between the closing of the IPO and December 31, 2020.

Name	Option-based awards - Value vested \$(1)	Share-based awards - Value vested (\$)	Non-equity incentive plan compensation - Value earned (\$)
Philip Fayer Chair and CEO	2,385,749	—	173,077
David Schwartz CFO	19,972,199	—	55,051
Yuval Ziv Managing Director, Digital Payments	1,573,904	—	207,692
Mark Pyke President, North America	30,188,216	—	55,385
Ed Garcia COO, North America	2,374,289	—	18,000

(1) The value of option-based awards vested during the year is calculated based on the difference between the strike price of the option and the closing price of the Subordinate Voting Shares on the TSX on the day the options vested.

Employment Agreements, Termination and Change of Control Benefits

Philip Fayer, Chair and Chief Executive Officer

Mr. Philip Fayer's employment agreement provides for base salary, an annual performance bonus, benefits (including fringe benefits) as well as participation in the Company's equity based incentive programs. The employment agreement with Mr. Fayer specifies that certain amounts are payable to Mr. Fayer in the event his employment arrangement with the Company is terminated.

In the event that Mr. Fayer is terminated other than for cause, death or incapacity, he is entitled to any accrued but unpaid base salary, pro-rated benefits, unused accumulated vacation and any accrued but unpaid bonus for any fiscal year ended prior to his termination date. Mr. Fayer is also entitled to receive pro-rated bonus payments attributable to the fiscal year in which the employment termination date occurs. The employment agreement of Mr. Fayer further states that the Company will pay Mr. Fayer an additional 18 months of the average of the total compensation received in the two years prior to the year of Mr. Fayer's employment termination date.

If Mr. Fayer is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment for any fiscal year ending after the termination date. He will however, be entitled to payment of his accrued but unpaid base salary, unused accumulated vacation and pro-rated benefits earned up to the termination date, as well as any accrued unpaid bonus for any fiscal year ending prior to the termination date.

Mr. Fayer's employment agreement also contains non-competition and non-solicitation covenants which are in effect during the period of his employment and for 18 months thereafter.

In addition, the agreement provides that, for so long as such agreement is in force, the Company agrees to include Mr. Fayer in the list of nominees proposed as directors by the Company, by indicating such nomination in the management proxy circular for the election of directors of the Company.

David Schwartz, Chief Financial Officer

Mr. David Schwartz's employment agreement provides for, among other things, his base salary, an annual performance bonus, benefits (including fringe benefits and RRSP contributions) as well as participation in the Company's equity based incentive programs. The employment agreement with Mr. Schwartz specifies that certain amounts are payable to Mr. Schwartz in the event his employment with the Company is terminated.

In the event that Mr. Schwartz is terminated other than for cause, death or incapacity, he is entitled to any accrued but unpaid base salary, unused accumulated vacation and any accrued but unpaid bonus for any fiscal year ended prior to his termination date. Mr. Schwartz is also entitled to receive an additional 18 months of base salary. In addition, Mr. Schwartz's employment agreement provides that he is entitled to receive an amount equal to 150% of the average annual bonus received by him in the two years prior to the termination date. Mr. Schwartz's agreement also provides that he will continue to benefit from any entitlements under the Company's group benefits plan (or pay to Mr. Schwartz an amount equal to the cost of acquiring equivalent private coverage) for the shorter of 18 months following the termination date or until Mr. Schwartz finds new employment.

If Mr. Schwartz is terminated for cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment for any fiscal year ending after the termination date. He will however, be entitled to payment of his accrued but unpaid base salary, reimbursable expenses not previously paid and an amount equivalent to any unused and accumulated vacation earned up to the termination date, as well as any accrued unpaid bonus for any fiscal year ending prior to the termination date.

Mr. Schwartz's employment agreement also contains a non-solicitation covenant which is in effect during the period of his employment and for 18 months thereafter.

Yuval Ziv, Managing Director, Digital Payments

Mr. Yuval Ziv's employment agreement provides for, among other things, his base salary, an annual performance bonus, reimbursement of travel expenses and certain benefits and prerequisites. The employment agreement with Mr. Ziv may be terminated by either Mr. Ziv or the Company at any time with six months' prior notice (or compensation in lieu of notice by the Company), unless the Company terminates Mr. Ziv for cause in which case he will not be entitled to notice or any severance pay.

Mr. Ziv's employment agreement also contains certain restrictive covenants that will continue to apply following the termination of his employment. This includes a non-competition covenant which is in effect during Mr. Ziv's employment and for 12 months thereafter. In addition, Mr. Ziv's employment agreement contains a non-solicitation covenant, which is in effect during the period of his employment and for periods of either 12 or 24 months following the termination date, as it pertains to employees and business relationships of the Company, respectively. In the event Mr. Ziv resigns or is not terminated for cause, Mr. Ziv's non-competition covenant is subject to a condition that the Company pay Mr. Ziv monthly compensation of \$41,670 per month during the first six months of the non-competition period.

Mark Pyke, President, North America

Mr. Mark Pyke's employment agreement provides for, among other things, his base salary, an annual performance bonus, benefits (including fringe benefits) as well as participation in the Company's equity based incentive programs. The employment agreement with Mr. Pyke specifies that certain amounts are payable to Mr. Pyke in the event his employment with the Company is terminated.

In the event that Mr. Pyke is terminated other than for cause, death or incapacity, he is entitled to any accrued but unpaid base salary, pro-rated benefits, unused accumulated vacation and any accrued but unpaid bonus payments for any fiscal year ended prior to his termination date. Mr. Pyke is also entitled to receive an additional 12 months of annual salary in an amount equal to the greater of the average of his annual base salary received in the two years prior to the termination date, and \$400,000. In addition, Mr. Pyke's employment agreement entitles him to his pro-rated bonus attributable to the fiscal year in which the termination date occurs. This bonus is payable if certain achievement of performance objectives would have resulted in the annual bonus being earned if computed on an annualized basis.

If Mr. Pyke is terminated with cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any bonus payment for the fiscal year ending after the termination date. He will however be entitled to payment of his accrued but unpaid base salary, unused accumulated vacation and benefits earned up to the termination date on a pro-rate basis, as well as any accrued unpaid bonus for any fiscal year ending prior to the termination date.

Mr. Pyke's employment agreement also contains non-competition and non-solicitation covenants which are in effect during the period of his employment and for 12 months thereafter.

Ed Garcia, Chief Operating Officer, North America

Mr. Ed Garcia's employment agreement provides for, among other things, his base salary, an annual performance bonus, benefits as well as participation in the Company's equity based incentive programs. The employment agreement with Mr. Garcia specifies that certain amounts are payable to Mr. Garcia in the event his employment with the Company is terminated.

If Mr. Garcia is terminated without cause, he is entitled to salary continuation payments for a period of six months following his termination date, in addition to four additional weeks of severance for each full year of completed service with the Company, for a combined maximum of 18 months of compensation. Mr. Garcia is also entitled to accrued but unused vacation earned as of the termination date. The aforementioned payment to Mr. Garcia is conditional upon his execution of a release of claims in favour of the Company.

If Mr. Garcia is terminated with cause, he will not be entitled to any severance pay, notice or compensation in lieu of notice, nor to any payments or benefits following the termination date. He will however be entitled to payment of his accrued but unpaid based salary and vacation or other compensation earned up to the termination date.

Mr. Garcia's employment agreement also contains non-competition and non-solicitation covenants which are in effect during the period of his employment and for 12 months and five years thereafter, respectively.

The following table shows the incremental payments (excluding vested equity awards not yet paid or distributed) that would be paid respectively to all NEOs upon the occurrence of certain events, assuming termination took place on December 31, 2020:

Name	Event	Severance (\$)(1) (2)	Equity-based awards (\$)(3)	Other payments (\$)	Total (\$)
Philip Fayer Chair and CEO	Termination other than for cause, death or incapacity	2,244,071	39,648	—	2,283,719
David Schwartz CFO	Termination other than for cause, death or incapacity	1,732,806	14,886	—	1,312,774
Yuval Ziv Managing Director, Digital Payments	Termination other than for cause	274,038	2,459,007	—	2,733,045
Mark Pyke President, North America	Termination other than for cause, death or incapacity	627,692	—	—	627,692
Ed Garcia COO, North America	Termination other than for cause	290,307	—	—	290,307

(1) Severance payments are calculated based on base salary as of December 31, 2020 and at target annual incentive compensation pursuant to the applicable employment agreement of each NEO.

(2) Severance for David Schwartz would be paid in Canadian dollars and has been converted for the table above at the exchange rate of C\$1.00 = US\$0.7675.

(3) The value of equity-based awards is calculated based on the number of unvested options that would vest on termination multiplied by the difference between the strike price of the option and the closing price of the Subordinate Voting Shares on the TSX on December 31, 2020, namely \$60.23.

Hedging/Anti-Hedging Policy

Our directors and executive officers are, under the terms of the Code of Ethics, prohibited from engaging in short sales, sale of a call option, and purchase of a put option with respect to securities of Nuvei.

Compensation Consultant

The Company retained the services of Korn Ferry, a consulting firm which provides independent advice with respect to executive and director compensation matters, to (i) review the competitiveness of executive compensation and to assist in connection with executive compensation matters in the context of the IPO, (ii) develop a post-IPO long-term incentive plan strategy and program, (iii) benchmark the key compensation-related provisions of the executive employment agreements, and (iv) perform a Board compensation review.

The provision of any services by Korn Ferry to the Company in addition to any executive compensation-related services does not require the pre-approval of the Board or the GHRC Committee.

The aggregate fees billed to the Company in Fiscal 2020 and Fiscal 2019 for executive compensation-related services and all other services provided by Korn Ferry are as set out below:

<u>Services Retained</u>	<u>Fees billed in Fiscal 2020</u>	<u>Fees billed in Fiscal 2019</u>
Executive compensation-related fees	\$ 40,000	\$ 135,000
All other fees (1)	—	—
Total	\$ 40,000	\$ 135,000

(1) No service rendered other than executive or director compensation-related services.

DIRECTOR COMPENSATION

The GHRC Committee reviews directors' compensation periodically. During the course of Fiscal 2020, the GHRC Committee retained the services of Korn Ferry to review the Company's director compensation market positioning and to assist in refining the director compensation policy going forward, beginning with Fiscal 2021.

Director Compensation

Philip Fayer, has not and will not be entitled to any compensation as a director of Nuvei. The other directors of the Company are entitled to be paid as members of the Board, and, if applicable, as members of any committee of the Board, the following annual retainers:

Annual Retainer	
Lead Director	
Cash Retainer	\$37,500
Equity Retainer	\$87,500
Member of the Board	
Cash Retainer	\$27,500
Equity Retainer	\$77,500
Committee Chair Retainer	
Chair of Audit Committee	\$12,500
Chair of GHRC Committee	\$10,000
Additional Committee Member Retainer	
Member of Audit Committee	\$ 8,000
Member of GHRC Committee	\$ 5,000

The equity retainer is payable in DSUs. Each director may also elect to receive up to 100% of their cash retainer in the form of DSUs. The cash and equity retainers are payable on a quarterly basis with the number of DSUs to be issued being determined based on the volume-weighted average trading price on the TSX for the five trading days prior to each such issuance. While DSUs vest immediately, they are only paid out when a director ceases to be a member of the Board. See "Omnibus Incentive Plan".

On September 22, 2020, as part of their compensation for the third quarter of Fiscal 2020, Michael Hanley received 841 DSUs and Pascal Tremblay, David Lewin, Daniela Mielke each received 745 DSUs. On January 4, 2021, as part of their compensation for the fourth quarter of Fiscal 2020, Michael Hanley received 368 DSUs and Pascal Tremblay, David Lewin, Daniela Mielke each received 326 DSUs. On April 5, 2021, as part of their compensation for the first quarter of Fiscal 2021, Michael Hanley received 373 DSUs, Pascal Tremblay received 503 DSUs, David Lewin received 524 DSUs and Daniela Mielke received 448 DSUs.

Directors are entitled to be reimbursed for reasonable travel and other expenses incurred by them in carrying out their duties as directors. There are currently no service contracts or agreements, or predetermined plans or arrangements, between the Company and any of the directors with respect to payments upon termination of their services as a director.

Director Compensation Table

The following table indicates, for each non-executive director, a summary of the compensation received during the period between the closing of the IPO and December 31, 2020.

Name	Fees earned (1) (\$)	Share-based awards (\$)(2)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Michael Hanley	26,454	21,875	—	—	—	—	48,329
David Lewin	15,579	19,375	—	—	—	—	34,954
Daniela Mielke	9,416	19,375	—	—	—	—	28,791
Pascal Tremblay	13,867	19,375	—	—	—	—	33,242

(1) Represents fees earned for services as a director between the closing of the IPO and December 31, 2020.

(2) Represents DSUs granted to directors, the value of which is calculated based on the price of the Subordinate Voting Shares at IPO, being \$26.00. On January 4, 2021, as part of their compensation for the fourth quarter of Fiscal 2020, Michael Hanley received 368 DSUs and Pascal Tremblay, David Lewin, Daniela Mielke each received 326 DSUs representing \$21,875 for the 368 DSUs granted to Mr. Hanley and \$19,375 for the 326 DSUs granted to each of Messrs. Tremblay and Lewin and Ms. Mielke, calculated based on the weighted average trading price of the Subordinate Voting Shares on the TSX for the five (5) trading days preceding January 4, 2021, being \$59.47.

Director Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table indicates, for each non-executive director, all awards outstanding as at December 31, 2020.

Name	Option-based awards				Share-based awards			Market or payout value of vested share-based awards not paid out or distributed (\$)(1)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)		
Michael Hanley	—	—	—	—	—	—	50,674	
David Lewin	—	—	—	—	—	—	44,883	
Daniela Mielke	—	—	—	—	—	—	44,883	
Pascal Tremblay	—	—	—	—	—	—	44,883	

(1) Represents DSUs calculated based on the closing price of the Subordinate Voting Shares on the TSX on December 31, 2020, namely \$60.23. On January 4, 2021, as part of their compensation for the fourth quarter of Fiscal 2020, Michael Hanley received 368 DSUs and Pascal Tremblay, David Lewin, Daniela Mielke each received 326 DSUs, representing \$22,156 for the 368 DSUs granted to Mr. Hanley and \$19,624 for the 326 DSUs granted to each of Messrs. Tremblay and Lewin and Ms. Mielke, calculated based on the closing price of the Subordinate Voting Shares on the TSX on December 31, 2020, namely \$60.23.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table indicates, for each non-executive director, a summary of the value of option-based and share-based awards vested or of non-equity incentive plan compensation between the closing of the IPO and December 31, 2020.

<u>Name</u>	<u>Option-based awards - Value vested (\$)</u>	<u>Share-based awards - Value vested (\$)(1)</u>	<u>Non-equity incentive plan compensation - Value earned (\$)</u>
Michael Hanley	—	50,674	—
David Lewin	—	44,883	—
Daniela Mielke	—	44,883	—
Pascal Tremblay	—	44,883	—

(1) Represents DSUs calculated based on the closing price of the Subordinate Voting Shares on the TSX on December 31, 2020, namely \$60.23. On January 4, 2021, as part of their compensation for the fourth quarter of Fiscal 2020, Michael Hanley received 368 DSUs and Pascal Tremblay, David Lewin, Daniela Mielke each received 326 DSUs, representing \$22,156 for the 368 DSUs granted to Mr. Hanley and \$19,624 for the 326 DSUs granted to each of Messrs. Tremblay and Lewin and Ms. Mielke, calculated based on the closing price of the Subordinate Voting Shares on the TSX on December 31, 2020, namely \$60.23.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides details as at December 31, 2020 of compensation plans under which equity securities of Nuvei are authorized for issuance.

<u>Plan category</u>	<u>Number of securities to be issued upon the exercise of outstanding options, warrants and rights (#)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights (\$)</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities to be issued upon the exercise of outstanding options, warrants and rights) (#)</u>
Equity compensation plans approved by securityholders			
Omnibus Incentive Plan	3,353,232	28.75	10,464,013
Legacy Option Plan	3,620,349	5.32	—
Equity compensation plans not approved by securityholders	—	—	—
Total	6,973,581	16.59	10,464,013

CORPORATE GOVERNANCE

The disclosure set out below includes disclosure required by NI 58-101 describing our approach to corporate governance.

Board of Directors

Composition of the Board

Under our Articles, our Board is to consist of a minimum of three and a maximum of 12 directors as determined from time to time by our Board. The directors are appointed at an annual general meeting of shareholders and the term of office for each of the directors will expire at the time of our next annual shareholders meeting. Our Articles provide that, between annual general meetings of shareholders, the directors may appoint one or more additional directors so appointed, but the number of additional directors so appointed may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors. Under the CBCA, a director may be removed with or without cause by a resolution passed by a majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. Under the CBCA, at least one quarter of our directors must be resident Canadians as defined in the CBCA.

Nomination of Directors

Pursuant to the investor rights agreement (the “Investor Rights Agreement”) we entered into on September 22, 2020 with Novacap, CDPQ and Fayer Holdco (collectively, the “Principal Shareholders”), Fayer Holdco is entitled to designate two members of the Board and will continue to be entitled to designate such number of directors for so long as it holds more than 50% of the number of Multiple Voting Shares it held upon completion of the IPO. Fayer Holdco is entitled to designate one member of the Board for so long as it holds more than 25% of the number of Multiple Voting Shares it held upon completion of the IPO. In the event that Fayer Holdco holds 25% or less of the number of Multiple Voting Shares it held upon completion of the IPO and Mr. Philip Fayer is no longer acting as our Chief Executive Officer, Fayer Holdco will lose the right to designate a member of the Board.

Novacap is entitled to designate two members of the Board and will continue to be entitled to designate such number of directors for so long as it holds more than 50% of the number of Multiple Voting Shares it held upon completion of the IPO. Novacap will be entitled to designate one member of the Board for so long as it holds more than 25% of the number of Multiple Voting Shares it held upon completion of the IPO. In the event that Novacap holds 25% or less of the number of Multiple Voting Shares it held upon completion of the IPO, it will lose the right to designate a member of the Board.

CDPQ is entitled to designate one member of the Board and will continue to be entitled to designate one member of the Board for so long as it holds more than 25% of the number of Multiple Voting Shares it held upon completion of the IPO. In the event that CDPQ holds 25% or less of the number of Multiple Voting Shares it held upon completion of the IPO, it will lose the right to designate a member of the Board. The nominee of CDPQ designated under the Investor Rights Agreement must be independent within the meaning of NI 52-110.

The Investor Rights Agreement also provides that, should the Company grant additional nomination rights in the future to an investor other than the Principal Shareholders, the Company will cause such other investor to exercise all voting rights under its control to vote in favour of the nominees of the Principal Shareholders, provided that such other investor may withhold from voting in favour of such nominees.

Subject to the nomination rights set out in the Investor Rights Agreement, our GHRC Committee is responsible for recommending to our Board nominees for election or appointment as directors, as the case may be, in accordance with the provisions of applicable corporate law and the charter of our GHRC Committee. Pursuant to the terms of the Investor Rights Agreement, the GHRC Committee is required to provide a recommendation with respect to nominees for election designated by any of the Principal Shareholders in accordance with the Investor Rights Agreement. The GHRC Committee will not make any other recommendations to the Board as to any nominees for election or appointment as directors until any of the Principal Shareholders loses all or a portion of its rights to designate directors under the Investor Rights Agreement or there is an increase in the size of the Board.

To the extent any of the Principal Shareholders loses all or a portion of its rights to designate directors under the Investor Rights Agreement or there is an increase in the size of the Board, the GHRC Committee will be unconstrained with respect to its recommendations for any available director positions not subject to the nomination rights of shareholders. The GHRC Committee will consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The GHRC Committee will also consider the amount of time and resources that nominees have available to fulfill their duties as a member of the Board.

The GHRC Committee is entirely composed of independent directors within the meaning of NI 58-101. The Chair of the GHRC Committee is an independent director and will lead any nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the charter of the GHRC Committee.

Majority Voting Policy

In accordance with the requirements of the TSX, our Board has adopted a majority voting policy whereby proxy forms for shareholders' meetings at which directors are to be elected enable the shareholder to vote for or to withhold from

voting for each individual nominee. If, with respect to any particular nominee for election to the board, the number of votes withheld exceeds the number of votes for the nominee, then, for the purpose of the majority voting policy, the nominee will be considered not to have received the confidence and support of the shareholders, even though duly elected as a matter of corporate law. A person elected as a director who is considered for the purpose of this policy not to have received the confidence and support of the shareholders is required to immediately tender his or her resignation as a director, to be effective on acceptance by the Board. The Board will consider the tendered resignation and disclose by news release its decision whether or not to accept that resignation and the reasons for its decision no later than 90 days after the date of the relevant shareholders' meeting. The Board will accept the tendered resignation, absent exceptional circumstances. In considering whether or not to accept the tendered resignation, the Board will consider all factors that it deems in its discretion to be relevant, including, without limitation, any stated reasons why shareholders withheld votes for election of such director, the length of service and qualifications of the director whose resignation has been tendered, the director's contribution to the Company and the Company's corporate governance policies.

Independence of the Board of Directors

Our Board is comprised of five directors, four of whom are independent within the meaning of NI 58-101. It is the Board's determination that pursuant to applicable standards that Philip Fayer is not independent by reason of the fact that he is the Chief Executive Officer of the Company.

Pursuant to National Instrument 52-110 – *Audit Committees* ("NI 52-110"), an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. The Board shall determine annually whether each member of the Board is independent in accordance with applicable securities legislation by ascertaining, among other things, whether they were engaged as an executive officer or employee of Nuvei, they have any immediate family member engaged as an executive officer or employee of Nuvei, they received remuneration from Nuvei other than remuneration for acting as a director or a member of any committee of the Board, or they or an immediate family member benefitted from a business relationship with Nuvei that could reasonably be perceived to interfere with their independent judgement.

The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Company. The Board has designated Michael Hanley as Lead Director and independent directors within the meaning of NI 52-110 hold in-camera sessions without management or non-independent directors present at meetings of the Board. See "Election of Directors—Nominees".

Outside Directorships

Certain members of the Board are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction, as listed in "Election of Directors—Nominees".

Meetings of Independent Directors

The Board holds regularly-scheduled quarterly meetings as well as ad hoc meetings from time to time. In the course of meetings of the Board or of committees of the Board, the independent directors hold meetings, or portions of such meetings, at which neither non-independent directors nor officers of Nuvei are in attendance.

If a director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a meeting of a committee of the Board, that director or officer may not be present at the time the Board or committee deliberates such transaction or agreement and abstains from voting on the matter, subject to certain limited exceptions provided for in the CBCA.

Chair of the Board

Philip Fayer, the Chief Executive Officer of the Company, is the Chair of the Board, and in such role, he is principally responsible for overseeing the operations and affairs of the Board.

Lead Director

Michael Hanley, an independent director, is the lead director of Nuvei and ensures that the Board discharges its responsibilities, that the Board evaluates performance of management objectively and that the Board understands the boundaries between the responsibilities of the Board and of management.

Mandate of the Board

The Board has adopted a written mandate describing, *inter alia*, the Board's role and overall responsibility to supervise the management of the business and affairs of Nuvei. The Board, directly and through its committees and the Chair of the Board, provides direction to the executive officers of Nuvei, generally through the Chief Executive Officer. The Board has overall responsibility for the Company's strategic planning, risk management, human resource management, corporate governance, and communications with Nuvei's shareholders and the market. The text of the mandate of the Board is reproduced in its entirety under "Schedule A -Charter of the Board of Directors" attached to this Circular.

Committees of the Board

In addition to the Audit Committee, which is required by Canadian securities law for all reporting issuers, the Board has established the GHRC Committee, which is currently comprised of David Lewin, Michael Hanley and Pascal Tremblay, all of whom are independent within the meaning of NI 58-101. David Lewin is the Chair of the GHRC Committee. For more information on the Audit Committee, including the text of its terms of reference, refer to the Audit Committee section in our annual information form for Fiscal 2020.

Position Descriptions

The Board has developed and implemented written descriptions for the Lead Director, Chair of the Board and the chair of each committee of the Board. In addition, the Board, in conjunction with the Chief Executive Officer, has developed and implemented a written position description for the role of the Chief Executive Officer who is primarily responsible for the overall management of the business and affairs of the Company, including establishing the strategic and operational priorities of the Company and providing leadership for the effective overall management of the Company.

Orientation and Continuing Education

The GHRC Committee reviews, monitors and makes recommendations with respect to director orientation. All newly elected directors shall be provided with an orientation as to the nature and operation of the business and affairs of the Company and as to the role of the Board and its committees. Each new director shall meet with the Chair of our Board, individual directors and members of the senior management team to discuss the Company's business and activities. Orientation will be designed to assist the directors in fully understanding the nature and operation of the Company's business, the role of the Board and its committees, and the contributions that individual directors are expected to make, including the time and effort the Company expects them to devote to the execution of their functions.

In addition, the GHRC Committee reviews, monitors and makes recommendations with respect to director continuing education opportunities designed to maintain or enhance the skills and abilities of the Company's directors and to ensure that their knowledge and understanding of the Company's business remains current.

Ethical Business Conduct

Code of Ethics

The Board has adopted a written Code of Ethics applicable to all of our directors, officers and employees. The Code of Ethics sets out our core values and standards of behavior that are expected from our personnel with respect to all aspects of our business. The objective of the Code of Ethics sets out Nuvei's mission and values, and provides guidelines for maintaining our integrity, reputation and honesty with a goal of honouring others' trust in us at all times.

The Code of Ethics sets out guidance with respect to conduct in dealing with conflicts of interest, protection of our assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. Our Board has ultimate responsibility for the stewardship of the Code of Ethics and it monitors compliance through our GHRC Committee.

The full text of the Code of Ethics is available on our website at www.nuvei.com and on Nuvei's SEDAR profile at www.sedar.com.

Monitoring Compliance with the Code of Ethics

The Board, together with the GHRC Committee and the Audit Committee, monitors adherence to the Code of Ethics and reviews potential situations related thereto brought to the attention of the any of the Board, GHRC Committee or Audit Committee in order to recommend to the GHRC Committee whether or not to grant waivers from the requirements of the Code of Ethics.

Requirement for Directors and Officers to Disclose Interest in a Contract or Transaction

In accordance with the Company's laws of incorporation, directors and officers must disclose the nature and value of any interest he or she has in a material contract or material transaction whether made or proposed with the Company. Such disclosure is also required for any contract or transaction to which Nuvei is a party and an entity in which the director or officer is a director or officer or an individual acting in a similar capacity, or an entity in which the director or officer has a material interest. Subject to certain limited exceptions under the Company's laws of incorporation, no director may vote on a resolution to approve a material contract or material transaction which is subject to such disclosure requirement.

The GHRC Committee monitors conflicts of interest (actual or perceived) of both the directors and officers in accordance with the Code of Ethics, including compliance with all applicable corporate and securities law disclosure obligations, and restrictions on voting or participating in deliberations with respect to contracts or transactions in which a director or officer of Nuvei has an interest.

Complaint Reporting and Review of Ethical Business Conduct

In order to foster a climate of openness and honesty in which any concern or complaint pertaining to accounting, internal accounting controls or auditing matters affecting Nuvei can be reported in good faith, without fear of retaliation, harassment or an adverse employment consequence, the Code of Ethics contains policies and procedures to facilitate confidential, anonymous submissions by employees of concerns or complaints regarding questionable accounting, internal accounting controls or auditing matters. The Chief Financial Officer is responsible for reviewing any such complaints or concerns that are received. However, when necessary, the Chair of the GHRC Committee may receive and review any complaints or concerns received that relate to non-financial matters, while the Audit Committee may receive and review any complaints or concerns received that relate to financial matters. Each of the Chief Financial Officer, GHRC Committee and Audit Committee, if determined to be necessary or appropriate, may engage outside advisors to investigate any matter, and will work with management and legal counsel to reach a satisfactory conclusion.

Interests of Directors

A director who has a material interest in a matter before our Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors are also required to comply with the relevant provisions of the CBCA regarding conflicts of interest.

Compensation

The GHRC Committee oversees and recommends for approval by the Board executive compensation principles, policies, programs, grants of equity-based incentives and processes and specifically considers and recommends annually or as required for approval by the independent directors of the Board of all forms of compensation for the Chair and Chief Executive Officer, and for approval by the Board of all forms of compensation for the other executive officers of Nuvei. Further particulars of the process by which compensation for Nuvei's executive officers is determined, is provided under the heading "Executive Compensation". The Chair of the GHRC Committee is an independent director and leads the compensation review process in accordance with the charter of the GHRC Committee.

Assessments

It is the responsibility of the Board and the GHRC Committee to regularly evaluate the overall efficiency of the Board and its various committees. In connection with such evaluations by the Board, the performance of the Board as a whole as well as the performance of each individual director is evaluated and reviewed on an annual basis. The evaluation by the Board takes into account (i) in the case of the Board, the Board charter and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. The GHRC Committee assesses the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing Nuvei, the competencies, skills and qualities required of directors. As part of its mandate, the GHRC Committee develops long-term plans for the composition of the Board, as well as ensures that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

Director Term Limits and Other Mechanisms of Board Renewal

Our Board has not adopted director term limits, a retirement policy for its directors or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the GHRC Committee, subject to the nomination rights set out in the Investor Rights Agreement, will seek to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for our overall stewardship.

The Board, on an annual basis, evaluates and reviews its performance as a whole, as well as the performance of each individual director while taking into account, among other things, any applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. See "Assessments".

Diversity and Inclusion

We believe that having a diverse Board and executive team offers a depth of perspective that enhances Board and management operations and performance. We similarly believe that having a diverse and inclusive organization overall is beneficial to our success, and we are committed to diversity and inclusion at all levels of our organization to ensure that we attract, retain and promote the brightest and most talented individuals.

The Board does not intend to specifically define diversity, but the GHRC Committee will value diversity of experience, perspective, education, background, race, gender and national origin as part of its overall evaluation of director nominees for election or re-election (to the extent permitted by the Investor Rights Agreement) and the Board and GHRC Committee will value same as part of their respective evaluation of candidates for executive positions. This will be achieved through ensuring that diversity considerations are taken into account to fill vacancies, continuously monitoring the level of women, visible minorities, aboriginal persons and persons with disabilities represented on our Board and in our executive team, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that our most talented employees are promoted from within our organization. The Company does not currently have a written diversity policy in place.

The Board and the GHRC Committee consider merit as the key requirement for Board and executive appointments that the Board is permitted to make in accordance with the terms of the Investor Rights Agreement, and as such, it is

not expected to adopt a target regarding women, aboriginal persons, visible minorities and persons with disabilities in executive officer positions or as directors of the Company. The Company currently has one woman acting as executive officer on behalf of the Company (representing approximately 6% of the Company's executive officers), one woman sitting on its Board (representing 20% of Board members) and no executive officer nor Board member is considered either an aboriginal person, a member of a visible minority or a person with disabilities (representing 0% of the Company's executive officers and Board members).

Directors' and Officers' Liability Insurance

Our and our subsidiaries' directors and officers are covered under our existing directors' and officers' liability insurance. Under this insurance coverage, we and our subsidiaries will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our and our subsidiaries' directors and officers, subject to a deductible for each loss, which will be paid by us. Our and our subsidiaries' individual directors and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by us or our subsidiaries. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

Attendance at Board and Committee Meetings

The GHRC Committee monitors director attendance and, in addition to considering attendance in relation to the recommendation for directors to be proposed for election at the annual meeting of shareholders, the Committee discloses the attendance record for all directors in the Circular. During Fiscal 2020, the Board met a total of five (5) times, the Audit Committee met a total of two (2) times, and the GHRC Committee met a total of two (2) times, as described in more detail under the heading "Election of Directors—Nominees". At the end of each of the Board meetings held during Fiscal 2020, the independent directors met separately.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at December 31, 2020, none of our directors or executive officers, and none of their respective associates, is indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided to us or any of our subsidiaries.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in the Circular, the Company's annual information form, the Company's audited consolidated financial statements and notes for Fiscal 2020 and management's discussion and analysis for Fiscal 2020, no director or executive officer of Nuvei, and to the knowledge of the directors and executive officers of Nuvei, (i) no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of Nuvei's voting shares, (ii) nor any of such persons' or companies' associates or affiliates, (iii) nor any associates or affiliates of any director or executive officer of Nuvei, has had a material interest, direct or indirect, that has materially affected or is reasonably expected to materially affect the Company within the three most recently completed financial years or during the current financial year.

OTHER INFORMATION

Additional Information

Additional information relating to Nuvei is available on Nuvei's SEDAR profile at www.sedar.com and on the Company's website at www.nuvei.com. Shareholders may obtain without charge additional copies of Nuvei's consolidated financial statements and management's discussion and analysis and all documents incorporated by reference into this Circular to the Company's Corporate Secretary by email at IR@nuvei.com or by written request to 1100 René-Lévesque Boulevard West, 9th Floor, Montreal, Québec H3B 4N4. Financial information regarding Nuvei is provided in its consolidated financial statements and management's discussion and analysis for Fiscal 2020.

Particulars of other Matters to be Acted Upon

Management of Nuvei is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If other matters properly come before the Meeting, it is the intention of the person named in the accompanying form of proxy to vote the shares represented thereby in accordance with his or her best judgment on such matters.

Shareholder Proposals

A shareholder intending to submit a proposal at an annual meeting of shareholders must comply with applicable laws. Any proposal to be considered at next annual shareholder meeting to be held in respect of the fiscal year ending on December 31, 2021 must be received by the Company's Corporate Secretary by email at IR@nuvei.com or by written request to 1100 René-Lévesque Boulevard West, 9th Floor, Montreal, Québec H3B 4N4 by no later than January 26, 2022. In addition, pursuant to the Company's advance notice by-law, a shareholder wishing to nominate a director is required to provide notice, in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 15th day following the first public announcement of the date of the annual meeting of shareholders.

APPROVAL OF MANAGEMENT INFORMATION CIRCULAR

The contents and the sending of this Circular have been approved by the Board.

Dated: April 26, 2021.

SCHEDULE A
CHARTER OF THE BOARD OF DIRECTORS

See attached.



Payment Technology Partner

BOARD OF DIRECTORS CHARTER

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I. PURPOSE

The Board of Directors (the “**Board**”) of Nuvei Corporation (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board shall pursue the best interests of the Corporation and shall discharge its duties directly and through the committees that may exist from time to time.

The composition and meetings of the Board are subject to the requirements set forth in the articles and by-laws of the Corporation, as well as in any investor rights agreement or similar agreements which may exist from time to time between the Corporation and certain shareholders (the “**Investor Agreements**”), as well as in applicable laws and the rules of the Toronto Stock Exchange (the “**TSX**”). The present charter is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such articles, by-laws, Investor Agreements, applicable laws and the rules of the TSX.

II. DUTIES AND RESPONSIBILITIES OF THE BOARD

In furtherance of its purpose, the Board assumes the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable committee of the Board (each, a “**Committee**”) to the full Board for approval:

A. STRATEGY AND BUDGET

1. Review and approve, as appropriate, the Corporation’s mission and business vision.
2. Ensure a strategic planning process is in place and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the longer term opportunities and risks of the business.
3. Approve the Corporation’s annual operating and capital budgets.
4. Review and monitor the Corporation’s performance with reference to the adopted business plan and budgets.
5. Review and approve material transactions and capital investments, not in the ordinary course of business.

B. GOVERNANCE

1. Oversee the Corporation’s policies concerning business conduct, ethics, public disclosure of material information and other matters.
2. Oversee any charitable contributions made by the Corporation.

3. Develop, adopt, implement, review and enforce the Corporation's Code of Conduct and Business Ethics, Majority Voting Policy, Forum Selection Bylaw, Advance Notice Bylaw, Insider Trading Policy, Disclosure Policy, Authorization Policy and Whistleblower Policy and any such other policies that may be adopted by the Board from time to time, and the actions, reports and recommendations received periodically from the Audit Committee and the Governance, Human Resources and Compensation Committee (the "**GHRC Committee**") with respect to the conduct of the business in compliance with such policies.

C. BOARD AND COMMITTEE MEMBERS

1. Subject to the nomination rights set out in the Investor Agreements, identify individuals qualified to become Board members considering, the size of the Board and the competencies and skills of directors and proposed directors and the nominees for election at the next annual meeting of shareholders.
2. Subject to the nomination rights set out in the Investor Agreements, approve the nomination of directors to the Board and its Committees, as well as:
 - a. ensure that the requisite number of the Corporation's directors have no direct or indirect material relationship with the Corporation and determine who, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
 - b. develop appropriate qualifications/criteria for the selection of Board members (and the acceptability of Board members nominated by certain shareholders in accordance with the terms of the Investor Agreements), including criteria for determining director independence; and
 - c. appoint the Board Chair, the Lead Director if necessary and the Chair and members of each Committee of the Board, in consultation with the relevant Committee of the Board.
3. Determine the directors' remuneration for Board and Committee service while ensuring that the Corporation's compensation policy for directors reflects realistically the time spent, responsibilities and risks involved in being an effective director.
4. Assess annually the effectiveness and contribution of the Board, the Board Chair and the Lead Director, and of each Committee of the Board and their respective Chairs and of individual directors.
5. In accordance with the Investor Agreements, identify individuals qualified to become members of the Audit Committee in light of the independence, financial literacy, experience and other membership requirements set forth under applicable laws, rules and regulations and listing requirements.
6. Provide a comprehensive orientation program for new directors to the Board and continuing education opportunities for all directors to ensure that directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

7. Develop written position descriptions for the Board Chair, the Lead Director and the Chair of each Committee of the Board.
8. Review and discuss with each of the Committees of the Board the appropriateness of their respective charters and any changes to such charters which may be recommended by such Committee to the Board.

D. CEO, CFO, OTHER EXECUTIVE OFFICERS AND COMPENSATION AND BENEFIT POLICIES

1. Appoint the executive officers of the Corporation including, but not limited to, the Chief Executive Officer (the “CEO”) and the Chief Financial Officer (the “CFO” and together with the CEO and the other executive officers, as appropriate, the “Executive Officers”).
2. Develop a written position description for the role of the CEO.
3. Develop the corporate goals and objectives that each Executive Officer is responsible for meeting and review the performance of each Executive Officer against such corporate goals and objectives.
4. Evaluate, in conjunction with the GHRC Committee, the performance of each Executive Officer in relation with the corporate and personal objectives set by the Board.
5. Approve, upon recommendation of the GHRC Committee, the Corporation’s compensation and benefits policies or any changes thereto for Executive Officers.
6. Approve, by the independent directors, all forms of compensation for the Executive Officers.
7. Ensure, upon recommendation of the GHRC Committee, that the Corporation’s compensation and benefits policies create and reinforce good conduct, ethical behaviour and promote reasonable risk taking.
8. Satisfy itself as to the integrity of the Executive Officers and senior management and that the Executive Officers, and senior management create a culture of integrity throughout the organization.
9. Provide stewardship in respect of succession planning, and approve, as may be required, (i) the succession plan with respect to the positions of the Executive Officers, and (ii) the appointment, training and monitoring of the Executive Officers and senior management.

E. RISK MANAGEMENT, CAPITAL MANAGEMENT AND INTERNAL CONTROLS

1. Identify and assess the principal risks of the Corporation’s business, and ensure the implementation of appropriate systems to manage these risks.

2. Ensure the integrity of the Corporation's internal control system and management information systems and the safeguarding of the Corporation's assets.
3. Review, approve, and as required, oversee compliance with the Corporation's Disclosure Policy (regarding corporate disclosure and confidentiality) by directors, Executive Officers and other management and employees.
4. Review and approve the Corporation's internal and external policies for communicating and disseminating information, the whole in accordance with the Disclosure Policy.
5. Review and oversee the Corporation's internal controls over financial reporting and its disclosure controls and procedures.
6. Review and approve the Code of Ethics with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and as required, oversee compliance with the Code of Ethics by directors, Executive Officers and other management and employees.

F. FINANCIAL REPORTING, AUDITORS AND TRANSACTIONS

1. Review and approve, as required, the Corporation's financial statements, related financial information, and financial outlook, the whole in accordance with the Disclosure Policy.
2. Appoint (including terms and review of engagement), subject to the approval of the shareholders of the Corporation, and remove the external auditor and approve external auditor compensation.
3. Establish appropriate limits on the authority delegated to the Executive Officers and management to manage the business and affairs of the Corporation, the whole in accordance with the Authorization Policy.

G. LEGAL REQUIREMENTS AND DIALOGUE WITH STAKEHOLDERS

1. Oversee the adequacy of the Corporation's processes to ensure compliance by the Corporation with applicable legal and regulatory requirements.
2. Establish appropriate measures for receiving feedback from stakeholders.

H. OTHER

1. Review, approve, and as required, oversee, with the assistance of the GHRC Committee, the compliance with the Corporation's environmental, social, health and safety and governance and ethics policies by the Corporation's directors, Executive Officers and management and employees.
2. Perform any other function as prescribed by law or as not delegated by the Board to one of the Committees of the Board or to management.

III. BOARD CHAIR

A. APPOINTMENT OF THE BOARD CHAIR

The Board shall annually appoint its Chair from among the Corporation's directors following the annual meeting of shareholders.

B. DUTIES AND RESPONSIBILITIES OF THE BOARD CHAIR

The Board Chair leads the Board in all aspects of its work and is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and functions efficiently.

More specifically, the Board Chair shall, in addition to any responsibilities that may be attributed to him/her pursuant to the position description of the Board Chair, with respect to:

1. Strategy
 - a. provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Board Charter and as otherwise may be appropriate; and
 - b. work with the Executive Officers to monitor progress on the business plan, annual budgets, policy implementation and succession planning.
2. Board structure and management
 - a. chair the Board meetings;
 - b. in consultation with the Executive Officers, the Corporate Secretary and the Committee Chairs, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Committees, and of the shareholders;
 - c. in consultation with the Executive Officers and the Corporate Secretary, review the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities;
 - d. ensure the Board has the opportunity, if and when required, to meet separately without non-independent directors and management present;
 - e. ensure, in consultation with the Committee Chairs, that all items requiring Board and Committee approval are appropriately tabled;
 - f. ensure the proper flow of information to the Board and review, with the Executive Officers and the Corporate Secretary, the adequacy and timing of materials in support of management's proposals;

- g. in conjunction with the relevant Committee (and its Chair), review and assess the directors' meeting attendance records and the effectiveness and performance of the Board, its Committees (and their Chairs) and individual directors;
 - h. ensure that the Board works in a cohesive manner and enable open communication among its members; and
 - i. in conjunction with the Lead Director, ensure that the Board is provided with the resources, including external advisers and consultants to the Board as considered appropriate, to permit it to carry out its responsibilities and bring to the attention of the Chair of the Board and the CEO any issues that are preventing the Board from being able to carry out its responsibilities.
3. Shareholders
- a. chair the annual and any special meeting of the shareholders; and
 - b. ensure that all business that is required to be brought before a meeting of shareholders is brought before such meeting.

IV. LEAD DIRECTOR

A. APPOINTMENT OF LEAD DIRECTOR

If the appointed Board Chair is also an Executive Officer, the directors will annually appoint a Lead Director that will assist the Chair in performing the duties and responsibilities associated with the Chair. The Lead Director should be sufficiently removed from the day-to-day running of the business to ensure that the Board can objectively oversee the Corporation's affairs and be attentive to its obligations to its shareholders.

B. DUTIES AND RESPONSIBILITIES OF THE LEAD DIRECTOR

The Lead Director, in addition to any responsibilities that may be attributed to him/her pursuant to the position description of the Lead Director, shall have the following responsibilities:

- a. oversee that the Board discharges its responsibilities, ensure that the Board evaluates performance of management objectively and that the Board understands the boundaries between the Board and management responsibilities;
- b. perform the duties of the Chair when there is a conflict of interest between the Board Chair and Executive Officer roles;

- c. evaluate any conflicts of interest between the Company, the minority shareholders, and any major shareholders, and determine the process for dealing with the same;
- d. in the absence of the Board Chair, serve as acting Chair presiding over meetings of the Board and shareholders;
- e. review agendas and give input for meetings of the Board in advance with the Board Chair;
- f. act as a resource person and advisor to the CEO and CFO, as well as the various Committees;
- g. convene and preside over meetings of the independent directors and communicate the results of these sessions, where appropriate, to the Board Chair, other management or the Board;
- h. generally serve as the principal liaison between the independent directors and the Board Chair and between the independent directors and management;
- i. review annually, on a retrospective basis, the expenses of the Board Chair and of the Executive Officers of the Corporation; and
- j. upon request of the Board, carry out any other duties or functions as may be appropriate in the circumstances.

V. EVALUATION OF THE BOARD

The Board shall, on an annual basis, evaluate and review its performance as a whole, as well as the performance of each individual director while taking into account: (i) in the case of the Board as a whole, the present Charter, and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board.

VI. OUTSIDE ADVISORS

The Board shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Board in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Board.

VII. MEMBERSHIP

The majority of the directors shall, pursuant to applicable laws, rules, regulations and listing requirements: (i) meet the independence requirements; and (ii) have the required experience and qualifications as determined by the Board.

VIII. TERM

Subject to the nomination rights set out in the Investor Agreements, the members of the Board shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of the shareholders or until their successors are so appointed.

IX. PROCEDURES FOR MEETINGS

The Board shall fix its own procedure at meetings and for the calling of meetings. Meetings of the Board will be held quarterly, or more frequently, as required. Independent directors may meet before or after each Board meeting or more often if required. All independent directors and non-management directors shall meet in an executive session in the absence of management following each regularly scheduled meeting of the Board.

The Board may invite any of the Corporation's officers, employees, advisors or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

Directors are expected to attend all meetings of the Board and of its Committees (if applicable) and review, in advance, the meeting materials.

The proceedings and deliberations of the Board and its Committees are confidential. Each director shall maintain the confidentiality of all information received in his or her capacity as a director of the Corporation.

X. QUORUM AND VOTING

Subject to the quorum requirements of the Investor Agreements, the majority of the Board shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Board Chair is absent, the Chair of the meeting will be the Lead Director. At a meeting, any question shall be decided by a majority of the votes cast.

XI. SECRETARY

Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Board.

XII. RECORDS

The Board shall keep such records as it may deem necessary of its proceedings.

XIII. REVIEW OF CHARTER

The Board shall review and assess the adequacy of the Board Charter annually and at such other times as it considers appropriate, and shall make such changes to the Board Charter as it considers necessary or appropriate.

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Nuvei Corporation

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three months ended March 31, 2021 and 2020
(in thousands of US dollars)

Nuvei Corporation
Consolidated Statements of Financial Position
(Unaudited)

(in thousands of US dollars)

	Notes	March 31, 2021 \$	December 31, 2020 \$
Assets			
Current assets			
Cash		144,464	180,722
Trade and other receivables	5	42,546	32,055
Inventory		110	80
Prepaid expenses		5,214	4,727
Income taxes receivable		6,401	6,690
Current portion of advances to third parties	6	8,302	8,520
Current portion of contract assets		1,858	1,587
Total current assets before segregated funds		208,895	234,381
Segregated funds		540,018	443,394
Total current assets		748,913	677,775
Non-current assets			
Advances to third parties	6	36,690	38,478
Property and equipment		15,721	16,537
Intangible assets	4	561,115	524,232
Goodwill	4	995,935	969,820
Deferred tax assets		5,457	3,785
Contract assets		923	1,300
Processor deposits		14,804	13,898
Other non-current assets		1,902	1,944
Total Assets		<u>2,381,460</u>	<u>2,247,769</u>

Nuvei Corporation
Consolidated Statements of Financial Position
(Unaudited)

(in thousands of US dollars)

	Notes	March 31, 2021 \$	December 31, 2020 \$
Liabilities			
Current liabilities			
Trade and other payables	7	69,964	64,779
Income taxes payable		13,564	7,558
Current portion of loans and borrowings		2,274	2,527
Other current liabilities		8,098	7,132
Total current liabilities before due to merchants		93,900	81,996
Due to merchants		540,018	443,394
Total current liabilities		633,918	525,390
Non-current liabilities			
Loans and borrowings		212,602	212,726
Deferred tax liabilities		47,296	50,105
Other non-current liabilities		11,731	1,659
Total Liabilities		905,547	789,880
Equity			
Equity attributable to shareholders			
Share capital	8	1,628,244	1,625,785
Contributed surplus		14,790	11,966
Deficit		(184,228)	(211,042)
Accumulated other comprehensive income		7,621	22,470
		1,466,427	1,449,179
Non-controlling interest		9,486	8,710
Total Equity		1,475,913	1,457,889
Total Liabilities and Equity		2,381,460	2,247,769
Contingencies	16		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Nuvei CorporationConsolidated Statements of Profit or Loss and Comprehensive Income or Loss
(Unaudited)**For the three months ended March 31**

(in thousands of US dollars, except for share and per share amounts)

	Notes	2021 \$	2020 \$
Revenue	9	149,895	83,239
Cost of revenue	9	28,979	15,168
Gross profit		<u>120,916</u>	<u>68,071</u>
Selling, general and administrative expenses	9	86,056	54,866
Operating profit		<u>34,860</u>	<u>13,205</u>
Finance income	10	(859)	(1,346)
Finance costs	10	3,315	31,259
Net finance costs		<u>2,456</u>	<u>29,913</u>
Loss (gain) on foreign currency exchange		<u>(445)</u>	<u>45,719</u>
Income (loss) before income tax		<u>32,849</u>	<u>(62,427)</u>
Income tax expense (recovery)		<u>5,059</u>	<u>(84)</u>
Net income (loss)		<u>27,790</u>	<u>(62,343)</u>
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(14,849)	39,667
Comprehensive income (loss)		<u>12,941</u>	<u>(22,676)</u>
Net income (loss) attributable to:			
Common shareholders of the Company		26,814	(62,593)
Non-controlling interest		976	250
		<u>27,790</u>	<u>(62,343)</u>
Comprehensive income (loss) attributable to:			
Common shareholders of the Company		11,965	(22,926)
Non-controlling interest		976	250
		<u>12,941</u>	<u>(22,676)</u>
Net income (loss) per share	11		
Net income (loss) per share attributable to common shareholders of the Company			
Basic		0.19	(0.74)
Diluted		0.19	(0.74)
Weighted average number of common shares outstanding			
Basic		138,201,970	84,604,769
Diluted		142,741,312	84,604,769

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Nuvei Corporation
Consolidated Statements of Cash Flows
(Unaudited)
For the three months ended March 31

(in thousands of US dollars)

	Notes	2021 \$	2020 \$
Cash flows from (used in) operating activities			
Net income (loss)		27,790	(62,343)
Adjustments for:			
Depreciation of property and equipment		1,350	1,841
Amortization of intangible assets		19,648	15,472
Amortization of contract assets		487	525
Share-based payments		4,105	333
Net finance costs	10	2,456	29,913
Loss (gain) on foreign currency exchange		(445)	45,719
Income tax expense (recovery)		5,059	(84)
Changes in non-cash working capital items	15	(3,198)	(15,631)
Interest paid		(2,836)	(16,299)
Income taxes paid		(1,013)	(12)
		<u>53,403</u>	<u>(566)</u>
Cash flows used in investing activities			
Business acquisitions, net of cash acquired	4	(88,930)	—
Decrease in other non-current assets		522	181
Net decrease (increase) in advances to third parties	6	2,865	(1,734)
Acquisition of property and equipment		(593)	(978)
Acquisition of intangible assets		(4,145)	(3,034)
		<u>(90,281)</u>	<u>(5,565)</u>
Cash flows from financing activities			
Transaction costs related to loans and borrowings		—	(20)
Proceeds from exercise of stock options	8	1,178	—
Proceeds from loans and borrowings		—	56,999
Repayment of loans and borrowings		—	(34,185)
Payment of lease liabilities		(642)	(631)
Dividend paid by subsidiary to non-controlling interest		(200)	(200)
		<u>336</u>	<u>21,963</u>
Effect of movements in exchange rates on cash		<u>284</u>	<u>(401)</u>
Net increase (decrease) in cash		<u>(36,258)</u>	<u>15,431</u>
Cash – Beginning of period		<u>180,722</u>	<u>60,072</u>
Cash – End of period		<u>144,464</u>	<u>75,503</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Nuvei Corporation
Consolidated Statements of Changes in Equity
(Unaudited)
For the three months ended March 31

(in thousands of US dollars)

	Note	Attributable to shareholders of the Company				Non-control- ling interest \$	Total equity \$
		Share capital \$	Contributed surplus \$	Deficit \$	Accumulated other compre- hensive income (loss) \$		
Balance as at January 1, 2020		450,523	1,603	(104,812)	(10,385)	7,090	344,019
Contributions and distributions							
Equity-settled share-based payments		—	333	—	—	—	333
Dividend paid by subsidiary to non-controlling interest		—	—	—	—	(200)	(200)
Net income (loss) and comprehensive income (loss)		—	—	(62,593)	39,667	250	(22,676)
Balance as at March 31, 2020		<u>450,523</u>	<u>1,936</u>	<u>(167,405)</u>	<u>29,282</u>	<u>7,140</u>	<u>321,476</u>
Balance as at January 1, 2021		1,625,785	11,966	(211,042)	22,470	8,710	1,457,889
Contributions and distributions							
Exercise of stock options	8, 14	2,459	(1,281)	—	—	—	1,178
Equity-settled share-based payments		—	4,105	—	—	—	4,105
Dividend paid by subsidiary to non-controlling interest		—	—	—	—	(200)	(200)
Net income (loss) and comprehensive income (loss)		—	—	26,814	(14,849)	976	12,941
Balance as at March 31, 2021		<u>1,628,244</u>	<u>14,790</u>	<u>(184,228)</u>	<u>7,621</u>	<u>9,486</u>	<u>1,475,913</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(in thousands of US dollars, except for per share amounts)

1 Reporting entity

Nuvei Corporation (“Nuvei” or the “Company”) is a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America and is domiciled in Canada with its registered office located at 1100 René-Lévesque Blvd., 9th floor, Montreal, Quebec, Canada. Nuvei is the ultimate parent of the group and was incorporated on September 1, 2017 under the Canada Business Corporations Act (“CBCA”)

The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbols “NVEI” and “NVEI.U”.

2 Basis of preparation and consolidation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Certain information and disclosures have been omitted or condensed. The accounting policies and methods of computation described in the annual audited consolidated financial statements were applied consistently in the preparation of these condensed interim consolidated financial statements. Accordingly, these condensed interim consolidated financial statements should be read together with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2020.

Certain comparative figures related to foreign currency exchange gains or losses have been reclassified to conform with the presentation for the current year. Accordingly, for the three months ended March 31, 2020, a foreign currency exchange loss of \$46,510 included in net finance costs and a foreign exchange gain of \$791 included in Selling, general and administrative expenses (“SG&A”) were reclassified to loss (gain) on foreign currency exchange in the consolidated statement of profit or loss. These reclassifications had no impact on net income or net income per share. The Company believes this will provide more relevant information on foreign currency exchange and improve comparability of SG&A expenses and net finance costs in the consolidated statement of profit or loss.

These condensed interim consolidated financial statements were authorized for issue by the Company’s Board of Directors on May 7, 2021.

Operating segments

The Company has one reportable segment for the provision of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America.

Seasonality of interim operations

The operations of the Company can be seasonal, and the results of operations for any interim period are not necessarily indicative of operations for the full year or any future period.

(in thousands of US dollars, except for per share amounts)

Estimates, judgments and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The significant estimates, judgments and assumptions made by management are the same as those applied and described in the Company's audited annual consolidated financial statements for the year ended December 31, 2020. Actual results may differ from these estimates, judgments and assumptions.

COVID-19 impact on judgments, assumptions and estimation uncertainties

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict.

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we do business. The negative impact of the COVID-19 pandemic on our business and the condensed interim consolidated financial statements for the three months ended March 31, 2021 has been limited. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. Accordingly, there is a higher level of uncertainty with respect to management's judgments, assumptions and estimates.

3 Significant accounting policies and other changes in the current reporting period

New accounting standards and interpretations issued but not yet adopted

The IASB has issued new standards and amendments to existing standards which are applicable to the Company in future periods beginning on January 1, 2022 or later. There were no significant updates to the standards and interpretations issued but not yet adopted described in the annual audited consolidated financial statements.

(in thousands of US dollars, except for per share amounts)

4 Business acquisition

Base Commerce LLC

On January 1, 2021, the Company acquired substantially all of the assets of Base Commerce LLC (“Base”), a technology-driven payment processing company specializing in bank card and automated clearing house payment processing solutions. The purchase price for this acquisition totalled \$96,678 including a cash amount of \$6,186 placed in escrow in connection with adjustments to the purchase price or indemnification per the purchase agreement. The remaining amount consists of a contingent consideration of \$7,004 whose payment is contingent upon meeting certain performance metrics. The following table summarizes the preliminary amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value \$
Assets acquired	
Cash	744
Segregated funds	122,139
Trade and other receivables	8,481
Property and equipment	160
Prepaid expenses	42
Processor deposits	1,385
Intangible assets	
Trademarks	2,221
Technologies	8,645
Partner and merchant relationships	45,165
Goodwill (deductible for tax purposes)	35,199
	<u>224,181</u>
Liabilities assumed	
Trade and other payables	(5,364)
Due to merchants	(122,139)
	<u>96,678</u>
Total consideration	
Cash paid	89,674
Contingent consideration	7,004
	<u>96,678</u>

To finance the cash consideration noted above, on December 31, 2020, the Company also increased its credit facility by amending its credit agreement to add a term loan of \$100,000.

Goodwill arising from this acquisition mainly consists of assembled workforce and expected synergies, which were not recorded separately since they did not meet the recognition criteria for identifiable intangible assets.

Nuvei Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

March 31, 2021 and 2020

(in thousands of US dollars, except for per share amounts)

Base contributed revenues of \$14,693 to the Company for the period from the acquisition date to March 31, 2021. Acquisition costs of \$243 have been expensed and recorded under selling, general and administrative expenses in the consolidated statement of profit or loss and comprehensive income or loss for the period ended March 31, 2021.

5 Trade and other receivables

	March 31, 2021 \$	December 31, 2020 \$
Trade receivables	38,854	26,657
Investment tax credits	679	805
Other receivables	3,013	4,593
Total	<u>42,546</u>	<u>32,055</u>

6 Advances to third parties

Advances to third parties comprise the following:

	March 31, 2021 \$	December 31, 2020 \$
Advances to a third party independent sales organization	44,759	46,680
Other	233	318
	<u>44,992</u>	<u>46,998</u>
Current portion	(8,302)	(8,520)
Long-term portion	<u>36,690</u>	<u>38,478</u>

The movement in the advances to a third party independent sales organization is as follows:

	Three months ended March 31, 2021 \$
Balance, beginning of period	46,680
Interest on advances to third parties	859
Merchant residuals received	(2,780)
Balance, end period	<u>44,759</u>

(in thousands of US dollars, except for per share amounts)

7 Trade and other payables

Trade and other payables comprise the following:

	March 31, 2021 \$	December 31, 2020 \$
Trade payables	25,051	20,307
Accrued bonuses and other compensation-related liabilities	12,954	13,541
Sales tax	5,651	6,073
Interest payable	1,290	1,212
Due to processors	4,359	3,644
Due to merchants not related to segregated funds	15,175	14,823
Other accrued liabilities	5,484	5,179
	<u>69,964</u>	<u>64,779</u>

8 Share capital

The Company issued 304,799 Subordinate Voting Shares for a cash consideration of \$1,178 during the three months ended March 31, 2021 following the exercise of stock options.

There were 9,519,388 Multiple Voting Shares converted to Subordinate Voting Shares during the three months ended March 31, 2021 as a result of a bought deal secondary offering.

There was 82,728,420 Multiple Voting Shares and 55,748,824 Subordinate Voting Shares as at March 31, 2021.

(in thousands of US dollars, except for per share amounts)

9 Revenue and expenses by nature

	Three months ended March 31,	
	2021	2020
	\$	\$
Revenue		
Merchant transaction and processing services revenue	147,704	80,600
Other revenue	2,191	2,639
	<u>149,895</u>	<u>83,239</u>
Cost of revenue		
Processing cost	27,971	13,456
Cost of goods sold	1,008	1,712
	<u>28,979</u>	<u>15,168</u>
Selling, general and administrative expenses		
Commissions	26,573	16,413
Depreciation and amortization	20,998	17,313
Employee compensation	21,023	14,154
Professional fees	6,920	1,793
Share-based payments	4,105	333
Transaction losses	1,819	470
Other	4,618	4,390
	<u>86,056</u>	<u>54,866</u>

10 Net finance costs

	Three months ended March 31,	
	2021	2020
	\$	\$
Finance income		
Interest on advances to third parties	(859)	(1,346)
Finance costs		
Interest on loans and borrowings (excluding lease liabilities)	3,170	15,481
Change in redemption amount of liability-classified Class A common shares	—	10,631
Change in redemption amount of subsidiary's preferred shares	—	1,005
Interest on unsecured debentures	—	4,110
Interest expense on lease liabilities	106	30
Other interest expense	39	2
	<u>3,315</u>	<u>31,259</u>
Net finance costs	<u>2,456</u>	<u>29,913</u>

(in thousands of US dollars, except for per share amounts)

11 Net income (loss) per share

Previous to the Initial Public Offering (“IPO”) on September 22, 2020, the Company had three categories of potential dilutive securities: convertible liability-classified shares, unsecured convertible debentures due to shareholders and stock options. Since the IPO, stock options and Performance Share Units (“PSUs”) are considered to be potentially dilutive.

Diluted net income (loss) per share excludes all dilutive potential shares if their effect is anti-dilutive. For the three months ended March 31, 2021, anti-dilutive stock options were excluded from the calculation of diluted net income per share. As a result of net loss incurred for the three months ended March 31, 2020, the potential dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive.

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
	\$	\$
Net income (loss) attributable to common shareholders of the Company (basic and diluted)	26,814	(62,593)
Weighted average number of common shares outstanding – basic*	138,201,970	84,604,769
Effect of dilutive securities	4,539,342	—
Weighted average number of common shares outstanding – diluted*	142,741,312	84,604,769
Net income (loss) per share attributable to common shareholders of the Company (basic)	0.19	(0.74)
Net income (loss) per share attributable to common shareholders of the Company (diluted)	0.19	(0.74)

* The weighted average number of common shares outstanding previous to the IPO has been adjusted to take into consideration the Reorganization described in Note 17 of the annual consolidated financial statements.

12 Related party transactions

Transactions with key management personnel

Key management personnel compensation comprises the following:

	<u>Three months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and short-term employee benefits	1,367	1,040
Share-based payments	1,451	225
	<u>2,818</u>	<u>1,265</u>

(in thousands of US dollars, except for per share amounts)

Other related party transactions

		Transaction value	
		Three months ended March 31, 2021 \$	2020 \$
Expenses – Travel	(i)	—	479
Unsecured convertible debentures due to shareholders	(ii)	—	4,110
		<u>—</u>	<u>4,589</u>

- (i) In the normal course of operations, the Company receives services from a company owned by a shareholder of the Company. The services received consist of travel services.
- (ii) In August 2019, unsecured convertible debentures were issued by the Company to certain shareholders. As part of the IPO in September 2020, an amount of \$30,180 in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company, and the remaining balance was repaid with the cash proceeds of the IPO.

13 Determination of fair values

Certain of the Company’s accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes using the following methods.

Financial assets and financial liabilities

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring entities to develop their own assumptions.

The Company has determined that the carrying amounts of its current financial assets and financial liabilities approximate their fair value given the short-term nature of these instruments.

The fair value of the variable interest rate non-current liabilities approximates the carrying amount as the liabilities bear interest at a rate that varies according to the market rate.

Nuvei Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

March 31, 2021 and 2020

(in thousands of US dollars, except for per share amounts)

As at March 31, 2021 and December 31, 2020, financial instruments measured at fair value in the condensed interim consolidated statements of financial position were as follows:

	Note	Fair value hierarchy	March 31, 2021 \$	December 31, 2020 \$
Advances to a third party independent sales organization	6	Level 3	44,759	46,680
Loan Payment Pro (“LPP”) put option liability		Level 3	1,036	1,036
Investments		Level 3	1,148	1,148
Investments		Level 1	1,058	1,093
Base contingent consideration	4	Level 3	7,004	—

The following table presents the changes in level 3 items for the period ended March 31, 2021:

	Advances to a third party independent sales organization \$	LPP put option liability \$	Investments \$	Base contingent consideration \$
Balance at January 1, 2021	46,680	1,036	1,148	—
Business combination	—	—	—	7,004
Merchant residuals received, net of interest on advances to third parties	(1,921)	—	—	—
Balance at March 31, 2021	<u>44,759</u>	<u>1,036</u>	<u>1,148</u>	<u>7,004</u>

Below are the assumptions and valuation methods used in the level 3 fair value measurements:

- the fair value of the advances to a third party independent sales organization was determined by calculating the present value of the future estimated cash flows over the term of the agreements. There has been no change to the assumptions used as at December 31, 2020.
- the fair value assumptions for the LPP put option liability is determined using the Black-Scholes method; the main assumption is the fair value of the units in LPP which is determined to be \$9,846 as at March 31, 2021; and
- the fair value of Base contingent consideration is determined using the calculation in the purchase agreement. The main assumption is the forecast of expected future cashflows.

(in thousands of US dollars, except for per share amounts)

14 Share-based payment arrangements

The Omnibus Incentive Plan permits the Board of Directors to grant awards of options, Restricted Share Units, PSUs and Deferred Share Units (“DSUs”) to eligible participants.

During the three months ended March 31, 2021, the Company awarded 1,346 DSUs and 141,122 PSUs. PSUs will be settled by the issuance of shares at the exercise date. The rights to these units will vest upon meeting the related performance criteria.

The table below summarizes the changes in the outstanding stock options for the three months ended March 31, 2021:

	Number of options	Weighted average exercise price \$
Outstanding, beginning of period	6,970,505	16.59
Forfeited	(94,346)	26.00
Granted	214,286	57.50
Exercised	(304,799)	3.87
Outstanding, end of period	<u>6,785,646</u>	<u>18.33</u>
Options exercisable, end of period	<u>2,899,273</u>	<u>4.02</u>

The weighted average grant date fair value of the stock options issued during the three months ended March 31, 2021 was \$14.36. Fair value was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Share price	\$ 57.50
Exercise price	\$ 57.50
Risk-free interest rate	0.82%
Expected volatility	32.5%
Dividend yield	—
Expected term	3.5 years

(in thousands of US dollars, except for per share amounts)

15 Supplementary cash flow disclosure

	Three months ended March 31,	
	2021	2020
	\$	\$
Changes in non-cash working capital items:		
Trade and other receivables	(2,010)	(945)
Inventory	(30)	178
Prepaid expenses	(446)	(752)
Contract assets	(364)	(664)
Trade and other payables	(323)	(7,572)
Other current and non-current liabilities	(25)	(5,876)
	<u>(3,198)</u>	<u>(15,631)</u>

16 Contingencies

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. Management does not expect that the resolution of those matters, either individually or in the aggregate, will have a material effect upon the Company's condensed interim consolidated financial statements.

17 Subsequent events

On April 16, 2021, the Company announced it had entered into a definitive agreement to acquire Mazooma Technical Services Inc., a leading account-to-account payments provider to the U.S. online gaming and sports betting market, for approximately \$56,000 plus additional consideration subject to the achievement of specific performance criteria of up to a total maximum consideration of approximately \$315,000. Approximately 24% of the consideration is expected to be paid via the issuance of Subordinate Voting Shares with the remainder to be paid in cash. The transaction is subject to the prior approval of the TSX as well as customary closing conditions.

On May 6, 2021, the Company announced it had entered into a definitive agreement to acquire SimplexCC Ltd., a payment solution provider to the cryptocurrency industry, for approximately \$250,000 to be paid in cash. The transaction is subject to customary closing conditions, including regulator approval.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2021

As used in this management’s discussion and analysis of financial condition and results of operations (“MD&A”), unless the context indicates or requires otherwise, all references to the “Company”, “Nuvei”, “we”, “us” or “our” refer to Nuvei Corporation together with our subsidiaries, on a consolidated basis.

This MD&A dated May 7, 2021, should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements, along with the related notes thereto for the three months ended March 31, 2021 (the “Interim Financial Statements”). The financial information presented in this MD&A is derived from the Interim Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are in U.S. dollars except where otherwise indicated. Additionally, tables included in this MD&A are presented in thousands of U.S. dollars, unless otherwise indicated. This MD&A is presented as of the date of the Interim Financial Statements and is current to that date unless otherwise stated.

Forward-Looking Information

This MD&A contains “forward-looking information” within the meaning of applicable securities laws, including Nuvei’s outlook on total volume, revenue and Adjusted EBITDA for the three months ending June 30, 2021 and the year ending December 31, 2021. Nuvei’s outlook on revenue and Adjusted EBITDA also constitutes “financial outlook” within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company’s financial performance and measuring progress toward management’s objectives and the reader is cautioned that it may not be appropriate for other purposes. Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include but are not limited to those described under the “Risks Factors” section of the Company’s annual information form filed on March 17, 2021 (the “AIF”). Forward-looking information is based on management’s beliefs and assumptions and on information currently available to management. Particularly, management’s assessments of, and outlook for, total volume, revenue and Adjusted EBITDA set out herein are generally based on the following assumptions: (a) Nuvei’s results of operations will continue as expected, (b) the Company will continue to effectively execute against its key strategic growth priorities, despite the current COVID-19 pandemic and measures taken to contain the virus, (c) the Company will continue to retain and grow its existing customer base while adding new customers, (d) the Company will not complete any acquisitions or divestitures (e) economic conditions will remain relatively stable throughout the period, (f) the industries Nuvei operates in will continue to grow consistent with past experience, (g) there will be no fluctuations in currency exchange rates and volatility in financial markets, (h) there will be no changes in legislative or regulatory matters that negatively impact Nuvei’s business, and (i) current tax laws will remain in effect and will not be materially changed. Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, you are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this MD&A is provided as of the date of this MD&A, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Overview

We are a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. We believe we are differentiated by our proprietary technology platform, which is purpose-built for high-growth mobile commerce and eCommerce markets. Our focus on technology, innovation and security enables us to design and develop solutions that are tailored for these markets. Our solutions span the entire payments stack and include a fully integrated payments engine with global processing capabilities, a turnkey solution for frictionless checkout experiences and a broad suite of data-driven business intelligence tools and risk management services. Through a single integration, we believe our technology platform makes it simple for merchants and partners to securely accept payments in over 200 markets worldwide with local acquiring in 44 markets and nearly 150 currencies, for their customers to transact using 470 alternative payment methods (“APMs”), and to provide pay-in and payout support for nearly 40 of the world’s leading cryptocurrencies including Bitcoin, Ethereum, Bitcoin Cash, Litecoin, NEO and XRP. We leverage our deep industry expertise and thought leadership in mobile commerce and eCommerce payments to serve merchants of all sizes, from small-and-medium sized businesses (“SMBs”) to large enterprises, operating in some of the most complex verticals across multiple geographic markets.

We are a single source provider of a comprehensive suite of payment solutions. Our solutions are designed to support the entire lifecycle of a transaction across mobile or in-app, online (via application programming interface or multi-feature cashier), unattended and in-store channels while providing what we believe is a superior payments experience. Our solutions include:

- End-to-end processing including multi-currency authorization and settlement;
- Global gateway that is acquirer- and processor-agnostic;
- Turnkey checkout solution designed to increase sales conversions and simplify checkout for consumers;
- Smart routing technology to maximize payment authorization rates;
- Localization capabilities allowing acceptance of nearly 150 currencies, nearly 40 cryptocurrencies and 470 APMs and support of 30 languages (including multiple regional varieties of English);
- Pay-in and payout support for nearly 40 of the world’s leading cryptocurrencies including Bitcoin, Ethereum, Bitcoin Cash, Litecoin, NEO and XRP;
- Dynamic currency management solutions;
- Risk and chargeback management and fraud prevention tools;
- Flexible and rapid merchant enrollment, underwriting and onboarding platform;
- Enhanced reconciliation tools that simplify merchants’ cash flow management; and
- Unified reporting regardless of payment type or geographic market.

We sell and distribute our solutions globally through three primary channels: direct sales, indirect sales and strategic platform integrations. Our approach to distribution is designed to enable us to efficiently market our payments and technology solutions at scale and is customized by both region and vertical to optimize sales. By relying on our local sales teams and indirect partners who act as trusted technology providers to our merchants, we believe we are able to serve more merchants globally and grow with them as they grow their businesses and expand into new markets.

Our revenue is primarily sales volume and transaction-based, generated from merchants’ daily sales and through various fees for value-added services provided to our merchants. We also generate subscription revenue from our business intelligence tools, merchant dashboards and other technology solutions, for which we typically charge flat subscription fees monthly. Our revenue is largely recurring in nature due to the mission-critical nature of our product and service offerings and deep integration of our payments technology into our merchants’ enterprise resource planning systems. Additionally, our model has delivered rapid growth in mobile commerce and eCommerce revenue. We believe the depth and breadth of our payment capabilities help merchants establish and expand their presence in emerging commerce channels across many markets. This enables us to develop long-standing relationships with our merchants, which in turn drive strong retention and significant cross-selling opportunities.

Acquisitions

On January 1, 2021, Nuvei closed its previously announced acquisition of substantially all the assets and assumption of certain payables of Base Commerce, LLC (“Base Commerce”). Management believes that the acquisition of Base Commerce further positions us as a leader in eCommerce payments by:

- expanding Nuvei’s product capabilities with a proprietary automated clearing house (“ACH”) processing platform;
- further diversifying its acquiring portfolio;
- enhancing sponsor bank coverage; and
- enlarging the Company’s distribution network.

On April 16, 2021, the Company announced it had entered into a definitive agreement to acquire Mazooma Technical Services Inc. (“Mazooma”) for approximately \$56 million plus additional consideration subject to the achievement of specific performance criteria (over a maximum 3-year period from the closing date) of up to a total maximum consideration of approximately \$315 million. Approximately 24% of the consideration is expected to be paid via the issuance of subordinate voting shares of the Company (the “Subordinate Voting Shares”) with the remainder to be paid in cash. The transaction is subject to the prior approval of the Toronto Stock Exchange as well as customary closing conditions. Mazooma is a leading account-to-account payments provider to the U.S. online gaming and sports betting market, and a registered vendor in 9 states, with permission in 12 states, who also holds money transmitter licenses and exemptions in a total of 47 states. Management believes that the acquisition of Mazooma will further solidify its commitment to and presence in the U.S. online gaming and sports betting industry by:

- enhancing and expanding Nuvei’s portfolio of alternative payment methods with a leading ACH platform developed and used exclusively for online gaming in the U.S.; and
- providing the necessary product functionality, vendor registration, compliance, and operational infrastructure to address merchant’s requirements in any regulated U.S. state.

On May 6, 2021, the Company announced it had entered into a definitive agreement to acquire SimplexCC Ltd. (“Simplex”) for approximately \$250 million to be paid in cash. The transaction is subject to regulatory approval as well as customary closing conditions. Simplex is a payment solution provider to the cryptocurrency industry connecting market participants including exchanges, brokers, wallet and liquidity providers. Simplex delivers the infrastructure for users to buy or sell cryptocurrencies (i.e. on-ramp/off-ramp capabilities) using credit and debit cards. Through its proprietary fraud and risk management tools, Simplex provides a zero-chargeback guarantee to its customers, resulting in higher conversion rates. As a principal member of the Visa network, Simplex has permission to issue Visa cards, giving its consumers access to digital currencies daily. Simplex processed approximately \$500 million of total volume in 2020 and is expected to process more than \$2.0 billion of total volume in 2021. Management believes that the acquisition of Simplex will:

- expand Nuvei’s capabilities by adding turnkey simplicity to the process of buying and selling cryptocurrency and converting it back to fiat within a user account – ultimately reducing complexity for merchants and consumers
- allow Nuvei to offer bespoke anti-money laundering / know your customer solutions, transaction guarantee solutions, and valued added services to 190 liquidity providers and partners; and
- provide Nuvei with an electronic money institution license to offer international bank account number accounts to end users and merchants, which opens up potential opportunities like banking as a service.

Impact of COVID-19 on our Operations

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response, many governments, states, cities and other geographic regions implemented preventive or protective actions such as travel bans and restrictions, temporary closures of businesses, quarantines or shelter-in-place orders or total lock-down

orders. The pandemic has disrupted the economy and put unprecedented strains on the government health care systems, businesses and individuals around the world.

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we participate. In response to the COVID-19 pandemic, we adopted a “people-first” approach, prioritizing the health and safety of our employees and local communities and quickly deploying all employees to a “work from home” model. There were no employee layoffs or furloughs because of the COVID-19 pandemic. We implemented our business continuity plan, which included merchant portfolio management (enhanced review and monitoring of merchants in affected industries; amended billing process from monthly to daily) and supply chain management (outreach to ensure continuity of service or supply; negotiated discounts where applicable). The negative impact of the COVID-19 pandemic on our business and the result disclosed in our Interim Financial Statements has been limited.

There continues to be uncertainty regarding the duration and magnitude of the COVID-19 Pandemic and the ability to control resurgences worldwide, making it difficult to assess the future impact on our employees, partners, merchants, the end markets we serve and the resulting effect on our business and operations, both in the short term and in the long term. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; delays in vaccine rollout; the effectiveness of vaccines against the virus and its mutations; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. Accordingly, there is a higher level of uncertainty with respect to management’s judgments, assumptions and estimates. Please refer to the section entitled “Risks Relating to Our Business and Industry – The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, could materially impact our business and future results of operations and financial condition” of our AIF, for additional detail on how COVID-19 may impact our future results.

Non-IFRS Measures

Nuvei’s Interim Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this MD&A includes non-IFRS financial measures, namely Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share, and Adjusted net income per diluted share. These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share, and Adjusted net income per diluted share are used to provide investors with a supplemental measure of the Company’s operating performance and thus highlight trends in Nuvei’s core business that may not otherwise be apparent when relying solely on IFRS measures. The Company’s management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Nuvei’s management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. The Company’s management believes Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share and Adjusted net income per diluted share are important supplemental measures of Nuvei’s performance, primarily because they and similar measures are used widely among others in the payment technology industry as a means of evaluating a company’s underlying operating performance.

Reconciliation of Adjusted EBITDA to net income (loss)

Adjusted EBITDA is defined as net income (loss) before finance costs, finance income, depreciation and amortization, income taxes expense (recovery), acquisition, integration and severance costs, share-based payments, loss (gain) on foreign currency exchange, and legal settlement costs and other.

The following table reconciles Adjusted EBITDA to net income (loss) for the periods indicated:

(In thousands of U.S. dollars)	Three months ended	
	March 31	
	2021	2020
	\$	\$
Net income (loss)	27,790	(62,343)
Finance cost	3,315	31,259
Finance income	(859)	(1,346)
Depreciation and amortization	20,998	17,313
Income tax expense (recovery)	5,059	(84)
Acquisition, integration and severance costs (a)	5,340	1,670
Share-based payments (b)	4,105	333
Loss (gain) on foreign currency exchange	(445)	45,719
Legal settlement costs and other(c)	159	766
Adjusted EBITDA^(d)	65,462	33,287
Advance from third party—merchant residual received(e)	2,728	2,948

(a) These expenses relate to:

- (i) professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities during the period, which were \$5.3 million for the three months ended March 31, 2021 (March 31, 2020 – \$1.2 million). These costs are presented in the professional fees line item of selling, general and administrative expenses.
- (ii) acquisition-related compensation, which was nil for the three months ended March 31, 2021 (March 31, 2020 – \$0.2 million). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
- (iii) severances, which were immaterial for the three months ended March 31, 2021 (March 31, 2020 – \$0.2 million), and integration expenses. Severance costs are presented in the employee compensation line item of selling, general and administrative expenses.

(b) These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.

(c) This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.

(d) Adjusted EBITDA is a non-IFRS measure that the Company uses to assess its operating performance and cash flows.

(e) Commencing in 2018, the Company entered into various agreements with a single third-party independent sales organization to acquire the rights to future cash flows from a portfolio of merchant contracts.

Reconciliation of Pro Forma Transaction Adjusted Revenue to Revenue

(In thousands of U.S. dollars)	Three months ended	
	March 31	
	2021	2020
	\$	\$
Revenue	149,895	83,239
Revenue of Base Commerce and Smart2Pay (prior to acquisitions)(a)	—	20,748
Pro Forma Transaction Adjusted Revenue	149,895	103,987

(a) The Company acquired Smart2Pay Technology & Services B.V on November 2, 2020 and Base Commerce on January 1, 2021.

Reconciliation of Adjusted net income to net income (loss)

Adjusted net income is defined as net income (loss) before acquisition, integration and severance costs, share-based payments, loss (gain) on foreign currency exchange, amortization of acquisition-related intangible assets, and the related income tax expense or recovery for these items. Adjusted net income also excludes change in redemption value of liability-classified common and preferred shares and accelerated amortization of deferred transaction costs and loss on debt modification.

The following table reconciles Adjusted net income to net income (loss) for the periods indicated:

(In thousands of U.S. dollars except for per share amounts)	Three months ended	
	March 31	
	2021	2020
	\$	\$
Net income (loss)	27,790	(62,343)
Change in redemption value of liability-classified common and preferred shares (a)	—	11,636
Amortization of acquisition-related intangible assets (b)	18,212	14,178
Acquisition, integration and severance costs (c)	5,340	1,670
Share-based payments (d)	4,105	333
Loss (gain) on foreign currency exchange	(445)	45,719
Legal settlement costs and other (e)	159	766
Adjustments	27,371	74,302
Income tax expense related to adjustments(f)	(4,000)	(2,179)
Adjusted net income (g)	51,161	9,780
Adjusted net income per share attributable to common shareholders of the Company (h)		
Basic	0.36	0.11
Diluted	0.35	0.11

(a) This line item represents change in redemption value related to shares classified as liabilities prior to the IPO. As part of the IPO, such shares were converted into equity as Subordinate Voting Shares. These expenses are included in finance costs.

(b) This line item relates to amortization expense taken on intangible assets created from the purchase price adjustment process on acquired companies and businesses and from the acquisition of all the outstanding shares of Pivotal Holdings Ltd. by Nuvei in September 2017, and excludes amortization expense related to capitalized development costs incurred in the normal course of operations.

- (c) These expenses relate to:
- (i) professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities during the period, which were \$5.3 million for the three months ended March 31, 2021 (March 31, 2020 – \$1.2 million). These costs are presented in the professional fees line item of selling, general and administrative expenses.
 - (ii) acquisition-related compensation, which was nil for the three months ended March 31, 2021 (March 31, 2020 – \$0.2 million). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
 - (iii) severances, which were immaterial for the three months ended March 31, 2021 (March 31, 2020 – \$0.2 million), and integration expenses. Severance costs are presented in the employee compensation line item of selling, general and administrative expenses.
- (d) These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.
- (e) This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.
- (f) This line item reflects income tax expense on taxable adjustments using the tax rate of the applicable jurisdiction.
- (g) Adjusted net income is a non-IFRS measure that the Company uses to further assess its operating performance.
- (h) Adjusted net income per diluted share is calculated using share-based awards outstanding at the end of each period on a fully diluted basis if they were in-the-money at that time.

Key Performance Indicator

We monitor the following key performance indicator to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicator may be calculated in a manner that differs from similar key performance indicators used by other companies.

Total Volume: We believe total volume is an indicator of performance of our business. Total volume and similar measures are used widely among others in the payments industry as a means of evaluating a company's performance. We define total volume as the total dollar value of transactions processed in the period by merchants under contractual agreement with us. Total volume does not represent revenue earned by us. Total volume encompasses both acquiring volume, where we are in the flow of funds in the settlement transaction cycle, and gateway/technology volume, where we provide our gateway/technology services but are not in the flow of funds in the settlement transaction cycle. Since our revenue is primarily sales volume and transaction-based, generated from merchants' daily sales and through various fees for value-added services provided to our merchants, fluctuations in total volume will generally impact our revenue.

Outlook

For the three months ending June 30, 2021 and year ending December 31, 2021, Nuvei anticipates total volume, revenue and adjusted EBITDA to be in the ranges indicated below. Considering the strong performance during the three months ended March 31, 2021, where Nuvei exceeded the previously anticipated outlook for total volume, revenue and Adjusted EBITDA, as well as continued momentum in the business, management is raising the financial outlook for the year ending December 31, 2021.

The financial outlook is fully qualified and based on a number of assumptions described under the heading “Forward-Looking Information” of this MD&A, and does not include the pending acquisitions of Mazooma and Simplex.

(In U.S. dollars)	Three months ending	Year ending	
	June 30, 2021	December 31, 2021	
	\$	Previous	Updated
Total Volume (a) (in billions)	21 - 22	81 - 87	83 - 89
Revenue (in millions)	153 - 159	570 - 600	610 - 640
Adjusted EBITDA (b) (in millions)	66 - 70	252 - 265	264 - 277

- (a) Total volume does not represent revenue earned by the Company, but rather the total dollar value of transactions processed by merchants under contractual agreement with the Company. Total volume is explained in “Key Performance Indicator”.
- (b) Adjusted EBITDA is a non-IFRS measure. See “Non-IFRS Measures”.

Summary of Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below in the section entitled “Risks Relating to Our Business and Industry” of our AIF.

Growth with our Existing Merchants. Our success is directly correlated with our merchants’ success. We focus on the high-growth mobile and eCommerce markets and we will grow alongside our existing merchants as they grow their business and expand into new markets. In addition, our existing customers represent a significant opportunity to cross-sell and up-sell products and services with limited incremental sales and marketing expenses. As our merchants increase their business volume, we can offer more solutions from our Native Commerce Platform. Our future revenue growth and achieving and maintaining profitability is dependent upon our ability to maintain existing customer relationships and to continue to expand our customers’ use of our comprehensive suite of solutions.

Ability to Acquire New Merchants and Partners. Our future revenue growth will also largely depend upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We have significant sales and marketing experience in capturing and serving SMBs in North America and large enterprises in Europe. We intend to leverage this experience and enable merchant base expansion by targeting large enterprises in North America, with a focus in the mobile commerce and eCommerce channels. We also plan to expand and deepen our footprint in geographies where we have an emerging presence today, such as Asia Pacific and Latin America. Key to our success in achieving merchant base expansion is continued investment in our direct sales team and further leveraging our broad and diversified network of distribution partners.

Investment in our Technology and Product Portfolio. We believe our technology-first culture enables us to enhance our offerings to remain at the forefront of payments innovation. Specifically, our Native Commerce Platform enables us to deliver comprehensive payments and technology solutions to power a convenient and secure transaction

experience for our merchants and their customers. Further investment in this platform is necessary to expand and keep technologically current our portfolio of services to our merchants. Close collaboration with our merchants through ongoing communication and feedback loop is also key, as it enables a better design and delivery of solutions that meet their specific and evolving needs.

Ability to Maintain and Add to our Acquiring Banks Relationships. We have built strong relationships with acquiring banks in North America. The maintenance and/or expansion of these relationships and strong collaboration on maintaining adequate procedures in monitoring the risk profile of our merchant base will be a key enabler in the pursuit of our growth strategies.

Adapt to Regulatory Changes. The nature of our product and services offerings necessitates that we adhere to strict regulatory regimes in the countries that we operate. Our operational teams are fully versed in the varying regulatory requirements. As regulations change, we will continue to upskill and modify, as appropriate, our merchant underwriting, risk management, know your client and anti money laundering capabilities, in as seamless as possible a manner to minimize disruption to our merchants' businesses.

Successful Execution on Recent and Future Acquisitions. We intend to augment our organic growth with strategic and tactical acquisitions. Critical to our success is continuing to be highly disciplined in integrating recent acquisitions, such as the Smart2Pay and Base Commerce acquisitions, and future acquisitions into our Company in a manner that allows us to fulfill the potential that these acquisitions bring.

Economic Conditions and Resulting Consumer Spending Trends. Changes in macro-level consumer spending trends, including COVID-19, could affect the total volume processed on our platform, thus resulting in fluctuations in our revenue.

Key Components of Results of Operations

Revenue

Merchant Transaction and Processing Services. Revenue from the Company's merchant transaction and processing services revenue are derived primarily from eCommerce payment processing services, and stem from relationships with individual merchants. Additionally, transaction and processing services revenue stem from contracts with financial institutions and other merchant acquirers, the terms of which generally range from three to five years. The contracts stipulate the types of services and set forth how fees will be incurred and calculated. Merchant transaction and processing services revenue are generated from processing electronic payment transactions for merchants.

The Company's transaction and processing revenue is primarily comprised of (a) fees calculated based on a percentage of monetary value of transactions processed; (b) fees calculated based on number of transactions processed; (c) service fees; or (d) some combination thereof that are associated with transaction and processing services.

The Company presents revenue net of the interchange fees charged by the card issuing financial institutions and the fees charged by the payment networks.

Other Revenue. The Company may sell hardware ("point-of-sale equipment") as part of its contracts with customers. Hardware consists of terminals or gateway devices. The Company does not manufacture hardware but purchases hardware from third party vendors and holds the hardware in inventory until purchased by a customer.

For more information on our revenue recognition policies, refer to Note 3 of the annual consolidated financial statements for the year ended December 31, 2020 (the "Consolidated Financial Statements").

Cost of Revenue

Processing costs. Processing fees consist of fees paid to processing suppliers. When we are the primary obligor providing payment processing services, we record processing fees paid to processing suppliers as a cost of revenue. If we are not the primary obligor providing payment processing services, processing fees are netted from the revenue recorded for such transaction and we do not record separate processing fees as a cost of revenue.

Costs of goods sold. Costs of goods sold consist primarily of costs associated with selling point-of-sale equipment, such as the cost of acquiring the equipment, including purchase price, expenses associated with a third-party fulfillment company, shipping, handling and inventory adjustments.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses primarily represent the amounts associated with (i) commissions, (ii) depreciation and amortization, and (iii) employee compensation.

Commissions. Commissions are comprised of incentives paid to third party agents for referring merchants.

Depreciation. Depreciation consists of depreciation of property and equipment, primarily terminals, office and computer equipment, furniture and fixtures, leasehold improvements and right of use assets over buildings. We calculate depreciation using the straight-line method over the useful life of the relevant asset or over the remaining lease term, as applicable.

Amortization. Amortization consists primarily of amortization of intangible assets, which consist of internally generated and externally purchased software that is used in providing processing services to customers. It also includes trademarks, technologies and partner and merchant relationships, that are acquired by the Company. These intangible assets are amortized on a straight-line basis over the course of the relevant asset's useful life.

Employee compensation. Employee compensation consists of salaries and compensation (excluding share-based payments) earned by our employees. Employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, operations, as well as various business support functions.

Selling, general and administrative expenses also consists of transaction losses, professional fees, share-based payments, contingent consideration adjustments and other expenses.

We anticipate increases in general and administrative expenses as we incur the costs of compliance associated with being a public company, including increased accounting and legal expenses. Please refer to the section entitled "Risks Relating to Regulation" of our AIF.

Net Finance Costs

Net finance costs primarily represent amounts associated with:

Interest on loans and borrowings Interest expense consists primarily of interest incurred on (i) term loans outstanding under the credit facilities and (ii) unsecured convertible debenture issued by the Company to certain of its shareholders as part of the SafeCharge acquisition, which were partially redeemed in December 2019 and the remainder converted into shares or redeemed with the IPO proceeds.

Interest income on advances to third parties. Commencing in Fiscal 2018, the Company issued advances to a third-party independent sales organization. Under the agreements with the third-party independent sales organization, the Company acquired the rights to cash flows from a portfolio of merchant contracts. The agreements provide for minimum guaranteed payments for the first three years. After the first three years, the portfolio of merchants is fixed,

and the cash flows are no longer guaranteed at which point the receipts will flow through the consolidated statement of profit or loss.

Loss (gain) on foreign currency exchange.

Our Canadian subsidiary, which has Canadian dollars as its functional currency, has U.S.- denominated debt and intercompany loans. These items are translated into the Canadian functional currency using the exchange rates prevailing at the date of the transactions or when items are re-measured at the end of the reporting period. The resulting gains and losses subsequently being recognized are recorded in loss (gain) on foreign currency exchange.

Income tax expense

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Results of Operations

The following table outlines our consolidated profit or loss and comprehensive income or loss information for the three months ended March 31, 2021 and 2020:

(In thousands of U.S. dollars except for share and per share amounts)	Three months ended	
	2021	2020
	March 31	March 31
	\$	\$
Revenue	149,895	83,239
Cost of revenue	28,979	15,168
Gross profit	120,916	68,071
Selling, general and administrative expenses	86,056	54,866
Operating profit	34,860	13,205
Finance income	(859)	(1,346)
Finance costs	3,315	31,259
Net finance costs	2,456	29,913
Loss (gain) on foreign currency exchange	(445)	45,719
Income (loss) before income tax	32,849	(62,427)
Income tax expense (recovery)	5,059	(84)
Net income (loss)	27,790	(62,343)
Other comprehensive income (loss)		
Foreign operations – foreign currency translation differences	(14,849)	39,667
Comprehensive income (loss)	12,941	(22,676)
Net income (loss) attributable to:		
Common shareholders of the Company	26,814	(62,593)
Non-controlling interest	976	250
	<u>27,790</u>	<u>(62,343)</u>
Comprehensive income (loss) attributable to:		
Common shareholders of the Company	11,965	(22,926)
Non-controlling interest	976	250
	<u>12,941</u>	<u>(22,676)</u>
Weighted average number of common shares outstanding^(a)		
Basic	138,201,970	84,604,769
Diluted	142,741,312	84,604,769
Net income (loss) per share attributable to common shareholders of the Company		
Basic and Diluted	0.19	(0.74)

(a) The weighted average number of common shares outstanding for the three months ended March 31, 2020 has been adjusted to take into consideration the Reorganization discussed in Note 17 of the Consolidated Financial Statements.

Results of Operations for the Three Months Ended March 31, 2021 and 2020

Revenue

(In thousands of U.S. dollars, except for percentages)	Three months ended March 31		Change \$	Change %
	2021	2020		
Revenue	149,895	83,239	66,656	80%

For the three months ended March 31, 2021, revenue increased by \$66.7 million or 80% as compared to the three months ended March 31, 2020. The increase is due to total volume growth driven by organic growth and due to the Smart2Pay acquisition in November 2020 and the Base Commerce acquisition in January 2021.

Total volume increased from \$8.9 billion in the three months ended March 31, 2020 to \$20.6 billion in the three months ended March 31, 2021, an increase of \$11.7 billion or 132%.

On a combined basis as if the Smart2Pay and Base Commerce acquisitions had occurred on January 1, 2020, total volume would have been \$20.6 billion in the three months ended March 31, 2021, compared to \$13.5 billion in the three months ended March 31, 2020, an increase of \$7.1 billion or 53%.

Assuming the Smart2Pay acquisition and Base Commerce acquisition had occurred on January 1, 2020, revenue would have been \$149.9 million for the three months ended March 31, 2021, compared to a proforma revenue of \$104.0 million for the three months ended March 31, 2020, an increase of \$45.9 million or 44%.

Cost of Revenue

(In thousands of U.S. dollars, except for percentages)	Three months ended March 31		Change	Change
	2021	2020		
Cost of revenue	\$ 28,979	\$ 15,168	\$13,811	91%
As a percentage of revenue	19.3%	18.2%		

For the three months ended March 31, 2021, cost of revenue increased by \$13.8 million or 91% as compared to the three months ended March 31, 2020 due to an increase of \$14.5 million in processing costs, partly offset by a decrease in cost of goods sold of \$0.7 million.

The increase in processing costs is primarily driven by organic growth and the inclusion of Smart2Pay as of November 2020 and Base Commerce as of January 2021. Cost of revenue as a percentage of revenue increased from 18.2% for the three months ended March 31, 2020 to 19.3% for the three months ended March 31, 2021 due to Smart2Pay having a higher cost of revenue than Nuvei's operation in the North American market due to costs associated with its merchant servicing model.

Selling, General and Administrative expenses

(In thousands of U.S. dollars, except for percentages)

	<u>Three months ended March 31</u>		<u>Change</u>	<u>Change</u>
	<u>2021</u>	<u>2020</u>		
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>%</u>
Selling, General and Administrative expenses				
Commissions	26,573	16,413	10,160	62
Depreciation and amortization	20,998	17,313	3,685	21
Employee compensation	21,023	14,154	6,869	49
Professional fees	6,920	1,793	5,127	286
Share-based payments	4,105	333	3,772	n.m.
Other	6,437	4,860	1,577	32
	<u>86,056</u>	<u>54,866</u>	<u>31,190</u>	<u>57</u>

For the three months ended March 31, 2021, selling, general and administrative expenses increased by \$31.2 million or 57% as compared to the three months ended March 31, 2020 primarily due to the following:

Commissions. During the three months ended March 31, 2021, commission expense increased by \$10.2 million or 62% as compared to the three months ended March 31, 2020. The increase was primarily due to the acquisition of Base Commerce in January 2021, and an increase in volume subject to commission.

Depreciation and amortization. Depreciation of property and equipment expenses and amortization of intangible assets for the three months ended March 31, 2021 increased by \$3.7 million or 21% as compared to the three months ended March 31, 2020. The increase was primarily due to a higher amortization of technologies as well as partner and merchant relationships intangible assets related to the Smart2Pay and Base Commerce acquisitions.

Employee compensation. During the three months ended March 31, 2021, employee compensation increased by \$6.9 million or 49% as compared to the three months ended March 31, 2020. The inclusion of Smart2Pay and Base Commerce resulted in an increase in headcount. The employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, human resources, and administration.

Professional fees. For the three months ended March 31, 2021, professional fees increased by \$5.1 million as compared to the three months ended March 31, 2020. The increase was primarily due to costs related to acquisition activities as well as acquisition and integration costs related to Base commerce.

Share based payments. For the three months ended March 31, 2021, share-based payments increased by \$3.7 million as compared to the three months ended March 31, 2020. This was primarily driven by options granted under the Omnibus Incentive Plan as part of the Company's IPO in September 2020.

Other. For the three months ended March 31, 2021, other expenses increased by \$1.6 million compared to the three months ended March 31, 2020 primarily due to higher transaction losses.

Net Finance Costs

(In thousands of U.S. dollars, except for percentages)	Three months ended March 31		Change \$	Change %
	2021 \$	2020 \$		
Net finance costs				
Finance income				
Interest on advances to third parties	(859)	(1,346)	487	(36)
Finance costs				
Interest on loans and borrowings and unsecured debentures	3,170	19,591	(16,421)	(84)
Change in redemption amount of shares	—	11,636	(11,636)	n.m.
Other	145	32	113	353
	<u>2,456</u>	<u>29,913</u>	<u>(27,457)</u>	<u>(92)</u>

During the three months ended March 31, 2021, net finance costs decreased by \$27.5 million as compared to the three months ended March 31, 2020. The decrease was primarily due to the following items:

Interest on loans and borrowings and unsecured debentures. The decrease of \$16.4 million was mainly due to a decrease of \$12.3 million in interest expense on loans and borrowings and \$4.1 million on unsecured debentures. This was due to the accelerated repayment of loans and borrowings and unsecured debentures in September 2020 following the IPO.

Change in redemption amount of shares. The decrease of \$11.6 million was primarily due to the revaluation of liability classified Class A common shares in 2020. As part of the IPO, such shares were converted into equity as Subordinate Voting Shares.

Loss (gain) on foreign currency exchange

(In thousands of U.S. dollars, except for percentages)	Three months ended March 31		Change \$	Change %
	2021 \$	2020 \$		
Loss (gain) on foreign currency exchange	(445)	45,719	(46,164)	n.m.

Gain on foreign currency exchange for the three months ended March 31, 2021 was \$0.4 million compared to a loss of \$45.7 million for the three months ended March 31, 2020. This was due to lower foreign currency exposure following the September 2020 accelerated repayment of the U.S. denominated debt held in our Canadian subsidiary.

Income Taxes

(In thousands of U.S. dollars, except for percentages)	Three months ended March 31		Change \$	Change %
	2021 \$	2020 \$		
Income tax expense (recovery)	5,059	(84)	5,143	n.m.

Income tax expense for the three months ended March 31, 2021 was \$5.1 million on income before income tax of \$31.9 million, representing an effective tax rate of 15.9% for the period.

Summary of Quarterly Results and Trend Analysis

(In thousands of U.S. dollars except for per share amounts)	Three months ended							
	Mar. 31, 2021 \$	Dec. 31, 2020 \$	Sept. 30, 2020 \$	Jun. 30, 2020 \$	Mar. 31, 2020 \$	Dec. 31, 2019 \$	Sept. 30, 2019 \$	Jun. 30, 2019 \$
Revenue	149,895	115,906	93,755	83,325	83,239	79,659	71,239	50,760
Cost of revenue	28,979	23,521	17,007	13,561	15,168	13,074	12,174	8,141
Gross profit	120,916	92,385	76,748	69,764	68,071	66,585	59,065	42,619
Selling, general and administrative expenses	86,056	68,434	60,776	50,893	54,866	54,680	63,050	39,348
Operating profit (loss)	34,860	23,951	15,972	18,871	13,205	11,905	(3,985)	3,271
Finance income	(859)	(1,257)	(1,375)	(1,449)	(1,346)	(1,130)	(1,532)	(1,404)
Finance costs	3,315	2,494	101,255	24,083	31,259	30,997	60,174	7,311
Net finance costs	2,456	1,237	99,880	22,634	29,913	29,867	58,642	5,907
Loss (gain) on foreign currency exchange	(445)	1,029	(9,544)	(18,286)	45,719	(10,725)	2,020	(660)
Income (loss) before income tax	32,849	21,685	(74,364)	14,523	(62,427)	(7,237)	(64,647)	(1,976)
Income tax expense (recovery)	5,059	(892)	3,505	558	(84)	(4,160)	1,049	(575)
Net income (loss)	27,790	22,577	(77,869)	13,965	(62,343)	(3,077)	(65,696)	(1,401)
Net income (loss) per share attributable to common shareholders of the Company								
Basic	0.19	0.16	(0.88)	0.16	(0.74)	(0.05)	(1.10)	(0.02)
Diluted	0.19	0.16	(0.88)	0.15	(0.74)	(0.05)	(1.10)	(0.02)
Adjusted EBITDA (a)	65,462	51,313	40,991	37,390	33,288	31,942	25,767	15,359
Adjusted net income (a)	51,161	46,492	16,455	16,259	9,780	5,364	2,192	7,816
Adjusted net income per share attributable to common shareholders of the Company(a)								
Basic	0.36	0.34	0.18	0.18	0.11	0.06	0.03	0.13
Diluted	0.35	0.33	0.17	0.18	0.11	0.06	0.03	0.12

(a) These amounts are non-IFRS measures. See “Non-IFRS Measures” section.

Quarterly Trend Analysis

The quarterly increase in revenue was due to total volume organic growth as well as from acquisitions (SafeCharge in August 2019, Smart2Pay in November 2020 and Base Commerce in January 2021).

The quarterly increase in cost of revenue is due to organic growth as well as acquisitions.

The quarterly increase in selling, general and administrative expenses is due to organic growth, acquisitions, as well as higher share-based payment due to the accelerated vesting of the Legacy Option Plan stock options and options granted under the Omnibus Incentive Plan as part of the Company's IPO in September 2020.

Liquidity and Capital Resources

Overview

Our financial condition and liquidity are and will continue to be influenced by a variety of factors, including:

- Our ability to generate cash flows from our operations;
- The level of our outstanding indebtedness and the interest we are obligated to pay on this indebtedness; and
- Our capital expenditure requirements.

The general objectives of our capital management strategy are to ensure sufficient liquidity to pursue our organic growth strategy and undertake selective acquisitions, while maintaining a strong credit profile and a capital structure that maintains total leverage ratio within the limits set in the credit facilities.

Our primary source of liquidity is cash from operations and debt and equity financing. Our principal liquidity needs include investment in our product and technology and selective acquisitions, as well as operations, selling and general and administrative expenses and debt service.

The Company's capital is composed of net debt and shareholders' equity. Net debt consists of interest-bearing debt less cash. The Company's use of capital is to finance working capital requirements, capital expenditures and business acquisitions. The Company funds those requirements out of its internally generated cash flows and funds drawn from its long-term credit facilities.

The primary measure used by the Company to monitor its financial leverage is its total leverage ratio, defined as the ratio of consolidated net debt outstanding to consolidated Adjusted EBITDA, calculated in accordance with the terms of the credit agreement. Under its credit facility, the Company must maintain a total leverage ratio of less than or equal to 8.00 : 1.00. As at March 31, 2021, the Company was in compliance with this requirement.

In addition to the cash balances, as at March 31, 2021 the Company had a \$100.0 million revolving credit facility available to be drawn to meet ongoing working capital requirements. As at March 31, 2021 the Company had letters of credit facilities issued totalling \$37.6 million, which represents usage on the revolving credit facility. After the quarter, the letters of credit were transferred to a new facility resulting in the \$100.0 million revolving credit facility being fully available.

On December 7, 2020, Nuvei filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. The base shelf prospectus will allow Nuvei and certain of its security holders to qualify the distribution by way of prospectus in Canada of up to US \$850.0 million of subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, during the 25-month period that the base shelf prospectus is effective. The amount available under the base shelf prospectus has been decreased by the amount of the secondary offering described below.

On March 24, 2021, Nuvei closed a secondary offering on a bought deal basis by funds managed by Novacap Management Inc., Whiskey Papa Fox Inc., a holding company controlled by Philip Fayer, our Chair and Chief Executive Officer, CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec, and David Schwartz, our Chief Financial Officer (together the "Selling Shareholders") of an aggregate of 9,169,387 Subordinate Voting Shares, at a purchase price of \$60.22 per Subordinate Voting Share for total gross proceeds to the Selling Shareholders of approximately \$552.0 million. This offering resulted in the conversion of 9,169,387 multiple voting shares of the Company (the "Multiple Voting Shares") in to Subordinate Voting Shares on a one for one basis and had no impact on the Company's liquidity and capital position.

We believe that our available cash, cash flows generated from operations, loans and borrowings available to us will be sufficient to meet our projected operating and capital expenditure requirements for at least the next 12 months.

Cash Flows

(In thousands of U.S. dollars, except for percentages)	Three months ended March 31		Change	Change
	2021	2020	\$	%
	\$	\$	\$	%
Cash flow from (used in):				
Operating Activities	53,403	(566)	53,969	n.m.
Investing Activities	(90,281)	(5,565)	(84,716)	n.m.
Financing Activities	336	21,963	(21,627)	(98)
Effect of foreign currency exchange on cash	284	(401)	685	(171)
Net increase (decrease) in cash	(36,258)	15,431	(51,689)	(335)
Cash—end of period	144,464	75,503	68,961	91

Cash Flows From (Used in) Operating Activities

For the quarter ended March 31, 2021, \$53.4 million of cash was generated from operating activities compared to a use of \$0.6 million for the quarter ended March 31, 2020. The increase was partly due to the total volume growth driven by organic growth and acquisitions. As well, interest and income taxes paid totalled \$3.8 million for the quarter ended March 31, 2021 compared to \$16.3 million for the quarter ended March 31, 2020, a decrease of \$12.4 million.

Cash Flows From (Used in) Investing Activities

For the quarter ended March 31, 2021, \$90.3 million of cash was used in investing activities. This resulted primarily from the acquisition of Base Commerce for \$88.9 million (net of cash acquired and contingent consideration). For the year ended March 31, 2020, \$5.6 million of cash was used in investing activities.

Cash Flows From (Used in) Financing Activities

For the quarter ended March 31, 2021, \$0.3 million of cash was generated from financing activities mainly reflecting proceeds from issuance of shares pursuant to exercise of stock options. For the quarter ended March 31, 2020, cash from financing activities mainly reflected net proceeds from loans and borrowings.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements. We may, from time to time, be contingently liable with respect to litigation and claims that arise in the normal course of operations.

Related Party Transactions

We have no related party transactions, other than those noted in the Interim Financial Statements.

Financial Instruments and Other Instruments

In the ordinary course of its business activities, the Company is exposed to various market risks that are beyond its control, including fluctuations in foreign exchange rates and interest rates, and that may have an adverse effect on the value of its financial assets and liabilities, future cash flows and profit. Its policy with respect to these market risks is to assess the potential of experiencing losses and the consolidated impact thereof, and to mitigate these market risks as is deemed appropriate. (Please refer to the “Risks Relating to Our Business and Industry” section of the AIF.)

Credit and Concentration Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash, trade and other receivables, advances to third parties, segregated funds and processor deposits. The carrying amounts of these financial assets represent the maximum credit exposure.

Cash and processor deposits

The credit risk associated with cash, segregated funds and processor deposits is limited because they are maintained only with highly rated large financial institutions.

Trade and other receivables

The Company provides credit to its customers in the normal course of business. The Company evaluates the creditworthiness of the corresponding counterparties at least at the end of each reporting period and on a specific circumstance basis. The Company's extension of credit to customers involves considerable judgment and is based on an evaluation of each customer's financial condition and payment history. The Company has established various internal controls designed to mitigate credit risk, including credit limits and payment terms that are reviewed and approved by the Company. Any impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

There is a concentration of credit risk as of March 31, 2021, with respect to the Company's receivables from its main processors, which represented approximately 33% (March 31, 2020 – 58%) of trade and other receivables.

Advances to third parties

The credit risk associated with the advances to third parties is limited because the advances are repaid by financial institutions when the Company becomes entitled to payment under the agreements.

Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the U.S. dollar. Fluctuations related to foreign exchange rates could cause unforeseen fluctuations in the Company's operating results. The Company does not currently enter into arrangements to hedge its foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company does not account for any fixed interest-rate financial assets or financial liabilities at fair value through profit or loss.

All loans and borrowings bear interest at floating rates, and the Company is therefore exposed to the cash flow risk resulting from interest rate fluctuations.

Critical Accounting Policies and Estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of

assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, judgments and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Critical judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Interim Financial Statements include the following:

Revenue Recognition. The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocations between identified performance obligations, the use of appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligations satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgment and use of assumptions. In addition, the Company has applied judgment in assessing the principal versus agent considerations for its transaction and processing services.

Determining the fair value of identifiable intangible assets following a business combination. The Company uses valuation techniques to determine the fair value of identifiable intangible assets acquired in a business combination, which are generally based on a forecast of total expected future net discounted cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the related assets and the discount rate applied as it would be assumed by a market participant.

Recoverable Amount of Goodwill. Our impairment test for goodwill is based on internal estimates of fair value less costs of disposal calculations and uses valuation models such as the discounted cash flows model. Key assumptions on which management has based its determination of fair value less costs of disposal include estimated growth rates, discount rates and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

Provisions for Losses on Merchant Accounts. Disputes between a cardholder and a merchant arise periodically, primarily as a result of customer dissatisfaction with merchandise quality or merchant services. Such disputes may not be resolved in the merchant's favor. In these cases, the transaction amount is refunded to the customer by the card issuing financial institution, but the financial institution is refunded by the Company. The Company then charges back to the merchant the amount refunded to the financial institution. As such, the Company is exposed to credit risk in relation to the merchant since the Company assumes the repayment to the merchant's customer for the full amount of the transaction even if the merchant has insufficient funds to reimburse the Company. A provision for losses on merchant accounts is maintained to absorb chargebacks for merchant transactions that have been previously processed and on which revenues have been recorded. The provision for losses on merchant accounts specifically comprises identifiable provisions for merchant transactions for which losses can be estimated. Management evaluates the risk for such transactions and estimates the loss for disputed transactions based primarily on historical experience and other relevant factors. Management analyzes the adequacy of its provision for losses on merchant accounts in each reporting period.

Recoverable amount of tax balances for recognition of tax assets. Deferred income tax assets reflect management's estimate of operations of future fiscal years, timing of reversal of temporary differences and tax rates on the date of reversals, which may well change depending on governments' fiscal policies. Management must also assess whether it is more likely than not that deferred income tax assets will be realized and determine whether a valuation allowance is required on all or a portion of deferred income tax assets.

Fair Value of Share-based Payment Transactions. The Company recognized compensation expense as a result of equity-settled share-based payment transactions which are valued by reference to the fair value of the related instruments. Fair value of options granted was estimated using the Black-Scholes option pricing model. The risk-free interest rate is based on the yield of a zero coupon U.S. government security with a maturity equal to the expected life of the option from the date of the grant. The assumption of expected volatility is based on the average historical volatility of comparable companies for the period immediately preceding the option grant. The Company does not

anticipate paying any cash dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero in the option-pricing model.

Recently Issued Accounting Standards Not Yet Adopted

The IASB has issued new standards and amendments to existing standards which will be applicable to the Company beginning on January 1, 2022. There has been no significant updates to the standards and interpretations issued but not yet adopted described in the Note () of the Consolidated Financial Statements and the Interim Financial Statements.

Outstanding Share Data

Our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, of which 55,844,914 were issued and outstanding as of May 7, 2021, (ii) an unlimited number of Multiple Voting Shares, of which 82,728,420 were issued and outstanding as of May 7, 2021, and (iii) an unlimited number of Preferred Shares, issuable in series, none of which were outstanding as of May 7, 2021. The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable securities laws in Canada.

As of May 7, 2021, there were 3,219,460 options outstanding under the Company’s legacy stock option plan dated September 21, 2017 and 3,451,694 options outstanding under the Company’s Amended and Restated Omnibus Incentive Plan. Each such option is or may become exercisable for one subordinate Voting Shares.

As of May 7, 2021, there were 6,270 Deferred Share Units (“DSUs”) and 141,122 Performance Share Units (“PSUs”) outstanding under the Company’s Amended and Restated Omnibus Incentive Plan.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”) are designed to provide reasonable assurance that information required to be disclosed in documents filed with the securities regulatory authorities are recorded, processed, summarized and reported in a timely fashion. The DC&P are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company’s management to ensure timely decisions regarding required disclosure. The Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), along with Management, have evaluated and concluded that the Company’s DC&P at March 31, 2021 provide reasonable assurance that significant information relevant to the Company, including information relating to its subsidiaries, is reported to them during the preparation of document filed with the securities regulatory authorities.

Internal Controls over Financial Reporting

The CEO and CFO are responsible for establishing and maintaining internal controls over financial reporting. The Company’s internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework that the CEO and CFO used to design the Company’s internal controls over financial reporting is recognized by the Committee of Sponsoring Organizations of the Treadway Commission. The CEO and CFO have evaluated, or caused to be evaluated under their supervision, whether there were changes to its internal controls over financial reporting during the period ended March 31, 2021 that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting. No such required changes were identified through their evaluation.

Limitations of Controls and Procedures

Management, including the CEO and CFO, believe that any DC&P or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the reality that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Limitation on Scope of Design

The scope of design of internal controls over financial reporting and DC&P excluded the controls, policies, and procedures of Smart2Pay, which was acquired on November 2, 2020, and Base Commerce, which was acquired on January 1, 2021. On a combined basis, these entities' contributions to our consolidated statements of profit of loss and comprehensive income or loss for the three months ended March 31, 2021 was approximately 19% of total revenues. Additionally, as at March 31, 2021, these entities' current assets and current liabilities, on a combined basis, represented were approximately 22% and 14% of, respectively, our consolidated current assets and current liabilities, and combined non-current assets, which includes intangible assets and goodwill from these acquisitions, represented approximately 24% of our consolidated non-current assets. The amounts recognized for the assets acquired and liabilities assumed as at the date of these acquisition are described in Note 4 of the Consolidated Financial Statements and the Interim Financial Statements.

Additional Information

Additional information relating to the Company, including the Consolidated Financial Statements, the Interim Financial Statements and the AIF is available on SEDAR at www.sedar.com.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Name and Address of Company

Nuvei Corporation (“**Nuvei**” or the “**Company**”)
1100 René-Lévesque Boulevard West, Suite 900
Montreal, Quebec
H3B 4N4

Item 2 – Date of Material Change

June 7, 2021

Item 3 – News Release

A news release was disseminated over Globe Newswire on June 7, 2021.

Item 4 – Summary of Material Change

On June 7, 2021, Nuvei announced the closing of the previously announced secondary offering on a bought deal basis of an aggregate of 7,165,378 subordinate voting shares of the Company at a purchase price of US\$69.78 per subordinate voting share for total gross proceeds to the selling shareholders of approximately US\$500 million.

Item 5 – Full Description of Material Change**5.1 Full Description of Material Change**

On June 7, 2021, Nuvei announced the closing of the previously announced secondary offering on a bought deal basis of an aggregate of 7,165,378 subordinate voting shares of the Company at a purchase price of US\$69.78 per subordinate voting share for total gross proceeds to the selling shareholders of approximately US\$500 million (the “**Offering**”).

Goldman Sachs Canada Inc., Credit Suisse, National Bank Financial Inc. and Scotiabank acted as joint bookrunners for the Offering. BMO Capital Markets, Merrill Lynch Canada Inc., Citigroup Global Markets Canada Inc., RBC Capital Markets, Canaccord Genuity Corp., Raymond James Ltd. and Stifel Nicolaus Canada Inc. also acted as underwriters for the Offering (collectively, the “**Underwriters**”).

As part of the Offering, the selling shareholders (except the management shareholders) granted the Underwriters an option, exercisable, in whole or in part, at any time until July 7, 2021, to purchase up to an additional 15% of the Offering at the offering price to cover over-allotments.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 – Omitted Information

Not applicable.

Item 8 – Executive Officer

David Schwartz
Chief Financial Officer
(514) 313-1190

Item 9 – Date of Report

June 17, 2021.



Payment Technology Partner

Condensed Interim Consolidated Financial Statements

Nuvei Corporation

(Unaudited)

For the three and six months ended June 30, 2021 and 2020

(in thousands of US dollars)

Nuvei Corporation
Consolidated Statements of Financial Position
(Unaudited)

(in thousands of US dollars)

	<u>Notes</u>	<u>June 30, 2021 \$</u>	<u>December 31, 2020 \$</u>
Assets			
Current assets			
Cash		533,688	180,722
Trade and other receivables	5	40,806	32,055
Inventory		344	80
Prepaid expenses		5,186	4,727
Income taxes receivable		8,779	6,690
Current portion of advances to third parties	6	6,694	8,520
Current portion of contract assets		1,698	1,587
Total current assets before segregated funds		597,195	234,381
Segregated funds		610,347	443,394
Total current assets		1,207,542	677,775
Non-current assets			
Advances to third parties	6	28,104	38,478
Property and equipment		16,316	16,537
Intangible assets	4	556,638	524,232
Goodwill	4	995,155	969,820
Deferred tax assets		9,517	3,785
Contract assets		1,019	1,300
Processor deposits		5,454	13,898
Other non-current assets		1,987	1,944
Total Assets		<u>2,821,732</u>	<u>2,247,769</u>

Nuvei Corporation
Consolidated Statements of Financial Position
(Unaudited)

(in thousands of US dollars)

	Notes	June 30, 2021 \$	December 31, 2020 \$
Liabilities			
Current liabilities			
Trade and other payables	7	91,906	64,779
Income taxes payable		17,152	7,558
Current portion of loans and borrowings	8	7,228	2,527
Other current liabilities		8,067	7,132
Total current liabilities before due to merchants		124,353	81,996
Due to merchants		610,347	443,394
Total current liabilities		734,700	525,390
Non-current liabilities			
Loans and borrowings	8	501,993	212,726
Deferred tax liabilities		47,077	50,105
Other non-current liabilities		6,478	1,659
Total Liabilities		1,290,248	789,880
Equity			
Equity attributable to shareholders			
Share capital	9	1,631,777	1,625,785
Contributed surplus		24,084	11,966
Deficit		(146,398)	(211,042)
Accumulated other comprehensive income		11,931	22,470
		1,521,394	1,449,179
Non-controlling interest		10,090	8,710
Total Equity		1,531,484	1,457,889
Total Liabilities and Equity		2,821,732	2,247,769
Contingencies	17		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Nuvei Corporation

Consolidated Statements of Profit or Loss and Comprehensive Income or Loss
(Unaudited)

For the three and six months ended June 30

(in thousands of US dollars, except for share and per share amounts)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2021 \$	2020 \$	2021 \$	2020 \$
Revenue	10	178,239	83,325	328,719	166,564
Cost of revenue	10	33,124	13,561	60,308	28,729
Gross profit		145,115	69,764	268,411	137,835
Selling, general and administrative expenses	10	95,870	50,893	184,306	105,759
Operating profit		49,245	18,871	84,105	32,076
Finance income	11	(912)	(1,449)	(1,771)	(2,795)
Finance costs	11	3,432	24,083	6,747	55,342
Net finance costs		2,520	22,634	4,976	52,547
Loss (gain) on foreign currency exchange		1,691	(18,286)	1,246	27,433
Income (loss) before income tax		45,034	14,523	77,883	(47,904)
Income tax expense		6,120	558	11,179	474
Net income (loss)		38,914	13,965	66,704	(48,378)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		4,310	(16,357)	(10,539)	23,310
Comprehensive income (loss)		43,224	(2,392)	56,165	(25,068)
Net income (loss) attributable to:					
Common shareholders of the Company		37,830	13,216	64,644	(49,377)
Non-controlling interest		1,084	749	2,060	999
		<u>38,914</u>	<u>13,965</u>	<u>66,704</u>	<u>(48,378)</u>
Comprehensive income (loss) attributable to Common shareholders of the Company					
Common shareholders of the Company		42,140	(3,141)	54,105	(26,067)
Non-controlling interest		1,084	749	2,060	999
		<u>43,224</u>	<u>(2,392)</u>	<u>56,165</u>	<u>(25,068)</u>
Net income (loss) per share					
12					
Net income (loss) per share attributable to common shareholders of the Company					
Basic		0.27	0.16	0.47	(0.58)
Diluted		0.26	0.15	0.45	(0.58)
Weighted average number of common shares outstanding					
Basic		138,719,227	84,606,171	138,462,027	84,605,470
Diluted		143,265,259	86,992,447	142,991,370	84,605,470

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Nuvei Corporation

Consolidated Statements of Cash Flows

(Unaudited)

For the six months ended June 30

(in thousands of US dollars)

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Net income (loss)		66,704	(48,378)
Adjustments for:			
Depreciation of property and equipment		2,780	2,702
Amortization of intangible assets		38,958	31,631
Amortization of contract assets		1,017	1,076
Share-based payments		9,058	735
Net finance costs	11	4,976	52,547
Loss on foreign currency exchange		1,246	27,433
Impairment on disposal of a subsidiary	4b	—	487
Income tax expense		11,179	474
Changes in non-cash working capital items	16	14,265	(6,138)
Interest paid		(5,435)	(29,424)
Income taxes paid		(5,754)	(304)
		<u>138,994</u>	<u>32,841</u>
Cash flows from (used in) investing activities			
Business acquisitions, net of cash acquired	4a	(88,930)	—
Proceeds from the sale of a subsidiary, net of cash	4b	—	18,896
Decrease in other non-current assets		9,787	321
Net decrease (increase) in advances to third parties	6	5,982	(473)
Acquisition of property and equipment		(2,419)	(1,292)
Acquisition of intangible assets		(8,706)	(6,842)
		<u>(84,286)</u>	<u>10,610</u>
Cash flows from (used in) financing activities			
Transaction costs related to loans and borrowings		(5,373)	(452)
Proceeds from exercise of stock options	9	3,968	—
Proceeds from issuance of share capital		—	150
Proceeds from loans and borrowings	8	300,000	56,999
Repayment of loans and borrowings		—	(84,185)
Payment of lease liabilities		(1,327)	(1,218)
Dividend paid by subsidiary to non-controlling interest		(680)	(400)
		<u>296,588</u>	<u>(29,106)</u>
Effect of movements in exchange rates on cash		<u>1,670</u>	<u>806</u>
Net increase in cash		352,966	15,151
Cash – Beginning of period		<u>180,722</u>	<u>60,072</u>
Cash – End of period		<u><u>533,688</u></u>	<u><u>75,223</u></u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Nuvei Corporation

Consolidated Statements of Changes in Equity

(Unaudited)

For the six months ended June 30

(in thousands of US dollars)

	Notes	Attributable to shareholders of the Company				Non-controlling interest	Total equity
		Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)		
		\$	\$	\$	\$	\$	\$
Balance as at January 1, 2020		450,523	1,603	(104,812)	(10,385)	7,090	344,019
Contributions and distributions							
Exercise of stock options		193	—	—	—	—	193
Equity-settled share-based payments		—	692	—	—	—	692
Dividend paid by subsidiary to non-controlling interest		—	—	—	—	(400)	(400)
Net income (loss) and comprehensive income (loss)		—	—	(49,377)	23,310	999	(25,068)
Balance as at June 30, 2020		<u>450,716</u>	<u>2,295</u>	<u>(154,189)</u>	<u>12,925</u>	<u>7,689</u>	<u>319,436</u>
Balance as at January 1, 2021		1,625,785	11,966	(211,042)	22,470	8,710	1,457,889
Contributions and distributions							
Exercise of stock options	9, 15	5,992	(2,024)	—	—	—	3,968
Equity-settled share-based payments, including tax impact		—	14,142	—	—	—	14,142
Dividend paid by subsidiary to non-controlling interest		—	—	—	—	(680)	(680)
Net income (loss) and comprehensive income (loss)		—	—	64,644	(10,539)	2,060	56,165
Balance as at June 30, 2021		<u>1,631,777</u>	<u>24,084</u>	<u>(146,398)</u>	<u>11,931</u>	<u>10,090</u>	<u>1,531,484</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(in thousands of US dollars, except for per share amounts)

1 Reporting entity

Nuvei Corporation (“Nuvei” or the “Company”) is a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America and is domiciled in Canada with its registered office located at 1100 René-Lévesque Blvd., 9th floor, Montreal, Quebec, Canada. Nuvei is the ultimate parent of the group and was incorporated on September 1, 2017 under the Canada Business Corporations Act (“CBCA”)

The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbols “NVEI” and “NVEI.U”.

2 Basis of preparation and consolidation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). Certain information and disclosures have been omitted or condensed. The accounting policies and methods of computation described in the annual audited consolidated financial statements were applied consistently in the preparation of these condensed interim consolidated financial statements. Accordingly, these condensed interim consolidated financial statements should be read together with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2020.

Certain comparative figures related to foreign currency exchange gains or losses have been reclassified to conform with the presentation for the current year. Accordingly, for the three months ended June 30, 2020, a foreign currency exchange gain of \$21,417 included in net finance costs and a foreign currency exchange loss of \$3,131 included in Selling, general and administrative expenses (“SG&A”) were reclassified to loss (gain) on foreign currency exchange in the consolidated statement of profit or loss. For the six months ended June 30, 2020, a foreign currency exchange loss of \$25,093 included in net finance costs and a foreign currency exchange loss of \$2,340 included in Selling, general and administrative expenses (“SG&A”) were reclassified to loss (gain) on foreign currency exchange in the consolidated statement of profit or loss. These reclassifications had no impact on net income or net income per share. The Company believes this will provide more relevant information on foreign currency exchange and improve comparability of SG&A expenses and net finance costs in the consolidated statement of profit or loss.

These condensed interim consolidated financial statements were authorized for issue by the Company’s Board of Directors on August 9, 2021.

Operating segments

The Company has one reportable segment for the provision of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America.

Seasonality of interim operations

The operations of the Company can be seasonal, and the results of operations for any interim period are not necessarily indicative of operations for the full year or any future period.

(in thousands of US dollars, except for per share amounts)

Estimates, judgments and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The significant estimates, judgments and assumptions made by management are the same as those applied and described in the Company's audited annual consolidated financial statements for the year ended December 31, 2020 except those described below. Actual results may differ from these estimates, judgments and assumptions.

COVID-19 impact on judgments, assumptions and estimation uncertainties

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. The impact and duration of the COVID-19 pandemic are difficult to assess or predict.

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we do business. The negative impact of the COVID-19 pandemic on our business and the condensed interim consolidated financial statements for the three and six months ended June 30, 2021 has been limited. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. Accordingly, there is a higher level of uncertainty with respect to management's judgments, assumptions and estimates.

Expense recognition of share-based payments with performance conditions

The expense recognized for share-based payments for which the performance conditions have not yet been met is based on an estimation of the probability of achieving the performance conditions which is difficult to predict, as well as the timing of their achievement. The final expense is only determinable when the outcome is known.

3 Significant accounting policies and other changes in the current reporting period

The accounting policies used in these interim financial statements are consistent with those applied by the Company in its December 31, 2020 audited annual consolidation financial statements excepts for those described below.

Share-based payments with performance conditions

The Company has granted stock options and performance share units ("PSU") that vest upon reaching certain objectives. At the grant date, the Company assesses whether those performance conditions are market or non-market conditions. Market conditions are considered in the fair value estimate on the grant date and this fair value is not revised subsequently. For non-market conditions, the Company estimates the expected outcome of the performance targets and revises those estimates and related expense until the final outcome is known.

New accounting standards and interpretations issued but not yet adopted

The IASB has issued new standards and amendments to existing standards which are applicable to the Company in future periods beginning on January 1, 2022 or later. There were no significant updates to the standards and interpretations issued but not yet adopted described in the annual audited consolidated financial statements.

(in thousands of US dollars, except for per share amounts)

4 Business combinations

a) Acquisition

If the final purchase price allocation for a business combination is incomplete, the Company will report provisional amounts for the items for which the accounting is incomplete. Provisional amounts are adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognized at that date. The measurement period is the period from the acquisition date to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Base Commerce LLC

On January 1, 2021, the Company acquired substantially all of the assets of Base Commerce LLC (“Base”), a technology-driven payment processing company specializing in bank card and automated clearing house payment processing solutions. The purchase price for this acquisition totalled \$92,678 including a cash amount of \$6,186 placed in escrow in connection with adjustments to the purchase price or indemnification per the purchase agreement. The remaining amount consists of a contingent consideration of \$3,004 which is contingent upon meeting certain performance metrics. Since the initial purchase price allocation was disclosed, contingent consideration has been reduced by \$4,000 and trade and other payables have increased by \$650 and those adjustments have been reflected as an adjustment of \$3,350 to goodwill. The following table summarizes the preliminary amounts of assets acquired and liabilities assumed at the acquisition date:

	Adjusted \$
Assets acquired	
Cash	744
Segregated funds	122,139
Trade and other receivables	8,481
Property and equipment	160
Prepaid expenses	42
Processor deposits	1,385
Intangible assets	
Trademarks	2,221
Technologies	8,645
Partner and merchant relationships	45,165
Goodwill (deductible for tax purposes)	31,849
	<u>220,831</u>
Liabilities assumed	
Trade and other payables	(6,014)
Due to merchants	(122,139)
	<u>92,678</u>
Total consideration	
Cash paid	89,674
Contingent consideration	3,004
	<u>92,678</u>

Nuvei Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

June 30, 2021 and 2020

(in thousands of US dollars, except for per share amounts)

To finance the cash consideration noted above, on December 31, 2020, the Company increased its credit facility by amending its credit agreement to add a term loan of \$100,000.

Goodwill arising from this acquisition mainly consists of assembled workforce and expected synergies, which were not recorded separately since they did not meet the recognition criteria for identifiable intangible assets.

Base contributed revenues of \$28,935 to the Company for the period from the acquisition date to June 30, 2021. Acquisition costs of \$268 have been expensed and recorded under selling, general and administrative expenses in the consolidated statement of profit or loss and comprehensive income or loss for the six months ended June 30, 2021.

b) Disposal of subsidiary

In May 2020, the Company disposed of CreditGuard, a wholly owned subsidiary of the Company, to the MAX group, for \$21,108 including adjustments of \$1,108. The measurement of the assets and liabilities of CreditGuard at fair value less cost to sell resulted in an impairment of \$338 being recognized in selling, general and administrative expenses in the six months ended June 30, 2020.

Assets and liabilities sold comprise the following:

	\$
Goodwill	7,664
Intangible assets	9,689
Trade and other receivables	1,673
Other assets	1,864
Assets disposed	<u>20,890</u>
Accounts payable and accrued liabilities	779
Other liabilities	728
Liabilities disposed	<u>1,507</u>
Cash proceeds, net of \$2,063 in cash	<u>19,045</u>

(in thousands of US dollars, except for per share amounts)

5 Trade and other receivables

	June 30, 2021 \$	December 31, 2020 \$
Trade receivables	38,133	26,657
Investment tax credits	697	805
Other receivables	1,976	4,593
Total	<u>40,806</u>	<u>32,055</u>

6 Advances to third parties

Advances to third parties comprise the following:

	June 30, 2021 \$	December 31, 2020 \$
Advances to a third party independent sales organization	34,543	46,680
Other	255	318
	34,798	46,998
Current portion	(6,694)	(8,520)
Long-term portion	<u>28,104</u>	<u>38,478</u>

The movement in the advances to a third party independent sales organization is as follows:

	Six months ended June 30, 2021 \$
Balance, beginning of period	46,680
Interest on advances to third parties	1,680
Merchant residuals received	(5,919)
Fair value true-up	91
Settlement of advances to a third party*	(7,989)
Balance, end period	<u>34,543</u>

* In accordance with the agreements, these advances to a third party were settled in exchange for a fixed portfolio of merchant contracts upon expiry of the minimum guarantee for the first three years. The portfolio of merchant contracts was recognized at the fair value of the advance to a third party on the date of settlement as an intangible asset, under partner and merchant relationships.

(in thousands of US dollars, except for per share amounts)

7 Trade and other payables

Trade and other payables comprise the following:

	June 30, 2021 \$	December 31, 2020 \$
Trade payables	24,203	20,307
Accrued bonuses and other compensation-related liabilities	18,092	13,541
Employees' tax withholdings	11,837	—
Sales tax	9,250	6,073
Interest payable	1,591	1,212
Due to processors	5,669	3,644
Due to merchants not related to segregated funds	14,016	14,823
Other accrued liabilities	7,248	5,179
	<u>91,906</u>	<u>64,779</u>

8 Loans and borrowings

The terms and conditions of the Company's loans and borrowings are as follows:

	Notes	June 30, 2021		December 31, 2020	
		Facility \$	Carrying amount \$	Facility \$	Carrying amount \$
Amended and Restated Credit Facility	(a), (b)				
First lien credit facilities					
Term loan facilities		511,971	501,501	211,971	206,481
Revolving credit facility		350,000	—	100,000	—
Total credit facilities			<u>501,501</u>		<u>206,481</u>
Lease liabilities			7,720		8,772
			<u>509,221</u>		<u>215,253</u>
Current portion of loans and borrowings			(7,228)		(2,527)
Loans and borrowings			<u>501,993</u>		<u>212,726</u>

Loans and borrowings are presented net of unamortized transaction costs. Transaction costs relating to the issuance of loans and borrowings are amortized over the term of the debt using the effective interest rate method.

a) Amended and restated credit facility

On June 18, 2021, the Company renegotiated the terms of its Credit facility to reduce the interest rate and increase the total financing capacity available under that facility from \$211,971 to \$511,971 in the form of term loans and from \$100,000 to \$350,000 in the form of a revolving facility. Outstanding principal of the

Nuvei Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

June 30, 2021 and 2020

(in thousands of US dollars, except for per share amounts)

term loan will be payable quarterly at an annual rate of 1.00% and remaining balance will be payable at maturity which remained unchanged at September 28, 2025. The maturity of the revolving facility was extended by one year to September 28, 2024. There was no change to the guarantees and covenants of the credit facility arrangement. This amendment was treated as a debt modification and did not result in any gain or loss on debt modification. Concurrently with the agreement, the company has borrowed \$300,000 under the amended term loan facility, which was recorded net of the associated transaction costs of \$5,373.

- i) Loans drawn in US dollars under the First Lien Credit facilities bear interest at the ABR¹ plus 1.50% (December 31, 2020 – 3.00%) or the adjusted eurocurrency² rate plus 2.50% (December 31, 2020 – 4.00%). As at June 30, 2021, the outstanding Term loan facilities interest rate was 3.00% (December 31, 2020 – 4.75%).
- ii) Loans drawn in Canadian dollars under the First Lien Credit facilities bear interest at the Canadian prime rate plus 1.50% or banker's acceptance rate plus 2.50%. As at June 30, 2021 and December 31, 2020 there was no loan denominated in Canadian dollars.
- iii) In case the LIBOR is no longer available following the benchmark reform and if the LIBOR is replaced by the Term Secured Overnight Financing Rate ("SOFR"), the LIBOR for the interest computation shall be replaced by the sums of: a) Term SOFR; and b) 0.11% for interest period of one-month, 0.26% for interest period of three months or 0.43% for interest period of six months; or if the LIBOR is replaced by the Daily SOFR, by the sums of: a) Daily simple SOFR; and b) 0.26%.

b) Guarantees and covenants

Borrowings under the facilities are secured by all current and future assets of the Company and its existing and future subsidiaries. The continued availability of the first lien credit facilities is subject to the Company's ability to maintain a total leverage ratio of less than or equal to 8.00 : 1.00 for period ending December 31, 2020 and June 30, 2021, with the ratio decreasing year over year every October 1, until it reaches 6.50 : 1.00 for the period after September 30, 2023. The total leverage ratio considers the Company's total debt, calculated as long-term debt less unrestricted cash. The Company is in compliance with all applicable covenants as at June 30, 2021 and December 31, 2020.

9 Share capital

The Company issued 935,129 Subordinate Voting Shares for a cash consideration of \$3,968 during the six months ended June 30, 2021 following the exercise of stock options.

There were 16,183,189 Multiple Voting Shares converted to Subordinate Voting Shares during the six months ended June 30, 2021 as a result of two bought deal secondary offerings.

There were 76,064,619 Multiple Voting Shares and 63,042,955 Subordinate Voting Shares outstanding as at June 30, 2021.

¹ The Alternate Base Rate is defined as a rate per annum equal to the higher of a) Federal funds effective rate + 0.5%; b) LIBOR plus 1%; c) Prime rate; and d) 1.50% (2020 – 1.75%).

² The adjusted Eurocurrency rate is defined as an interest rate per annum equal to the greater of: a) the Eurocurrency rate multiplied by the Statutory Reserve rate and b) 0.50% (2020 – 0.75%).

(in thousands of US dollars, except for per share amounts)

10 Revenue and expenses by nature

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue				
Merchant transaction and processing services revenue	176,062	81,344	324,352	161,944
Other revenue	2,177	1,981	4,367	4,620
	<u>178,239</u>	<u>83,325</u>	<u>328,719</u>	<u>166,564</u>
Cost of revenue				
Processing cost	31,989	12,575	58,165	26,031
Cost of goods sold	1,135	986	2,143	2,698
	<u>33,124</u>	<u>13,561</u>	<u>60,308</u>	<u>28,729</u>
Selling, general and administrative expenses				
Commissions	36,288	15,498	65,239	31,911
Depreciation and amortization	20,740	17,020	41,738	34,333
Employee compensation	23,014	13,564	44,037	27,718
Professional fees	6,522	2,811	13,442	4,604
Share-based payments	4,953	402	9,058	735
Transaction losses (recovery)	(664)	1,002	1,155	1,472
Contingent consideration adjustment	—	(1,270)	—	(1,270)
Other	5,017	1,866	9,635	6,256
	<u>95,870</u>	<u>50,893</u>	<u>184,306</u>	<u>105,759</u>

11 Net finance costs

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Finance income				
Interest on advances to third parties	(912)	(1,449)	(1,771)	(2,795)
Finance costs				
Interest on loans and borrowings (excluding lease liabilities)	3,281	13,818	6,451	29,300
Change in redemption amount of liability-classified Class A common shares	—	4,820	—	15,451
Change in redemption amount of subsidiary's preferred shares	—	1,030	—	2,035
Interest on unsecured debentures	—	4,387	—	8,496
Interest expense on lease liabilities	99	27	205	57
Other interest expense	52	1	91	3
	<u>3,432</u>	<u>24,083</u>	<u>6,747</u>	<u>55,342</u>
Net finance costs	<u>2,520</u>	<u>22,634</u>	<u>4,976</u>	<u>52,547</u>

(in thousands of US dollars, except for per share amounts)

12 Net income (loss) per share

Prior to the Initial Public Offering (“IPO”) on September 22, 2020, the Company had three categories of potential dilutive securities: convertible liability-classified shares, unsecured convertible debentures due to shareholders and stock options. Since the IPO, stock options, Restricted Share Units (“RSUs”) and PSUs are considered to be potentially dilutive.

Diluted net income (loss) per share excludes all dilutive potential shares if their effect is anti-dilutive. For the three months and six months ended June 30, 2021, and for the three months ended June 30, 2020, anti-dilutive stock options were excluded from the calculation of diluted net income per share. As a result of net loss incurred for the six months ended June 30, 2020, the potential dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive.

	Three months ended June 30,		Six months ended June 30,	
	2021 \$	2020 \$	2021 \$	2020 \$
Net income (loss) attributable to common shareholders of the Company (basic and diluted)	37,830	13,216	64,644	(49,377)
Weighted average number of common shares outstanding – basic*	138,719,227	84,606,171	138,462,027	84,605,470
Effect of dilutive securities	4,546,032	2,386,276	4,529,343	—
Weighted average number of common shares outstanding – diluted*	143,265,259	86,992,447	142,991,370	84,605,470
Net income (loss) per share attributable to common shareholders of the Company:				
Basic	0.27	0.16	0.47	(0.58)
Diluted	0.26	0.15	0.45	(0.58)

* The weighted average number of common shares outstanding prior to the IPO has been adjusted to take into consideration the Reorganization described in Note 17 of the audited consolidated financial statements.

13 Related party transactions

Transactions with key management personnel

Key management personnel compensation comprises the following:

	Three months ended June 30,		Six months ended June 30,	
	2021 \$	2020 \$	2021 \$	2020 \$
Salaries and short-term employee benefits	1,379	754	2,746	1,794
Share-based payments	2,417	303	3,868	527
	<u>3,796</u>	<u>1,057</u>	<u>6,614</u>	<u>2,321</u>

(in thousands of US dollars, except for per share amounts)

Other related party transactions

		Transaction value			
		Three months ended June 30,		Six months ended June 30,	
		2021	2020	2021	2020
		\$	\$	\$	\$
Expenses – Travel	(i)	271	303	271	783
Unsecured convertible debentures due to shareholders	(ii)	—	4,387	—	8,497
		<u>271</u>	<u>4,690</u>	<u>271</u>	<u>9,280</u>

- (i) In the normal course of operations, the Company receives services from a company owned by a shareholder of the Company. The services received consist of travel services.
- (ii) In August 2019, unsecured convertible debentures were issued by the Company to certain shareholders. As part of the IPO in September 2020, an amount of \$30,180 in principal amount and accrued interest on the unsecured convertible debentures was converted into Class A common shares of the Company, and the remaining balance was repaid with the cash proceeds of the IPO.

14 Determination of fair values

Certain of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes using the following methods.

Financial assets and financial liabilities

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data, therefore requiring entities to develop their own assumptions.

The Company has determined that the carrying amounts of its current financial assets and financial liabilities approximate their fair value given the short-term nature of these instruments.

The fair value of the variable interest rate non-current liabilities approximates the carrying amount as the liabilities bear interest at a rate that varies according to the market rate.

As at June 30, 2021 and December 31, 2020, financial instruments measured at fair value in the condensed interim consolidated statements of financial position were as follows:

Nuvei Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

June 30, 2021 and 2020

(in thousands of US dollars, except for per share amounts)

	Notes	Fair value hierarchy	June 30, 2021 \$	December 31, 2020 \$
Advances to a third party independent sales organization	6	Level 3	34,543	46,680
Loan Payment Pro ("LPP") put option liability		Level 3	1,036	1,036
Investments		Level 3	1,148	1,148
Investments		Level 1	1,168	1,093
Base contingent consideration	4	Level 3	3,004	—

The following table presents the changes in level 3 items for the six months ended June 30, 2021:

	Advances to a third party independent sales organization \$	LPP put option liability \$	Investments \$	Base contingent consideration \$
Balance at January 1, 2021	46,680	1,036	1,148	—
Business combination	—	—	—	3,004
Merchant residuals received, net of interest on advances to third parties	(4,239)	—	—	—
Settlement of advances to a third party	(7,989)	—	—	—
Fair value true-up	91	—	—	—
Balance at June 30, 2021	<u>34,543</u>	<u>1,036</u>	<u>1,148</u>	<u>3,004</u>

Below are the assumptions and valuation methods used in the level 3 fair value measurements:

- the fair value of the advances to a third party independent sales organization was determined by calculating the present value of the future estimated cash flows over the term of the agreements. There has been no material change to the assumptions used as at December 31, 2020.
- the fair value assumptions for the LPP put option liability is determined using the Black-Scholes method; the main assumption is the fair value of the units in LPP which is determined to be \$13,128 as at June 30, 2021; and
- the fair value of Base contingent consideration is determined using the calculation in the purchase agreement. The main assumption is the forecast of expected future cashflows. Changes made to the initial purchase price allocation to reflect facts and circumstances that existed at the acquisition date are disclosed in note 4.

(in thousands of US dollars, except for per share amounts)

15 Share-based payment arrangements

The Omnibus Incentive Plan permits the Board of Directors to grant awards of options, RSUs, PSUs and Deferred Share Units (“DSUs”) to eligible participants.

During the six months ended June 30, 2021, the Company awarded 142,500 RSUs and 3,194 DSUs. RSUs and DSUs will be settled by the issuance of shares at the exercise date.

The table below summarizes the changes in the outstanding stock options for the six months ended June 30, 2021:

	Number of options	Weighted average exercise price \$
Outstanding, beginning of period	6,970,505	16.59
Forfeited	(162,605)	26.52
Granted	300,637	60.79
Exercised	(935,129)	4.24
Outstanding, end of period	<u>6,173,408</u>	<u>20.35</u>
Options exercisable, end of period	<u>2,272,789</u>	<u>3.95</u>

The weighted average grant date fair value of the stock options granted during the six months ended June 30, 2021 was \$15.60. Fair value was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Share price	\$ 60.79
Exercise price	\$ 60.79
Risk-free interest rate	0.81%
Expected volatility	32.1%
Dividend yield	—
Expected term	4.0 years

During the six months ended June 30, 2021, 214,286 stock options and 141,122 PSUs awarded included performance conditions and the right to these units will vest upon meeting the related performance criteria. The market condition associated with the PSUs was considered using a Monte Carlo simulation to estimate the Company’s potential future share price.

(in thousands of US dollars, except for per share amounts)

16 Supplementary cash flow disclosure

	Six months ended June 30,	
	2021	2020
	\$	\$
Changes in non-cash working capital items:		
Trade and other receivables	(270)	2,083
Inventory	(264)	146
Prepaid expenses	(418)	(945)
Contract assets	(812)	(1,015)
Trade and other payables	17,337	1,036
Other current and non-current liabilities	(1,308)	(7,443)
	<u>14,265</u>	<u>(6,138)</u>

17 Contingencies

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. Management does not expect that the resolution of those matters, either individually or in the aggregate, will have a material effect on the Company's condensed interim consolidated financial statements.

18 Subsequent event

On August 3, 2021, the Company acquired Mazooma Technical Services Inc., a North American payments provider with instant bank-to-bank payments for pay-ins and payouts and real time payments for accelerated withdrawals. The initial consideration for this acquisition totalled \$59,360 thousands Canadian dollars of which \$44,987 thousands Canadian dollars (\$36,041) was paid in cash and the remaining paid with the issuance of 138,522 Subordinate Voting Shares to the sellers. The acquisition also includes contingent consideration of up to a total maximum consideration, including the initial consideration, of \$400,000 thousands Canadian dollars (\$320,456). The contingent consideration is subject to meeting certain performance metrics over a three-year period.



Management's Discussion & Analysis
Nuvei Corporation

For the three and six months ended June 30, 2021 and 2020

(in thousands of US dollars)

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021**

As used in this management’s discussion and analysis of financial condition and results of operations (“MD&A”), unless the context indicates or requires otherwise, all references to the “Company”, “Nuvei”, “we”, “us” or “our” refer to Nuvei Corporation together with our subsidiaries, on a consolidated basis.

This MD&A dated August 9, 2021, should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements, along with the related notes thereto for the three and six months ended June 30, 2021 (the “Interim Financial Statements”). The financial information presented in this MD&A is derived from the Interim Financial Statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are in U.S. dollars except where otherwise indicated. Additionally, tables included in this MD&A are presented in thousands of U.S. dollars, unless otherwise indicated. This MD&A is presented as of the date of the Interim Financial Statements and is current to that date unless otherwise stated.

Forward-Looking Information

This MD&A contains “forward-looking information” within the meaning of applicable securities laws, including Nuvei’s (a) expectation to complete the acquisition of Simplex in the second half of 2021 and (b) outlook on total volume, revenue and Adjusted EBITDA for the three months ending September 30, 2021 and the year ending December 31, 2021. Nuvei’s outlook on revenue and Adjusted EBITDA also constitute “financial outlook” within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company’s financial performance and measuring progress toward management’s objectives and the reader is cautioned that it may not be appropriate for other purposes. Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include but are not limited to those described under the “Risks Factors” section of the Company’s annual information form filed on March 17, 2021 (the “AIF”). Forward-looking information is based on management’s beliefs and assumptions and on information currently available to management. Particularly, management’s assessments of, and outlook for, total volume, revenue and Adjusted EBITDA set out herein are generally based on the following assumptions: (a) Nuvei’s results of operations will continue as expected, (b) the Company will continue to effectively execute against its key strategic growth priorities, despite the current COVID-19 pandemic and measures taken to contain the virus, (c) the Company will continue to retain and grow its existing customer base while adding new customers, (d) the Company will not complete any acquisitions or divestitures (e) economic conditions will remain relatively stable throughout the period, (f) the industries Nuvei operates in will continue to grow consistent with past experience, (g) there will be no fluctuations in currency exchange rates and volatility in financial markets, (h) there will be no changes in legislative or regulatory matters that negatively impact Nuvei’s business, and (i) current tax laws will remain in effect and will not be materially changed. Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, you are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this MD&A is provided as of the date of this MD&A, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Overview

We are a global provider of payment technology solutions to merchants and partners in North America, Europe, Asia Pacific and Latin America. We believe we are differentiated by our proprietary technology platform, which is purpose-built for high-growth mobile commerce and eCommerce markets. Our focus on technology, innovation and security enables us to design and develop solutions that are tailored for these markets. Our solutions span the entire payments stack and include a fully integrated payments engine with global processing capabilities, a turnkey solution for frictionless checkout experiences and a broad suite of data-driven business intelligence tools and risk management services. Through a single integration, we believe our technology platform makes it simple for merchants and partners to securely accept payments in 204 markets worldwide with local acquiring in 45 markets and nearly 150 currencies, for their customers to transact using 480 alternative payment methods (“APMs”), and to provide pay-in and payout support for nearly 40 of the world’s leading cryptocurrencies including Bitcoin, Ethereum, Bitcoin Cash, Litecoin, NEO and XRP. We leverage our deep industry expertise and thought leadership in mobile commerce and eCommerce payments to serve merchants of all sizes, from small-and-medium sized businesses (“SMBs”) to large enterprises, operating in some of the most complex verticals across multiple geographic markets.

We are a single source provider of a comprehensive suite of payment solutions. Our solutions are designed to support the entire lifecycle of a transaction across mobile or in-app, online (via application programming interface or multi-feature cashier), unattended and in-store channels while providing what we believe is a superior payments experience. Our solutions include:

- End-to-end processing including multi-currency authorization and settlement;
- Global gateway that is acquirer- and processor-agnostic;
- Turnkey checkout solution designed to increase sales conversions and simplify checkout for consumers;
- Smart routing technology to maximize payment authorization rates;
- Localization capabilities allowing acceptance of nearly 150 currencies, nearly 40 cryptocurrencies and 480 APMs and support of 30 languages (including multiple regional varieties of English);
- Pay-in and payout support for nearly 40 of the world’s leading cryptocurrencies including Bitcoin, Ethereum, Bitcoin Cash, Litecoin, NEO and XRP;
- Dynamic currency management solutions;
- Risk and chargeback management and fraud prevention tools;
- Flexible and rapid merchant enrollment, underwriting and onboarding platform;
- Enhanced reconciliation tools that simplify merchants’ cash flow management; and
- Unified reporting regardless of payment type or geographic market.

We sell and distribute our solutions globally through three primary channels: direct sales, indirect sales and strategic platform integrations. Our approach to distribution is designed to enable us to efficiently market our payments and technology solutions at scale and is customized by both region and vertical to optimize sales. By relying on our local sales teams and indirect partners who act as trusted technology providers to our merchants, we believe we are able to serve more merchants globally and grow with them as they grow their businesses and expand into new markets. We focus on the needs to our merchants and how we can help them grow their sales and in turn our volume with them. Due to the scalable nature of our business model and the inherent operating leverage, increases in volume drives profitable revenue growth.

Our revenue is primarily sales volume and transaction-based, generated from merchants’ daily sales and through various fees for value-added services provided to our merchants. We also generate subscription revenue from our business intelligence tools, merchant dashboards and other technology solutions, for which we typically charge flat subscription fees monthly. Our revenue is largely recurring in nature due to the mission-critical nature of our product and service offerings and deep integration of our payments technology into our merchants’ enterprise resource planning systems. Additionally, our model has delivered rapid growth in mobile commerce and eCommerce revenue. We believe the depth and breadth of our payment capabilities help merchants establish and expand their presence in emerging

commerce channels across many markets. This enables us to develop long-standing relationships with our merchants, which in turn drive strong retention and significant cross-selling opportunities.

Financial Highlights for Three Months Ended June 30, 2021 Compared to 2020:

- Total volume^(a) increased by 146% to \$21.9 billion from \$8.9 billion, eCommerce representing 84% of total volume^(a);
- Revenues increased 114% to \$178.2 million from \$83.3 million;
- Net income increased by 179% to \$38.9 million from \$14.0 million;
- The Company's adjusted EBITDA^(b) increased by 112% to \$79.4 million from \$37.4 million;
- Adjusted net income^(b) increased by 297% to \$64.5 million from \$16.3 million;
- Net income per diluted share was \$0.26 compared to \$0.15 in the comparative period;
- Adjusted net income^(b) per diluted share of \$0.44 compared to \$0.18; and
- Cash of \$533.7 million at June 30, 2021 compared to \$180.7 million at December 31, 2020.

Financial Highlights for the Six Months Ended June 30, 2021 Compared to 2020:

- Total volume^(a) increased by 139% to \$42.5 billion from \$17.8 billion, eCommerce representing 86% of total volume^(a);
- Revenues also increased 97% to \$328.7 million from \$166.6 million;
- Net income increased by \$115.1 million to \$66.7 million from a net loss of \$48.4 million;
- The Company's adjusted EBITDA^(b) increased by 105% to \$144.8 million from \$70.7 million;
- Adjusted net income^(b) increased by 344% to \$115.7 million from \$26.0 million;
- Net income per diluted share was \$0.45 compared to net loss per share of \$0.58 in the comparative period;
- Adjusted net income^(b) per diluted share of \$0.79 compared to \$0.29; and
- Cash flow from operating activities of \$139.0 million increased from \$32.8 million.

(a) Total volume does not represent revenue earned by the Company, but rather the total dollar value of transactions processed by merchants under contractual agreement with the Company

(b) Adjusted EBITDA and Adjusted net income are non-IFRS measures. See "Non-IFRS Measures".

Acquisitions

Mazooma

On August 3, 2021, the Company completed its previously announced acquisition of Mazooma Technical Services Inc. ("Mazooma") for a initial consideration totalling \$59.4 million Canadian dollars (\$47.6 million) of which \$45.0 million Canadian dollars (\$36.0 million) was paid in cash and the remaining paid with the issuance of 138,522 Subordinate Voting Shares to the sellers. The acquisition also includes contingent consideration of up to a total maximum consideration, including initial consideration, of \$400.0 million Canadian dollars (\$320.5 million). The contingent consideration is subject to meeting certain performance metrics over a three-year period.

The acquisition enhances and expands Nuvei's portfolio of North American payment options with instant bank-to-bank payments for pay-in and payouts and real time payments for accelerated withdrawals, allowing customers to receive payouts immediately into their bank accounts 24/7/365. Nuvei will now offer Mazooma as an increasingly popular and accepted payment method to its merchant customer base across all industry verticals.

SimplexCC Ltd.

On May 6, 2021, the Company announced it had entered into a definitive agreement to acquire SimplexCC Ltd. ("Simplex") for approximately \$250 million before closing adjustments and transaction costs, to be paid in cash. The transaction is subject to regulatory approval as well as customary closing conditions and the Company expects to complete its acquisition of Simplex in the second half of 2021. Simplex is a payment solution provider to the cryptocurrency industry connecting market participants including exchanges, brokers, wallet and liquidity providers. Simplex delivers the infrastructure for users

to buy or sell cryptocurrencies (i.e. on-ramp/off-ramp capabilities) using credit and debit cards. Through its proprietary fraud and risk management tools, Simplex provides a zero-chargeback guarantee to its customers, resulting in higher conversion rates. As a principal member of the Visa network, Simplex has permission to issue Visa cards, giving its consumers access to digital currencies daily. Simplex processed approximately \$500 million of total volume in 2020 and is expected to process more than \$2.0 billion of total volume in 2021. Management believes that the acquisition of Simplex will:

- expand Nuvei’s capabilities by adding turnkey simplicity to the process of buying and selling cryptocurrency and converting it back to fiat within a user account – ultimately reducing complexity for merchants and consumers
- allow Nuvei to offer bespoke anti-money laundering / know your customer solutions, transaction guarantee solutions, and valued added services to 190 liquidity providers and partners; and
- provide Nuvei with an electronic money institution license to offer international bank account number accounts to end users and merchants, which opens up potential opportunities like banking as a service.

Capital Resources

On May 20, 2021, the Company filed an amended and restated short form base shelf prospectus, increasing the amount available under the original prospectus by \$950 million to \$1,800 million, until January 7, 2023. The amount available under the base shelf prospectus has been decreased by the transactions described further in the Liquidity and Capital Resources section of this MD&A.

On June 18, 2021, the Company renegotiated the terms of its credit facility to reduce the interest rate and increase the total financing capacity available under that facility from \$212 million to \$512 million in the form of term loans and from \$100 million to \$350 million in the form of a revolving facility. Outstanding principal of the term loan will be payable quarterly at an annual rate of 1.00% and the remaining balance will be payable at maturity which remained unchanged at September 28, 2025. The maturity of the revolving facility was extended one year to September 28, 2024. There was no change to the guarantees and covenants of the credit facility arrangement. Concurrently with the execution of the amended agreement, the Company borrowed \$300 million under the term loan facility to fund a portion of its previously announced acquisitions.

Impact of COVID-19 on our Operations

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response, many governments, states, cities and other geographic regions implemented preventive or protective actions such as travel bans and restrictions, temporary closures of businesses, quarantines or shelter-in-place orders or total lock-down orders. The pandemic has disrupted the economy and put unprecedented strains on the government health care systems, businesses and individuals around the world.

The spread of COVID-19 has caused us to modify our business practices to help minimize the risk of the virus to our employees, our partners, our merchants and their customers, and the communities in which we participate. In response to the COVID-19 pandemic, we adopted a “people-first” approach, prioritizing the health and safety of our employees and local communities and quickly deploying all employees to a “work from home” model. There were no employee layoffs or furloughs because of the COVID-19 pandemic. We implemented our business continuity plan, which included merchant portfolio management (enhanced review and monitoring of merchants in affected industries; amended billing process from monthly to daily) and supply chain management (outreach to ensure continuity of service or supply; negotiated discounts where applicable). The negative impact of the COVID-19 pandemic on our business and the result disclosed in our Interim Financial Statements has been limited. Nuvei’s strong presence in eCommerce (representing approximately 86% of its volume in the six months ended June 30, 2021), helped mitigate any negative impact of the pandemic on its operations.

There continues to be uncertainty regarding the duration and magnitude of the COVID-19 pandemic and the ability to control resurgences worldwide, making it difficult to assess the future impact on our employees, partners, merchants, the end markets we serve and the resulting effect on our business and operations, both in the short term and in the long term. The extent and continued impact of the COVID-19 pandemic on our business will depend on certain developments, including: the duration and spread of the outbreak; government responses to the pandemic; delays in vaccine rollout; the effectiveness of vaccines against the virus and its mutations; the impact on our customers and our sales cycles; the impact on customer, industry or employee events; and the effect on our partners, merchants and their customers, third-party service providers, customers and supply chains, all of which are uncertain and cannot be predicted. Accordingly, there is a higher level of uncertainty with respect to management's judgments, assumptions and estimates. Please refer to the section entitled "Risks Relating to Our Business and Industry – The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, could materially impact our business and future results of operations and financial condition" of our AIF, for additional detail on how COVID-19 may impact our future results.

Non-IFRS Measures

Nuvei's Interim Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this MD&A includes non-IFRS financial measures, namely Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share, and Adjusted net income per diluted share. These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share, and Adjusted net income per diluted share are used to provide investors with a supplemental measure of the Company's operating performance and thus highlight trends in Nuvei's core business that may not otherwise be apparent when relying solely on IFRS measures. The Company's management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Nuvei's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. The Company's management believes Adjusted EBITDA, Adjusted net income, Adjusted net income per basic share and Adjusted net income per diluted share are important supplemental measures of Nuvei's performance, primarily because they and similar measures are used widely among others in the payment technology industry as a means of evaluating a company's underlying operating performance.

Reconciliation of Adjusted EBITDA to Net Income (Loss)

Adjusted EBITDA is defined as net income (loss) before finance costs, finance income, depreciation and amortization, income tax expense, acquisition, integration and severance costs, share-based payments, loss (gain) on foreign currency exchange, and legal settlement and other.

The following table reconciles Adjusted EBITDA to net income (loss) for the periods indicated:

(In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net income (loss)	38,914	13,965	66,704	(48,378)
Finance cost	3,432	24,083	6,747	55,342
Finance income	(912)	(1,449)	(1,771)	(2,795)
Depreciation and amortization	20,740	17,020	41,738	34,333
Income tax expense	6,120	558	11,179	474
Acquisition, integration and severance costs (a)	4,500	1,208	9,840	2,878
Share-based payments (b)	4,953	402	9,058	735
Loss (gain) on foreign currency exchange	1,691	(18,286)	1,246	27,433
Legal settlement and other (c)	(63)	(111)	96	656
Adjusted EBITDA (d)	79,375	37,390	144,837	70,678
Advance from third party - merchant residual received (e)	3,138	2,719	5,866	5,668

- (a) These expenses relate to:
- (i) professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities. For the three months and the six months ended June 30, 2021, those expenses were \$4.5 million and \$9.8 million respectively (\$2.0 million and \$3.2 million for the three months and the six months ended June 30, 2020). These costs are presented in the professional fees line item of selling, general and administrative expenses.
 - (ii) acquisition-related compensation. For the three months and the six months ended June 30, 2021, those expenses were nil (\$0.2 million and \$0.5 million for the three months and the six months ended June 30, 2020). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
 - (iii) change in deferred purchase consideration for previously acquired businesses, which was nil for the three and the six months ended June 30, 2021 (gain of \$1.3 million for the three and the six months ended June 30, 2020).
 - (iv) severances and integration expenses. For the three months and the six months ended June 30, 2021, severances were immaterial (\$0.2 million and \$0.4 million for the three months and the six months ended June 30, 2020). Severance expenses are presented in the employee compensation line item of selling, general and administrative expenses.
- (b) These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.
- (c) This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.
- (d) Adjusted EBITDA is a non-IFRS measure that the Company uses to assess its operating performance and cash flows.
- (e) Commencing in 2018, the Company entered into various agreements with a single third-party independent sales organization to acquire the rights to future cash flows from a portfolio of merchant contracts.

Reconciliation of Pro Forma Transaction Adjusted Revenue to Revenue

(In thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue	178,239	83,325	328,719	165,564
Revenue of Base Commerce and Smart2Pay (prior to acquisitions) ^(a)	—	22,568	—	43,316
Pro forma transaction adjusted revenue	178,239	105,893	328,719	209,880

(a) The Company acquired Smart2Pay Technology & Services B.V on November 2, 2020 and Base Commerce LLC on January 1, 2021.

Reconciliation of Adjusted Net Income to Net Income (Loss)

Adjusted net income is defined as net income (loss) before acquisition, integration and severance costs, share-based payments, loss (gain) on foreign currency exchange, amortization of acquisition-related intangible assets, and the related income tax expense or recovery for these items. Adjusted net income also excludes change in redemption value of liability-classified common and preferred shares and accelerated amortization of deferred transaction costs and loss on debt modification.

The following table reconciles Adjusted net income to net income (loss) for the periods indicated:

(In thousands of U.S. dollars except for per share amounts)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net income (loss)	38,914	13,965	66,704	(48,378)
Change in redemption value of liability-classified common and preferred shares (a)	—	5,850	—	17,486
Amortization of acquisition-related intangible assets (b)	17,897	14,875	36,109	29,050
Acquisition, integration and severance costs (c)	4,500	1,208	9,840	2,878
Share-based payments (d)	4,953	402	9,058	735
Loss (gain) on foreign currency exchange	1,691	(18,286)	1,246	27,433
Legal settlement and other (e)	(63)	(111)	96	656
Adjustments	28,978	3,938	56,349	78,238
Income tax expense related to adjustments ^(f)	(3,386)	(1,644)	(7,386)	(3,820)
Adjusted net income (g)	64,506	16,259	115,667	26,040
Adjusted net income per share attributable to common shareholders of the Company (h)				
Basic	0.46	0.18	0.82	0.30
Diluted	0.44	0.18	0.79	0.29

(a) This line item represents change in redemption value related to shares classified as liabilities prior to the Company's initial public offering ("IPO"). As part of the IPO, such shares were converted into equity as Subordinate Voting Shares. These expenses are included in finance costs.

- (b) This line item relates to amortization expense taken on intangible assets created from the purchase price adjustment process on acquired companies and businesses and from the acquisition of all the outstanding shares of Pivotal Holdings Ltd. by Nuvei in September 2017.
- (c) These expenses relate to:
 - (i) professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities. For the three months and the six months ended June 30, 2021, those expenses were \$4.5 million and \$9.8 million respectively (\$2.0 million and \$3.2 million for the three months and the six months ended June 30, 2020). These costs are presented in the professional fees line item of selling, general and administrative expenses.
 - (ii) acquisition-related compensation. For the three months and the six months ended June 30, 2021, those expenses were nil (\$0.2 million and \$0.5 million for the three months and the six months ended June 30, 2020). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
 - (iii) change in deferred purchase consideration for previously acquired businesses, which was nil for the three and the six months ended June 30, 2021 (gain of \$1.3 million for the three and the six months ended June 30, 2020).
 - (iv) severances and integration expenses. For the three months and the six months ended June 30, 2021, severances were immaterial (\$0.2 million and \$0.4 million for the three months and the six months ended June 30, 2020). Severance expenses are presented in the employee compensation line item of selling, general and administrative expenses.
- (d) These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.
- (e) This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.
- (f) This line item reflects income tax expense on taxable adjustments using the tax rate of the applicable jurisdiction.
- (g) Adjusted net income is a non-IFRS measure that the Company uses to further assess its operating performance.
- (h) Adjusted net income per diluted share is calculated using share-based awards outstanding at the end of each period on a fully diluted basis if they were in-the-money at that time.

Key Performance Indicator

We monitor the following key performance indicator to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicator may be calculated in a manner that differs from similar key performance indicators used by other companies.

Total Volume: We believe total volume is an indicator of performance of our business. Total volume and similar measures are used widely among others in the payments industry as a means of evaluating a company's performance. We define total volume as the total dollar value of transactions processed in the period by merchants under contractual agreement with us. Total volume does not represent revenue earned by us. Total volume encompasses both acquiring volume, where we are in the flow of funds in the settlement transaction cycle, and gateway/technology volume, where we provide our gateway/technology services but are not in the flow of funds in the settlement transaction cycle. Since our revenue is primarily sales volume and transaction-based, generated from merchants' daily sales and through various fees for value-added services provided to our merchants, fluctuations in total volume will generally impact our revenue.

Outlook

For the three months ending September 30, 2021 and year ending December 31, 2021, Nuvei anticipates total volume^(a), revenue and Adjusted EBITDA^(b) to be in the ranges below. Considering the strong performance during the three months ended June 30, 2021, where Nuvei exceeded the previously anticipated revenue and Adjusted EBITDA^(b) outlook, as well as continuing momentum in the business, management is raising the financial outlook for the year ending December 31, 2021. The updated financial outlook and specifically the Adjusted EBITDA^(b) reflects the Company's strategy to accelerate its investment in distribution, marketing, innovation, technology as well as the infrastructure resulting from the recent acquisition of Mazooma. The Company expects these investments will support its growth plan.

The financial outlook is fully qualified and based on a number of assumptions described under the heading “Forward-Looking Information” of this MD&A and does not include the pending acquisition of Simplex.

(In U.S. dollars)	Three months ending	Year ending	
	September 30, 2021	December 31, 2021	
	\$	\$	\$
		Previous	Updated
Total volume (a) (in billions)	21.5 – 22.5	83 – 89	88 – 91
Revenue (in millions)	174 – 180	610 – 640	690 – 705
Adjusted EBITDA (b) (in millions)	71 – 75	264 – 277	295 – 305

- a) Total volume does not represent revenue earned by the Company, but rather the total dollar value of transactions processed by merchants under contractual agreement with the Company. See “Key Performance Indicator”.
- b) Adjusted EBITDA is a non-IFRS measure. See “Non-IFRS Measures”.

Summary of Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below as well as in the section entitled “Risks Relating to Our Business and Industry” of our AIF.

Growth with our Existing Merchants. Our success is directly correlated with our merchants’ success. We focus on the high-growth mobile and eCommerce markets and we will grow alongside our existing merchants as they grow their business and expand into new markets. In addition, our existing customers represent a significant opportunity to cross-sell and up-sell products and services with limited incremental sales and marketing expenses. As our merchants increase their business volume, we can offer more solutions from our Native Commerce Platform. Our future revenue growth and achieving and maintaining profitability is dependent upon our ability to maintain existing customer relationships and to continue to expand our customers’ use of our comprehensive suite of solutions.

Ability to Acquire New Merchants and Partners. Our future revenue growth will also largely depend upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We have significant sales and marketing experience in capturing and serving SMBs in North America and large enterprises in Europe. We intend to leverage this experience and enable merchant base expansion by targeting large enterprises in North America, with a focus in the mobile commerce and eCommerce channels. Key to our success in achieving merchant base expansion is continued investment in our direct sales team and further leveraging our broad and diversified network of distribution partners.

Ability to Expand in Regions Internationally. We plan to expand and deepen our footprint in geographies where we have an emerging presence today, such as Asia Pacific and Latin America. Our expansion has also been driven by the needs of our merchants. For each new country where we seek to expand, we focus on understanding the needs of the local market and invest to develop relationships, while gaining an appreciation for the appropriate local regulatory and compliance frameworks. We believe this will help our growth strategy and achieving global presence and connectivity across all targeted markets.

Investment in our Technology and Product Portfolio. We believe our technology-first culture enables us to enhance our offerings to remain at the forefront of payments innovation. Specifically, our Native Commerce Platform enables us to deliver comprehensive payments and technology solutions to power a convenient and secure transaction experience for our merchants and their customers. Further investment in this platform is necessary to expand and keep technologically current our portfolio of services to our merchants. Close collaboration with our merchants through ongoing communication and feedback loop is also key, as it enables a better design and delivery of solutions that meet their specific and evolving needs.

Ability to Maintain and Add to our Acquiring Banks Relationships. We have built strong relationships with acquiring banks in North America. The maintenance and/or expansion of these relationships and strong collaboration on maintaining adequate procedures in monitoring the risk profile of our merchant base will be a key enabler in the pursuit of our growth strategies.

Adapt to Regulatory Changes. The nature of our product and services offerings necessitates that we adhere to strict regulatory regimes in the countries where we operate. Our operational teams are fully versed in the varying regulatory requirements. As regulations change, we will continue to upskill and modify, as appropriate, our merchant underwriting, risk management, know your client and anti money laundering capabilities, in as seamless as possible a manner to minimize disruption to our merchants' businesses.

Successful Execution on Recent and Future Acquisitions. We intend to augment our organic growth with strategic and tactical acquisitions. Critical to our success is continuing to be highly disciplined in integrating recent acquisitions, such as the Mazooma, Smart2Pay and Base Commerce acquisitions, and future acquisitions, such as Simplex, into our Company in a manner that allows us to fulfill the potential that these acquisitions bring.

Economic Conditions and Resulting Consumer Spending Trends. Changes in macro-level consumer spending trends, including COVID-19, could affect the total volume processed on our platform, thus resulting in fluctuations in our revenue.

Key Components of Results of Operations

Revenue

Merchant Transaction and Processing Services. Revenues from the Company's merchant transaction and processing services are derived primarily from eCommerce payment processing services, and stems from relationships with individual merchants. Additionally, transaction and processing services revenue stem from contracts with financial institutions and other merchant acquirers, the terms of which generally range from three to five years. The contracts stipulate the types of services and set forth how fees will be incurred and calculated. Merchant transaction and processing services revenues are generated from processing electronic payment transactions for merchants.

The Company's transaction and processing revenue is primarily comprised of (a) fees calculated based on a percentage of the monetary value of transactions processed; (b) fees calculated based on the number of transactions processed; (c) service fees; or (d) some combination thereof that are associated with transaction and processing services.

The Company presents revenue net of the interchange fees charged by the card issuing financial institutions and the fees charged by the payment networks.

Other Revenue. The Company may sell hardware ("point-of-sale equipment") as part of its contracts with customers. Hardware consists of terminals or gateway devices. The Company does not manufacture hardware but purchases hardware from third party vendors and holds the hardware in inventory until purchased by a customer.

For more information on our revenue recognition policies, refer to Note 3 of the annual consolidated financial statements for the year ended December 31, 2020 (the "Consolidated Financial Statements").

Cost of Revenue

Processing Costs. Processing fees consist of fees paid to processing suppliers. When we are the primary obligor providing payment processing services, we record processing fees paid to processing suppliers as a cost of revenue. If we are not the primary obligor providing payment processing services, processing fees are netted from the revenue recorded for such transaction and we do not record separate processing fees as a cost of revenue.

Costs of Goods Sold. Costs of goods sold consist primarily of costs associated with selling point-of-sale equipment, such as the cost of acquiring the equipment, including purchase price, expenses associated with a third-party fulfillment company, shipping, handling and inventory adjustments.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses primarily represent the amounts associated with (i) commissions, (ii) depreciation and amortization, and (iii) employee compensation.

Commissions. Commissions are comprised of incentives paid to third party agents for referring merchants.

Depreciation. Depreciation consists of depreciation of property and equipment, primarily point-of-sale equipment, office and computer equipment, furniture and fixtures, leasehold improvements and right of use assets over buildings. We calculate depreciation using the straight-line method over the useful life of the relevant asset or over the remaining lease term, as applicable.

Amortization. Amortization consists primarily of amortization of intangible assets, which consist of internally generated and externally purchased software that is used in providing processing services to customers. It also includes trademarks, technologies and partner and merchant relationships, that are acquired by the Company. These intangible assets are amortized on a straight-line basis over the course of the relevant asset's useful life.

Employee Compensation. Employee compensation consists of salaries and compensation (excluding share-based payments which is disclosed separately) earned by our employees. Employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, operations, as well as various business support functions.

Selling, general and administrative expenses also consists of transaction losses, professional fees, share-based payments, contingent consideration adjustments and other expenses.

We anticipate increases in general and administrative expenses as we incur the costs of compliance associated with being a public company, including increased accounting and legal expenses. Please refer to the section entitled "Risks Relating to Regulation" of our AIF.

Net Finance Costs

Net finance costs primarily represent amounts associated with:

Interest on Loans and Borrowings. Interest expense consists primarily of interest incurred on (i) term loans outstanding under the credit facilities and (ii) unsecured convertible debenture issued by the Company to certain of its shareholders as part of the SafeCharge acquisition, which were partially redeemed in December 2019 and the remainder converted into shares or redeemed with the IPO proceeds.

Interest Income on Advances to Third Parties. Commencing in the year ended December 31, 2018, the Company issued advances to a third-party independent sales organization. Under the agreements with the third-party independent sales organization, the Company acquired the rights to cash flows from a portfolio of merchant contracts. The agreements provide for minimum guaranteed payments for the first three years. After the first three years, the portfolio of merchants is fixed, and the cash flows are no longer guaranteed at which point the receipts will flow through the consolidated statement of profit or loss.

Loss (gain) on Foreign Currency Exchange

Loss (gain) on foreign currency exchange results from monetary items that are held by Nuvei or its subsidiaries in a currency different than their functional currency. These items are translated into the functional currency using the exchange rates prevailing at the date of the transactions or when the items

are re-measured at the end of the reporting period. The resulting gains and losses subsequently being recognized are recorded in loss (gain) on foreign currency exchange.

Income Tax Expense

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Results of Operations

The following table outlines our consolidated profit or loss and comprehensive income or loss information for the three months and six months ended June 30, 2021 and 2020:

	Three months ended June 30,		Six months ended June 30,	
	2021 \$	2020 \$	2021 \$	2020 \$
(In thousands of U.S. dollars except for share and per share amounts)				
Revenue	178,239	83,325	328,719	166,564
Cost of revenue	33,124	13,561	60,308	28,729
Gross profit	145,115	69,764	268,411	137,835
Selling, general and administrative expenses	99,870	50,893	184,306	105,759
Operating profit	49,245	18,871	84,105	32,076
Finance income	(912)	(1,449)	(1,771)	(2,795)
Finance costs	3,432	24,083	6,747	55,342
Net finance costs	2,520	22,634	4,976	52,547
Loss (gain) on foreign currency exchange	1,691	(18,286)	1,246	27,433
Income (loss) before income tax	45,034	14,523	77,883	(47,904)
Income tax expense	6,120	558	11,179	474
Net income (loss)	38,914	13,965	66,704	(48,378)
Other comprehensive income (loss)				
Foreign operations – foreign currency translation differences	4,310	(16,357)	(10,539)	23,310
Comprehensive income (loss)	43,224	(2,392)	56,165	(25,068)
Net income (loss) attributable to:				
Common shareholders of the Company	37,830	13,216	64,644	(49,377)
Non-controlling interest	1,084	749	2,060	999
	<u>38,914</u>	<u>13,965</u>	<u>66,704</u>	<u>(48,378)</u>
Comprehensive income (loss) attributable to:				
Common shareholders of the Company	42,140	(3,141)	54,105	(26,067)
Non-controlling interest	1,084	749	2,060	999
	<u>43,224</u>	<u>(2,392)</u>	<u>56,165</u>	<u>(25,068)</u>
Weighted average number of common shares outstanding^(a)				
Basic	138,719,227	84,606,171	138,462,027	84,605,470
Diluted	143,265,259	86,992,447	142,991,370	84,605,470
Net income (loss) per share attributable to common shareholders of the Company				
Basic	0.27	0.16	0.47	(0.58)
Diluted	<u>0.26</u>	<u>0.15</u>	<u>0.45</u>	<u>(0.58)</u>

(a) The weighted average number of common shares outstanding for the three and the six months ended June 30, 2020 has been adjusted to take into consideration the Reorganization discussed in Note 17 of the Consolidated Financial Statements.

The following table summarize our volume by region for the three months and six months ended June 30, 2021 and 2020:

(In billions of U.S. dollars)	Three months ended June 30,			Six months ended June 30,		
	2021	2020	Change	2021	2020	Change
	\$	\$	%	\$	\$	%
North America	10.2	3.9	160	20.5	8.0	155
Europe, Middle East and Africa	10.9	4.6	135	20.6	9.0	129
Asia-Pacific	0.4	0.2	110	0.7	0.4	66
Latin America	0.4	0.2	105	0.7	0.4	84
	<u>21.9</u>	<u>8.9</u>	<u>146</u>	<u>42.5</u>	<u>17.8</u>	<u>139</u>

Results of Operations for the Three Months Ended June 30, 2021 and 2020

Revenue

(In thousands of U.S. dollars, except for percentages)	Three months ended June 30,		Change	
	2021	2020	\$	%
	\$	\$	\$	%
Revenue	<u>178,239</u>	<u>83,325</u>	<u>94,914</u>	<u>114</u>

For the three months ended June 30, 2021, revenue increased by \$94.9 million or 114% as compared to the three months ended June 30, 2020. The strong performance, which resulted in Nuvei exceeding its previously anticipated outlook for the quarter, is primarily due to the increase in volume driven by organic growth and, to a lesser extent, the Smart2Pay acquisition in November 2020 and the Base Commerce acquisition in January 2021.

Total volume increased to \$21.9 billion in the three months ended June 30, 2021 from \$8.9 billion in the three months ended June 30, 2020, an increase of \$13.0 billion or 146%.

On a combined basis as if the Smart2Pay and Base Commerce acquisitions had occurred on January 1, 2020, total volume would have been \$13.0 billion in the three months ended June 30, 2020, resulting in an increase of \$8.9 billion or 68%.

Assuming the Smart2Pay acquisition and Base Commerce acquisition had occurred on January 1, 2020 proforma revenue would have been \$105.9 million for the three months ended June 30, 2020, resulting in an increase of \$72.3 million over the comparative period or 68%.

Cost of Revenue

(In thousands of U.S. dollars, except for percentages)	Three months ended June 30,		Change	
	2021	2020	\$	%
	\$	\$	\$	%
Cost of revenue	<u>\$33,124</u>	<u>\$13,561</u>	<u>19,563</u>	<u>144</u>
As a percentage of revenue	18.6%	16.3%		

For the three months ended June 30, 2021, cost of revenue increased by \$19.6 million or 144% as compared to the three months ended June 30, 2020 primarily due to an increase of \$19.4 million in processing costs.

The increase in processing costs is primarily driven by organic growth and, to a lesser extent, the inclusion of Smart2Pay as of November 2020 and Base Commerce as of January 2021. Cost of revenue as a percentage of revenue increased from 16.3% for the three months ended June 30, 2020 to 18.6% for the three months ended June 30, 2021 due to Smart2Pay having a higher cost of revenue than Nuvei's operation due to costs associated with its merchant servicing model.

Selling, General and Administrative Expenses

	Three months ended June 30,		Change	
	2021	2020	\$	%
(In thousands of U.S. dollars, except for percentages)	\$	\$	\$	%
Selling, general and administrative expenses				
Commissions	36,288	15,498	20,790	134
Depreciation and amortization	20,740	17,020	3,720	22
Employee compensation	23,014	13,564	9,450	70
Professional fees	6,522	2,811	3,711	132
Share-based payments	4,953	402	4,551	n.m.
Other	4,353	1,598	2,755	172
	<u>95,870</u>	<u>50,893</u>	<u>44,977</u>	<u>88</u>

For the three months ended June 30, 2021, selling, general and administrative expenses increased by \$45.0 million or 88% as compared to the three months ended June 30, 2020 primarily due to the following:

Commissions. During the three months ended June 30, 2021, commission expense increased by \$20.8 million or 134% as compared to the three months ended June 30, 2020. The increase was primarily due to organic growth as volume subject to commission increased, as well as due to the acquisition of Base Commerce in January 2021.

Depreciation and Amortization. Depreciation of property and equipment expenses and amortization of intangible assets for the three months ended June 30, 2021 increased by \$3.7 million or 22% as compared to the three months ended June 30, 2020. The increase was primarily due to a higher amortization of technologies as well as partner and merchant relationships intangible assets related to the Smart2Pay and Base Commerce acquisitions.

Employee Compensation. During the three months ended June 30, 2021, employee compensation increased by \$9.5 million or 70% as compared to the three months ended June 30, 2020. The increase mainly reflects higher headcount including those in direct sales and account management to drive future growth and execute on our strategy. The inclusion of Smart2Pay and Base Commerce also resulted in an increase in headcount and employee compensation. The employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, human resources, and administration.

Professional Fees. For the three months ended June 30, 2021, professional fees increased by \$3.7 million as compared to the three months ended June 30, 2020. The increase was primarily due to costs related to acquisition activities.

Share-based Payments. For the three months ended June 30, 2021, share-based payments increased by \$4.5 million as compared to the three months ended June 30, 2020. This was primarily driven by options granted under the Omnibus Incentive Plan.

Other. For the three months ended June 30, 2021, other expenses increased by \$2.8 million compared to the three months ended June 30, 2020, which included a \$1.3 million favorable adjustment to contingent consideration.

Net Finance Costs

(In thousands of U.S. dollars, except for percentages)	Three months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Finance income				
Interest on advances to third parties	(912)	(1,449)	537	37
Finance costs				
Interest on loans and borrowings and unsecured debentures	3,281	18,205	(14,924)	(82)
Change in redemption amount of shares	—	5,850	(5,850)	(100)
Other	141	28	113	n.m.
Net finance costs	<u>2,520</u>	<u>22,634</u>	<u>(20,114)</u>	<u>(89)</u>

During the three months ended June 30, 2021, net finance costs decreased by \$20.1 million as compared to the three months ended June 30, 2020. The decrease was primarily due to the following items:

Interest on Loans and Borrowings and Unsecured Debentures. The decrease of \$14.9 million was mainly due to a decrease of \$10.5 million in interest expense on loans and borrowings and \$4.4 million on unsecured debentures. This was due to the accelerated repayment of loans and borrowings and unsecured debentures in September 2020 following the IPO.

Change in Redemption Amount of Shares. The decrease of \$5.9 million was primarily due to the revaluation of liability classified Class A common shares in 2020. As part of the IPO, such shares were converted into equity as Subordinate Voting Shares. Refer to the Consolidated Financial Statements for more information.

Loss (gain) on Foreign Currency Exchange

(In thousands of U.S. dollars, except for percentages)	Three months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Loss (gain) on foreign currency exchange	<u>1,691</u>	<u>(18,286)</u>	<u>19,977</u>	<u>n.m.</u>

Loss on foreign currency exchange for the three months ended June 30, 2021 was \$1.7 million compared to a gain of \$18.3 million for the three months ended June 30, 2020. This was due to lower foreign currency exposure following the September 2020 accelerated repayment of the U.S. denominated debt held in our Canadian subsidiary.

Income Taxes

(In thousands of U.S. dollars, except for percentages)	Three months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Income tax expense	<u>6,120</u>	<u>558</u>	<u>5,562</u>	<u>n.m.</u>

Income tax expense for the three months ended June 30, 2021 was \$6.1 million on income before income tax of \$45.0 million, representing an effective tax rate of 13.6% for the period.

Results of Operations for the Six Months Ended June 30, 2021 and 2020

Revenue

(In thousands of U.S. dollars, except for percentages)	Six months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Revenue	328,719	166,564	162,155	97%

For the six months ended June 30, 2021, revenue increased by \$162.2 million or 97% as compared to the six months ended June 30, 2020. The increase is primarily due to total volume organic growth and, to a lesser extent, the Smart2Pay acquisition in November 2020 and the Base Commerce acquisition in January 2021.

Total volume increased from \$17.8 billion in the six months ended June 30, 2020 to \$42.5 billion in the six months ended June 30, 2021, an increase of \$24.7 billion or 139%. Total new business volume increased by 114% in the six months ended June 30 as compared to the six months ended June 30, 2020.

On a combined basis as if the Smart2Pay and Base Commerce acquisitions had occurred on January 1, 2020, total volume would have been \$26.5 billion in the six months ended June 30, 2020, an increase of \$16.0 billion or 60%.

Assuming the Smart2Pay acquisition and Base Commerce acquisition had occurred on January 1, 2020, proforma revenue would have been \$209.9 million for the six months ended June 30, 2020, an increase of \$118.8 million or 57%.

Cost of Revenue

(In thousands of U.S. dollars, except for percentages)	Six months ended June 30,		Change	
	2021	2020		
Cost of revenue	\$60,308	\$28,729	\$31,579	110%
As a percentage of revenue	18.3%	17.2%		

For the six months ended June 30, 2021, cost of revenue increased by \$31.6 million or 110% as compared to the six months ended June 30, 2020 due to an increase of \$32.1 million in processing costs, partly offset by a decrease in cost of goods sold of \$0.6 million.

The increase in processing costs is primarily driven by organic growth and, to a lesser extent, the inclusion of Smart2Pay as of November 2020 and Base Commerce as of January 2021. Cost of revenue as a percentage of revenue increased from 17.2% for the six months ended June 30, 2020 to 18.3% for the six months ended June 30, 2021 due to Smart2Pay having a higher cost of revenue than Nuvei's operation due to costs associated with its merchant servicing model.

Selling, General and Administrative Expenses

	Six months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
<i>(In thousands of U.S. dollars, except for percentages)</i>				
Selling, general and administrative expenses				
Commissions	65,239	31,911	33,328	104
Depreciation and amortization	41,738	34,333	7,405	22
Employee compensation	44,037	27,718	16,319	59
Professional fees	13,442	4,604	8,838	192
Share-based payments	9,058	735	8,323	n.m.
Other	10,790	6,458	4,332	67
	<u>184,306</u>	<u>105,759</u>	<u>78,547</u>	<u>74</u>

For the six months ended June 30, 2021, selling, general and administrative expenses increased by \$78.5 million or 74% as compared to the six months ended June 30, 2020 primarily due to the following:

Commissions. During the six months ended June 30, 2021, commission expense increased by \$33.3 million or 104% as compared to the six months ended June 30, 2020. The increase was primarily due to the acquisition of Base Commerce in January 2021 as well as the increase in volume from organic growth subject to commission.

Depreciation and Amortization. Depreciation of property and equipment expenses and amortization of intangible assets for the six months ended June 30, 2021 increased by \$7.4 million or 22% as compared to the six months ended June 30, 2020. The increase was primarily due to a higher amortization of technologies as well as partner and merchant relationships intangible assets related to the Smart2Pay and Base Commerce acquisitions.

Employee Compensation. During the six months ended June 30, 2021, employee compensation increased by \$16.3 million or 59% as compared to the six months ended June 30, 2020. The increase mainly reflects higher headcount including those in direct sales and account management to drive future growth and execute on our strategy. The inclusion of Smart2Pay and Base Commerce also resulted in an increase in headcount and employee compensation. The employee compensation includes costs related to the various functions of the Company, including technology, sales and marketing, human resources, and administration.

Professional Fees. For the six months ended June 30, 2021, professional fees increased by \$8.8 million as compared to the six months ended June 30, 2020. The increase was primarily due to costs related to acquisition activities as well as acquisition and integration costs related to Base Commerce.

Share based Payments. For the six months ended June 30, 2021, share-based payments increased by \$8.3 million as compared to the six months ended June 30, 2020. This was primarily driven by options granted under the Omnibus Incentive Plan.

Other. For the six months ended June 30, 2021, other expenses increased by \$4.3 million compared to the six months ended June 30, 2020 primarily due to increase in information technology expenses in 2021 as well as a \$1.3 million favorable adjustment to contingent consideration in the comparative period.

Net Finance Costs

(In thousands of U.S. dollars, except for percentages)	Six months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Finance income				
Interest on advances to third parties	(1,771)	(2,795)	1,024	37
Finance costs				
Interest on loans and borrowings and unsecured debentures	6,451	37,796	(31,345)	(83)
Change in redemption amount of shares	—	17,486	(17,486)	(100)
Other	296	60	236	n.m.
Net finance costs	4,976	52,547	(47,571)	(91)

During the six months ended June 30, 2021, net finance costs decreased by \$47.6 million as compared to the six months ended June 30, 2020. The decrease was primarily due to the following items:

Interest on Loans and Borrowings and Unsecured Debentures. The decrease of \$31.3 million was mainly due to a decrease of \$22.8 million in interest expense on loans and borrowings and \$8.5 million on unsecured debentures. This was due to the accelerated repayment of loans and borrowings and unsecured debentures in September 2020 following the IPO.

Change in Redemption Amount of Shares. The decrease of \$17.5 million was primarily due to the revaluation of liability classified Class A common shares in 2020. As part of the IPO, such shares were converted into equity as Subordinate Voting Shares. Refer to the Consolidated Financial Statements for more information.

Loss (gain) on Foreign Currency Exchange

(In thousands of U.S. dollars, except for percentages)	Six months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Loss (gain) on foreign currency exchange	1,246	27,433	(26,187)	(95)

Loss on foreign currency exchange for the six months ended June 30, 2021 was \$1.2 million compared to a loss of \$27.4 million for the six months ended June 30, 2020. This was due to lower foreign currency exposure following the September 2020 accelerated repayment of the U.S. denominated debt held in our Canadian subsidiary.

Income Taxes

(In thousands of U.S. dollars, except for percentages)	Six months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
Income tax expense	11,179	474	10,705	n.m.

Income tax expense for the six months ended June 30, 2021 was \$11.2 million on income before income tax of \$77.9 million, representing an effective tax rate of 14.4% for the period.

Summary of Quarterly Results and Trend Analysis

	Three months ended							
	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019
(In thousands of U.S. dollars except for per share amounts)	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	178,239	150,480	115,906	93,755	83,325	83,239	79,659	71,239
Cost of revenue	33,124	27,184	23,521	17,007	13,561	15,168	13,074	12,174
Gross profit	145,115	123,296	92,385	76,748	69,764	68,071	66,585	59,065
Selling, general and administrative expenses	95,870	88,436	68,434	60,776	50,893	54,866	54,680	63,050
Operating profit (loss)	49,245	34,860	23,951	15,972	18,871	13,205	11,905	(3,985)
Finance income	(912)	(859)	(1,257)	(1,375)	(1,449)	(1,346)	(1,130)	(1,532)
Finance costs	3,432	3,315	2,494	101,255	24,083	31,259	30,997	60,174
Net finance costs	2,520	2,456	1,237	99,880	22,634	29,913	29,867	58,642
Loss (gain) on foreign currency exchange	1,691	(445)	1,029	(9,544)	(18,286)	45,719	(10,725)	2,020
Income (loss) before income tax	45,034	32,849	21,685	(74,364)	14,523	(62,427)	(7,237)	(64,647)
Income tax expense (recovery)	6,120	5,059	(892)	3,505	558	(84)	(4,160)	1,049
Net income (loss)	38,914	27,790	22,577	(77,869)	13,965	(62,343)	(3,077)	(65,696)
Net income (loss) per share attributable to common shareholders of the Company								
Basic	0.27	0.19	0.16	(0.88)	0.16	(0.74)	(0.05)	(1.10)
Diluted	0.26	0.19	0.16	(0.88)	0.15	(0.74)	(0.05)	(1.10)
Adjusted EBITDA (a)	79,375	65,462	51,313	40,991	37,390	33,288	31,942	25,767
Adjusted net income (a)	64,506	51,161	46,492	16,455	16,259	9,780	5,364	2,192
Adjusted net income per share attributable to common shareholders of the Company(a)								
Basic	0.46	0.36	0.34	0.18	0.18	0.11	0.06	0.03
Diluted	0.44	0.35	0.33	0.17	0.18	0.11	0.06	0.03

(a) These amounts are non-IFRS measures. See “Non-IFRS Measures” section.

Quarterly Trend Analysis

The quarterly increase in revenue was primarily due to total volume organic growth as well as from acquisitions (SafeCharge in August 2019, Smart2Pay in November 2020 and Base Commerce in January 2021).

The quarterly increase in cost of revenue is primarily due to organic growth as well as acquisitions.

The quarterly increase in selling, general and administrative expenses is primarily due to organic growth, acquisitions, as well as higher share-based payment due to the accelerated vesting of the Legacy

Liquidity and Capital Resources

Overview

Our financial condition and liquidity are and will continue to be influenced by a variety of factors, including:

- Our ability to generate cash flows from our operations;
- The level of our outstanding indebtedness and the interest we are obligated to pay on this indebtedness; and
- Our capital expenditure requirements.

The general objectives of our capital management strategy are to ensure sufficient liquidity to pursue our organic growth strategy and undertake selective acquisitions, while maintaining a strong credit profile and a capital structure that maintains total leverage ratio within the limits set in the credit facilities.

Our primary source of liquidity is cash from operations, debt and equity financing. Our principal liquidity needs include investment in our product and technology and selective acquisitions, as well as operations, selling and general and administrative expenses and debt service.

The Company's capital is composed of net debt and shareholders' equity. Net debt consists of interest-bearing debt less cash. The Company's use of capital is to finance working capital requirements, capital expenditures and business acquisitions. The Company funds those requirements out if its internally generated cash flows and funds drawn from its long-term credit facilities.

The primary measure used by the Company to monitor its financial leverage is its total leverage ratio, defined as the ratio of consolidated net debt outstanding to consolidated Adjusted EBITDA, calculated in accordance with the terms of the credit agreement. Under its credit facility, the Company must maintain a total leverage ratio of less than or equal to 8.00 : 1.00 for the current period, with the ratio decreasing year over year every October 1st, until it reaches 6.50 : 1.00 for the period after September 30, 2023. As at June 30, 2021, the Company was in compliance with this requirement.

On June 18, 2021, the Company renegotiated the terms of its Credit facility to reduce the interest rate and increase the total financing capacity available under that facility from \$212 million to \$512 million in the form of term loans and from \$100 million to \$350 million in the form of a revolving facility. Outstanding principal of the term loan will be payable quarterly at an annual rate of 1.00% and the remaining balance will be payable at maturity which remained unchanged at September 28, 2025. The maturity of the revolving facility was extended one year to September 28, 2024. There was no change to the guarantees and covenants of the credit facility arrangement. Concurrently with the execution of the amended agreement, the company borrowed \$300 million under the amended term loan facility to fund a portion of its previously announced acquisitions.

In addition to the cash balances, as at June 30, 2021 the Company had a \$350 million revolving credit facility available to be drawn to meet ongoing working capital requirements.

As at June 30, 2021 the Company had letters of credit facilities issued totalling \$46.2 million.

On December 7, 2020, the Company filed a short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada. The base shelf prospectus will allow Nuvei and certain of its security holders to qualify the distribution by way of prospectus in Canada of up to \$850 million of Subordinate Voting Shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, during the 25-month period that the base shelf prospectus is effective. On May 20, 2021, the Company amended its short form base shelf prospectus to increase the amount available under the base shelf prospectus from \$850 million to \$1,800 million. The amount available under the base shelf prospectus has been decreased by the amount of the transactions described below.

On March 24, 2021, the Company closed a secondary offering on a bought deal basis by funds managed by Novacap Management Inc., Whiskey Papa Fox Inc., a holding company controlled by Philip Fayer, our Chair and Chief Executive Officer, CDP Investissements Inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec, and David Schwartz, our Chief Financial Officer of an aggregate of 9,169,387 Subordinate Voting Shares, at a purchase price of \$60.22 per Subordinate Voting Share for total gross proceeds to the Selling Shareholders of approximately \$552 million. On June 7, 2021 the Company closed another secondary offering on a bought deal basis by funds managed by Novacap Management Inc., Whiskey Papa Fox Inc., CDP Investissements Inc. as well as three members of the management team of an aggregate of 7,165,378 Subordinate Voting Shares, at a purchase price of \$69.78 per Subordinate Voting Share for total gross proceeds to these sellers of approximately \$500 million. These offerings resulted in the conversion of 15,833,188 multiple voting shares of the Company (the “Multiple Voting Shares”) into Subordinate Voting Shares on a one for one basis and had no impact on the Company’s liquidity and capital position.

On August 3, 2021, in connection with its acquisition of Mazooma, the Company issued 138,522 Subordinate Voting Shares to the sellers as a consideration for approximately 24% of the purchase price.

We believe that our available cash, cash flows generated from operations, loans and borrowings available to us will be sufficient to meet our projected operating and capital expenditure requirements for at least the next 12 months.

Cash Flows

	Six months ended June 30,		Change	
	2021 \$	2020 \$	\$	%
<i>(In thousands of U.S. dollars, except for percentages)</i>				
Cash flow from (used in):				
Operating Activities	138,994	32,841	106,153	323
Investing Activities	(84,286)	10,610	(94,896)	n.m.
Financing Activities	296,588	(29,106)	325,694	n.m.
Effect of movements in exchange rates on cash	1,670	806	864	107
Net increase in cash	352,966	15,151	337,815	n.m.
Cash – beginning of period	180,722	60,072	120,650	201
Cash - end of period	533,688	75,223	458,465	n.m.

Cash Flows From Operating Activities

For the six months ended June 30, 2021, \$139.0 million of cash was generated from operating activities compared to \$32.8 million for the six months ended June 30, 2020. The increase was primarily due to the total volume organic growth and acquisitions. The interest paid in the six months ended June 30, 2021 decreased by \$24.0 million compared to the same period in 2020, reflecting the partial repayment of the debt in September 2020. This was partially offset by the increase in income taxes paid of \$5.5 million for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Cash Flows From (Used in) Investing Activities

For the six months ended June 30 2021, \$84.3 million of cash was used in investing activities. This resulted primarily from the acquisition of Base Commerce for \$88.9 million (net of cash acquired and contingent consideration). For the six months ended June 30, 2020, \$10.6 million of cash was generated by investing activities, mainly explained by the net proceeds from the sale of CreditGuard, a wholly owned subsidiary of the Company.

Cash Flows From (Used in) Financing Activities

For the six months ended June 30, 2021, \$296.6 million of cash was generated from financing activities mainly reflecting proceeds from loans and borrowings. For the six months ended June 30, 2020, cash from financing activities mainly reflected net repayment of loans and borrowings.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements. We may, from time to time, be contingently liable with respect to litigation and claims that arise in the normal course of operations.

Related Party Transactions

For related party transactions, see note 13 in the Interim Financial Statements.

Financial Instruments and Other Instruments

In the ordinary course of its business activities, the Company is exposed to various market risks that are beyond its control, including fluctuations in foreign exchange rates and interest rates, and that may have an adverse effect on the value of its financial assets and liabilities, future cash flows and profit. Its policy with respect to these market risks is to assess the potential of experiencing losses and the consolidated impact thereof, and to mitigate these market risks as is deemed appropriate. (Please refer to the “Risks Relating to Our Business and Industry” section of the AIF.)

Credit and Concentration Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s cash, trade and other receivables, advances to third parties, segregated funds and processor deposits. The carrying amounts of these financial assets represent the maximum credit exposure.

Cash and Processor Deposits

The credit risk associated with cash, segregated funds and processor deposits is limited because they are maintained only with highly rated large financial institutions.

Trade and Other Receivables

The Company provides credit to its customers in the normal course of business. The Company evaluates the creditworthiness of the corresponding counterparties at least at the end of each reporting period and on a specific circumstance basis. The Company’s extension of credit to customers involves considerable judgment and is based on an evaluation of each customer’s financial condition and payment history. The Company has established various internal controls designed to mitigate credit risk, including credit limits and payment terms that are reviewed and approved by the Company. Any impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

There is a concentration of credit risk as of June 30, 2021, with respect to the Company’s receivables from its main processors, which represented approximately 39% (December 31, 2020– 39%) of trade and other receivables.

Advances to Third Parties

The credit risk associated with the advances to third parties is limited because the advances are repaid by financial institutions when the Company becomes entitled to payment under the agreements.

Foreign Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates and the degrees of volatility of those rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the U.S. dollar. Fluctuations related to foreign exchange rates could cause unforeseen fluctuations in the Company's operating results. The Company does not currently enter into arrangements to hedge its foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company does not account for any fixed interest-rate financial assets or financial liabilities at fair value through profit or loss.

All loans and borrowings bear interest at floating rates, and the Company is therefore exposed to the cash flow risk resulting from interest rate fluctuations.

Critical Accounting Policies and Estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, judgments and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Critical judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Interim Financial Statements include the following:

Revenue Recognition. The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and allocations between identified performance obligations, the use of appropriate revenue recognition method for each performance obligation and the measure of progress for performance obligations satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgment and use of assumptions. In addition, the Company has applied judgment in assessing the principal versus agent considerations for its transaction and processing services.

Determining the Fair Value of Identifiable Intangible Assets Following a Business Combination. The Company uses valuation techniques to determine the fair value of identifiable intangible assets acquired in a business combination, which are generally based on a forecast of total expected future net discounted cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the related assets and the discount rate applied as it would be assumed by a market participant.

Recoverable Amount of Goodwill. Our impairment test for goodwill is based on internal estimates of fair value less costs of disposal calculations and uses valuation models such as the discounted cash flows model. Key assumptions on which management has based its determination of fair value less costs of disposal include estimated growth rates, discount rates and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment.

Provisions for Losses on Merchant Accounts. Disputes between a cardholder and a merchant arise periodically, primarily as a result of customer dissatisfaction with merchandise quality or merchant services. Such disputes may not be resolved in the merchant's favor. In these cases, the transaction amount is refunded to the customer by the card issuing financial institution, but the financial institution is refunded by the Company. The Company then charges back to the merchant the amount refunded to the financial institution. As such, the Company is exposed to credit risk in relation to the merchant since the Company

assumes the repayment to the merchant's customer for the full amount of the transaction even if the merchant has insufficient funds to reimburse the Company. A provision for losses on merchant accounts is maintained to absorb chargebacks for merchant transactions that have been previously processed and on which revenues have been recorded. The provision for losses on merchant accounts specifically comprises identifiable provisions for merchant transactions for which losses can be estimated. Management evaluates the risk for such transactions and estimates the loss for disputed transactions based primarily on historical experience and other relevant factors. Management analyzes the adequacy of its provision for losses on merchant accounts in each reporting period.

Recoverable Amount of Tax Balances for Recognition of Tax Assets. Deferred income tax assets reflect management's estimate of operations of future fiscal years, timing of reversal of temporary differences and tax rates on the date of reversals, which may well change depending on governments' fiscal policies. Management must also assess whether it is more likely than not that deferred income tax assets will be realized and determine whether a valuation allowance is required on all or a portion of deferred income tax assets.

Fair Value of Share-based Payment Transactions. The Company recognized compensation expense as a result of equity-settled share-based payment transactions which are valued by reference to the fair value of the related instruments. Fair value of options granted was estimated using the Black-Scholes option pricing model. The risk-free interest rate is based on the yield of a zero coupon U.S. government security with a maturity equal to the expected life of the option from the date of the grant. The assumption of expected volatility is based on the average historical volatility of comparable companies for the period immediately preceding the option grant. The Company does not anticipate paying any cash dividends in the foreseeable future and, therefore, uses an expected dividend yield of zero in the option-pricing model.

When granting share-based payment compensation with performance conditions, the Company assesses whether those performance conditions are market or non-market conditions. Market conditions are taken into account in the fair value estimate on the grant date and this fair value is not revised subsequently. For non-market conditions, the Company estimates the expected outcome of the performance targets and revises those estimates and related expense until the final outcome is known.

Recently Issued Accounting Standards Not Yet Adopted

The IASB has issued new standards and amendments to existing standards which will be applicable to the Company beginning on January 1, 2022. There has been no significant update to the standards and interpretations issued but not yet adopted described in the Note 3 of the Consolidated Financial Statements.

Outstanding Share Data

As of August 6, 2021, our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, of which 63,186,477 were issued and outstanding, (ii) an unlimited number of Multiple Voting Shares, of which 76,064,619 were issued and outstanding, and (iii) an unlimited number of Preferred Shares, issuable in series, none of which were outstanding. The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable securities laws in Canada.

As of August 6, 2021, there were 2,680,220 options outstanding under the Company's legacy stock option plan dated September 21, 2017 and 3,466,243 options outstanding under the Company's Amended and Restated Omnibus Incentive Plan. Each such option is or may become exercisable for one Subordinate Voting Shares.

As of August 6, 2021, there were 7,666 Deferred Share Units, 142,500 Restricted Share Units and 141,122 Performance Share Units outstanding under the Company's Amended and Restated Omnibus Incentive Plan.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”) are designed to provide reasonable assurance that information required to be disclosed in documents filed with the securities regulatory authorities are recorded, processed, summarized and reported in a timely fashion. The DC&P are designed to ensure that information required to be disclosed by the Company in such reports is then accumulated and communicated to the Company’s management to ensure timely decisions regarding required disclosure. The Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), along with Management, have evaluated and concluded that the Company’s DC&P at June 30, 2021 provide reasonable assurance that significant information relevant to the Company, including information relating to its subsidiaries, is reported to them during the preparation of documents filed with the securities regulatory authorities.

Internal Controls over Financial Reporting

The CEO and CFO are responsible for establishing and maintaining internal controls over financial reporting. The Company’s internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework that the CEO and CFO used to design the Company’s internal controls over financial reporting is recognized by the Committee of Sponsoring Organizations of the Treadway Commission. The CEO and CFO have evaluated, or caused to be evaluated under their supervision, whether there were changes to internal controls over financial reporting during the period ended June 30, 2021 that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting. No such required changes were identified through their evaluation.

Limitations of Controls and Procedures

Management, including the CEO and CFO, believe that any DC&P or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the reality that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Limitation on Scope of Design

The scope of design of internal controls over financial reporting and DC&P excluded the controls, policies, and procedures of Smart2Pay, which was acquired on November 2, 2020, and Base Commerce, which was acquired on January 1, 2021. On a combined basis, these entities’ contributions to our consolidated statements of profit or loss and comprehensive income or loss for the six months ended June 30, 2021 was approximately 18% of total revenues. Additionally, as at June 30, 2021, these entities’ current assets and current liabilities, on a combined basis, represented approximately 14% and 21%, respectively of our consolidated current assets and current liabilities, and combined non-current assets, which includes intangible assets and goodwill from these acquisitions, represented approximately 28% of

our consolidated non-current assets. The amounts recognized for the assets acquired and liabilities assumed as at the date of these acquisition are described in Note 4 of the Consolidated Financial Statements and the Interim Financial Statements.

Additional Information

Additional information relating to the Company, including the Consolidated Financial Statements, the Interim Financial Statements and the AIF is available on SEDAR at <http://www.sedar.com/>.

**Consent of Independent Auditor**

We hereby consent to the incorporation by reference in the Registration Statement on Form F-10 of Nuvei Corporation of our report dated March 9, 2021 relating to the consolidated financial statements of Nuvei Corporation, which is filed as Exhibit 4.2 to this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Registration Statement and the reference to us under the heading “Interests of Experts” in the Annual Information Form for the year ended December 31, 2020, which is filed as Exhibit 4.1 to such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Montréal, Quebec, Canada
October 4, 2021

*PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502, www.pwc.com/ca*

“PwC” refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

800 Victoria Square, Suite 3500
P.O. Box 242
Montréal, Quebec H4Z 1E9
Canada

T +1 514 397 7400
+1 800 361 6266
F +1 514 397 7600

fasken.com

October 4, 2021
File No.: 315877.00060/19632

Dear Sirs/Mesdames:

Re: Consent regarding Registration Statement on Form F-10 for Nuvei Corporation

We refer to the registration statement on Form F-10 dated October 4, 2021 (the “**Registration Statement**”) of Nuvei Corporation (the “**Registrant**”) to which this consent is exhibited.

We hereby consent to the use of our firm name on the face page of the Registration Statement and in the prospectus supplement included therein, under the headings “Experts” and “Documents Filed as Part of the Registration Statement” and to the reference to and use of our opinions under the headings “Certain Canadian Federal Income Tax Considerations” and “Eligibility for Investment”.

In giving this consent, we do not acknowledge that we come within the category of persons whose consent is required by the United States Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder.

Yours truly,

(s) Fasken Martineau DuMoulin LLP

FASKEN MARTINEAU DuMOULIN LLP

McCarthy Tétrault LLP
Suite 2500
1000 De La Gauchetière Street West
Montréal QC H3B 0A2
Canada
Tel: 514-397-4100
Fax: 514-875-6246



October 4, 2021

Nuvei Corporation
1100 René -Lévesque Boulevard West
Suite 900
Montreal, Québec H3B 4N4

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Yours very truly,

/s/McCarthy Tétrault LLP

MCCARTHY TÉTRAULT LLP