

Appendix 4E

Wameja Limited
(formely eServGlobal Limited)
ABN 59 052 947 743

Preliminary Final Report
for the year ended 31 December 2019

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1. Reporting Period

Current reporting period: Financial year ended 31 December 2019 (12 months)

Previous reporting period: Financial year ended 31 December 2018 (12 months)

2. Results for announcement to the market

Results				AS '000
Loss after tax	Down	33 %	to	(13,185)
Loss after tax attributable to members	Down	33 %	to	(13,185)
Dividends (distributions)	Amount per security		Franked amount per security	
<i>Current period</i>				
Interim dividend	Nil ¢		0%	
Final dividend	Nil ¢		0%	
<i>Previous corresponding period</i>				
Interim dividend	Nil ¢		0%	
Final dividend	Nil ¢		0%	
Record date for determining entitlements to the dividend.	N/A			

Brief explanation of the figures above

The net result of the consolidated entity for the year to 31 December 2019 was a loss after tax and minority interest for the year of \$13.2 million, which comprised a loss from continued operations amounting to \$10.6 million and a loss from discontinued operations amounting to \$2.6 million (2018 year: loss after tax and minority interest of \$19.7 million). The discontinued operations represent the Group's core business, eServGlobal SAS and its controlled entities which was disposed on 25 July 2019.

Total cash flow for the year was a net outflow of \$16.5 million (2018 year: net inflow of \$16.0 million). Cash at 31 December 2019 was \$11.6 million.

Subsequent Events

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the of the Group in future financial years.

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3. Consolidated statement of profit or loss and other comprehensive income

	Note	Year Ended 31 Dec 2019 \$'000	Year Ended 31 Dec 2018 \$'000
Continuing operations			
Interest income		70	-
Foreign exchange gain/(loss)		157	
Administration expenses		(2,784)	(3,361)
Restructure and transaction related costs		(1,412)	-
Share of profit / (loss) of associate		(6,596)	(6,232)
Loss before tax		(10,565)	(9,593)
Income tax expense		-	-
Loss for the year from continuing operations		(10,565)	(9,593)
Discontinued operations			
Loss for the year from discontinued operations	7	(2,620)	(10,154)
Loss for the year		(13,185)	(19,747)
Other comprehensive income (loss), net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operations (nil tax impact)		(139)	6,308
Items that have been reclassified to profit or loss:			
Transfer from foreign exchange reserve on disposal of subsidiary		(891)	-
Total comprehensive income/(loss) for the year		(14,215)	(13,439)
Equity holders of the parent		(13,185)	(19,863)
Non-controlling interest		-	116
		(13,185)	(19,747)
Total comprehensive loss attributable to:			
Equity holders of the parent		(14,215)	(13,555)
Non-controlling interest		-	116
		(14,215)	(13,439)
Loss per share:			
From continuing and discontinued operations			
Basic (cents per share)		(1.09)	(0.06)
Diluted (cents per share)		(1.09)	(0.06)
From continuing operations			
Basic (cents per share)		(0.87)	(0.06)
Diluted (cents per share)		(0.87)	(0.06)

4. Consolidated statement of financial position

	Note	As at 31 Dec 2019 \$'000	As at 31 Dec 2018 \$'000
Current Assets			
Cash and cash equivalents		11,636	27,451
Trade receivables and contract assets		-	4,159
Inventories		-	28
Current tax assets		-	37
Other current assets		-	973
Other financial assets	9	4,239	-
Total Current Assets		15,876	32,648
Non-Current Assets			
Investment in associate	8	25,462	25,791
Property, plant and equipment		-	257
Deferred tax assets		-	673
Intangible assets		-	3,294
Total Non-Current Assets		25,462	30,015
Total Assets		41,337	62,663
Current Liabilities			
Trade and other payables		271	4,085
Current tax payables		-	1,046
Provisions		-	1,112
Contract liabilities		-	595
Total Current Liabilities		271	6,838
Non-Current Liabilities			
Provisions		-	717
Total Non-Current Liabilities		-	717
Total Liabilities		271	7,555
Net Assets		41,067	55,108
Equity			
Issued capital		212,326	212,326
Reserves		4,922	5,653
Accumulated losses		(176,181)	(162,991)
Equity attributable to owners of the parent		41,067	54,988
Non-controlling interest		-	120
Total Equity		41,067	55,108

5. Consolidated statement of changes in equity

	Issued Capital \$`000	Foreign Currency Translation Reserve \$`000	Equity- settled benefits Reserve \$`000	Accumulated Losses \$`000	Attributable to owners of the parent \$`000	Non controlling Interest \$`000	Total \$`000
Balance at 1 January 2019	212,326	1,905	3,752	(162,995)	54,988	120	55,108
Loss for the year	-	-	-	(13,185)	(13,185)	-	(13,185)
Exchange differences arising on translation of foreign operations	-	(139)	-	-	(139)	-	(139)
Transfer from foreign exchange reserve on disposal of subsidiary	-	(891)	-	-	(891)	-	(891)
Total comprehensive loss for the year (net of tax)	-	(1,030)	-	(13,185)	(14,215)	-	(14,215)
Derecognition of Non-Controlling Interest on disposal	-	-	-	-	-	(120)	(120)
Equity settled payments	-	-	295	-	295	-	-
Balance at 31 December 2019	212,326	875	4,047	(176,181)	41,067	-	41,067
Balance at 1 January 2018	180,352	(4,403)	3,337	(143,128)	36,158	127	36,285
Loss for the period	-	-	-	(19,863)	(19,863)	116	(19,747)
Exchange differences arising on translation of foreign operations	-	6,308	-	-	6,308	-	6,308
Total comprehensive income/(loss) for the period	-	6,308	-	(19,867)	(13,355)	116	(13,439)
Issue of new shares, net of share issue costs	31,974	-	-	-	31,974	-	31,974
Payment of dividends	-	-	-	-	-	(123)	(123)
Equity settled payments	-	-	415	-	411	-	411
Balance at 31 December 2018	212,326	1,905	3,752	(162,995)	54,988	120	55,108

6. Consolidated statement of cash flows

	Year ended 31 Dec 2019 \$'000	Year ended 31 Dec 2018 \$'000
Cash Flows from Operating Activities		
Cash receipts from customers	7,198	13,046
Cash payments to suppliers and employees	(11,659)	(23,567)
Refund of research & development tax credits	-	764
Interest and other costs of finance paid	-	(277)
Income tax (paid) / refund	(1,316)	96
Net cash used in operating activities	(5,777)	(9,938)
Cash Flows from Investing Activities		
investment in HomeSend joint venture Company	(6,479)	(3,506)
Proceeds from disposal of PPE	(78)	-
Payment for property, plant and equipment	-	(247)
Cash flow from disposal of subsidiaries, net of cash disposed	1,485	-
Advances to Homesend joint venture company	(4,239)	-
Software development costs	(1,369)	(2,180)
Net cash used in investing activities	(10,680)	(5,933)
Cash Flows from Financing Activities		
Payment of dividends to minority shareholder in subsidiary	-	(124)
Proceeds from issues of shares	-	33,440
Payment for share issue costs	-	(1,466)
Net cash from financing activities	-	31,850
Net (decrease)/increase in Cash and Cash Equivalents	(16,459)	15,979
Cash at The Beginning of the Year	27,451	10,801
Effects of rate changes on the balance of cash held in foreign currencies	644	671
Cash and Cash Equivalents at The End of the Year	11,636	27,451

7. Discontinued operations

The Group signed a share purchase agreement on 4 June 2019 to sell its core operating business, eServGlobal Holdings SAS and its controlled entities, to Seamless Distribution Systems. This agreement was conditional upon shareholder approval to be sought at an EGM. On 25 July 2019, the Group completed the sale of the core business following the EGM held on 22 July 2019. Total cash consideration of €2m (\$3.2 million) prior to any costs to sell was received by the Company on the completion date.

8. Investment in associate

Details of the material investment in associate at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			31 December 2019	31 December 2018
HomeSend SCRL(i)	Provision of international mobile money services	Brussels, Belgium	35.68%	35.68%

(i) HomeSend SCRL was formed on 3 April 2014. The directors have determined that the Group exercises significant influence over HomeSend SCRL by virtue of its 35.68 % voting power in shareholders meetings and its contractual right to appoint two out of six directors to the board of directors of that company. The associate is accounted for using the equity method.

(ii) Reconciliation of the carrying amount of the investment in associate:

	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Opening balance	25,791	26,319
Investment in associate	6,479	3,506
Share of current period loss of the associate	(6,596)	(6,232)
Effects of foreign currency exchange movements	(212)	2,198
Closing balance	25,462	25,791

9. Other financial assets

Amounts receivable from associate

During the year, the Company entered into a loan facility agreement with HomeSend SCRL for the sole permitted purpose of funding the pre- payment timing gaps in HomeSend’s settlement model (the “Facility”). Mastercard has entered into a similar loan facility agreement with HomeSend SCRL. The Facility is for a total of \$31.16 million (€20 million) between the Company and Mastercard with the Company providing approximately \$11.57 million (€7.1 million) in proportion to its shareholding in HomeSend SCRL.

The Facility is a revolving credit line providing HomeSend the ability to draw and re-draw the funds as required, with an obligation to return amounts drawn if not required, based on HomeSend’s forecasts. The Facility is unsecured and interest is payable quarterly at 1.916% per annum on the amount drawn. There is no establishment or commitment fee. The facility expires on 31 March 2020.

The first drawdown request from HomeSend SCRL under the loan facility was announced on 19 May 2019. As at balance date, the company has provided its proportionate share in total drawdowns with Mastercard amounting to \$4.2 million.

10. Net Tangible Assets per security

	31 December 2019	31 December 2018
Net tangible assets per security	3.4 cents	4.3 cents

11. Dividends

	Amount	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend	Date paid/ payable
Interim dividend: Current year	Nil	N/A	N/A	N/A	N/A
Previous year	Nil	N/A	N/A	N/A	N/A
Final dividend: Current year	Nil	N/A	N/A	N/A	N/A
Previous year	Nil	N/A	N/A	N/A	N/A

There are no Dividend Reinvestment Plans.

12. Control gained over entities

N/A

12.1 Loss of control over entities

During the year, the company sold its core business, eServGlobal Holdings SAS and its controlled entities, to Seamless Distribution Systems. The sale was completed on 25 July 2019 for a total cash consideration of \$3.2m prior to any costs to sell.

13. Subsequent Events

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

14. Commentary on Results for the Period

Refer to the explanation of results in Section 2.

15. Accounts

This report is based on accounts which are in the process of being audited.

Director

Print name: John Conoley

Date: 28 February 2020