

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of acquired intangibles

The group makes an estimate of the fair value of certain intangibles at the acquisition date of subsidiaries. When assessing the value of these assets the directors are required to identify and assign a value that a market participant would be willing to pay to acquire each of the intangibles being purchased. When assessing the fair value of intangibles, management considers factors including the estimated revenues and profits to be generated by the asset based on current and anticipated market conditions that have been considered and approved by the Board. See Note 13 for the net carrying amount of acquired intangibles.

Impairment testing

The directors consider the recoverable amount of goodwill allocated to its acquired cash generating units to be sensitive to the achievement of forecasts. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board. Whilst the group is able to manage costs, revenue projections are inherently uncertain due to the nature of the group's business and unstable market conditions. Goodwill is allocated across the following cash generating units; Payment Gateway, Acquiring Bank and Commerce Platform. See Note 14 for the net carrying amount of goodwill.

Fixed asset investments

Determining whether fixed asset investments are impaired requires an estimate of the fair value, less costs to sell of the investments. The fair value assessment requires the use of the group's current market presence and its projections. See Note 11 for the net carrying amount of the fixed asset investments.

Impairment of trade receivables

The group makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 17 for the net carrying amount of the receivables and associated impairment provision.